

Key Developments and Growth in Greek Ship-Finance

May 2022

By Ted Petropoulos, Head, Petrofin Research ©.

Petrofin Research© presents, for the 21st year running, an overview and an in-depth analysis of the bank loan portfolios to Greek shipping, as of 31st December 2021.

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 increased during 2021 by 5.6%. The overall Greek loans (both drawn and committed but undrawn) booked both in Greece and worldwide as of 31/12/2021 have gone up to \$52,580.03m compared to \$49,794.51m in 2020, \$53,107.8m in 2019, \$53,176.32m in 2018, \$53,994.96m in 2017 and \$57,211.35 in 2016.

* **The Petrofin Index for Greek Shipfinance**, which commenced at 100 in 2001 and peaked at 443 in 2008, has risen from 301 in 2020 to 318 in 2021.

* **Greek banks** showed the highest growth among the 3 bank groups with 14.2% increase in portfolio.

* Drawn loans are up by 5.2%, reversing the previous year's fall of 4.51%. Significantly, Commitments are up by 12.5%.

* All three bank groups show growth, with Greek banks marking a significant rise of 14.2%. The upward trend continues uninterrupted since 2017.

* International banks WITH a Greek presence marked a small growth of 3% reversing the significant drop of 19% in 2020.

* The International Banks WITHOUT a Greek presence marked a small growth of 2.84% stabilising last year's fall.

* The number of banks involved in Greek shipfinance has remained the same at 56.

* Credit Suisse remains in the top position with a further portfolio reduction of 12.5%, following the portfolio reduction of 16.88% in 2020.

* The top 10 Greek ship financing banks stood at US\$30.45bn, compared to last year's \$29bn and the previous year's \$29.9bn. Their market share is slightly down to 57.9% from 58.25% in 2020.

* The steady decrease of European banks' exposure has halted with a slight reverse of their decreasing market share of the last years. Their portfolio now holds 74.33% of the market, compared to 73.84% in 2020, 75.8% in 2019, 76.9%, in 2018, 78.70% in 2017, 81.04% in 2016.

* The Lead Managers are down slightly down by 5.29%.

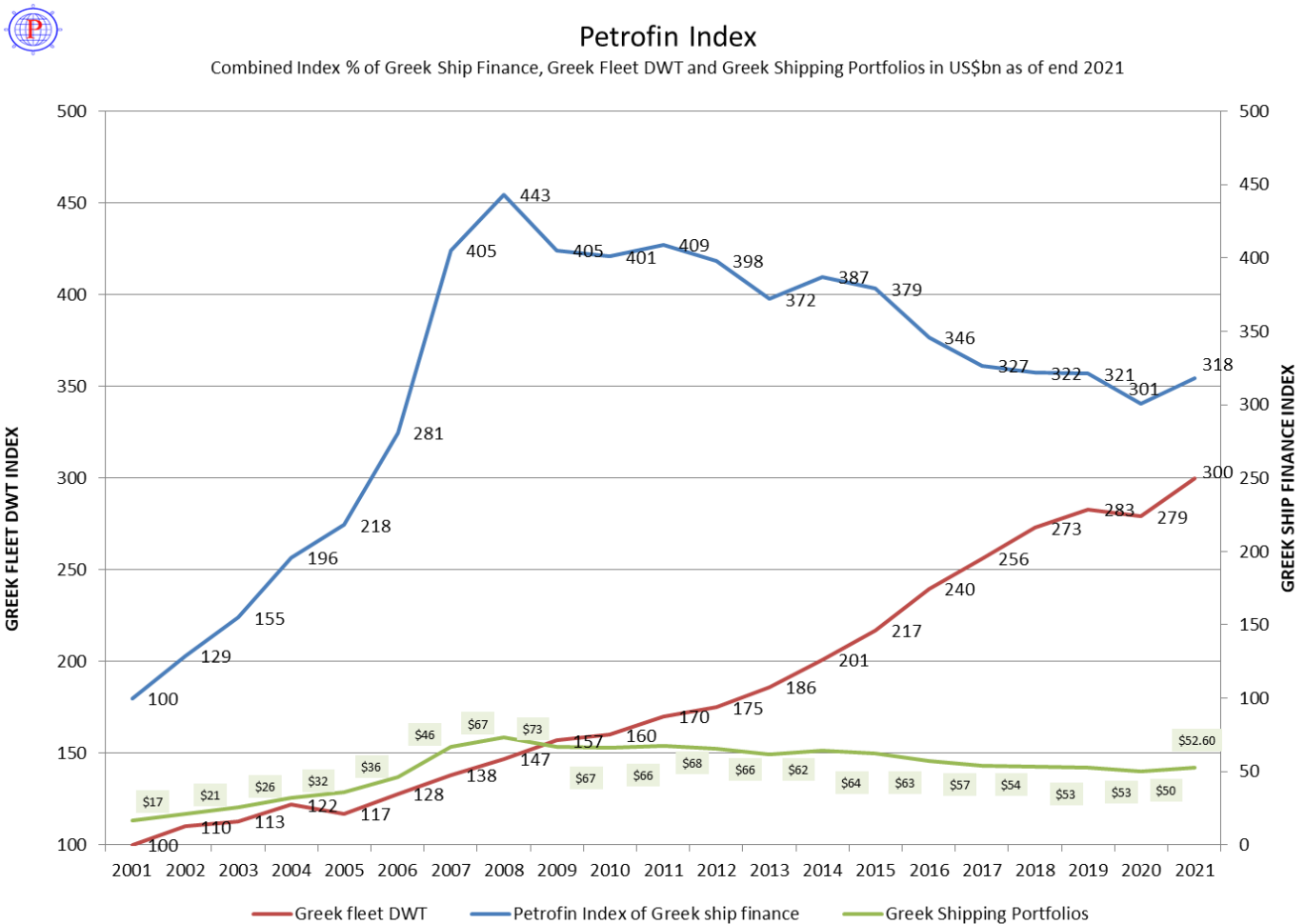
* Forward commitments to newbuildings have also increased by 12.92%, continuing a strong momentum which started in 2019, despite the slowdown in Greek shipbuilding orders.

* The decline of Greek shipfinance bank lending reflects the challenging regulatory and operating environment by banks, primarily in Europe. In contrast, Far East lenders and leasing companies operated under more supportive conditions. Greek banks are the exception, as a result of their commitment, Greece's improved S&P and Moody's rating, a lower cost of funding, attractive clientele and supportive ancillary business returns, as well as robust loan portfolios.

2. Petrofin Index of Greek ship finance

The Petrofin Index of Greek ship finance published by Petrofin Research © is up from 301 to 318.

Graph 1: Petrofin Index of Greek Ship Finance, Greek Fleet DWT and Greek Shipping Portfolios in US\$bn



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The Petrofin Index of the Greek shipping portfolios since 2001 has fallen from a high of 443 in 2008 to 321, i.e. - 27.53% over the last 12 years.

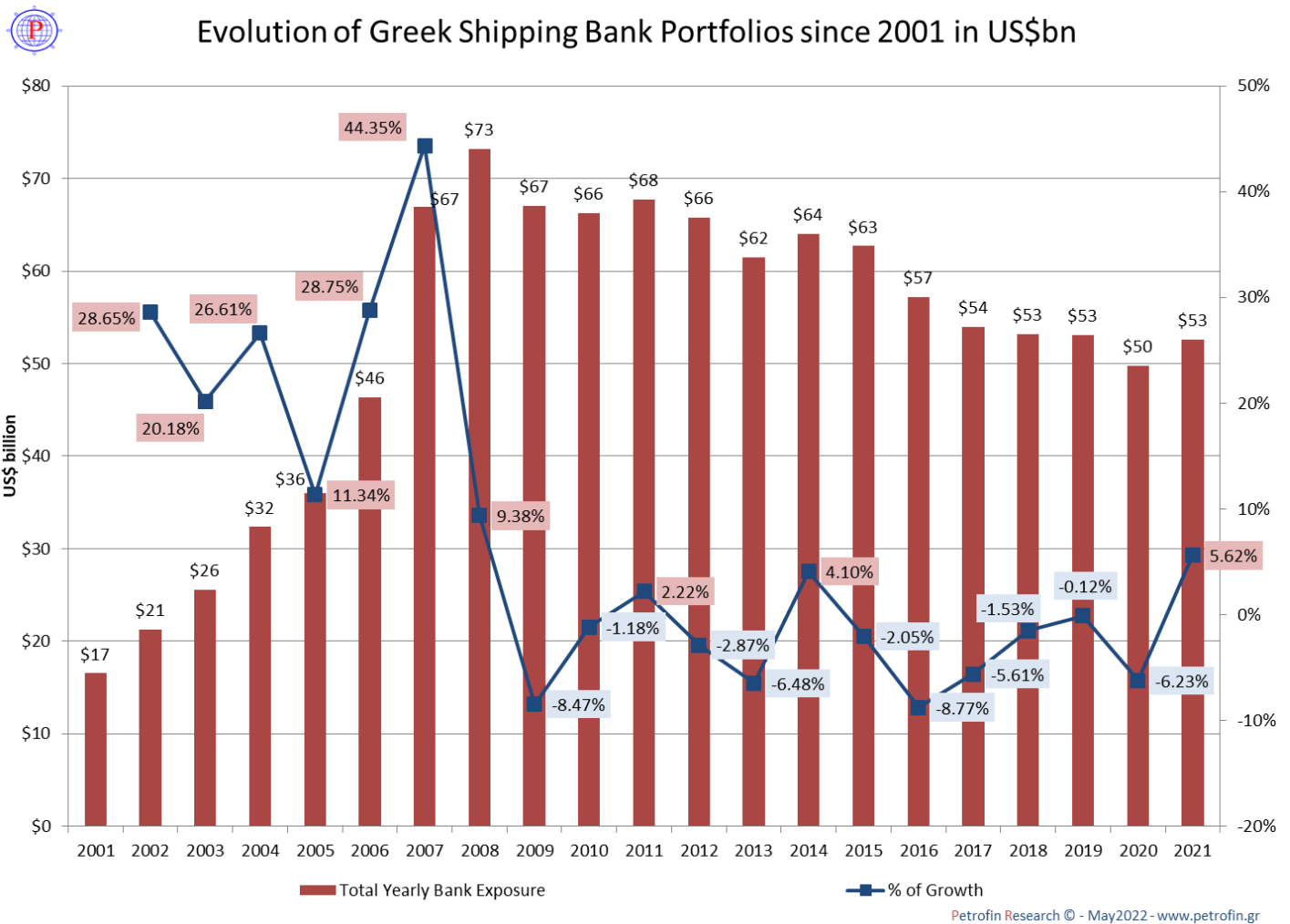
The Graph shows the increased Greek fleet in DWT terms over the last 20 years.

