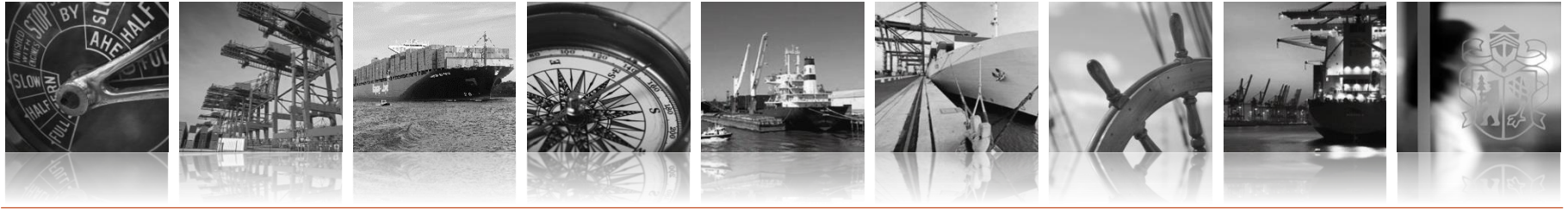




BERENBERG

PARTNERSHIP SINCE 1590



Operational Excellence

Supporting the transactional needs of shipping across the globe

Berenberg Shipping

Capital Link - 11th Annual Operational Excellence in Shipping Forum

June 9, 2021



Berenberg: solid business policy, stable shareholder structure and personally liable partners



Christian Kühn,
Hendrik Riehmer,
David Mortlock
(from left)

Shareholder Structure

30.9% Berenberg Family

21.4% PetRie Beteiligungsgesellschaft mbH (Dr. Hans-Walter Peters and Hendrik Riehmer) and Dr. Hans-Walter Peters

7.8% Hendrik Riehmer, David Mortlock, Christian Kühn and former Managing Partners

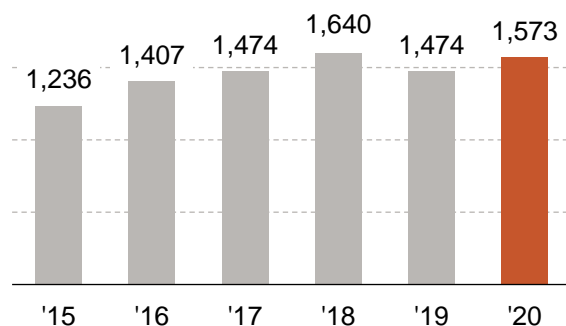
14.3% Christian Erbprinz zu Fürstenberg

14.3% Prof. Dr. Jan Philipp Reemtsma

11.4% Compagnie du Bois Sauvage S.A.

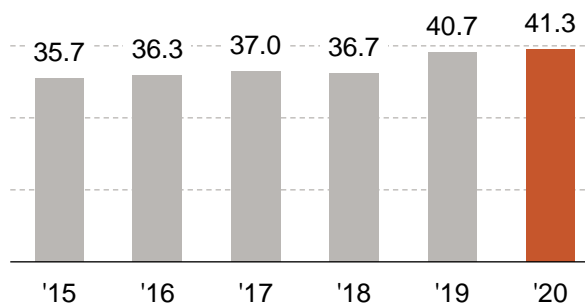
To this day, Berenberg has been run by managing partners who ensure continuity in our business

Employees⁽¹⁾



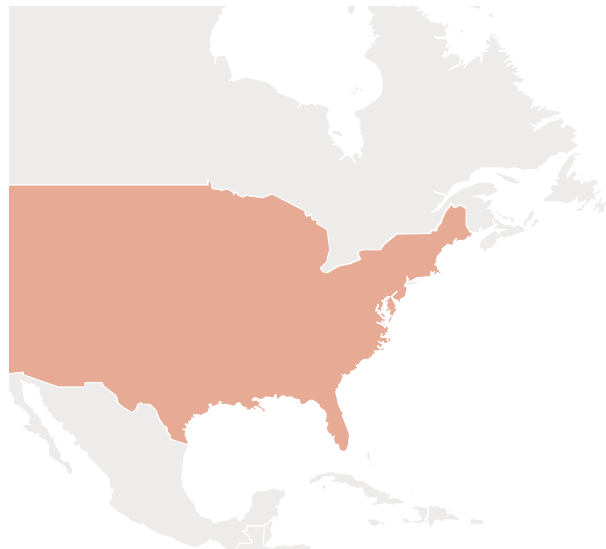
Assets under Management⁽¹⁾

EUR billion



(1) Berenberg Group without Berenberg Bank Schweiz AG, as of 31/12/2020.

