

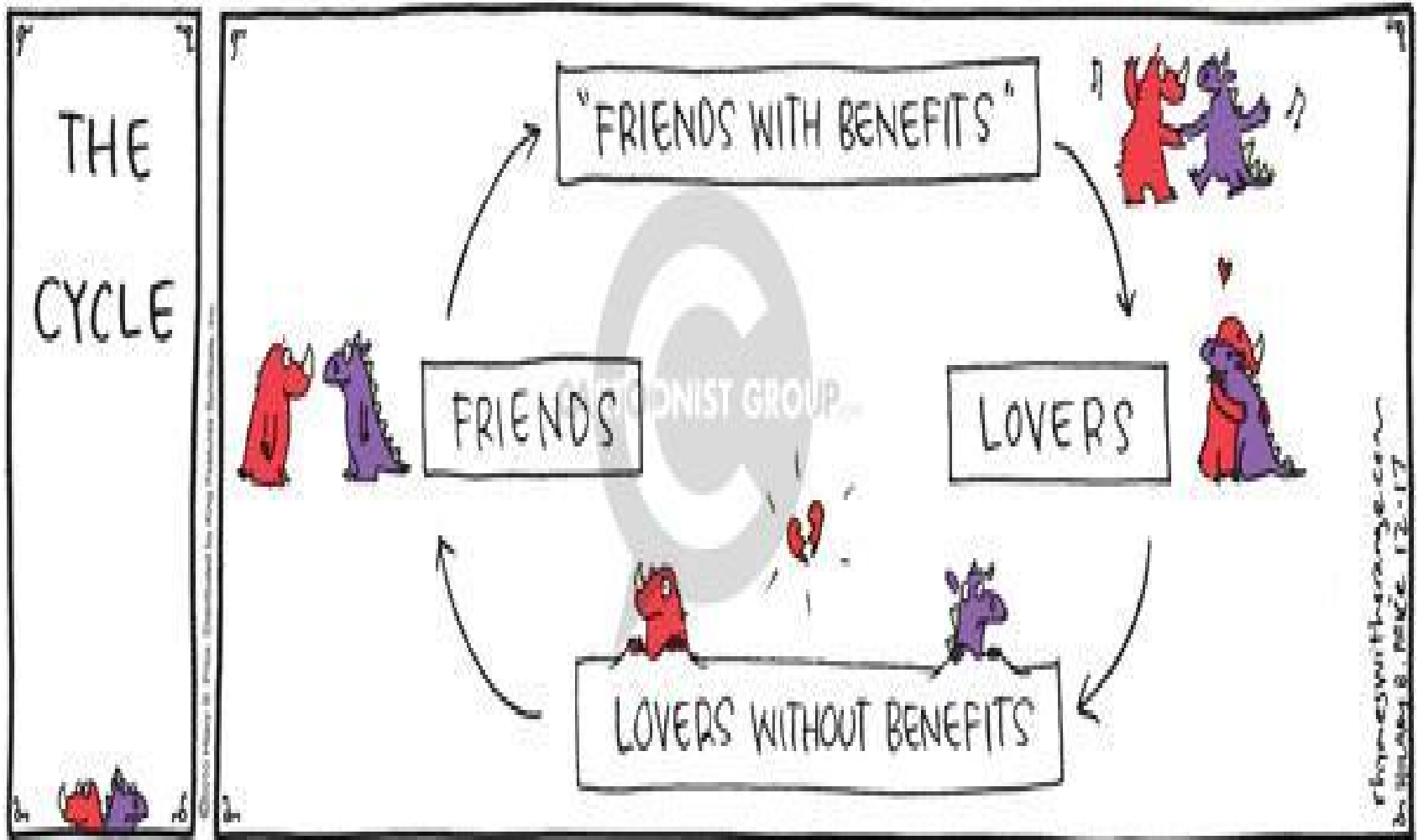
***Capital Link
Shipping & Bank
Financing Panel***