3. Total Greek ship finance portfolio as of end 2021 Petrofin Bank Research ©

The annual results by Petrofin Bank Research©, now released for the 21st year running, reflect the exposure of all banks engaged in lending to Greek owners, at the end of 2021.

As of end 2021, the total Greek shipping portfolio stood at \$52,580.03m. This marks the third instance of portfolio growth since 2008, the other two being 2012 and 2014. In 2020 Greek shipping finance stood at US\$49,794.51, the lowest since 2006. In 2021 it went up by 5.62%.

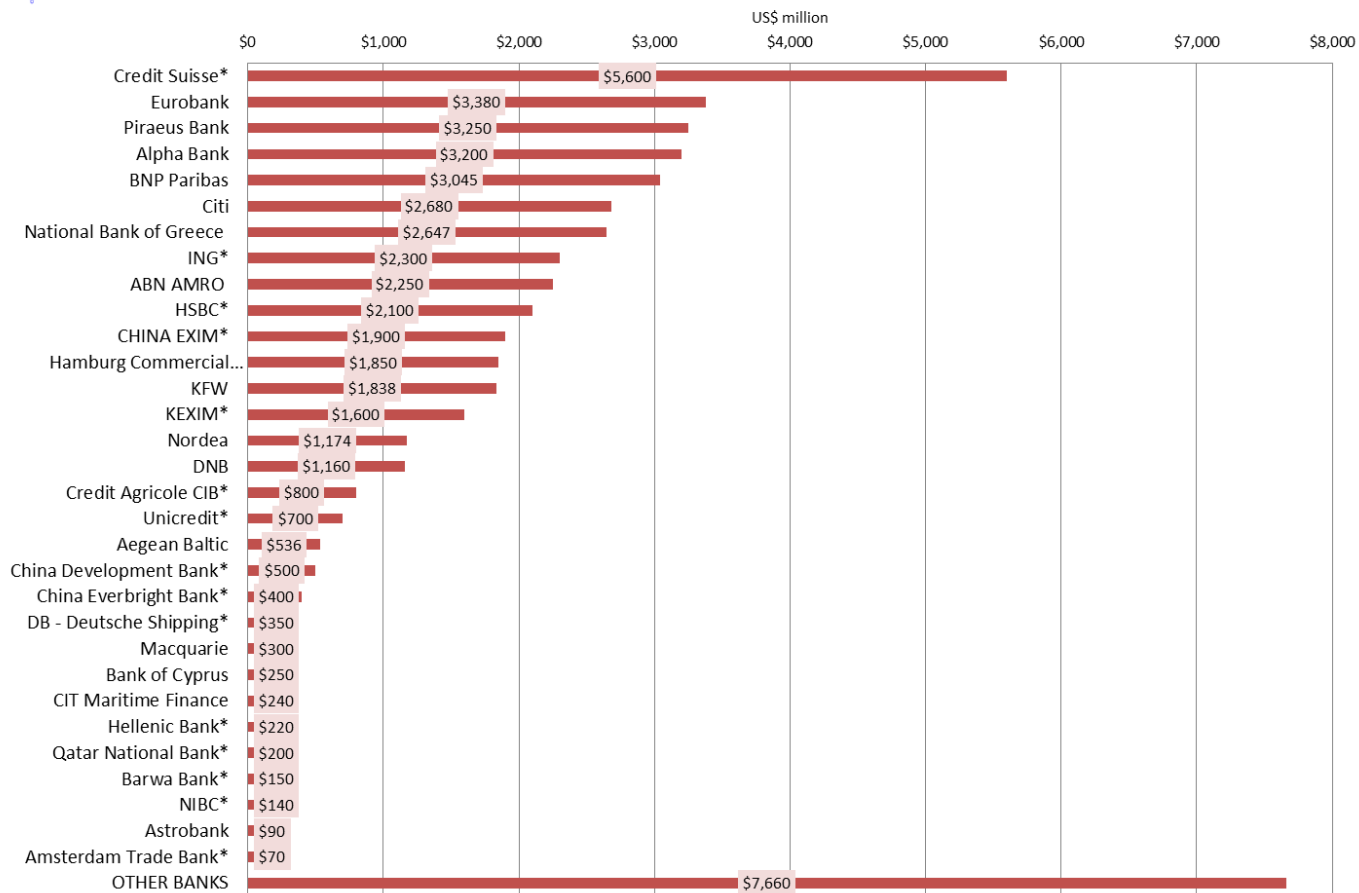
Graph 2: Evolution of Greek shipping bank portfolios since 2001



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



All Banks Ranked



* Market estimate

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Credit Suisse* continued to hold the top position for the seventh year running, with Eurobank replacing BNP Paribas at the second place. Eurobank is closely followed by Piraeus Bank and Alpha Bank and together with BNP Paribas they represent the top 5 banks⁰.

⁰ The above figures of Greek banks to Greek shipping may contain loans booked in centres outside of Greece, and / or problem loans in the process of liquidation.

4. Research and Analysis

A. The Greek shipfinance market as of end 2021

Table 1: Bank ranking as of end 2021 – in US\$m

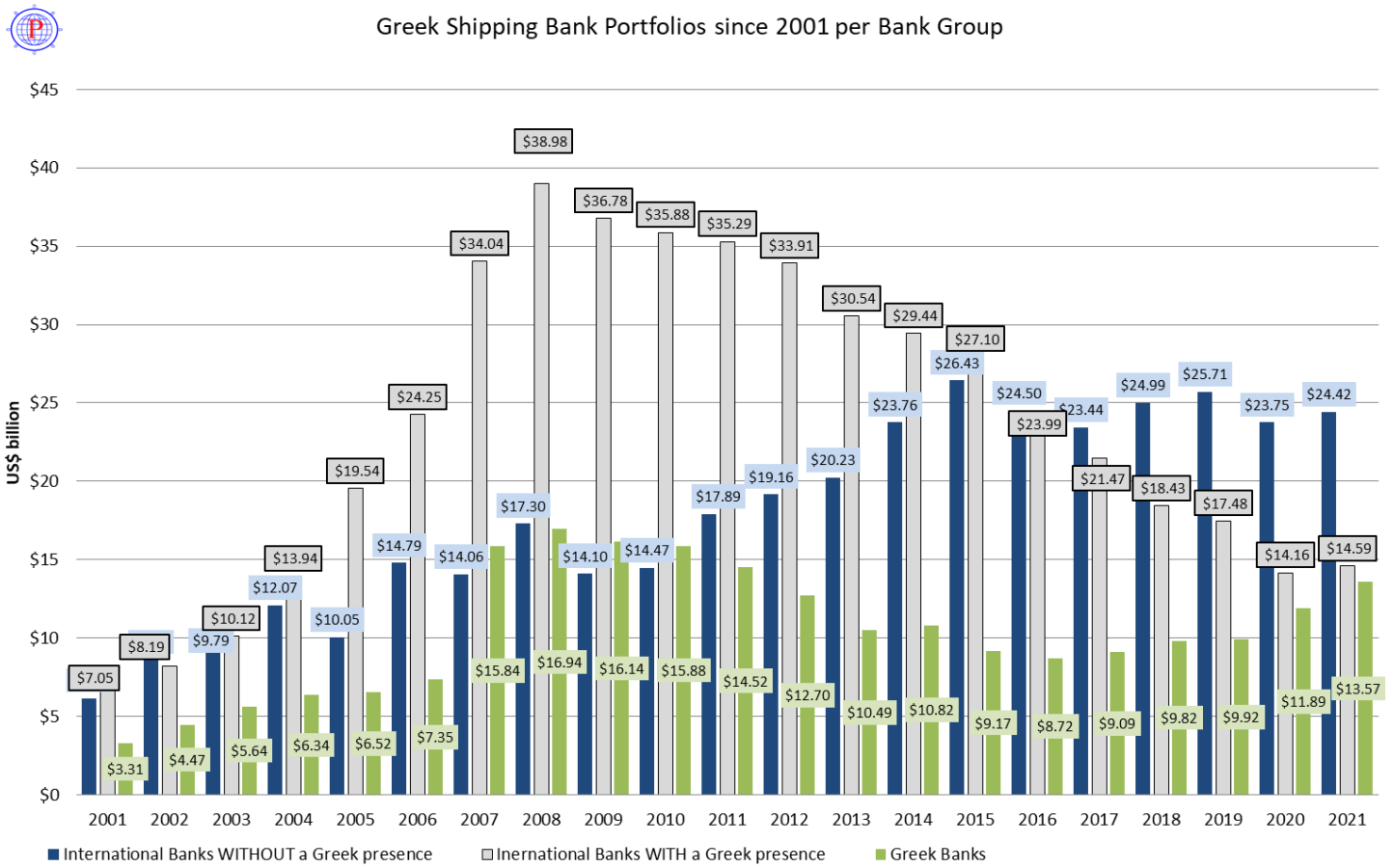
<i>Greek shipping portfolios as of end 2021</i>				
 Bank	Drawn	Committed but Undrawn	Total	% of Greek Portfolios
Credit Suisse*	\$5,200.00	\$400.00	\$5,600.00	10.65%
Eurobank	\$3,000.00	\$380.00	\$3,380.00	6.43%
Piraeus Bank	\$2,950.00	\$300.00	\$3,250.00	6.18%
Alpha Bank	\$3,100.00	\$100.00	\$3,200.00	6.09%
BNP Paribas	\$2,769.00	\$276.00	\$3,045.00	5.79%
Citi	\$2,500.00	\$180.00	\$2,680.00	5.10%
National Bank of Greece	\$2,558.20	\$88.50	\$2,646.70	5.03%
ING*	\$2,150.00	\$150.00	\$2,300.00	4.37%
ABN AMRO	\$2,000.00	\$250.00	\$2,250.00	4.28%
HSBC*	\$2,000.00	\$100.00	\$2,100.00	3.99%
CHINA EXIM*	\$1,900.00	\$0.00	\$1,900.00	3.61%
Hamburg Commercial Bank *	\$1,850.00	\$0.00	\$1,850.00	3.52%
KFW	\$1,357.28	\$480.79	\$1,838.07	3.50%
KEXIM*	\$1,600.00	\$0.00	\$1,600.00	3.04%
Nordea	\$1,159.00	\$15.00	\$1,174.00	2.23%
DNB	\$930.00	\$230.00	\$1,160.00	2.21%
Credit Agricole CIB*	\$800.00	\$0.00	\$800.00	1.52%
Unicredit*	\$700.00	\$0.00	\$700.00	1.33%
Aegean Baltic	\$520.86	\$15.40	\$536.26	1.02%
China Development Bank*	\$500.00	\$0.00	\$500.00	0.95%
China Everbright Bank*	\$400.00	\$0.00	\$400.00	0.76%
DB - Deutsche Shipping*	\$350.00	\$0.00	\$350.00	0.67%
Macquarie	\$300.00	\$0.00	\$300.00	0.57%
Bank of Cyprus	\$250.00	\$0.00	\$250.00	0.48%
CIT Maritime Finance	\$240.00	\$0.00	\$240.00	0.46%
Hellenic Bank*	\$220.00	\$0.00	\$220.00	0.42%
Qatar National Bank*	\$200.00	\$0.00	\$200.00	0.38%
Barwa Bank*	\$150.00	\$0.00	\$150.00	0.29%
NIBC*	\$140.00	\$0.00	\$140.00	0.27%
Astrobank	\$90.00	\$0.00	\$90.00	0.17%
Amsterdam Trade Bank*	\$70.00	\$0.00	\$70.00	0.13%
OTHER BANKS	\$7,660.00		\$7,660.00	14.57%
<i>Total Greek portfolio</i>	<i>\$49,614.35</i>	<i>\$2,965.69</i>	<i>\$52,580.03</i>	
<i>Overall number of banks</i>	<i>56</i>			