Berenberg Shipping



Why Berenberg?

A Leading European Shipping Bank

- ▶ Strong presence in Europe with a specific focus on Greece, Cyprus, Germany and the UK as key shipping markets
- ▶ Asset manager of two Berenberg Shipping Debt Funds, funded exclusively by European institutional investors

Modern Transaction Banking Services

- ▶ An integral part of the shipping community, often with close ties to principal and C-level for decades
- ▶ Dedicated Relationship and Account Management teams with long-standing international shipping experience

Shipping & Finance Expertise

- ▶ Dedicated Ship Finance and Origination teams with professional finance and shipping background
- ▶ Broad access as well as close ties to institutional and private equity/debt investors



BERENBERG

PARTNERSHIP SINCE 1590

Transactional needs: Defining the maritime scope

Sale & Purchase of vessels, M&A: Buyers Account Structure (Holding / Newco / SPV / Bareboat Charterer / Liquidity Accounts), Conditional Payments / Transaction Closing services

Newbuilding ordering: Accounts for instalments and yard payments, (Swift) confirmation of Refundment Guarantee

P&I Clubs: Guarantee for claims, payments for claims settlement

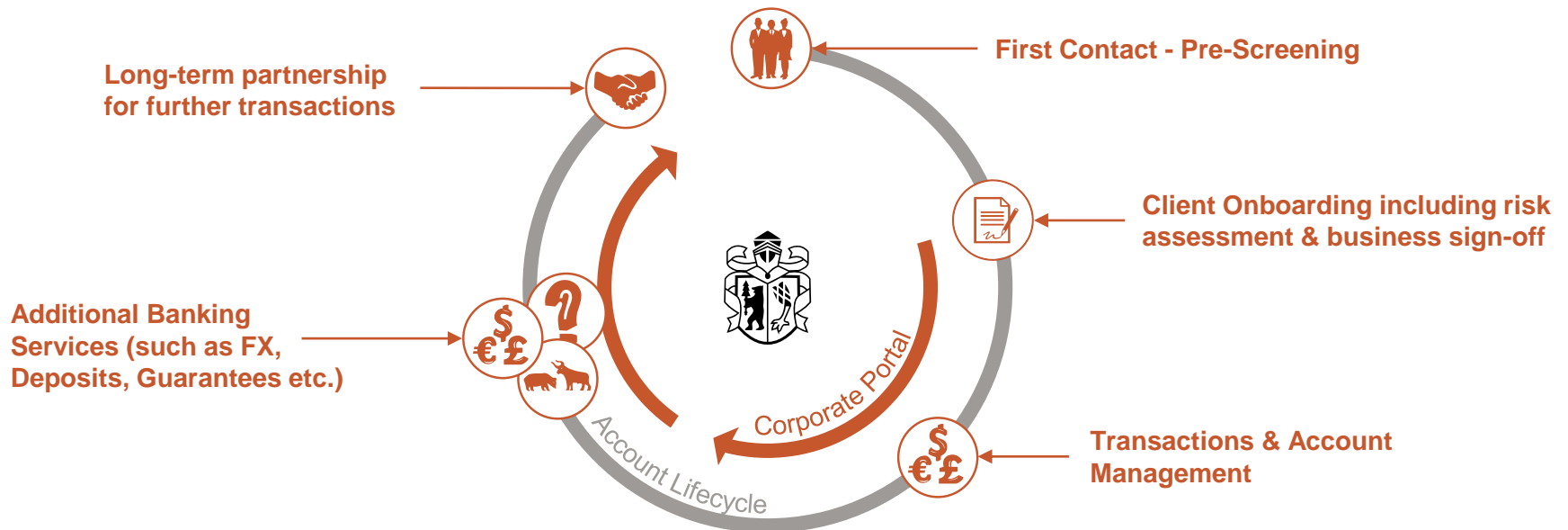
Shipowners & Pool Accounts: Charter/Freight income and distribution payments

Alternative Lenders & Maritime Private Equity Accounts: Finance execution & loan administration services (drawdown, interest and payments, balloon repayments)

Ship Management & Crewing: Operating accounts for ship management clients, allotment & crew agency payments



Throughout the entire account lifecycle, Berenberg ensures quality and safety of its Transaction Banking Services with a highly digitalized client onboarding process fully integrated in our own web-based account management and electronic banking platform which we combine with our individualized and personal maritime banking services.




