

9th MARE FORUM ITALY 2013 – Quo Vadis? –

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May 2013

„DekaBank



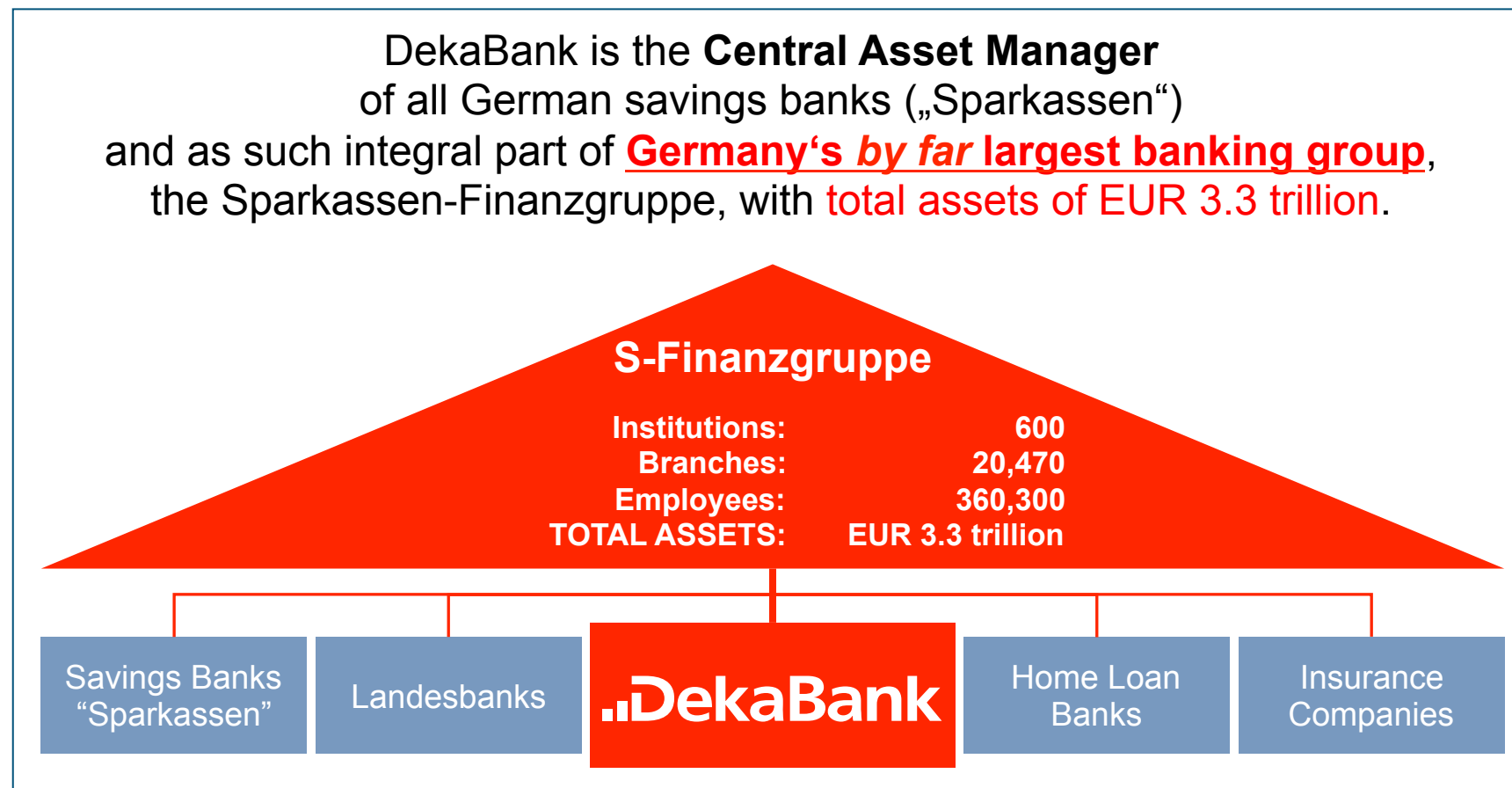
Where is my Bank?