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Table 2 – Top 30 banks - Changes in rank between 2020 and 2021

 <i>Changes in Rank in one year</i>			
Rank	% of Bank's portfolio change between 2020- 2021	2021	2020
1	-12.50%	Credit Suisse*	Credit Suisse*
2	29.40%	Eurobank	BNP Paribas
3	12.07%	Piraeus Bank	Piraeus Bank
4	12.28%	Alpha Bank	Alpha Bank
5	2.87%	BNP Paribas	Citi
6	-0.74%	Citi	Eurobank
7	2.43%	National Bank of Greece	National Bank of Greece
8	17.95%	ING*	HSBC*
9	15.38%	ABN AMRO	ING*
10	56.34%	HSBC*	ABN AMRO
11	0.00%	CHINA EXIM*	CHINA EXIM*
12	-2.63%	Hamburg Commercial Bank *	Hamburg Commercial Bank *
13	36.84%	KFW	KEXIM*
14	19.11%	KEXIM*	KFW
15	2.00%	Nordea	Nordea
16	10.27%	DNB	DNB
17	0.00%	Credit Agricole CIB*	Credit Agricole CIB*
18	0.00%	Unicredit*	Unicredit*
19	38.41%	Aegean Baltic	DB - Deutsche Shipping*
20	0.00%	China Development Bank*	China Development Bank*
21	0.00%	China Everbright Bank*	China Everbright Bank*
22	-30.00%	DB - Deutsche Shipping*	Aegean Baltic
23	0.00%	Macquarie	CIT Maritime Finance
24	13.64%	Bank of Cyprus	Macquarie
25	-20.00%	CIT Maritime Finance	Bank of Cyprus
26	0.00%	Hellenic Bank*	Hellenic Bank*
27	100.00%	Qatar National Bank*	NIBC*
28	50.00%	Barwa Bank*	Astrobank
29	-12.50%	NIBC*	Qatar National Bank*
30	-10.00%	Astrobank	Barwa Bank*



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



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All groups have risen.

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

		DRAWN							
	Change between 2020-2021		Drawn loan portfolios as of end 2020	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	
International Banks WITH a Greek presence	0.53%	\$13,549	\$13,478	\$16,173	\$17,586	\$20,169	\$21,425	\$25,329	
International Banks WITHOUT a Greek presence	2.94%	\$23,376	\$22,709.25	\$23,688.99	\$23,461	\$22,199	\$23,204	\$21,841	
Greek banks	15.66%	\$12,690	\$10,971.4	\$9,521.89	\$9,538	\$8,785	\$8,485	\$8,941	
Total	5.2%	\$49,614	47,158.65	\$49,383.88	\$50,586	\$51,153	\$53,114	\$56,111	
		COMMITTED BUT UNDRAWN							
	Change between 2020-2021		Committed but Undrawn loan portfolio as of end 2020	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	
International Banks WITH a Greek presence	51.5%	\$1,036	\$684	\$1,303.9	\$847	\$1,298	\$2,565	\$1,775	
International Banks WITHOUT a Greek presence	0.75%	\$1,046	\$1,038	\$2,017.83	\$1,461	\$1,238	\$1,297	\$4,594	
Greek banks	-3.28%	\$884	\$914	\$402.20	\$283	\$306	\$236	\$232	
Total	12.5%	2,966	\$2,636	\$3,723.93	\$2,591	\$2,842	\$4,098	\$6,600	
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In Drawn loans, International banks without a Greek presence, which include many Asian banks, went up by 2.94%. Smaller growth of 0.53% was achieved by International banks with a Greek presence, which are primarily European. The exception being Greek banks which went up by 15.66%.

Commitments show a very interesting picture. Whereas in 2020, despite the pandemic, there was a year of major growth and commitment by Greek banks of 127% (from \$402m in 2019 to \$914m in 2020), this year commitments are about the same, as there seems to be a steady trend. On the contrary, International Banks with a Greek presence, which are primarily European, have upped their forward commitments by just over 50%, upending their last year fall of over 40%. International Banks without a Greek presence are about the same. Overall, Commitments are up 12.5%.

The top 10 banks' ranking order follows in Table 4

Table 3: Top ten banks ranked by portfolio size (in US\$m) – last 4 years



As of end 2021

As of end 2020

As of end 2019

As of end 2018

Rank	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	Credit Suisse*	\$5,600.00	10.65%	Credit Suisse*	\$6,400.00	12.85%	Credit Suisse*	\$7,700.00	14.50%	Credit Suisse*	\$7,000.00	13.16%
2	Eurobank	\$3,380.00	6.43%	BNP Paribas	\$2,960.00	5.94%	BNP Paribas	\$3,150.00	5.93%	DVB	\$3,099.00	5.83%
3	Piraeus Bank	\$3,250.00	6.18%	Piraeus Bank	\$2,900.00	5.82%	HSBC*	\$2,800.00	5.27%	BNP Paribas	\$2,920.00	5.49%
4	Alpha Bank	\$3,200.00	6.09%	Alpha Bank	\$2,850.00	5.72%	Citi	\$2,700.00	5.08%	Piraeus Bank**	\$2,840.00	5.34%
5	BNP Paribas	\$3,045.00	5.79%	Citi	\$2,700.00	5.42%	Piraeus Bank	\$2,500.00	4.71%	HSBC	\$2,800.00	5.27%
6	Citi	\$2,680.00	5.10%	Eurobank	\$2,612.00	5.25%	Alpha Bank	\$2,500.00	4.71%	Citi	\$2,700.00	5.08%
7	National Bank of Greece	\$2,646.70	5.03%	National Bank of Greece	\$2,583.80	5.19%	Eurobank	\$2,171.00	4.09%	National Bank of Greece	\$2,453.10	4.61%
8	ING*	\$2,300.00	4.37%	HSBC*	\$2,100.00	4.22%	ING*	\$2,150.00	4.05%	Alpha Bank	\$2,340.00	4.40%
9	ABN AMRO	\$2,250.00	4.28%	ING*	\$1,950.00	3.92%	DVB	\$2,144.00	4.04%	ABN AMRO	\$2,325.00	4.37%
10	HSBC*	\$2,100.00	3.99%	ABN AMRO	\$1,950.00	3.92%	ABN AMRO	\$2,100.00	3.95%	ING*	\$2,200.00	4.14%
<i>Totals</i>		\$30,452	57.91%	<i>Totals</i>	\$29,005.80	58.25%	<i>Totals</i>	\$29,915	56.33%	<i>Totals</i>	\$30,677.1	57.69%

