



**BNP PARIBAS**

The bank for a changing world

**MOORE STEPHENS LLP**  
CHARTERED ACCOUNTANTS OF SINGAPORE

# Singapore Shipping Forum 2017

## The Future of Shipping: Game Changers

### *Introduction to the Forum*

Presented by:

**Mr. Mick Aw**  
Senior Partner  
Moore Stephens LLP

Shipping

PRECISE.PROVEN.PERFORMANCE

# Program Outline

- Sailing in Turbulent Waters – Quo Vadis
- Future of the Baltic Exchange
- Impact of Shipping Regulations
- Ship Finance – Shift from West to East

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# TRENDS IN ASIAN MARITIME FINANCE

By Mick Aw, Chris Johnson and Wong Koon Min,  
Moore Stephens LLP, Singapore

*As the maritime industry stagnates, global shipping players are closely watching Asian maritime finance trends so as to react appropriately to brave the ongoing storm.*

## GROWING ASIAN PARTICIPATION IN GLOBAL MARITIME FINANCE

The ship finance market, previously dominated by European banks, is shifting to the East. According to ship finance consultant, Petrofin Research, Asian lenders are catching up with Europe. European banks' share of the global maritime portfolio declined from 83% in 2010 to 62% in 2015, replaced by Asian banks' expanding maritime portfolios, e.g. Bank of China (BoC) (\$21 billion),

Korea Export-Import Bank (KEXIM) (\$18.5 billion), the Industrial and Commercial Bank of China (ICBC) (\$18 billion) and China Export and Import Bank (CEXIM) (\$16 billion).

The shift is attributable to several factors. European banks are retreating due to Basel III requirements, asset quality reviews, regulatory stress tests, and the continuous pressure from non-performing loans — in some cases, ever since 2008. For example, Deutsche Bank was recently seeking to sell at

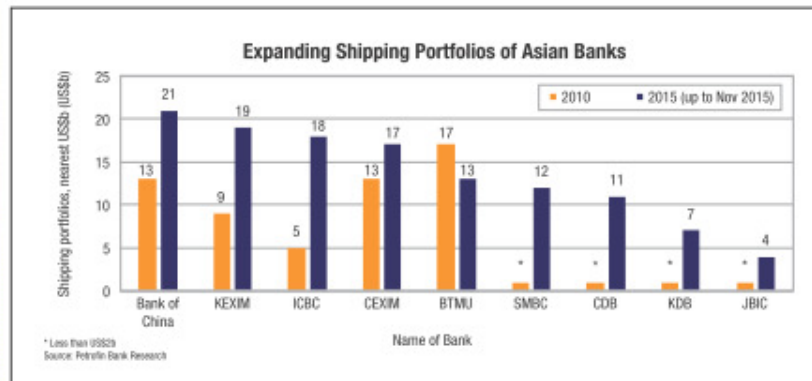
least \$1 billion of shipping loans. In addition, in June 2016, the European Central Bank was reported to be launching a further review of European banks' shipping loans, generating concerns about follow-up requirements for further capital injections and loss provisions.

In addition, as traditional financing sources dry up, countries such as China, Korea and Japan, whose economies rely significantly on the maritime industry, have found it necessary to fill the financing gap for

strategic and economic reasons.