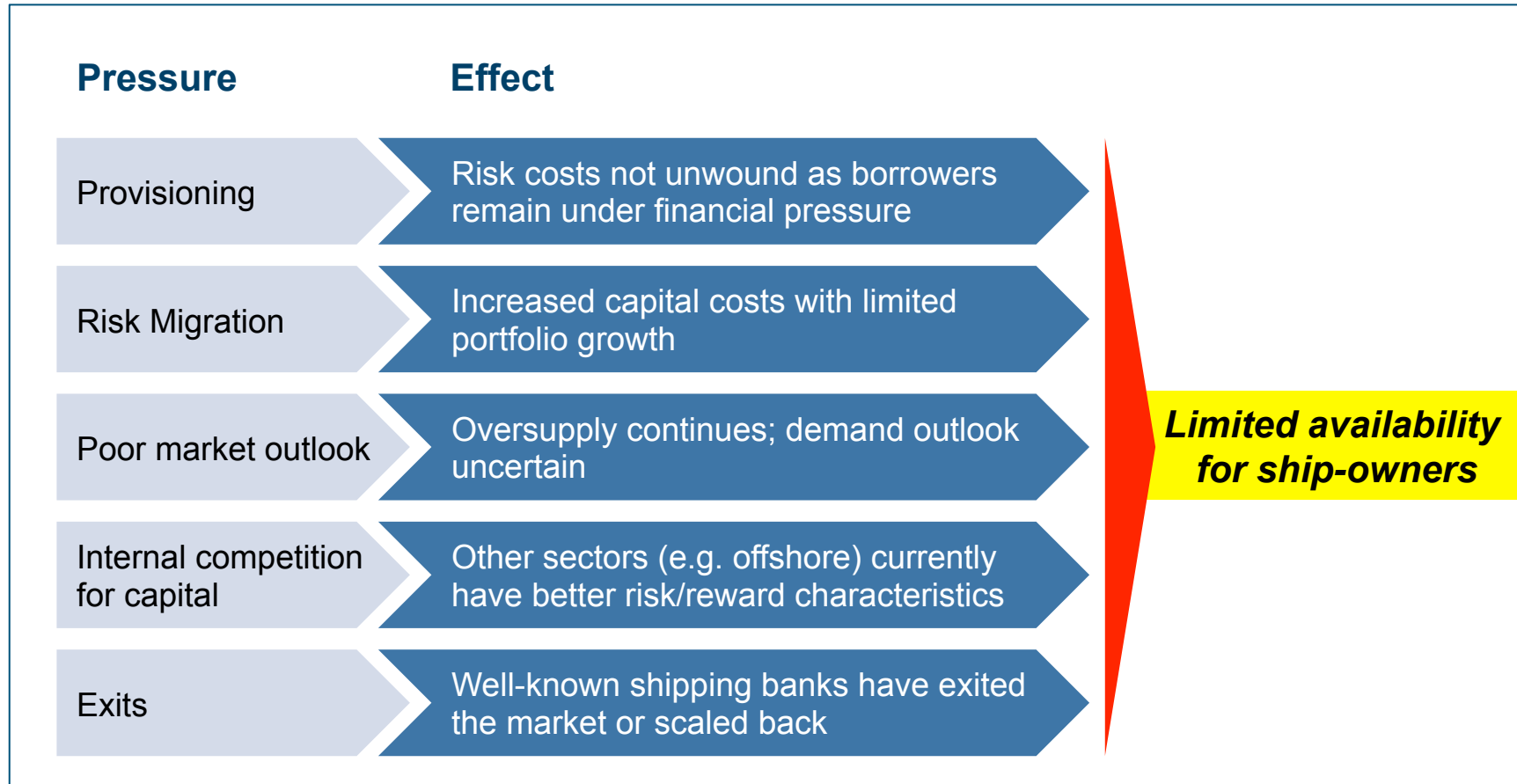
- Where's ship finance capacity for new business?
- Are more banks avoiding the shipping market?
- Are new banks entering the shipping market, buying market share?
- Are equity providers, hedge funds and HNWI stepping in?
- The European, Asian and American Capital Providers perspective
- Restructuring issues