* Market estimate

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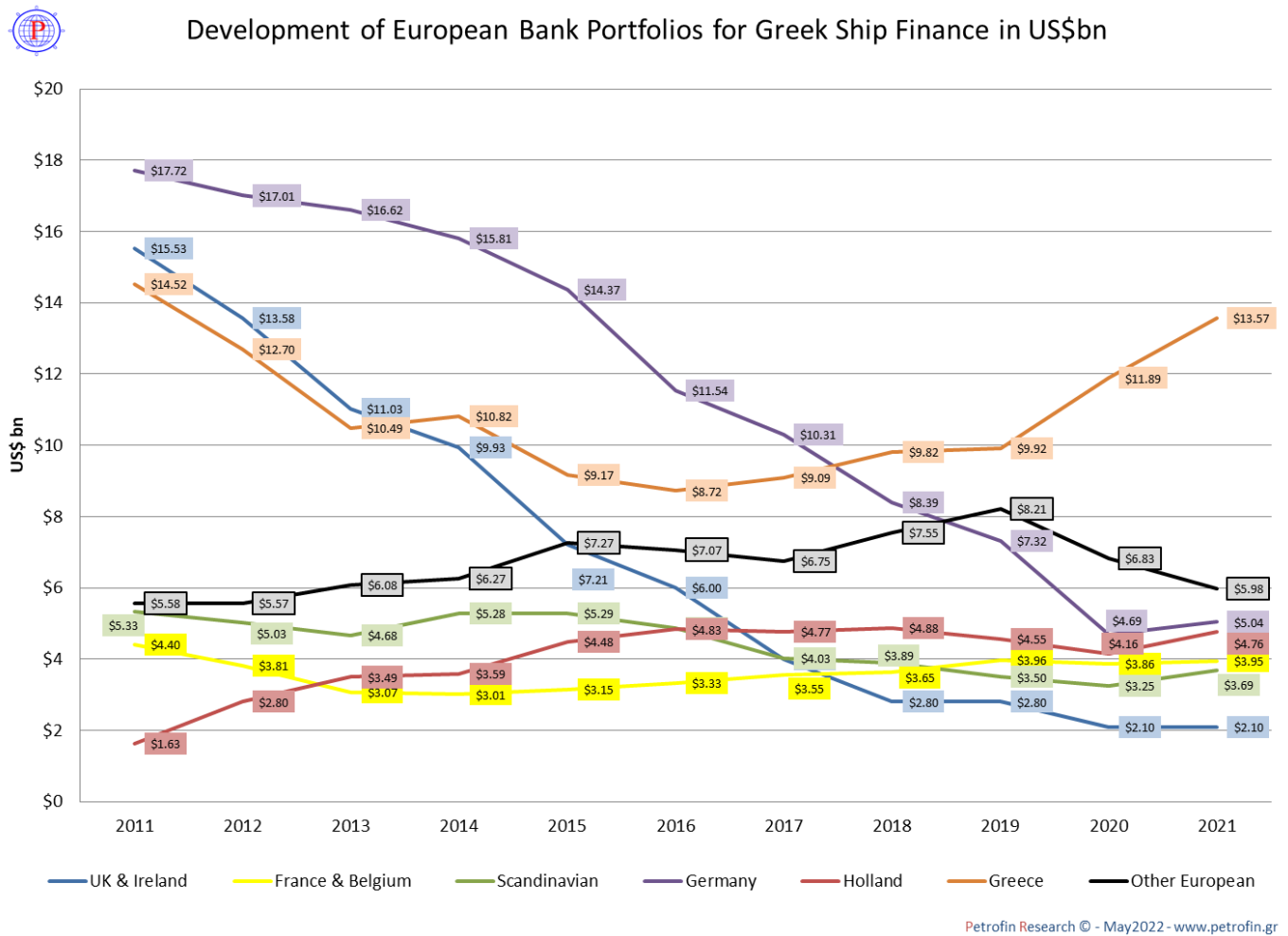
Credit Suisse* remains at the top with a slightly reduced share of 10.65%, compared to last year's share 12.85%.

The major news here is that Eurobank is now placed in the second position rising from the sixth in 2020.

BNP Paribas is now in fifth position and Piraeus and Alpha have risen to third and fourth respectively. Out of the top 5 the three are Greek banks in 2021.

Nationality of banks


Graph 5: European ship finance since 2011



The European total amounted to \$39,085.03m, increased from \$36,769.51m in 2020. This redresses the major drop in 2019 of \$40,258m. Whether this slight upward trend by most European countries holds remains to be seen.

It is noted that UK and Ireland as well as German nationality banks have shown a big decline over the last 20 years.

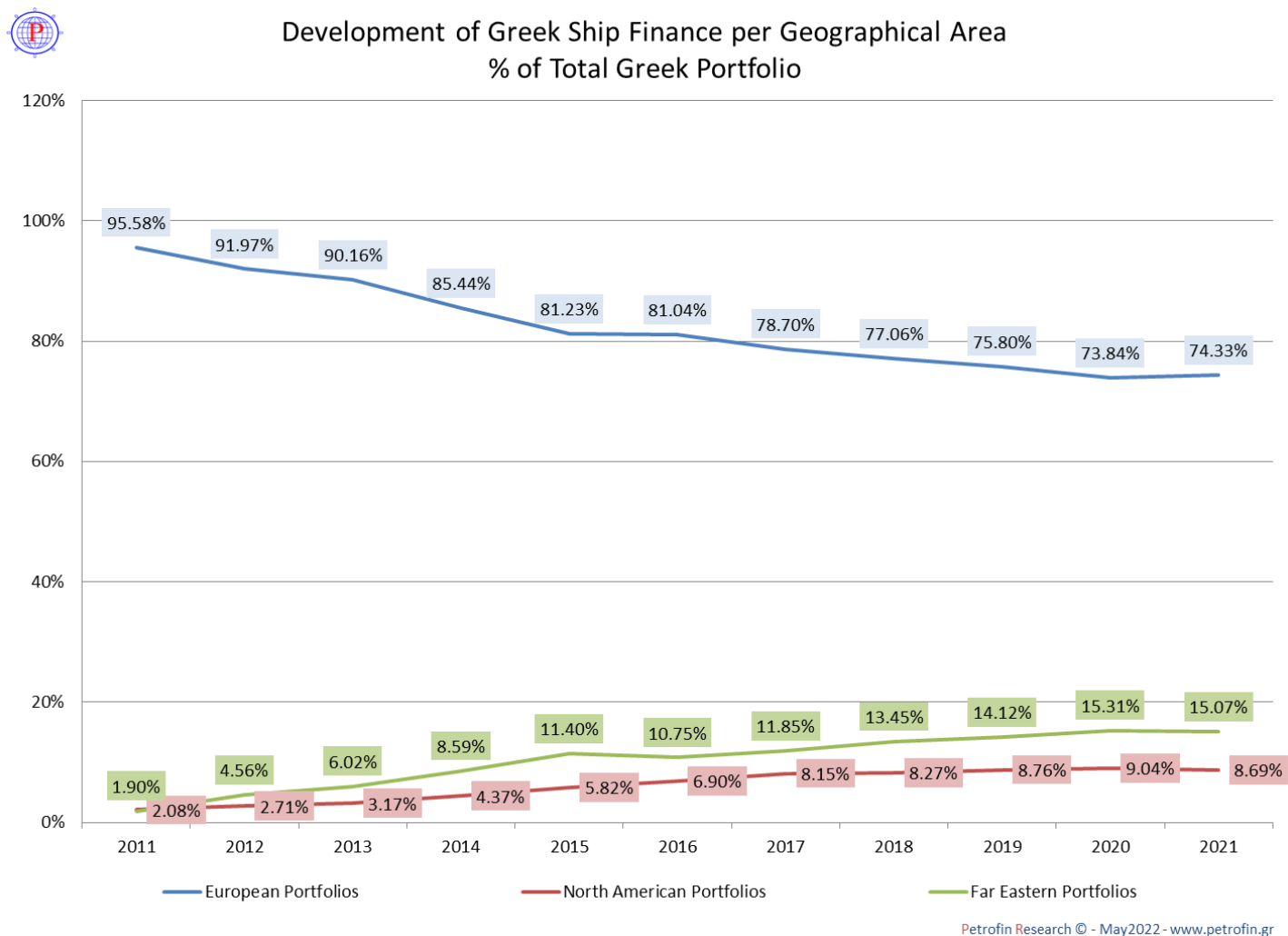
Table 4: European portfolios per country since 2011

	UK & Ireland	France & Belgium	Scandinavian	Germany	Holland	Greece	Other European
2011	\$15,533.00	\$4,401.00	\$5,325.00	\$17,717.00	\$1,632.00	\$14,517.00	\$5,575.00
2012	\$13,581.00	\$3,813.00	\$5,029.00	\$17,006.00	\$2,800.00	\$12,704.00	\$5,566.00
2013	\$11,029.00	\$3,065.00	\$4,676.00	\$16,617.00	\$3,493.00	\$10,487.00	\$6,080.00
2014	\$9,933.00	\$3,005.00	\$5,280.00	\$15,805.00	\$3,588.00	\$10,819.00	\$6,269.00
2015	\$7,210.00	\$3,145.00	\$5,293.00	\$14,370.00	\$4,480.00	\$9,173.00	\$7,270.00
2016	\$6,000.00	\$3,331.00	\$4,864.00	\$11,542.00	\$4,834.00	\$8,721.00	\$7,070.00
2017	\$4,000.00	\$3,550.00	\$4,027.00	\$10,309.00	\$4,767.80	\$9,091.00	\$6,750.00
2018	\$2,800.00	\$3,645.00	\$3,891.27	\$8,387.09	\$4,882.00	\$9,820.96	\$7,550.00
2019	\$2,800.00	\$3,960.00	\$3,495.96	\$7,315.76	\$4,552.00	\$9,924.09	\$8,210.00
2020	\$2,100.00	\$3,860.00	\$3,246.00	\$4,693.25	\$4,160.00	\$11,885.25	\$6,825.00
2021	\$2,100.00	\$3,945.00	\$3,694.00	\$5,038.07	\$4,760.00	\$13,572.96	\$5,975.00

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Most European countries are showing growth in Greek ship finance.

Graph 6: Geographical distribution of Greek ship finance share.



Compared to previous years, European banks have gained some ground in the Greek ship finance market. Greek banks have contributed to this growth.