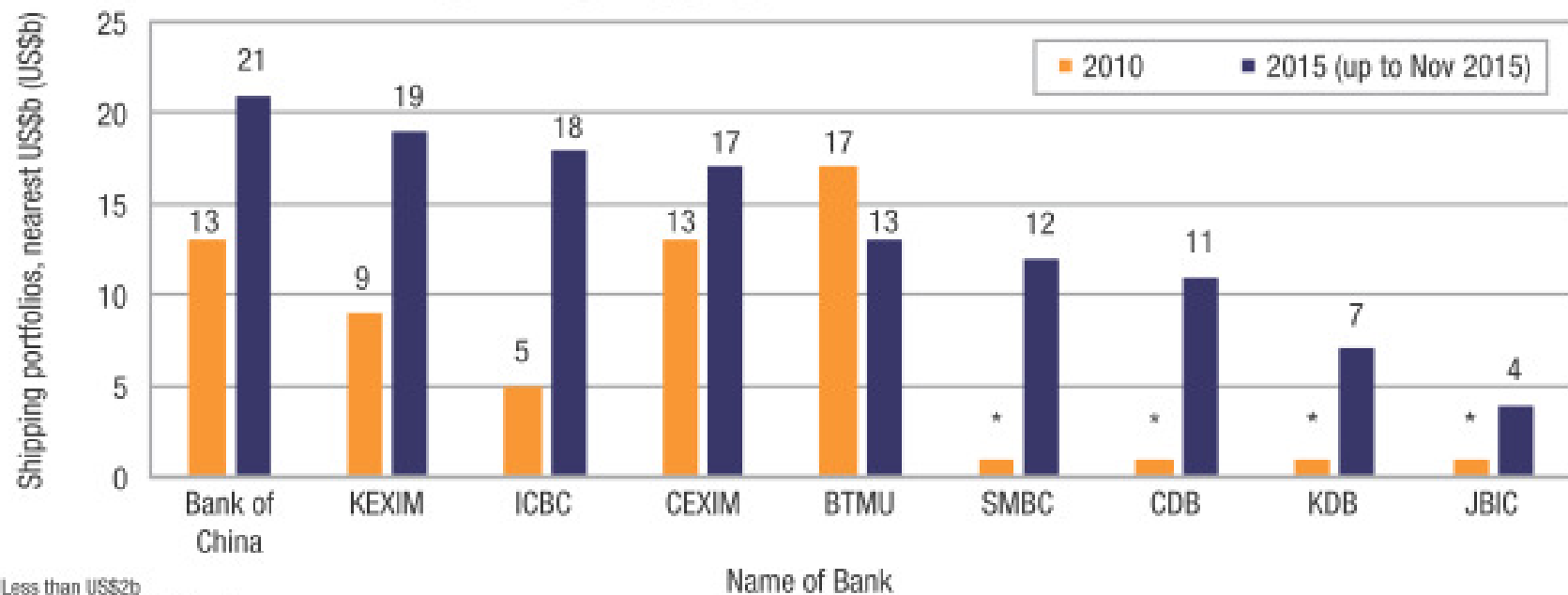
The expansion of Asian involvement is also in line with the rapid expansion of Asian banks, economies and shipping. By 2016, the top three positions in the Forbes Asia's Global 2000 list of largest companies were occupied by Chinese banks, while data from Marine Money shows that Asian countries and companies are among the leaders in global ship finance deals. Global Marine Trends 2030, published by Lloyds Register, estimated that China will lead the globe in

AUGUST / SEPTEMBER 2016



# Ship Finance – West to East

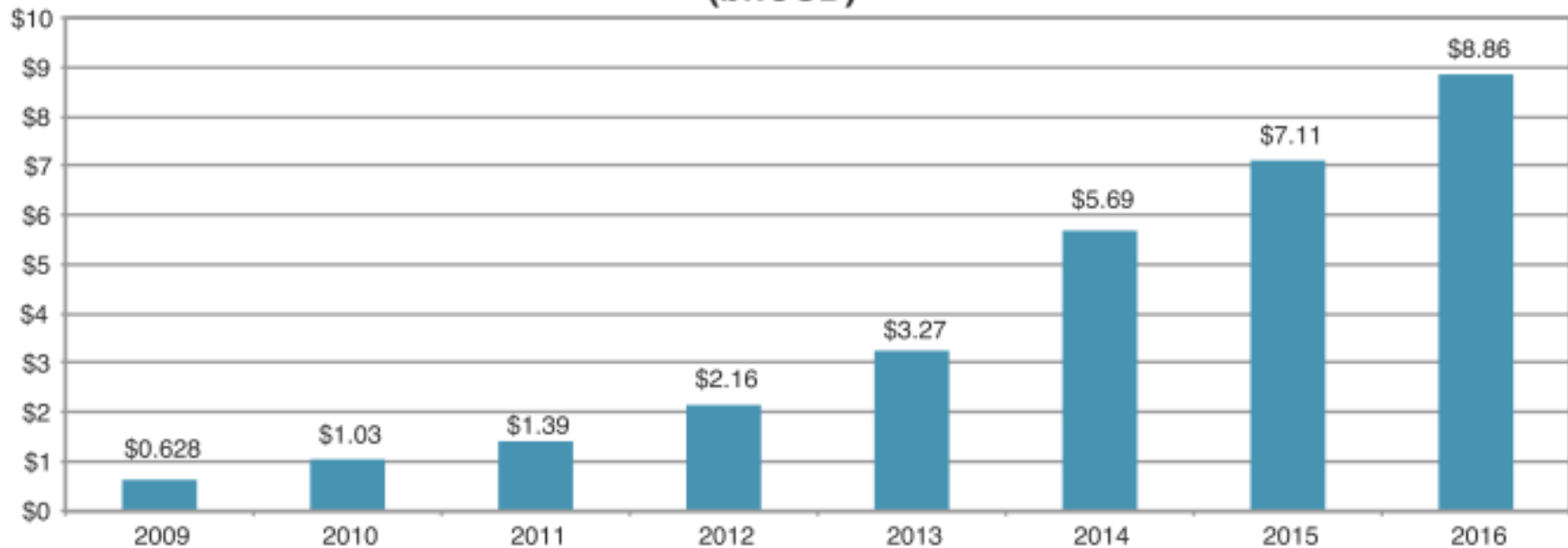
## Expanding Shipping Portfolios of Asian Banks



