Capital Link
Shipping & Bank
Financing Panel

Background

Emil Yiannopoulos - Partner

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The Happy Couple – Shipping and Banking
"We’ve streamlined our application process down to a simple ‘no.’"
Many West European banks, traditional financiers to the shipping market, face very challenging conditions

- Sovereign Debt Crisis, stagnant domestic economies, increasing default rates
- Equity and liquidity shortage
- $3 Trillion of non-core assets
- Loss of confidence in bank counterparties
- Dependence on ECB liquidity
- Scarcity of funds for financing vessel acquisitions
- Higher loan spreads
- Lower LTV’s
- Tougher covenants
Significant deleveraging in progress - since 2008
Capital increased 60% - Asset growth just 10%

Source: The Banker Database /Top 1000 World Banks
Western European lenders had the highest regional average LTD figure at 125%