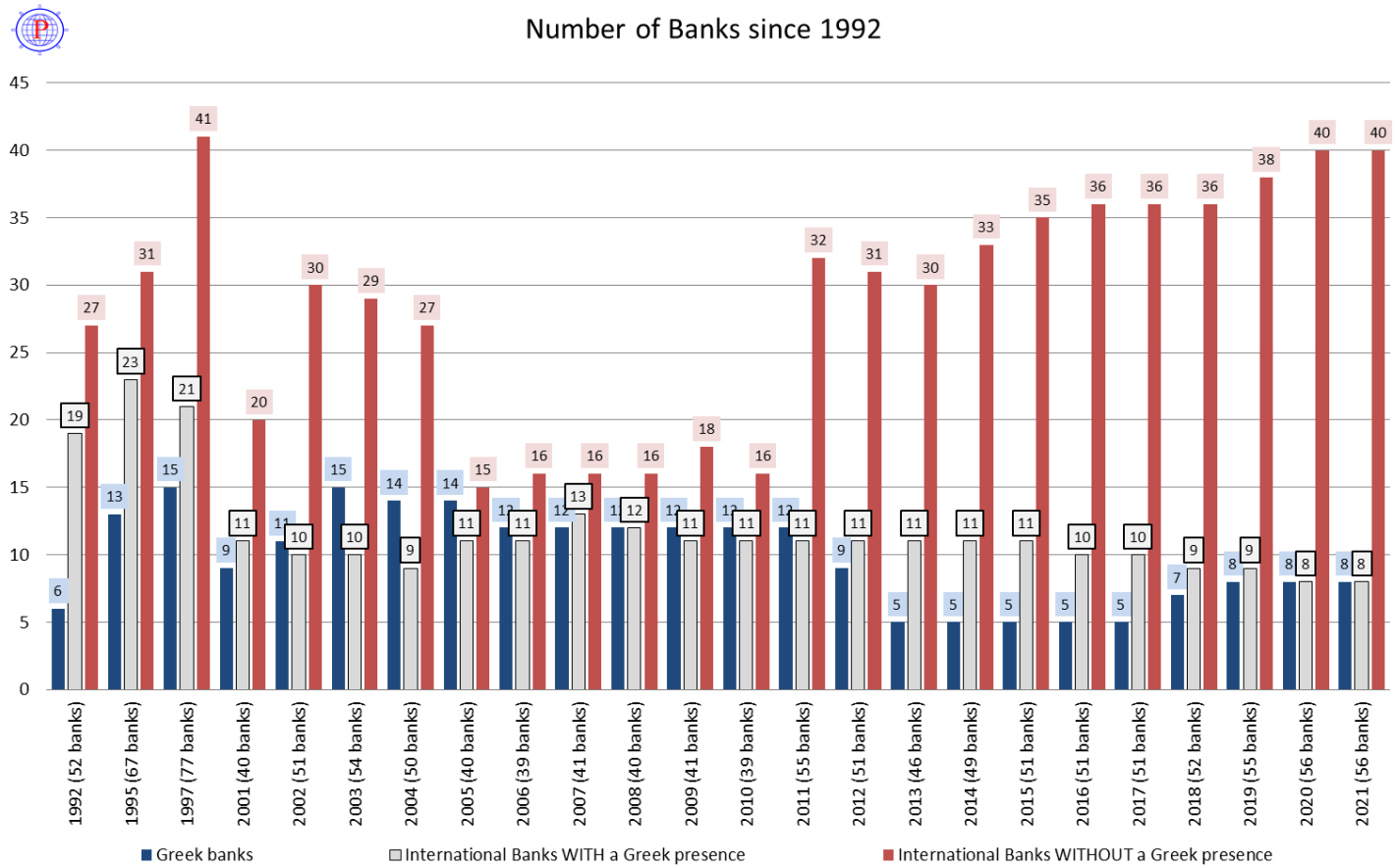
Table 5: Portfolios per geographical area

	<i>European</i>	<i>North America</i>	<i>Far East</i>	<i>Middle East</i>	<i>Australia</i>	<i>TOTALS</i>
2011	\$64,700.00	\$1,408.00	\$1,286.00	\$0.00	\$300.00	\$67,694.00
2012	\$60,499.00	\$1,780.00	\$3,000.00	\$0.00	\$500.00	\$65,779.00
2013	\$55,447.00	\$1,950.00	\$3,700.00	\$0.00	\$400.00	\$61,497.00
2014	\$54,699.00	\$2,800.00	\$5,500.00	\$670.00	\$350.00	\$64,019.00
2015	\$50,941.00	\$3,650.00	\$7,150.00	\$670.00	\$300.00	\$62,711.00
2016	\$46,362.00	\$3,950.00	\$6,150.00	\$500.00	\$250.00	\$57,212.00
2017	\$42,494.80	\$4,400.00	\$6,400.00	\$400.00	\$300.00	\$53,994.80
2018	\$40,976.32	\$4,400.00	\$7,150.00	\$300.00	\$350.00	\$53,176.32
2019	\$40,257.81	\$4,650.00	\$7,500.00	\$300.00	\$400.00	\$53,107.81
2020	\$36,769.50	\$4,500.00	\$7,625.00	\$200.00	\$700.00	\$49,794.50
2021	\$39,085.03	\$4,570.00	\$7,925.00	\$350.00	\$650.00	\$52,580.03

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Against the previous years' trend, last year Europe performed best showing a positive differential for the first time in 10 years.


Graph 7: Number of banks financing Greek Shipping – 1992-2021



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The number of banks has remained the same for the last two years running.

Table 6 summarises the comparative statistics for the Greek ship-finance market over the last 21 years.

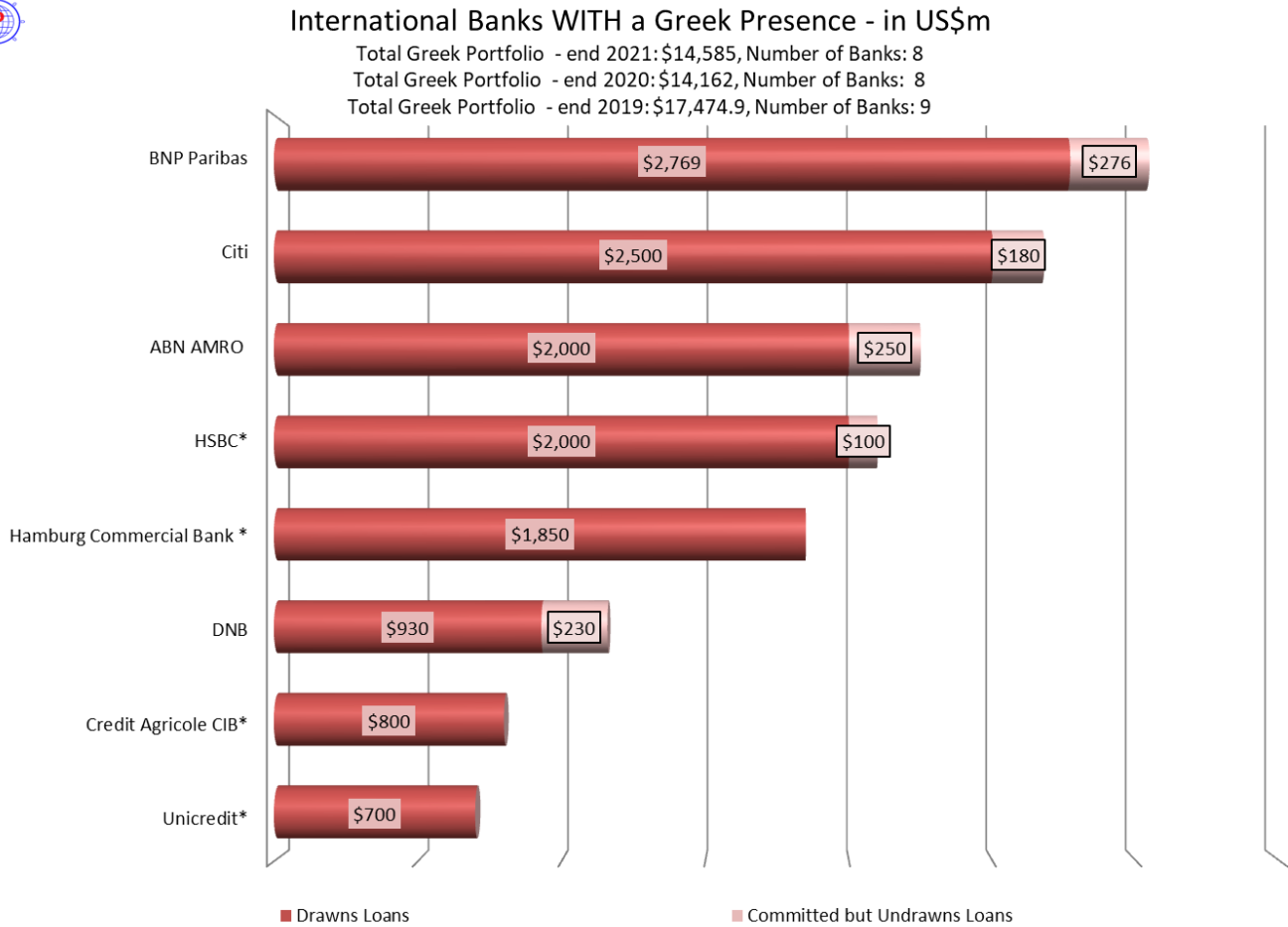
	No. of banks				Bank Exposure US\$m			
	International Banks WITH a Greek presence	International Banks WITHOUT a Greek presence	Greek banks	Total Number of Banks	International Banks WITH a Greek presence	International Banks WITHOUT a Greek presence	Greek banks	Total Yearly Bank Exposure
2001	11	20	9	40	\$7.05	\$6.17	\$6.17	\$16.53
2002	10	30	11	51	\$8.19	\$8.60	\$4.47	\$21.26
2003	10	29	15	54	\$10.12	\$9.79	\$5.64	\$25.55
2004	9	27	14	50	\$13.94	\$12.07	\$6.34	\$32.35
2005	11	15	14	40	\$19.45	\$10.05	\$6.52	\$36.02
2006	11	16	12	39	\$24.25	\$14.79	\$7.34	\$46.38
2007	13	16	12	41	\$37.04	\$14.06	\$15.84	\$66.94
2008	12	16	12	40	\$38.98	\$17.30	\$16.94	\$73.22
2009	11	18	12	41	\$36.78	\$14.10	\$16.14	\$67.02
2010	11	16	12	39	\$35.88	\$14.47	\$15.88	\$66.23
2011	11	32	12	55	\$35.29	\$17.89	\$14.52	\$67.70
2012	11	31	9	51	\$33.90	\$19.16	\$12.70	\$65.76
2013	11	30	5	46	\$30.74	\$20.27	\$10.49	\$61.50
2014	11	33	5	49	\$29.44	\$23.76	\$10.82	\$64.02
2015	11	35	5	51	\$27.10	\$26.44	\$9.17	\$62.71
2016	10	36	5	51	\$23.99	\$24.50	\$8.72	\$57.21
2017	10	36	5	51	\$21.47	\$23.44	\$9.09	\$54.00
2018	9	36	7	52	\$18.43	\$24.92	\$9.82	\$53.17
2019	9	38	8	55	\$17.48	\$25.71	\$9.92	\$53.11
2020	8	40	8	56	\$14.17	\$23.75	\$11.88	\$49.80
2021	8	40	8	56	\$14.58	\$24.42	\$13.58	\$52.58

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B. Analysis of the 3 bank groups