Background

Emil Yiannopoulos - Partner

19 March 2012

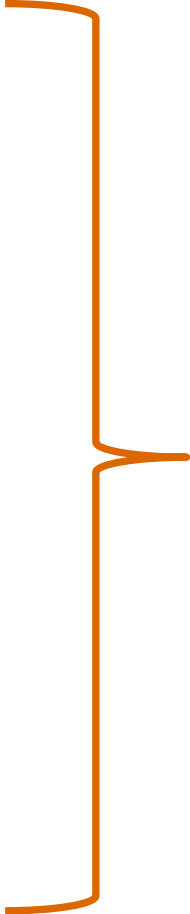
The Happy Couple – Shipping and Banking



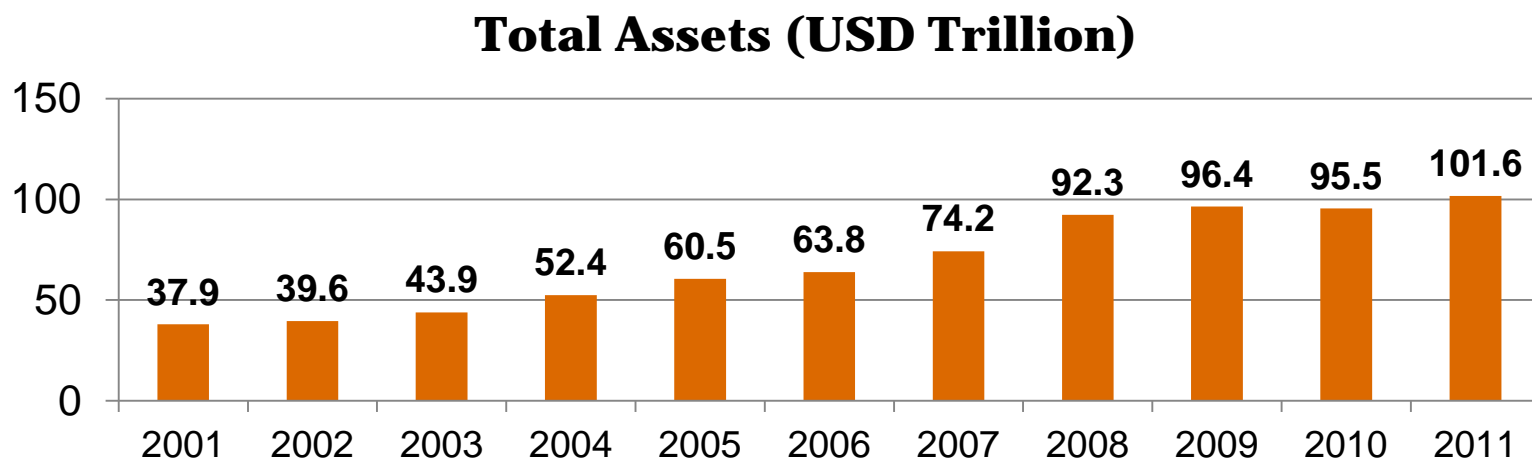
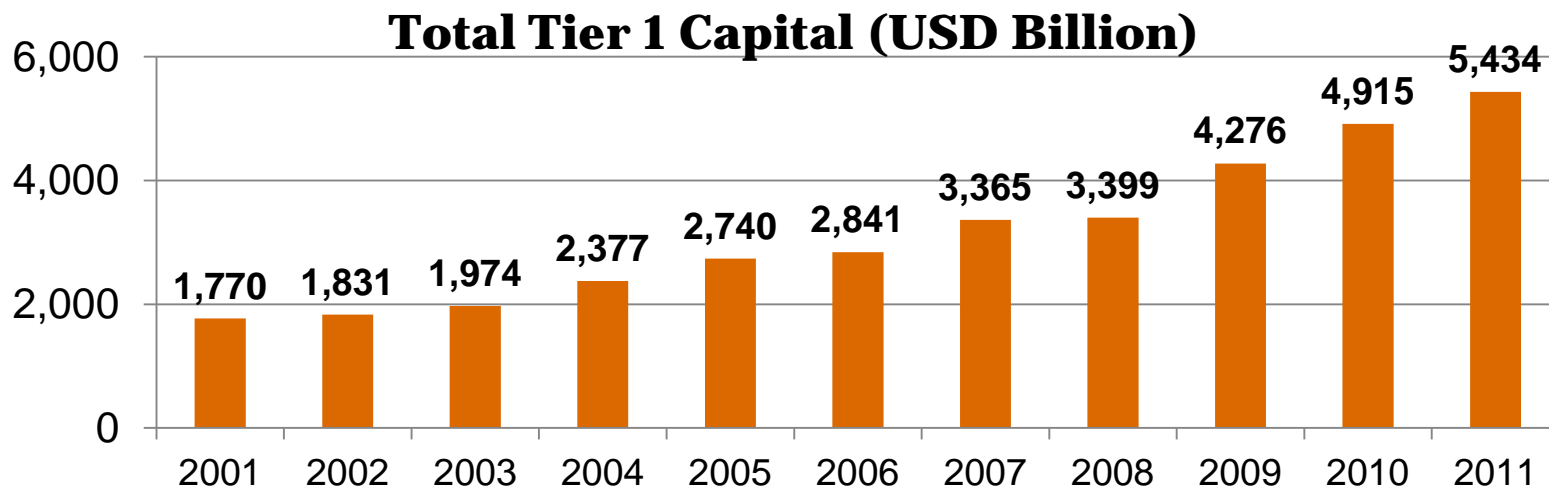


"We've streamlined our application process down to a simple 'no.'"

