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MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

Singapore Shipping Forum 2016

Shipping in Turbulent Times

21 April 2016

Shipping

PRECISE.PROVEN.PERFORMANCE

Panel Discussion & Audience Polling

Mr. Robert Stenvik

Mr. Venkatraman Sheshashayee

Mr. Yaseen Anwar

Mr. John D' Ancona

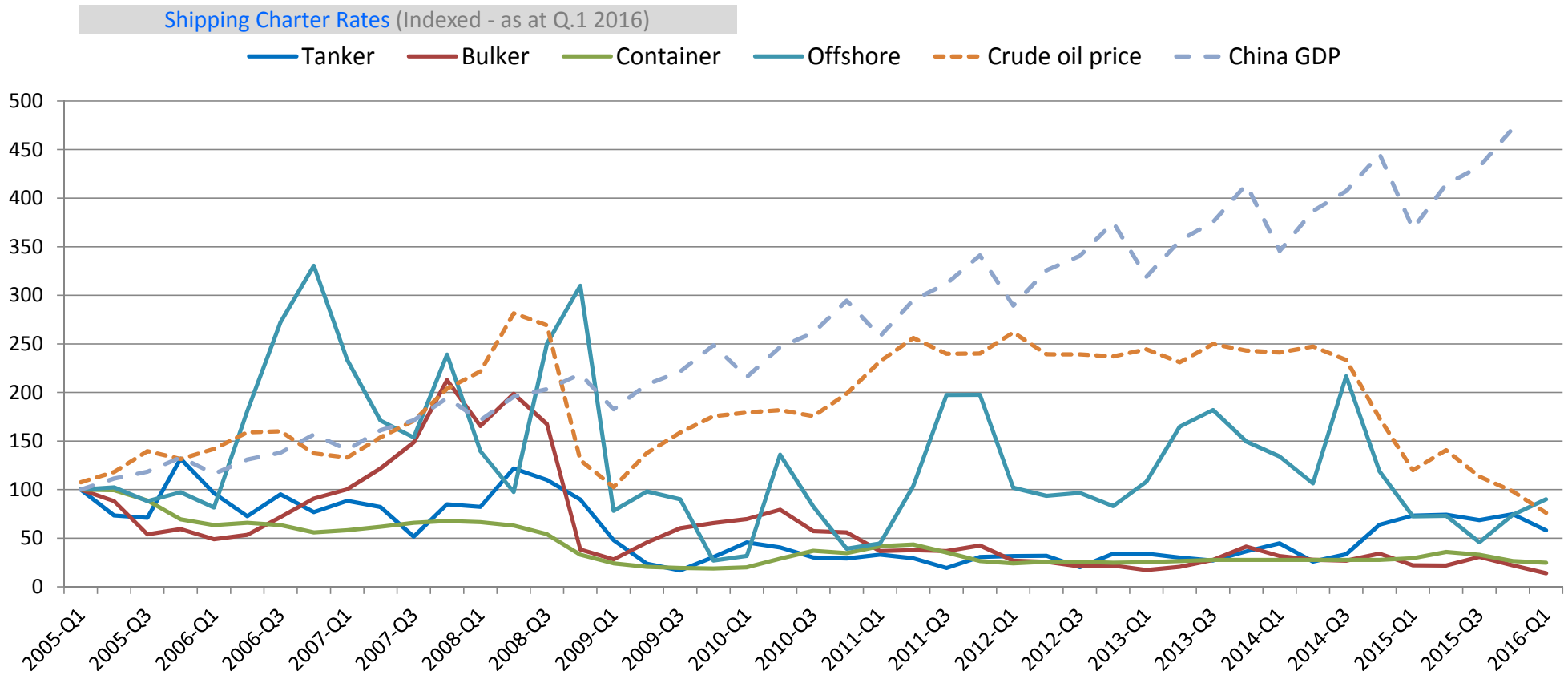
Mr. Arnold Wu

Mr. Anthony Zolotas

Chairman: Mr. Mick Aw

Poll Master: Mr. Dimitris Belbas

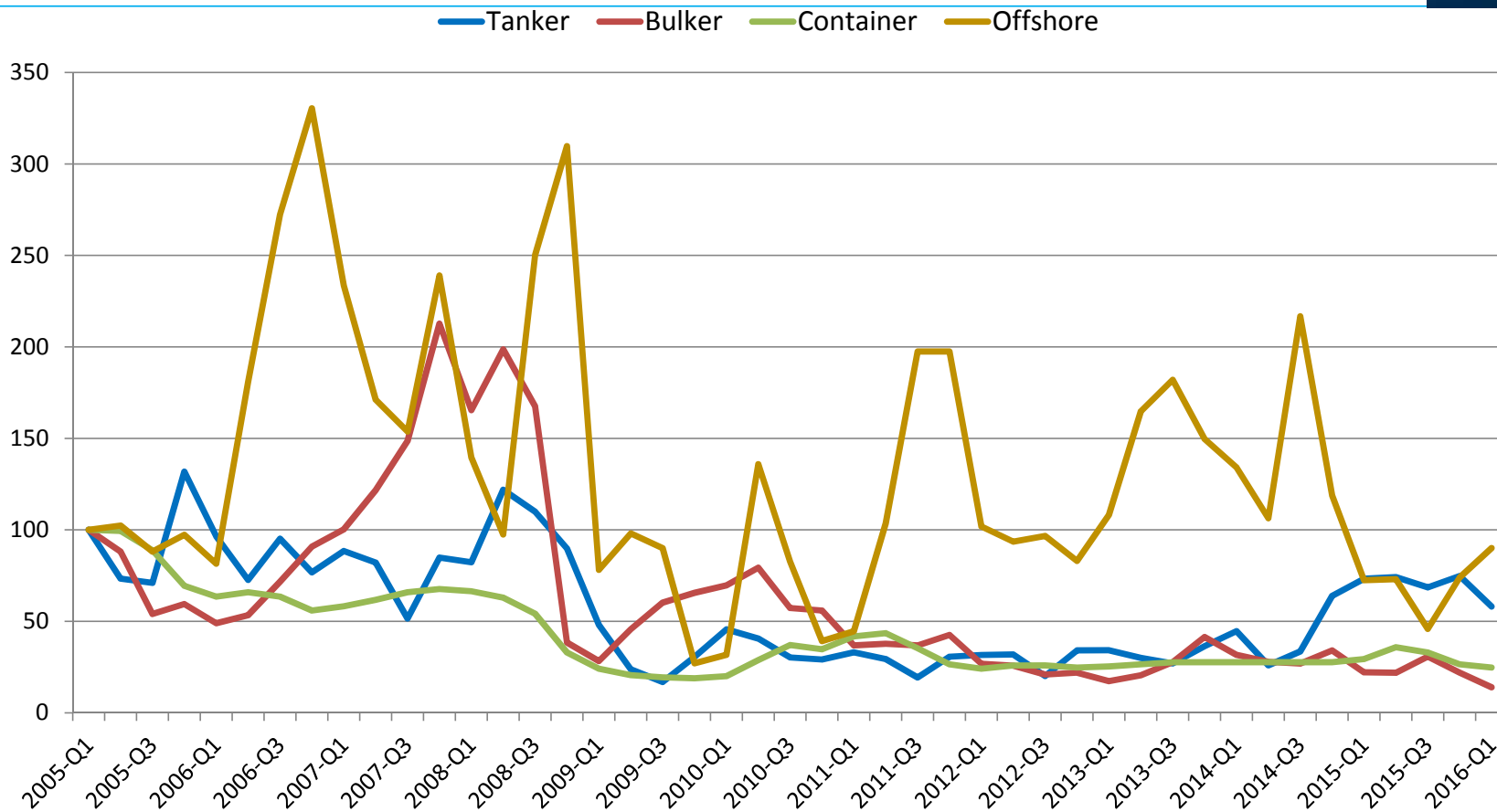
Comparison of sector performance



Source: Clarkson's Research, Baltic Exchange, China NBS Quarterly Data

Comparison of sector performance

Shipping Charter Rates (Indexed - as at Q.1 2016)