International Banks WITH a Greek Presence

Graph 8: International banks with a Greek presence



*Market estimate

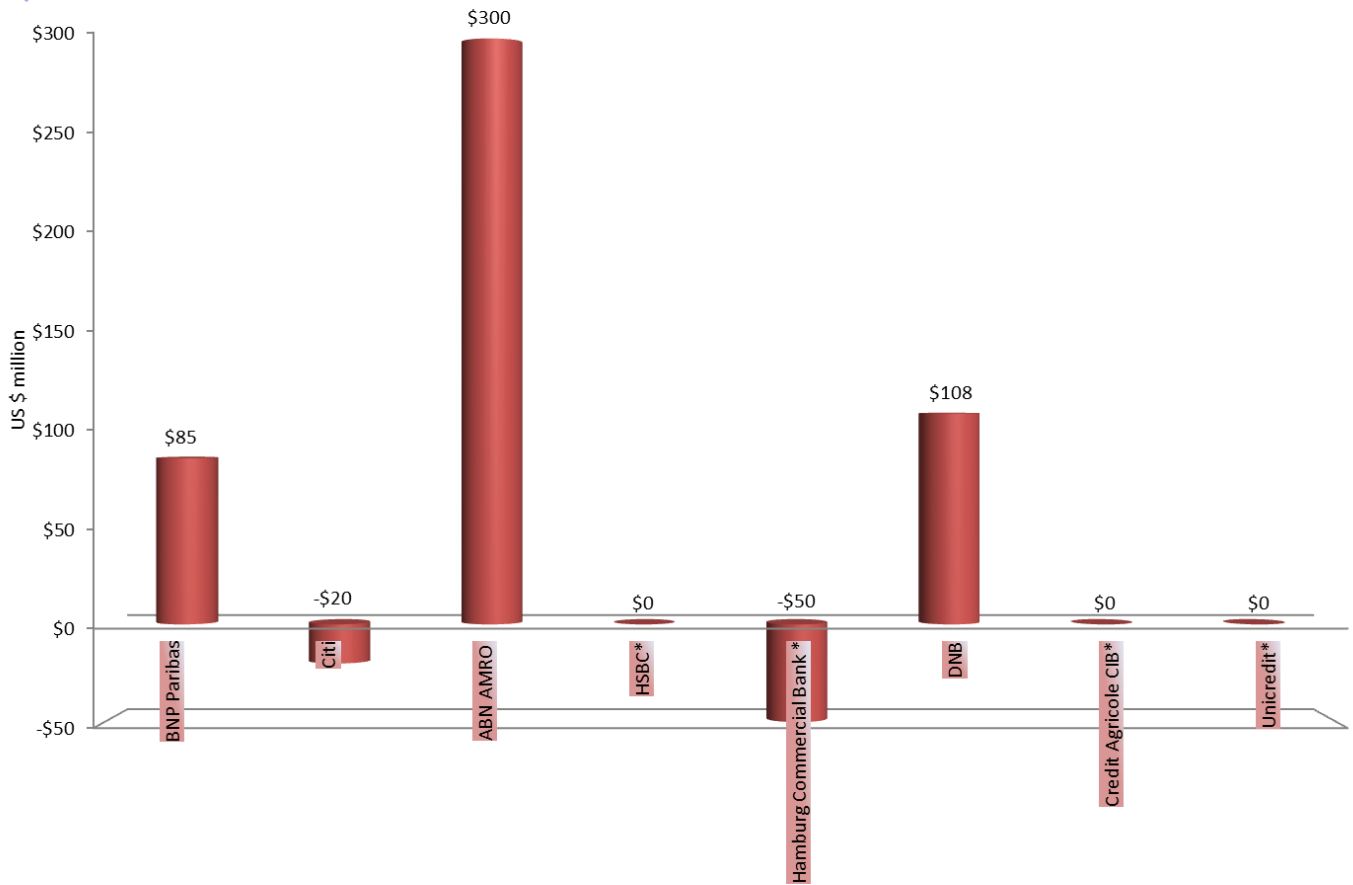
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These banks marked a modest increase of 2.99%. European ship finance is facing a number of challenges, primarily concerning green finance. These major lenders have to comply with increasing regulation and compliance with the new emergency mandates to address climate change.

Graph 9: Total portfolios: Change between 2020 and 2021



International Banks with Greek Presence Change between 2020-2021



*Market estimate

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International Banks WITHOUT a Greek Presence

Graph 11: International banks without a Greek presence

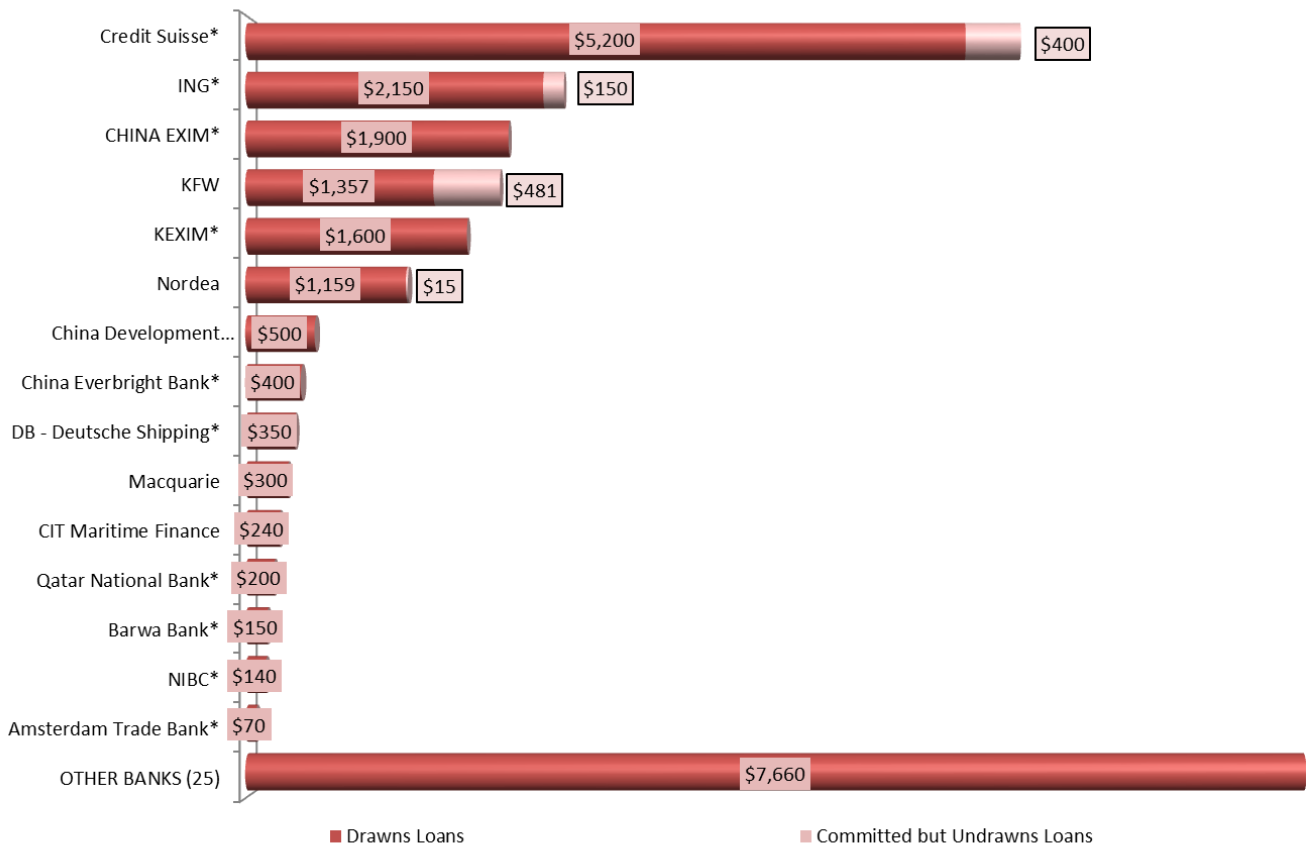


International Banks WITHOUT a Greek Presence - in US\$m

end 2021: \$24,422.07, Number of Banks: 40

end 2020: \$23,747.25, Number of Banks: 40

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



*Market estimate

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Other banks related business is based mostly in participating in major syndications / club deals and local financing. Still, they represent in total a significant force in Greek shipfinance.

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

Table 10: Other banks

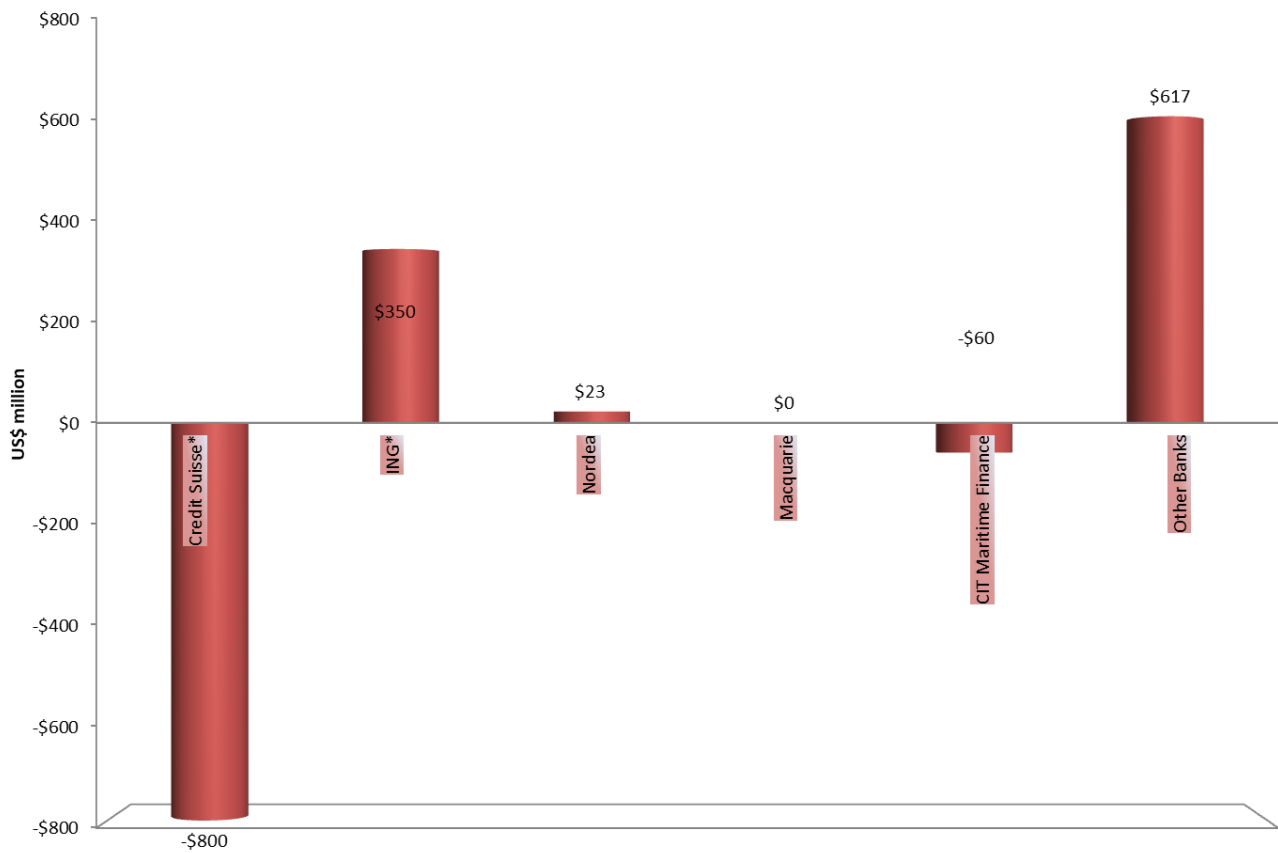
Japan Bank for International Co-operation*
Nippon Export and Investment Insurance*
Danish Ship Finance*
Danske*
Fokus*
KBC Bank*
SEB*
ITF*
Scotia Bank*
Banque Lblux*
Bank of America*
Commonwealth Bank of Australia*
Berenberg*
IIG Bank Malta*
FIMbank Malta*
Sumitomo Mitsui Trust Banking*
Mitsubishi UFG*
ICBC*
Bank of China*
Bank of Communications*
Iyo Bank*
Merchant and Maritime Bank*
Tokyo Century Bank*
Mizuho Marubeni Leasing Corporation*
Korea Development Bank*