Many West European banks, traditional financiers to the shipping market, face very challenging conditions

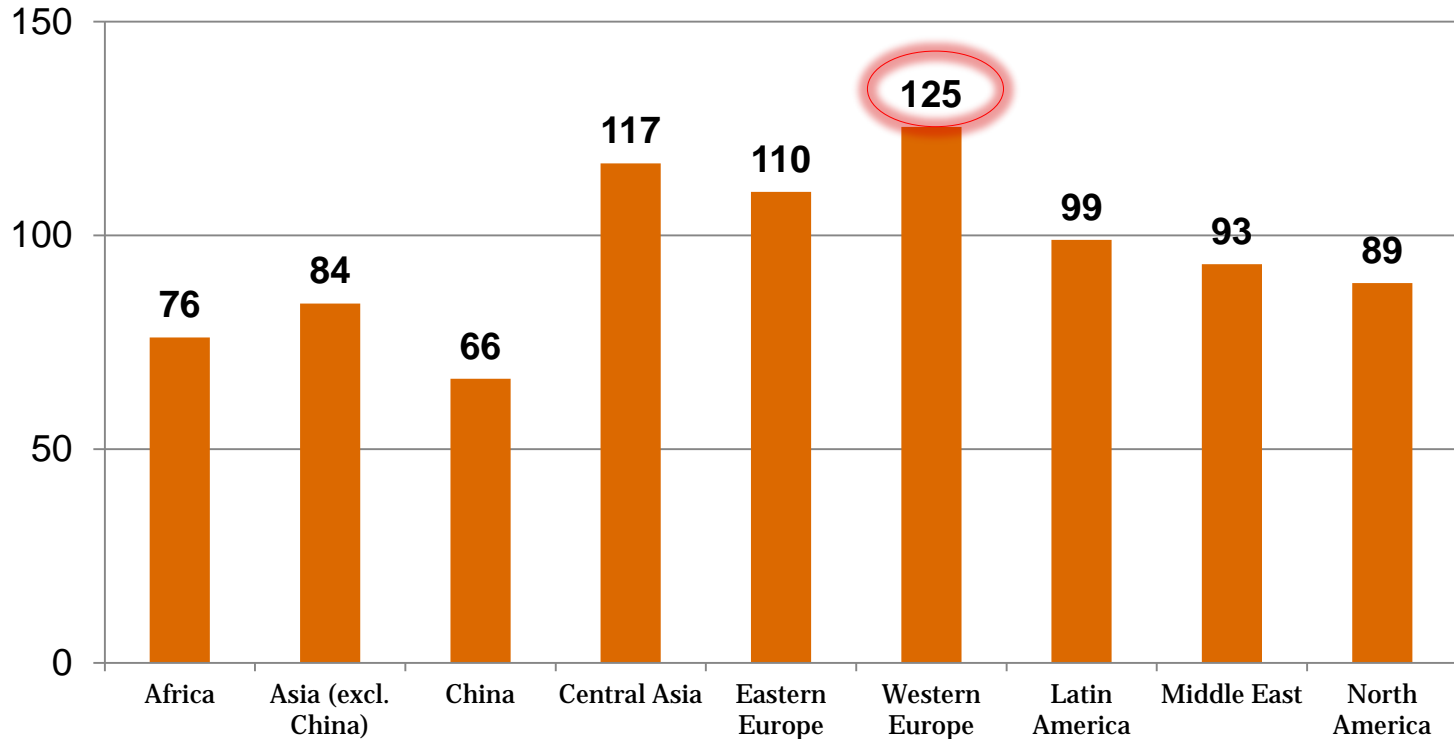
- Sovereign Debt Crisis, stagnant domestic economies, increasing default rates
 - Equity and liquidity shortage
 - \$3 Trillion of non-core assets
 - Loss of confidence in bank counterparties
 - Dependence on ECB liquidity
- 
- Scarcity of funds for financing vessel acquisitions
 - Higher loan spreads
 - Lower LTV's
 - Tougher covenants

Significant deleveraging in progress - since 2008 ***Capital increased 60% - Asset growth just 10%***



Western European lenders had the highest regional average LTD figure at 125%

Regional average loan to deposit ratio %



Source: The Banker Database / Top 1000 World Banks