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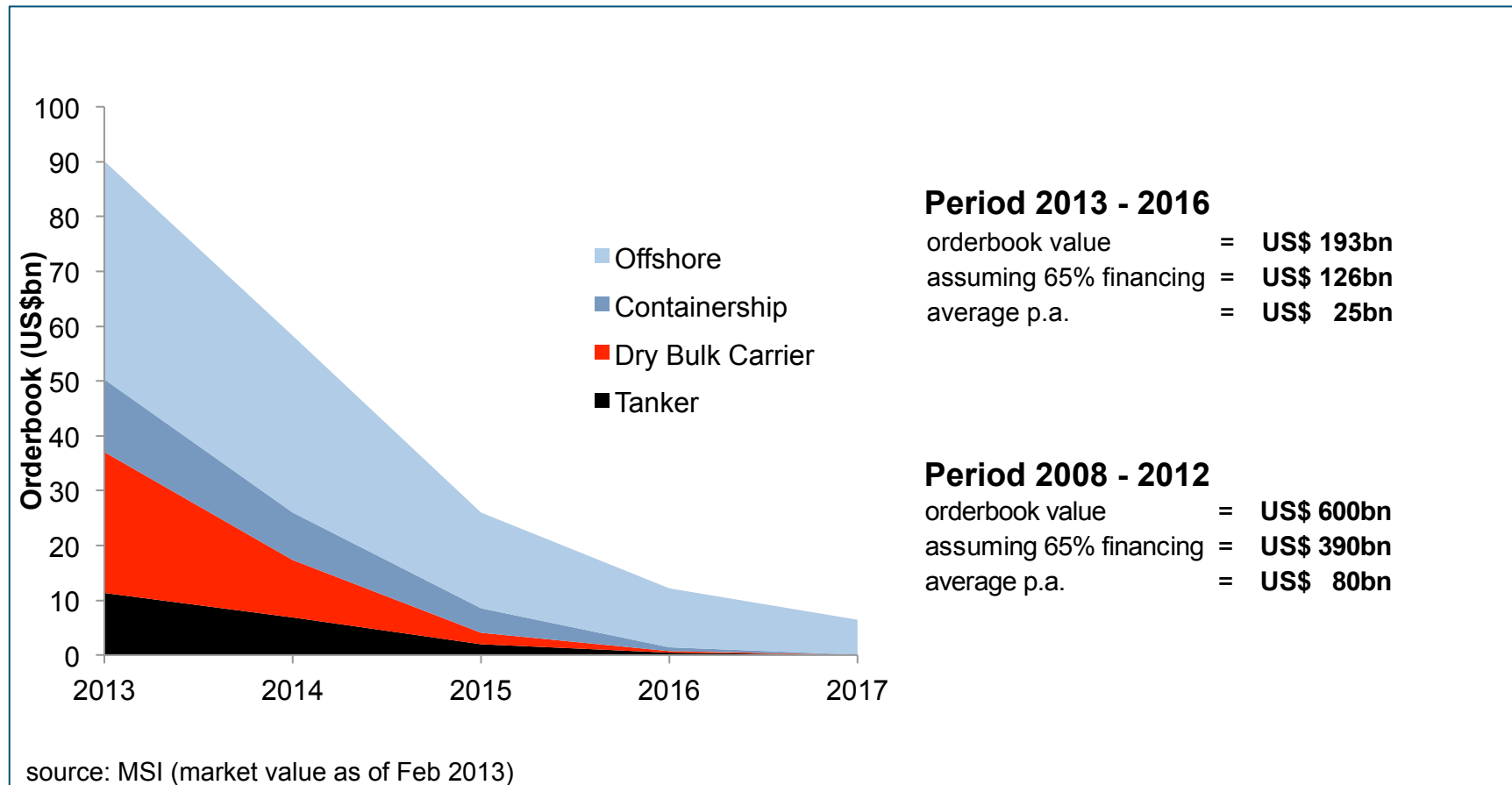
We are part of Germany's largest banking group ...