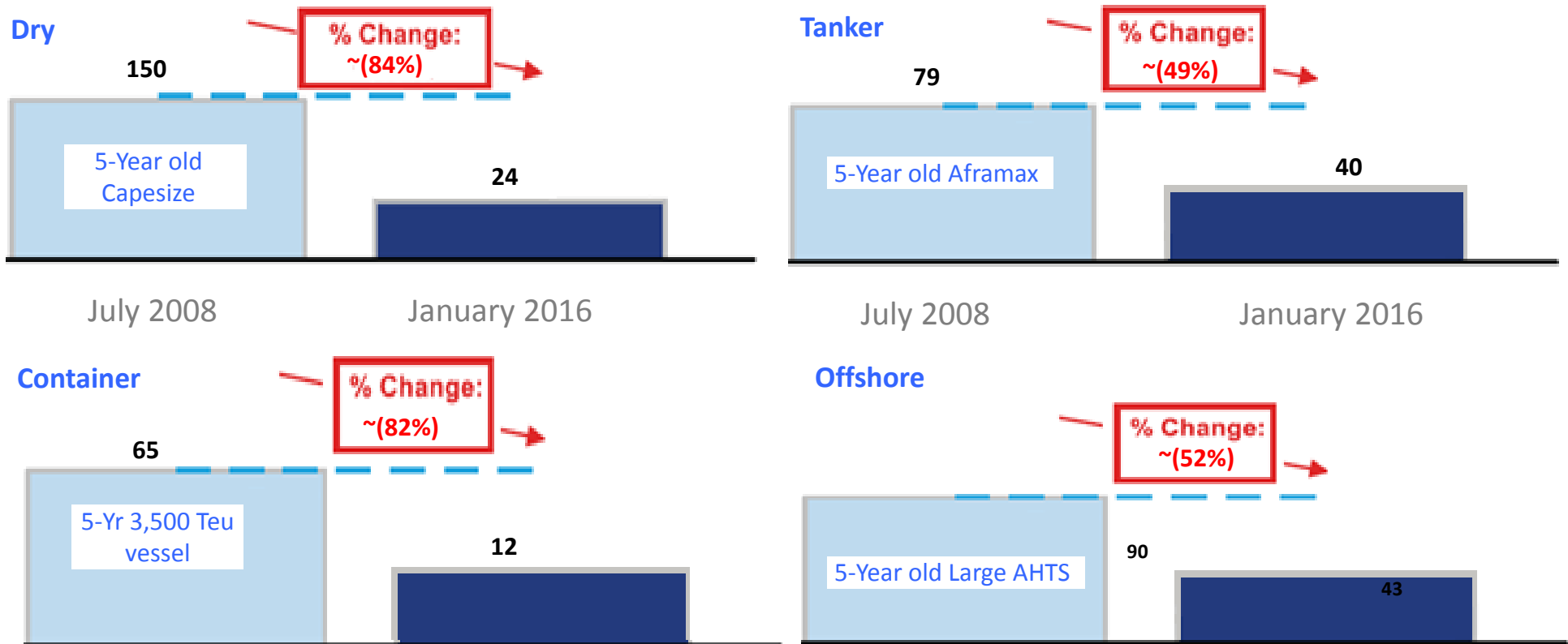


% Change
Offshore: (10%)
Tanker: (42%)
Container: (75%)
Bulker: (86%)

Source: Clarkson's Research, Baltic Exchange

Comparison of asset values

(US\$m - July 2008 and March 2016)