- The established **Berenberg Corporate Portal** serves as central client interface for the users from the start of the onboarding process until the account closing
- As a web-based electronic banking system with up-to-date information and worldwide 24hrs access, 2-Factor-Authentication, FX-platform, Swift GPI and many more features, it is used among others by >300 maritime clients globally




The process chain of transaction services

Professional & Efficient Client Onboarding




- Efficiency of information transfer and ‚data onboarding‘
- Use of market intelligence, network and additional checks on available information (support systems such as AIS, world compliance etc.)
- Holistic risk assessment regarding involved stakeholders, transaction structure and source of funds
- Extensive documentation needs

Execution / Closing of transaction



- Time / pressure management
- Reliability of internal processes
- Accuracy of final checks
- Correspondent bank network
- Individual responsibility (instead of ‚service-center-set-up‘)

Ongoing banking services & monitoring



- Efficient working tools at the interface to the client: ‚Berenberg Corporate Portal‘
- Ongoing pre- and post-transaction monitoring
- Sanctions-Compliance
- KYC-update and data accuracy management
- Anti-fraud protection mechanism



Common features of maritime transactions...

- 1 Diversity of stakeholder interests
- 2 Multiple layer involvement (between the parties and within the involved organizations)
- 3 Cross border / Multijurisdictional
- 4 ,Moving target' elements due to ongoing negotiations / changing circumstances
- 5 Sensitive information / Confidentiality
- 6 Regulatory requirements for international transfers of (mostly substantial) funds
- 7 Time Limits / Execution pressure
- 8 Time zone management
- 9 Additional pressure by senior management / principal attention (risk to be underestimated as ,technical')



...and what it requires on the banking side:

- 1 Maritime competence of employees
- 2 ‚Know-your-client‘ and ‚Understand-your-clients-transaction‘
- 3 Dedicated compliance and international payment teams
- 4 Reliable ‚end-to-end‘ onboarding and execution processes
- 5 Structured information gathering, processing and documentation
- 6 Established confidentiality procedures
- 7 Supporting network (maritime law firms, registry, correspondent banks etc.)
- 8 Time flexibility of internal specialist and support functions
- 9 Ability for a swift decision making under time constraints

Case study

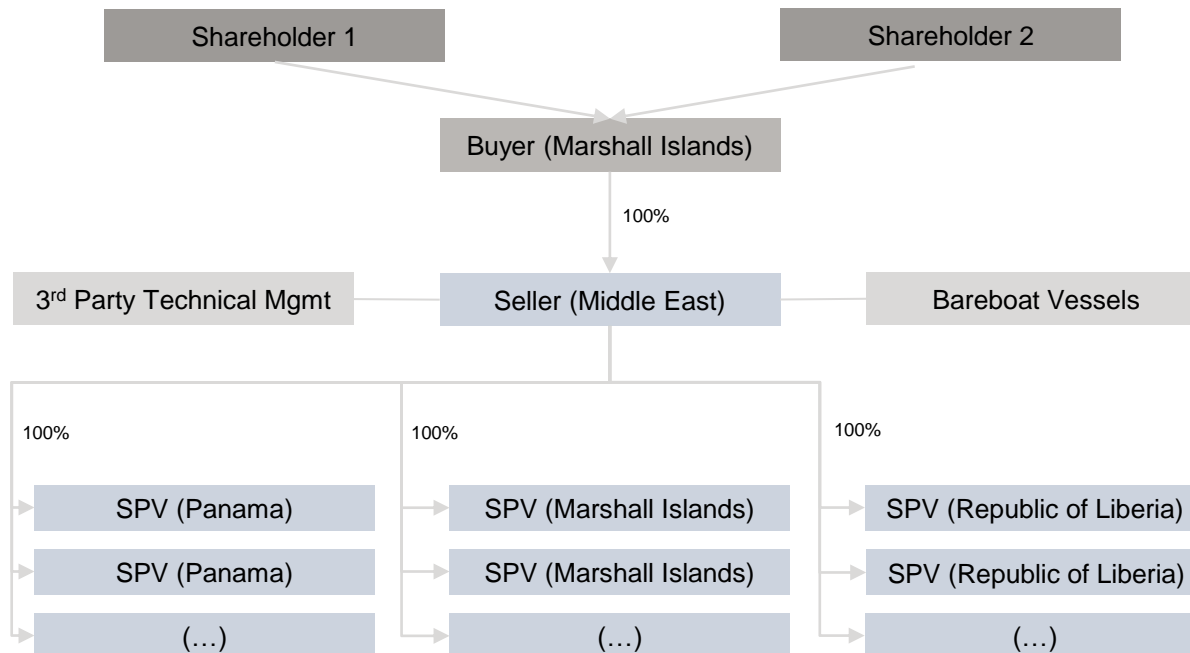
Banking support for an international maritime M&A transaction