Current state of the ship finance market



Current Orderbook – Financing Requirements



Global (syndicated) Shipping Volume*



6

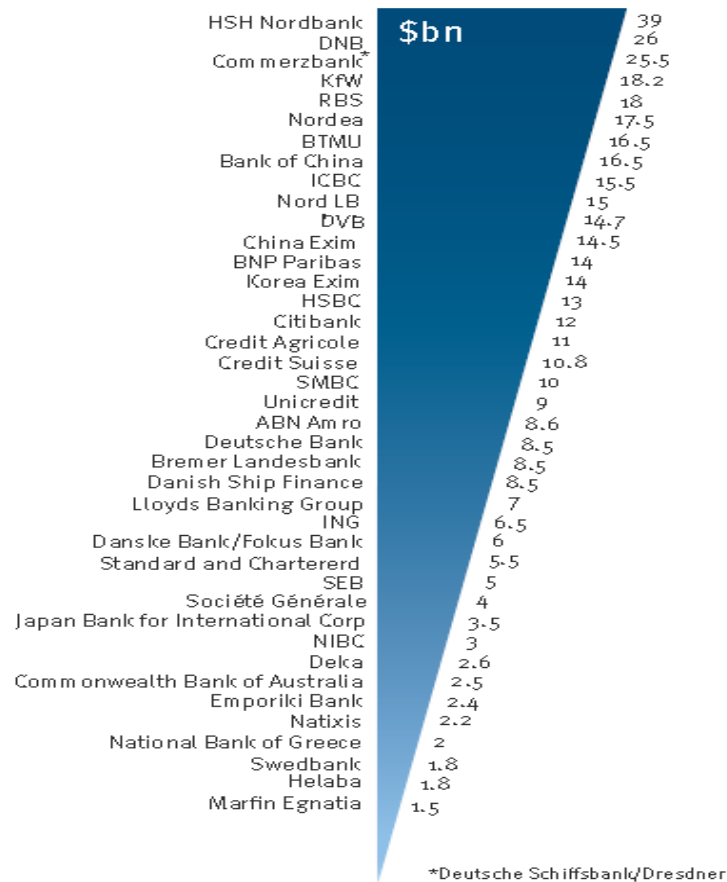
*

Source: MarineMoney, referring to Dealogic; volume in \$M

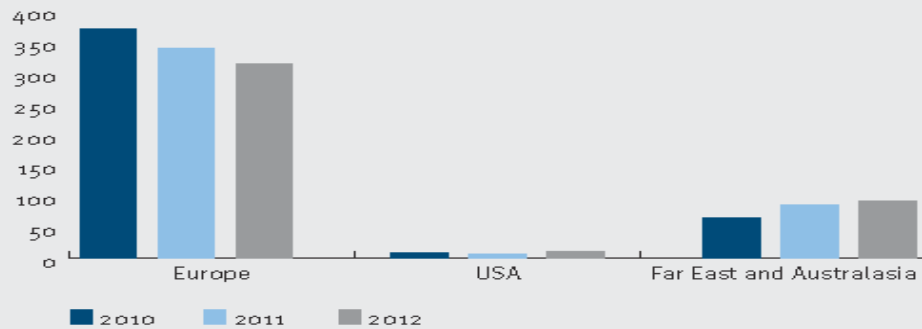
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SHIP FINANCE: A LOOK AT LENDING*

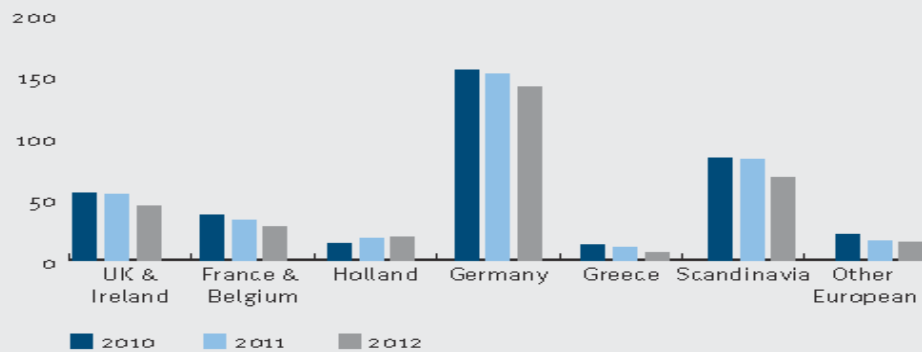
TOP 40 SHIP FINANCE BANKS
data up to November 2012