Source: Clarkson's Research

“THE GOOD, THE BAD ^{AND} 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

Source: Moore Stephens

CLINT EASTWOOD

co-starring

LEE VAN CLEEF ALDO GIUFFRÈ and with MARIO BREGA

also starring

ELI WALLACH

in the role of Tuco

SERGIO LEONE

Music by ENNIO MORRICONE

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

TECHNISCOPE® TECHNICOLOR®



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

How to vote

1. Press **C** to activate your device
2. For single choice questions, press the number corresponding to your answer to submit your vote
3. For multiple choice questions, press all the numbers corresponding to your choices, then press “**OK**” to submit. Before submitting your answer you can use “**C**” to amend.
4. Once you have submitted your answer you will not be able to change it.



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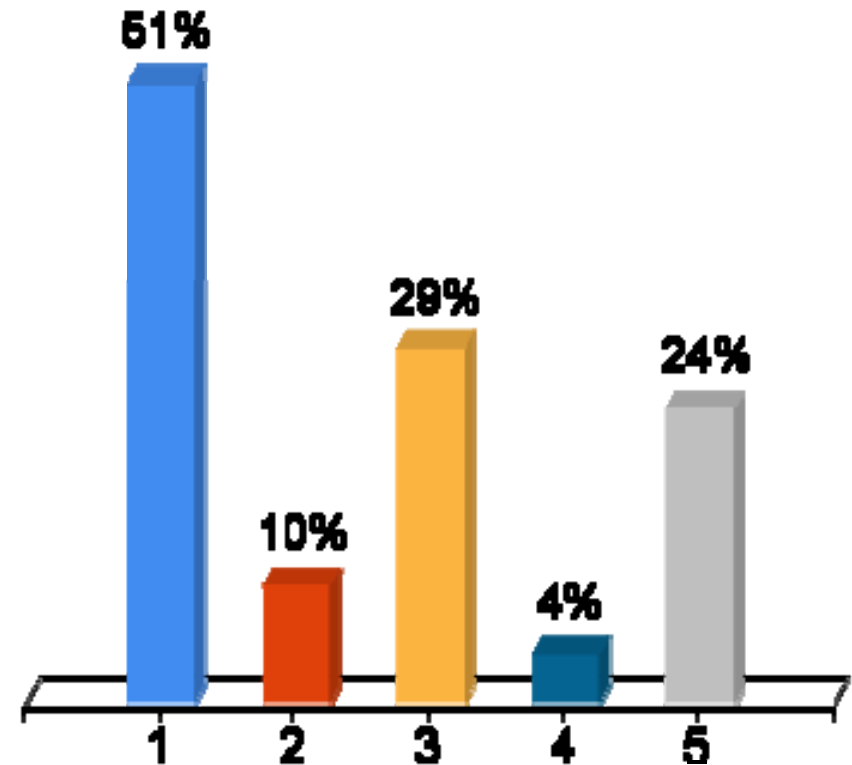
RYT PollingSolutions

CCS
Complete Corporate Services Pte Ltd

Which one or more of the following sectors have hit bottom (multiple answers allowed)?