* Market estimate
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Graph 12: Total portfolios – Change between 2020 and 2021



International Banks Without Greek Presence Change between 2020-2021



*Market estimate

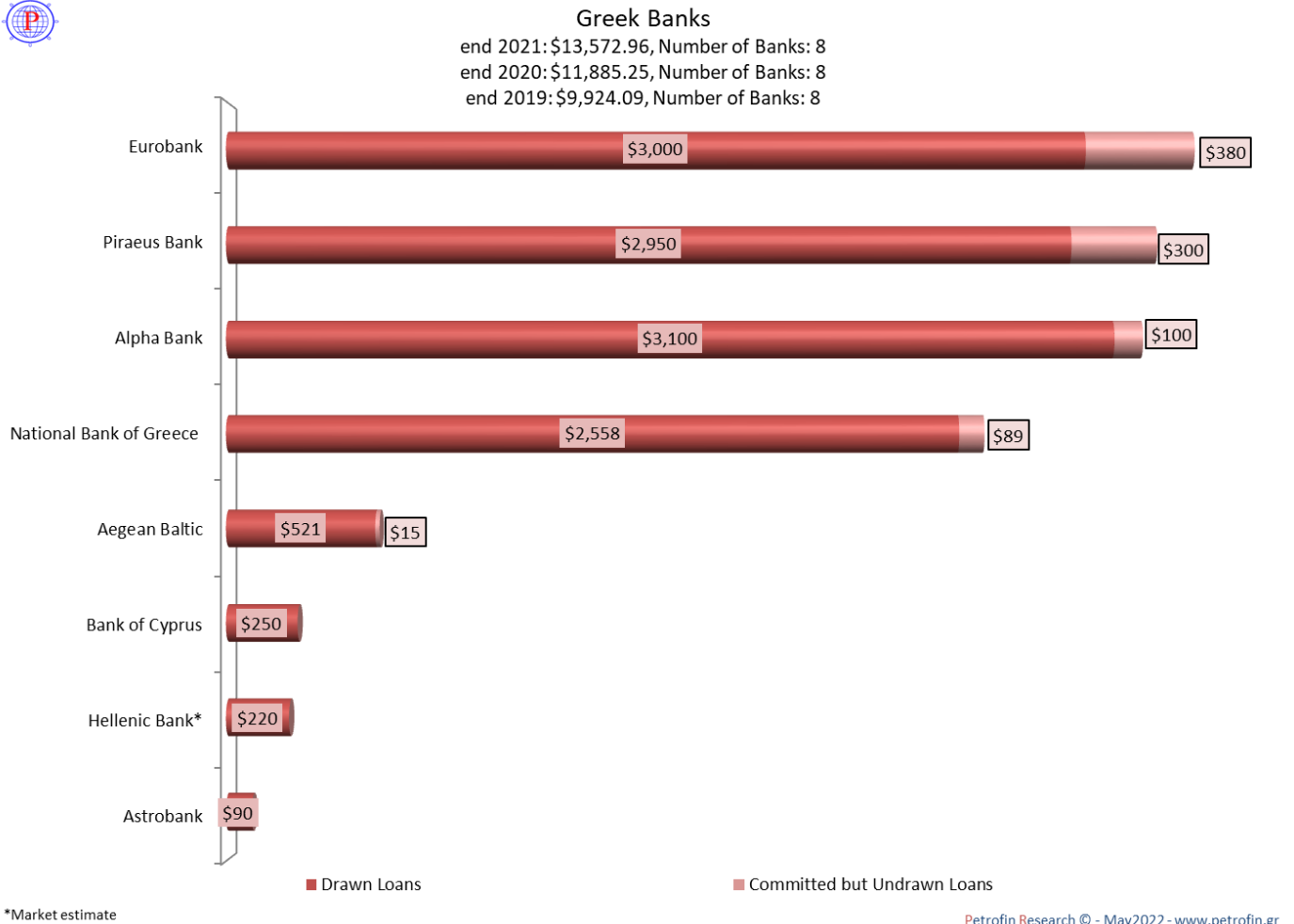
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Above a selective comparison between bank portfolios over the period 2020 - 2021

Credit Suisse*'s decline may be seen as part of a shipping refocusing exercise and reduced lending opportunities at sufficiently attractive rates due to competition mainly from Far Eastern leasing companies.

Greek Banks

Graph 13: Greek banks

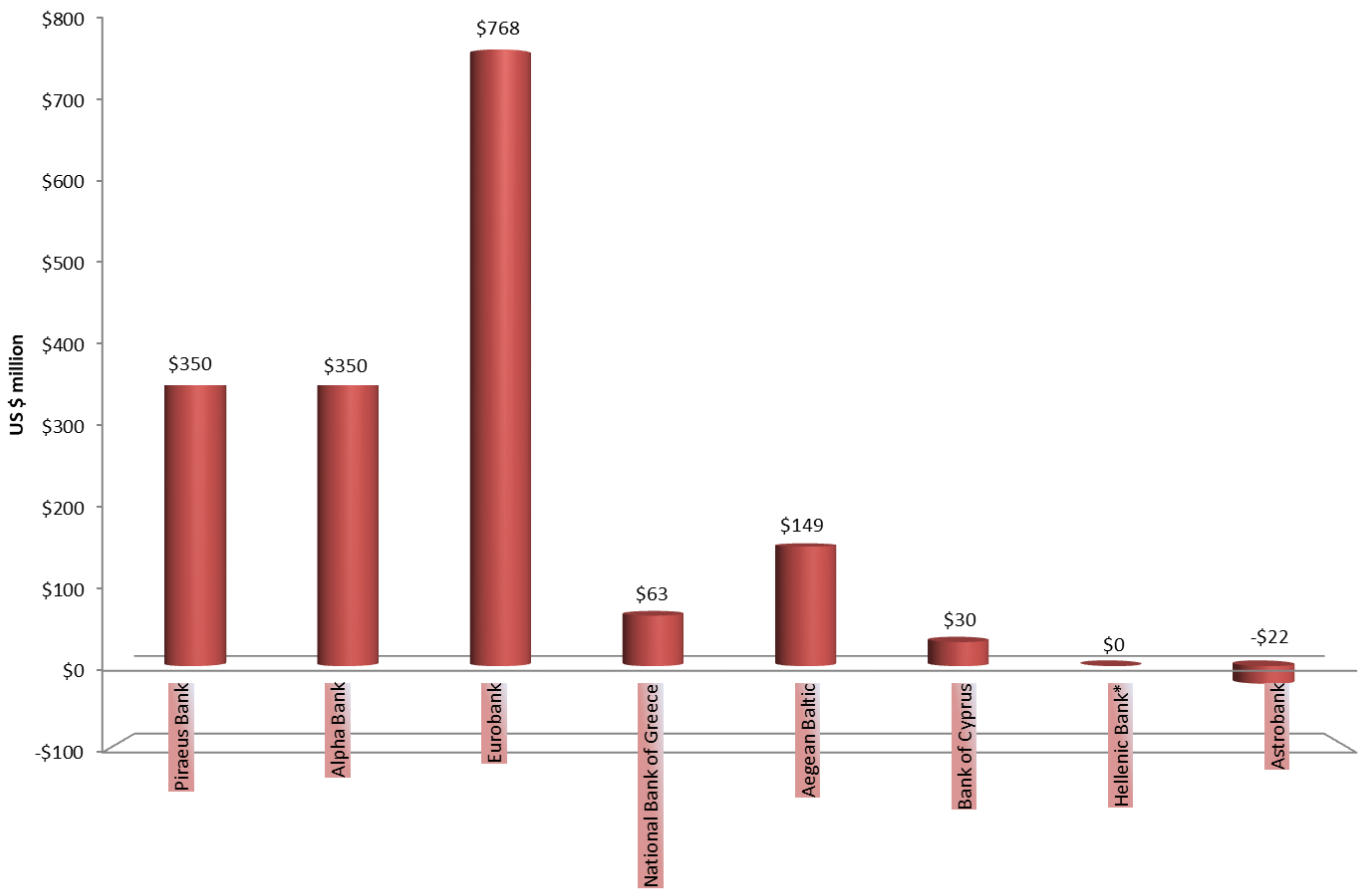


Greek banks marked the highest growth with 14.2% increase in their exposure to Greek shipping.

Graph 14: Greek banks – Change in portfolios between 2020 and 2021



Greek Banks Portfolio Change between 2020-2021



*Market estimate

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The only Group marking a significant increase is the Greek bank group. Greek banks have continued amidst the pandemic and the global uncertainty to finance the Greek fleet.