TOP 40 SHIP BANKS, GEOGRAPHICAL LOCATION
2010-2012

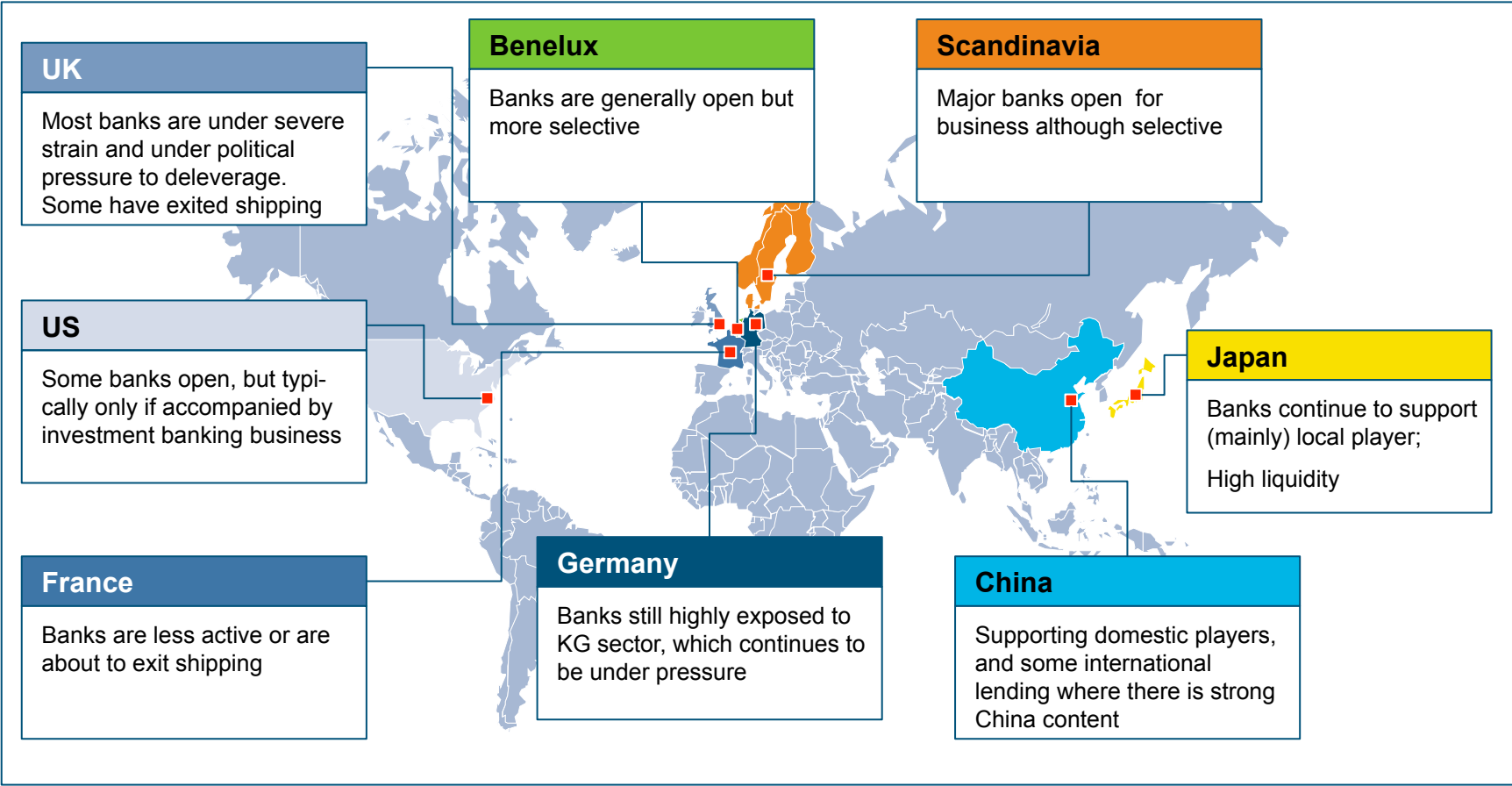


EUROPEAN BANKS COMPARISON OF LENDING
2010-2012

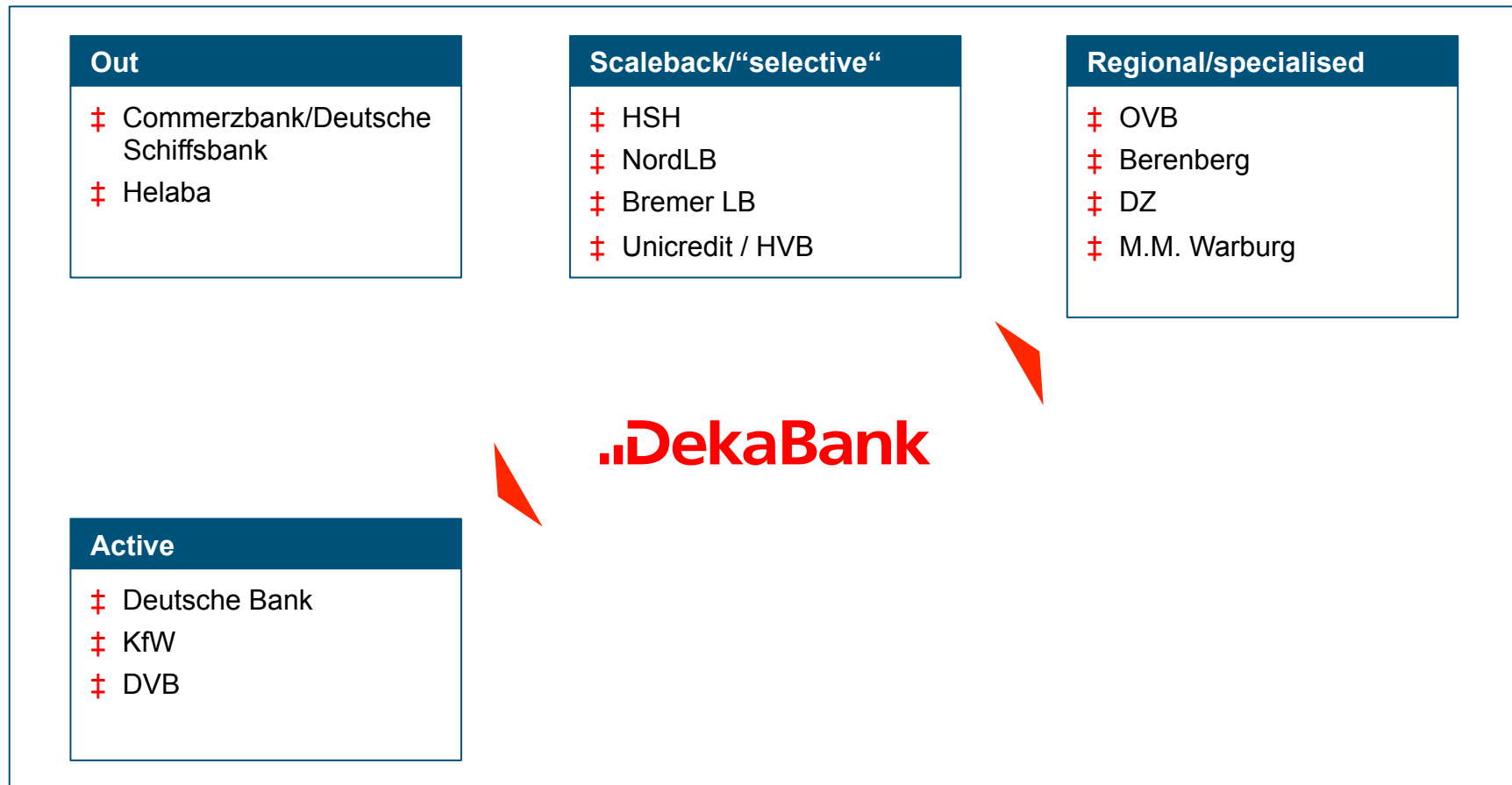


Source: Petrofin Research

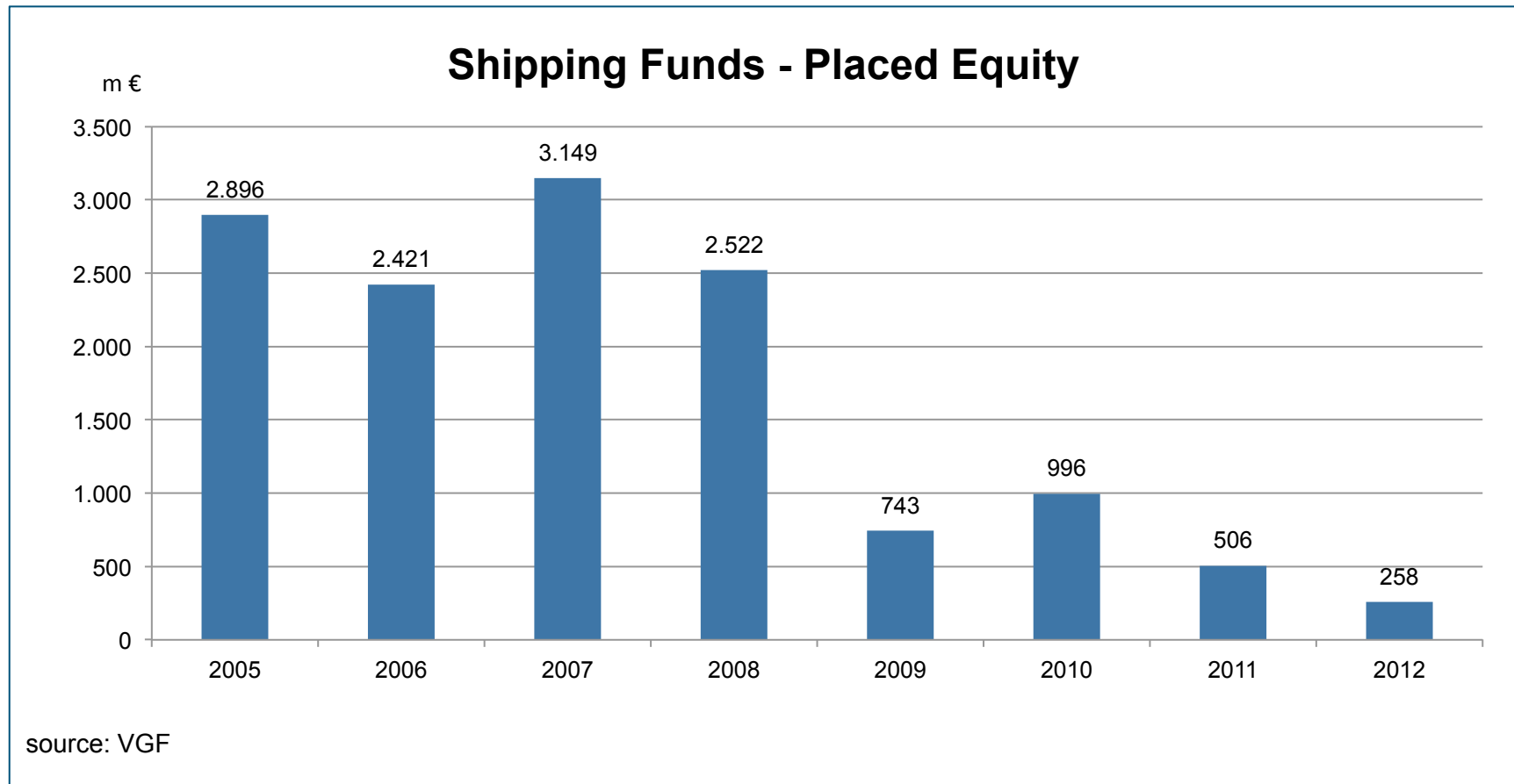
Which international banks are active now and who will be active in the future?



Which German banks are active now? Any left for the future?



KG-market / Shipping Funds



Restructuring issues: KG-market

- ‡ ≥ 170 KGs already gone bankrupt
- ‡ Even more require equity injections from investors
- ‡ ≥ 800 KG ships are struggling
- ‡ Restructurings continue to pick up again
- ‡ Increasing enforcements
- ‡ ***Increasing risk provisioning with (German) banks***
- ‡ Any hope?

Germany – consolidation ahead?

Many traditional German owning groups under acute pressure

‡ approx. 400 shipping companies (average size: 8 vessels)

Potential solution - consolidation?

‡ Mergers (e.g.)

‡ E.R. Schiffahrt + Komrowski = Blue Star Holding (=> economies of scale)

‡ Hapag-Lloyd / Hamburg Süd (=> called off)

‡ Pools / Joint-Ventures (e.g.)