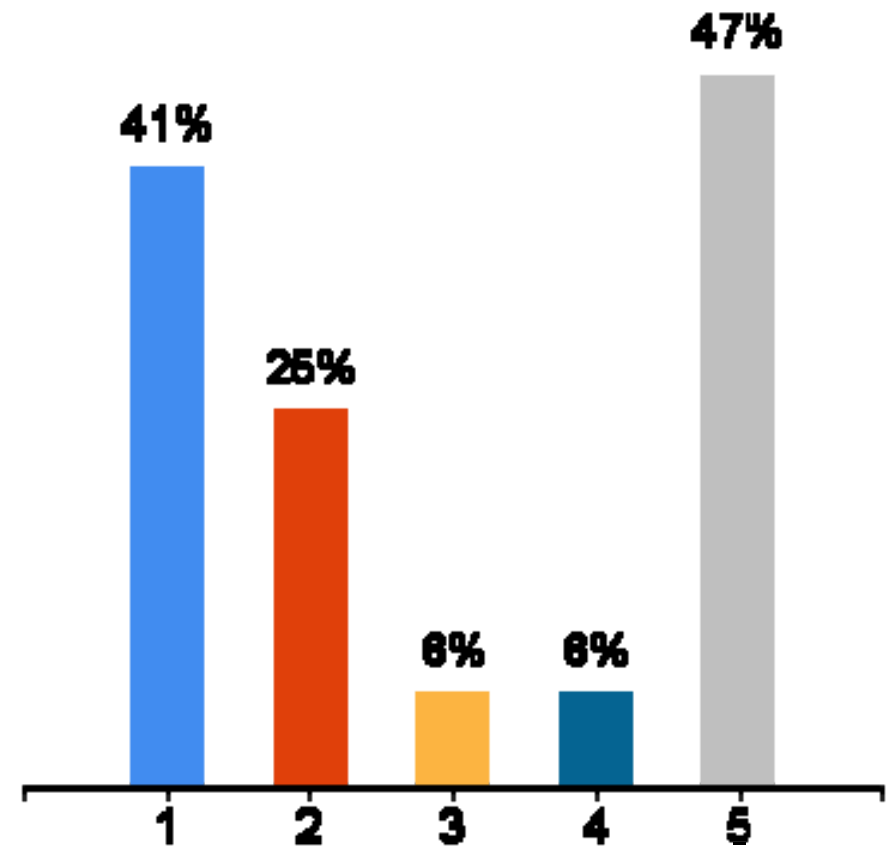
1. *Bulkers*
2. *Containerships*
3. *Offshore*
4. *Tankers*
5. *All the above sectors are likely to decline further*



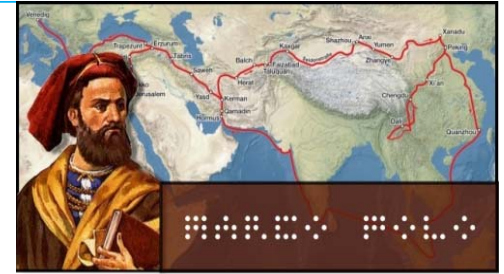
Where you would invest USD 200m (multiple answers allowed):



1. *Dry Bulk vessels*
2. *Tankers*
3. *Containerships*
4. *Offshore vessels*
5. *Debt and/or Shares*