\* Less than US\$2b  
Source: Petrofin Bank Research

# Ship Finance – West to East

ICBC Leasing Total Assets, 2009 - June 2016  
(bnUSD)

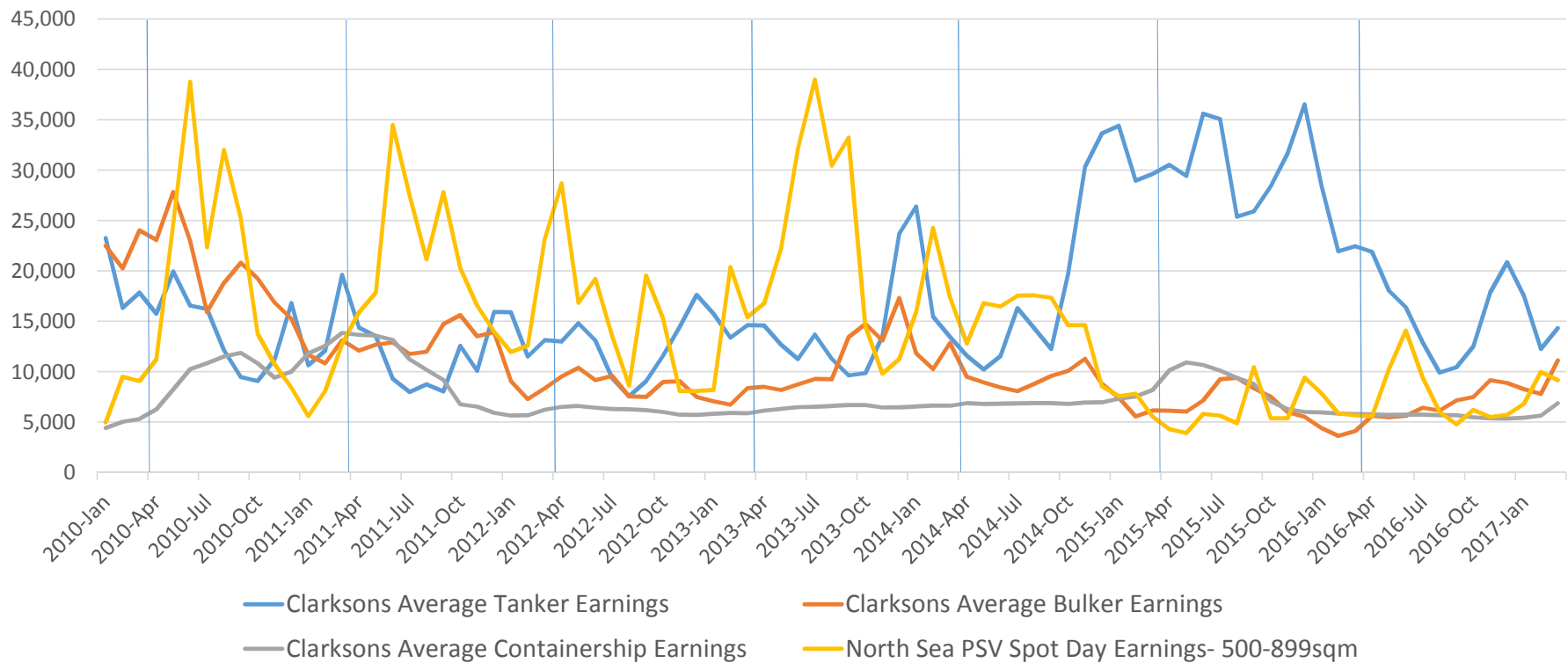


Source: Marine Money



# Ship Earnings

Ship Earnings (US\$/day)



Source: Clarksons Research

# "THE GOOD, THE BAD & THE UGLY"



Year	Bulker	Tanker	Container	Offshore
2009	Bad	Ugly	Not so good	Good
2010	Not so good	Bad	Good	Ugly
2011	Ugly	Bad	Not so good	Good
2012	Ugly	Good	Bad	Not so good
2013	Not so good	Bad	Ugly	Good
2014	Not so good	Good	Ugly	Bad
2015	Bad	Good	Not so good	Ugly
2016	Not so good	Good/ Not so good	Ugly	Ugly

Source: Moore Stephens

## CLINT EASTWOOD

co-starring  
**LEE VAN CLEEF** ALDO GIUFFRÈ | MARIO BREGA and with

also starring  
**ELI WALLACH**  
 in the role of Tuco

Screenplay by AGE-SCARPELLI, LUCIANO VINCENZONI and SERGIO LEONE Directed by  
 Produced by ALBERTO GRIMALDI for P.E.A. - Produzioni Europee Associate, Rome

SERGIO LEONE

Music by  
 ENNIO MORRICONE



TECHNISCOPE TECHNICAL

***For Three Men  
 The Civil War  
 Wasn't Hell.  
 It Was  
 Practice!***

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