C. Newbuilding Finance Research

Table 17: Newbuilding finance – in US\$m

Bank	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	end 2020			Change in % allocation to Newbuildings between 2019 and 2020	end 2021			Change in % allocation to Newbuildings between 2020 and 2021
		Committed but Undrawn portfolio (US\$m)	% of N/Bs	Amount for N/Bs		Committed but Undrawn portfolio (US\$m)	% of N/Bs	Amount for N/Bs		Committed but Undrawn portfolio (US\$m)	% of N/Bs	Amount for N/Bs		Committed but Undrawn portfolio (US\$m)	% of N/Bs	Amount for N/Bs	
Credit Suisse*	36%	\$1,100.00	60%	\$660.00	-20%	\$1,200.00	54.17%	\$650.00	-6%	\$800.00	100%	\$800.00	46%	\$400.00	100%	\$400.00	0%
National Bank of Greece	-69%	\$125.40	9%	\$11.29	-23%	\$26.60	0%	\$0.00	-9%	\$289.00	53.3%	\$154.04	53%	\$88.50	44.2%	\$39.12	-9%
BNP Paribas	-13%	\$120.00	55%	\$66.00	-32%	\$420.00	97%	\$407.40	42%	\$210.00	100%	\$210.00	3%	\$276.00	39%	\$107.64	-61%
ABN AMRO	-22%	\$225.00	82%	\$184.50	15%	\$200.00	100%	\$200.00	18%	\$200.00	100%	\$200.00	0%	\$750.00	n/a	n/a	n/a
CITI	0%	\$200.00	90%	\$180.00	0%	\$200.00	90%	\$180.00	0%	\$200.00	85%	\$170.00	-5%	\$180.00	85%	\$153.00	0%
Alpha	-20%	\$40.00	100%	\$40.00	20%	\$50.00	100%	\$50.00	0%	\$100.00	100%	\$100.00	0%	\$100.00	100%	\$100.00	0%
DNB						\$77.90	97%	\$75.56		\$74.00	29%	\$21.46	-68%	\$230.00	21%	\$48.30	-8%
Eurobank						\$149.00	21%	\$31.29		\$212.00	21%	\$44.52	0%	\$380.00	25%	\$95.00	4%
Totals	2.07%	\$1,810	63.07%	\$1,142	-13.87%	\$2,324	68.61%	\$1,594	5.55%	\$2,085.00	81.54%	\$1,700.02	12.92%	\$2,404.50	39.22%	\$943.06	-42%

* Market estimates

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Since we started Petrofin Bank Research © 21 years ago, many banks have entered and left and re-entered the above table. Newbuilding finance has always been very closely connected to market fluctuations, more so than second hand vessel finance.

There is a reduction of commitments to newbuildings by 42%. Financing newbuildings apart from the usual risks, now must include the risks from zero-carbon regulations permeating engine and fuel design decisions.

D. The Greek shipping Syndications Market

Table 18: Syndication Leaders (US\$m)

No of banks	Bank	2014	2015	2016	2017	2018	2019	2020	2021	Change in the last year
1	CITI	\$2,500	\$3,500	\$5,500	\$5,000	\$5,500	\$6,100	\$6,000	\$6,000	0.00%
2	NORDEA	\$510	\$1,491	\$1,500	\$2,370	\$3,069		\$2,255	\$2,270	0.67%
3	AEGEAN BALTIC	\$1,270	\$1,066	\$890	\$867	\$819	\$630	\$582	\$162	-72.12%
4	DNB	\$2,000	\$2,700	\$3,000			\$2,116	\$2,173	\$2,000	-7.96%
5	NATIONAL BANK OF GREECE	\$360	\$336	\$317	\$259	\$107	\$101	\$70	\$61	-12.36%
6	BNP PARIBAS	\$545	\$442	\$321	\$357	\$242	\$698	\$705	\$670	-4.96%
7	KFW	\$311	\$338	\$273	\$64	\$109	\$122	\$33	\$30	-10.66%
	TOTALS	\$9,713.29 [^]	\$11,935.06 [^]	\$13,790.65 [^]	\$8,916.86	\$9,846.23	\$9,767.45	\$11,818.22	\$11,193.02	-5.29%

[^]These portfolios include banks not featured anymore Petrofin Bank Research © - May 2022

The Greek leadership syndication market is down by 5.29%.

Highlights of this year's research

This year's Petrofin Research © of Greek shipping portfolios paints a picture of growth and recovery from the long previous decline. Overall, 2021 was a year in which shipping bank sourced finance, for Greek owners, rose by 5.2% to \$52.58 bn. The increase took place across the board with Greek banks growing at 14.2%.

The underlying factors behind the growth may be attributed in part to the gradual economic recovery from the pandemic, an improvement in international trade and in most shipping sectors and a general positive outlook for the global economy. In addition, banks were able to refocus on ship finance as a potentially profitable sector for lending, encouraged by the industry's robust performance during the pandemic. We should also note that 2021 was a year in which no major shipping bank withdrew from ship lending, which allowed Greek shipping finance to grow and for European banks to stop their long slide over the last decade.

Whilst regulatory restrictions linked to capital adequacy remained, most banks had made the necessary adjustments and developed an increased loan activity, which was shared by ship finance.

The most notable feature in 2021 was the rapid growth for yet another year by Greek banks, which remained focused on Greek shipping as their core business and area where they can exploit their 'home' advantage via their clientele and use of auxiliary non lending business. Greek banks were able to strengthen their balance sheets via growth and the disposal of non-performing loans. The above, coupled with a recovery in Greece's credit standing, enabled banks to not only be more competitive but to also find room for growth.

The increased by 12.92% forward commitments at the end of 2021 is indicative of a positive momentum. It should be said further that ship lending volumes increased strongly as the year progressed. In addition, during the course of 2021, with container and dry bulk prospering, Greek owners were able to secure period charters that enabled banks to provide higher levels of finance of 60% plus with a front loading repayment profile.

Chinese leasing and alternative forms of finance also grew in 2021 / 2022, as owners were able to source finance from across all loan providers.

Far East bank lending took a breather in 2021, as most leasing companies linked to Far Eastern banks preferred leasing to bank finance, as leasing offered greater flexibility to Greek owners.

The outlook for 2022 and beyond

The main event, thus far, in 2022 has been the Russian invasion of the Ukraine and the economic, shipping and trade sanctions imposed by the US and Europe (with Japan and Australia as well) and the counter sanctions by Russia.

The resulting energy crisis has raised natural gas and oil prices and to a lesser extent coal prices to very high levels, which has already negatively impacted global economic growth and upped inflation. The risks of a recession have surfaced, especially as US Dollar interest rates have begun to rise. The above negative scenario has resulted in 2022 global growth estimates being slashed continuously by the IMF and other bodies with international trade growth following suit.

The invasion and its aftermath coincided with a slowdown in Chinese economic growth and a lockdown in China for some provinces, including Shanghai. All in all, the effects on shipping have been multifaceted and pulling at different directions. The increase in port congestion and bunker prices have resulted in greater offhire for vessels and more slow steaming. Similarly, dislocation of trade, due to the sanctions has resulted in longer voyages. As a result of the energy crisis, coal shipments have increased and the tanker market has rebounded.

Dry bulk, if anything, has benefited in the short term, as newbuilding orders remain low and the fleet's efficiency has, as a result of all the above factors, fallen. However, there is concern, as to the level of demand going forward as a result of the slower anticipated global growth, international trade, higher commodity prices and the risk of stagflation.

Lenders, on a global basis, seem to be cautious but draw comfort from the positive reaction of all shipping sectors to the worsening macro and geopolitical situation. Greek fleet growth has slowed down to 0.5m gt, in the first quarter of 2022 (Clarkson's Research) on the back of fewer newbuilding deliveries.

Regarding Greek bank finance, it would appear that the departure of prominent banks in the last decade has run its course. Banks continue to adjust their strategies, in terms of clientele geographical emphasis. The outlook for 2022, subject to unforeseen further geopolitical events and sanctions, is positive for an increase in Greek ship finance.

The vast majority of banks has bigger budgets for new business for 2022 and beyond, with many becoming more involved in sustainability loans. The new Athens Stock Exchange placements by Costamare, Capital Products Partners and Safe Bulkiers has attracted support, mainly from Greek banks and does provide a further opportunity to grow. In addition, the recent credit ratings increased for Greece will assist Greek banks to grow further and commit more funds towards shipping.

Bank competition for the top names has become keener, with loan margins often as low as sub 2%, whilst loan to asset lending has been around 60%-65% for modern vessels and newbuildings.

Small to medium Greek owners have less choice amongst banks but are still well able to attract finance and be in a position to compare terms amongst lenders, including leasing and alternative forms of capital.

However, thus far, there has not been any exuberant lending by banks. With asset values and cash flows rising, bank loan portfolios are stronger and attract more bank capital. Syndicated loans and Club deals are expected to grow, as new technology vessels are expected to be pricier and require long term support. Banks have sought to differentiate their range of services by offering advice and placement for capital raising to Greek owners and or private banking and / or niche services to their clients.

Emissions related regulations and the required new technology cost to endure compliance represent interesting challenges for both owners and banks.

Alternative forms of ship finance have been widely used. Global leasing has grown significantly over especially the last 5 years, from US\$47bn in 2017 to US\$77bn in 2021 (Source: SMarine).

Ship finance does now represent about half of all new business and the relative Greek owners' share has been rising as they have become more familiar with leasing and Lessors and as the latter have offered more competitive terms. Whereas banks still offer on average lower margins, leasing more than makes up by offering higher loans to vessel values, longer loan profiles and more flexibility.

Another major development has been the growth of ship finance provided by Funds with increasing involvement of Greek owners. There exists now a large number of experienced shipping Funds which can provide fixed rate loans in USD or Euros at cost to Greek owners of approximately 6-7% and involving loan to value of up to 70-75%. The higher LTV can be seen to justify the higher cost. There is also a plethora of Funds offering even higher LTV with correspondingly higher costs / risks. A number of Funds are now focusing on sustainability lending aimed at the European sector and often provided in Euros.

In conclusion, the Greek fleet is expected to continue to grow but at a slower pace and participate in the development of low / zero emission vessels to maintain its competitiveness. Towards this goal, banks, Lessors and Funds are expected to provide the necessary support in the years to come. Greek ship finance provided by both Greek and International Banks is expected to show further progress in 2022.