“One Belt One Road”: The 21st Century Silk Road



Routes of “One Belt One Road” initiative

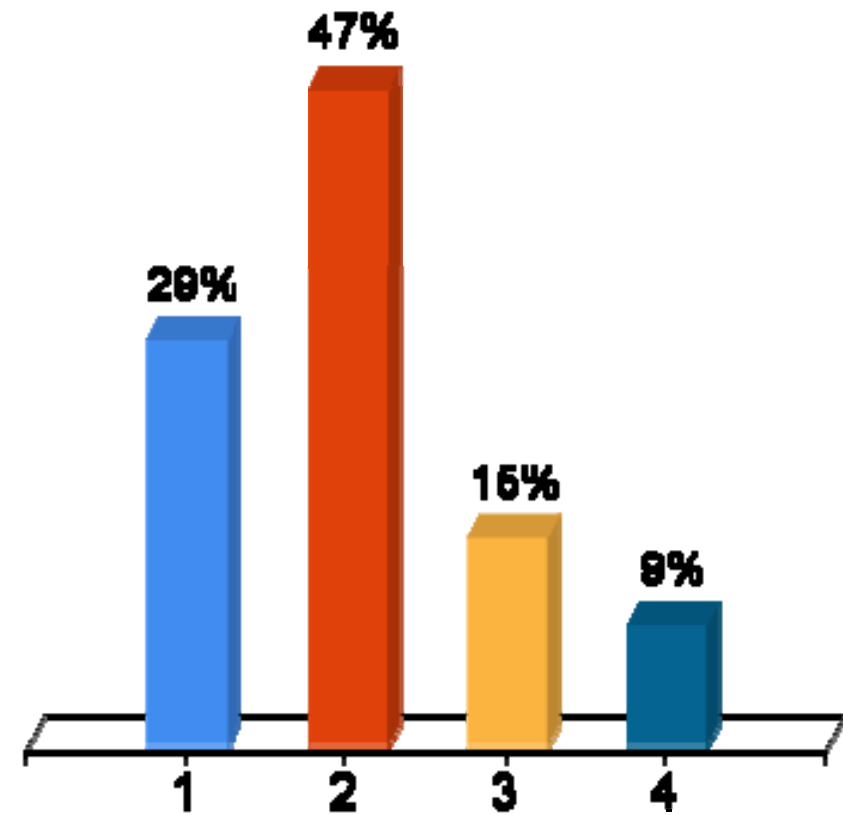


Source: Moore Stephens LLP, adapted from State Council, PRC, April 2015

RMB will become one of the world's dominant trading currencies:



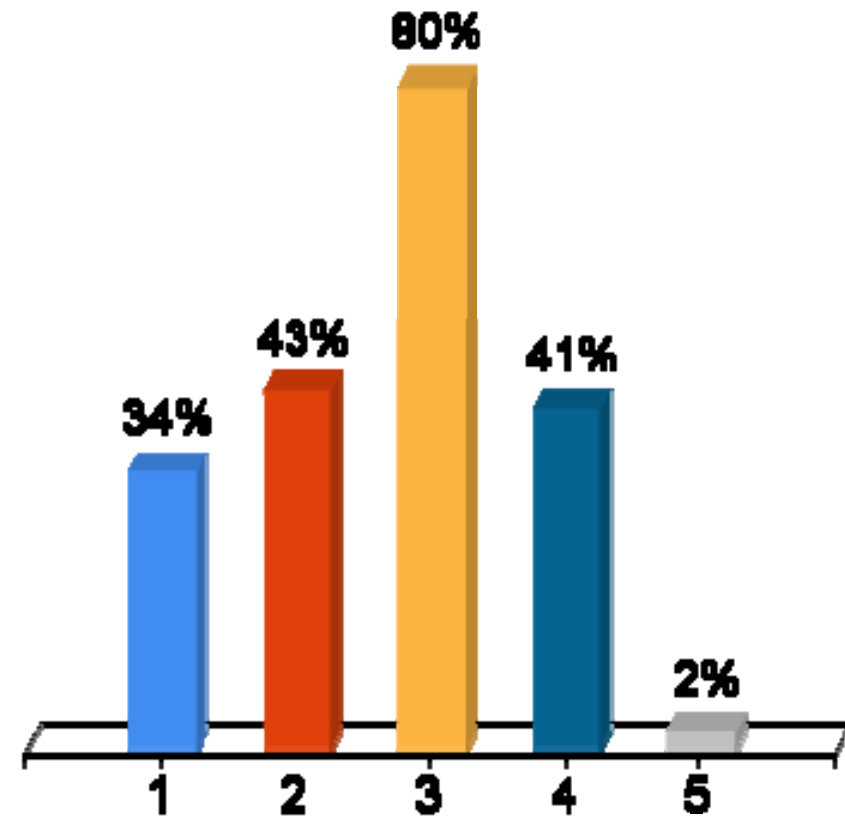
- 1. In the very near future*
- 2. Not in the foreseeable future*
- 3. It is already one*
- 4. Never*



Which one or more roles can Singapore play in OBOR (multiple answers allowed)?



- 1. Mega containership and transshipment port*
- 2. Fuel Oil / LNG bunkering hub*
- 3. Key Financial and Maritime Services Centre*
- 4. Partnering in building infrastructure outside Singapore*
- 5. None of the above*



Bank Lending



Debt capital to the industry is restricted due to the rapidly changing landscape of post-crisis (European) bank regulation.