BERENBERG
PARTNERSHIP SINCE 1590

- In Q1 2021 a Middle East-based Seller entered into a merger agreement to be acquired by investors bidding through an investment company registered in the Marshall Islands
- The seller was a shipping company engaged with its fleet in the international transport of refined products and chemicals
- The buyer was a shipping company with long-standing shipping experience and backed by a large US alternative investment firm

Post-merger structure as basis for Berenberg's Transaction Banking Services



Berenberg's Role:

- Set-up of accounts for the whole Buyer structure including holding and operating accounts for the SPVs
- Execution of closing payments and enabling the Buyer to start making operational payments post-closing

Main Challenges:

- Given time frame due to M&A process
- Target companies partly domiciled in High-Risk Countries leading to additional regulatory assessments
- Ultimate beneficial owners assessment for US-based PE fund
- 'Sanity checks' on target fleet

**BERENBERG**

PARTNERSHIP SINCE 1590

Current trends in maritime transaction banking (1/2)



End-to-end integration of processes and systems: Digital onboarding process for a structured, save and efficient information transfer, ‚Host-to-host-payments‘, common platform for KYC-data management



Live-tracking of international payments („Swift GPI“)



‚Grey- or Blacklisting‘ of ‚High Risk Countries‘ due to reputational and legal risks but also due to heavily increased monitoring and documentation requirements for the transaction bank



Handling of different sanctions-regimes in a ‚multi-polar-world‘



Protection tools and measures against ‚cyber crime‘



Current trends in maritime transaction banking (2/2)

Five Hypotheses:

1

Complex and individualized international banking transactions in today's regulatory environment are prohibitive for 'Fintech disruption'. It will require 'individualized human competence' also going forward

2

End-to-End process digitalization and the avoidance of physical documents help to make information and data transfer much more efficient relieving both sides, client accounting teams and banks relationship managers

3

Senior Transaction Bankers have become Transaction Risk Analysts managing reputational, legal and liability risks for the bank ... will Transaction Banker in the future also become the 'regulatory police' for ESG-compliance?

4

The maritime industry with its international complexity of trades, its 'offshore-legacy' and its partial lack of full transparency is particularly exposed to the risk of potentially being excluded from international banking services

Transaction banking is not just about techniques. International shipping clients need to invest in a professional and reliable transaction banking partnership for long-term success.

A black and white photograph of a modern multi-story office building with a glass and metal facade. The building features multiple levels with balconies and large windows. In the foreground, there is a glass-enclosed entrance area supported by columns. Two flagpoles with flags are positioned in front of the building. To the left, a portion of an older, light-colored building with windows is visible. A semi-transparent white rectangular box is overlaid on the left side of the image, containing the text 'Your contact at Berenberg' and a horizontal line.

Your contact at
Berenberg

Your contact



Berenberg

Joh. Berenberg, Gossler & Co. KG
Neuer Jungfernstieg 20
20354 Hamburg
Germany

Phone +49 40 350 60 - 0
Fax +49 40 350 60 - 900



Philipp Wünschmann

Head of Shipping

Phone +49 40 350 60 - 0

shipping@berenberg.com

Publisher

© Copyright

This work is copyright protected. The resulting rights, particularly with respect to translation, reproduction, communication, copying of images and tables, broadcasting, microfilming or reproduction by other means, as well as storage on data processing equipment, remain reserved, even where such use only applies to excerpts. The reproduction of this work or parts of this work is only permissible within the boundaries of the statutory provisions of the Copyright Act (Urheberrechtsgesetz) of the Federal Republic of Germany dated 9 September 1965 as amended, even in individual cases. Infringements may be subject to the penal provisions of the Copyright Act.

Disclaimer

The information in this publication was developed using data that we assume to be accurate; nevertheless, it has not been independently verified and we accept no liability and offer no guarantee. This publication may not be considered as an offer to sell or purchase or an invitation to treat for the sale or purchase of securities. The statements made in this publication can be changed without prior notice.

For further information regarding Berenberg's disclosure obligations vis-à-vis its clients in the context of this presentation under Article 38 no. 1 lit. (a) to (f) and Article 39 no. 2 of the Commission Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU (MiFID II), please see <https://www.berenberg.de/en/nc-issuer-client-information/> by using the following password: BerenbergMifid2Info.

Publisher

Berenberg
Joh. Berenberg, Gossler &
Co. KG
Neuer Jungfernstieg 20
20354 Hamburg
Germany

Internet:
<http://www.berenberg.com>