‡ Ahrenkiel Shipmanagement + MPC Steamship (=> economies of scale)

‡ MPC + Thien & Heyenga + GB Shipping = Contchart (=> negotiating power ↑)

‡ Bertram Rickmers + Oaktree (=> buying new vessels)

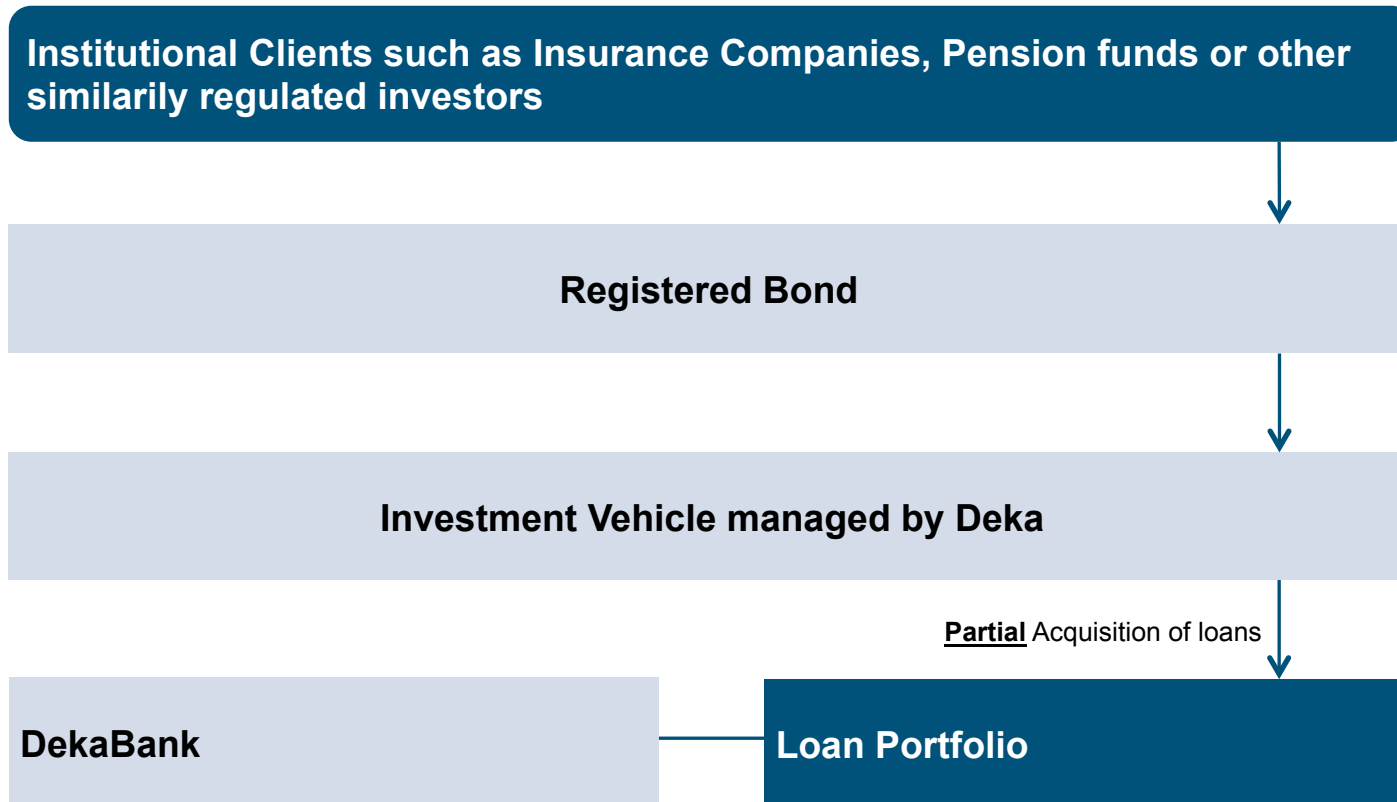
‡ Workout Platforms (e.g.)

‡ B. Rickmers + F Laeisz + Norddeutsche = Frachtschiff-Kontor

Where's ship finance capacity for new business?

Debt / Shipping banks	<ul style="list-style-type: none">‡ Anti-cyclical lending‡ Increasing liquidity available for Shipping in 2013 (?)
ECAs	<ul style="list-style-type: none">‡ ECAs becoming increasingly professional in the terms they expect from ship-owners‡ Bank funding is still required and (strong) pricing benefit is no longer applicable‡ Positive: low RWA consumption!
Equity / Capital Markets	<ul style="list-style-type: none">‡ Opportunities at rock bottom prices / new designs
Institutional investors	<ul style="list-style-type: none">‡ Institutionals are looking for <u>alternative investments</u> to e.g. sovereign bonds‡ Reduced return expectations‡ Deka with direct access as Central Asset Manager of Savings Bank Group

Deka / Debt Investment Structure (Transportation Fund)



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for your attention !

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