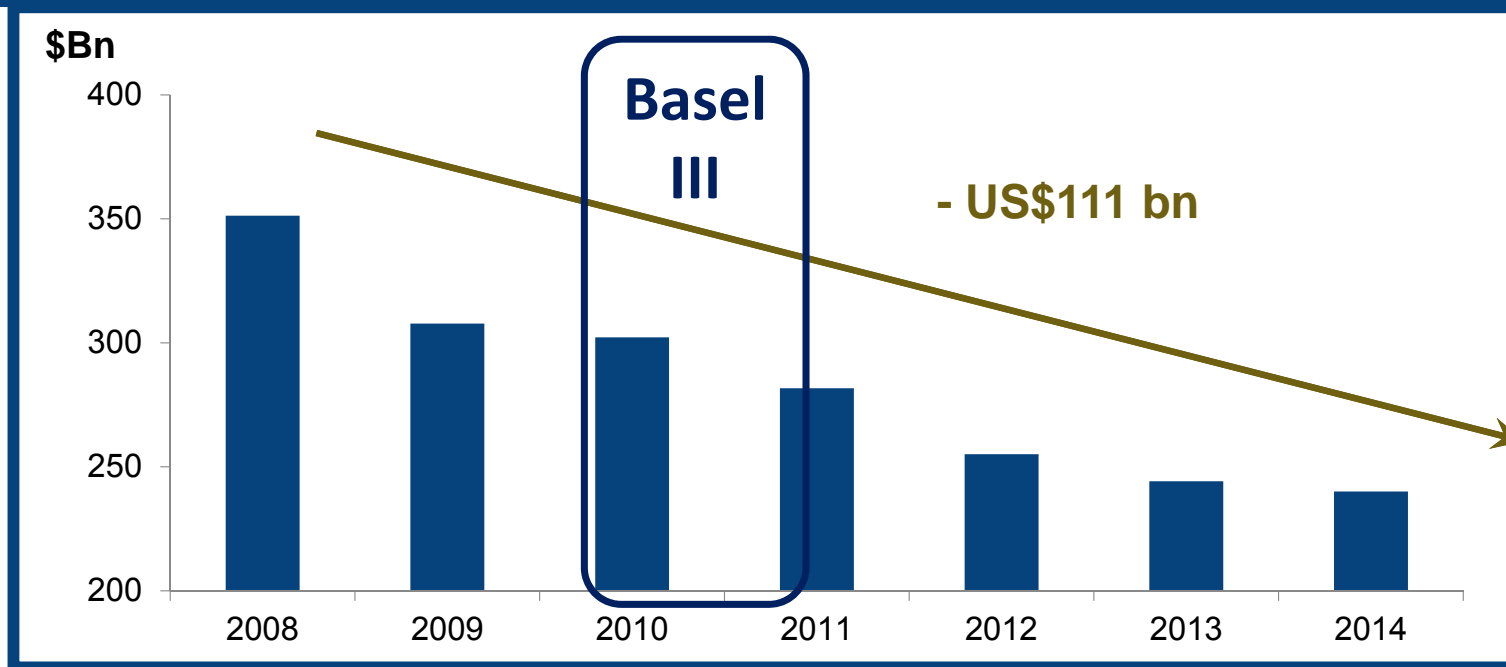
- The shipping finance market was dominated by a core of c.40 international commercial banks, predominantly based in Europe.
- New capital adequacy, leverage requirements, AQR and stress tests have forced many European lenders to review their commitment.
- Lenders that are still active are limiting new business to existing 'core' clients, top tier names and big ticket loans.
- Most portfolio reductions arise from amortisation and periodic, concentrated discounted sale of loan assets to new entrants and other banks.



Ship Finance Conditions – April 2016

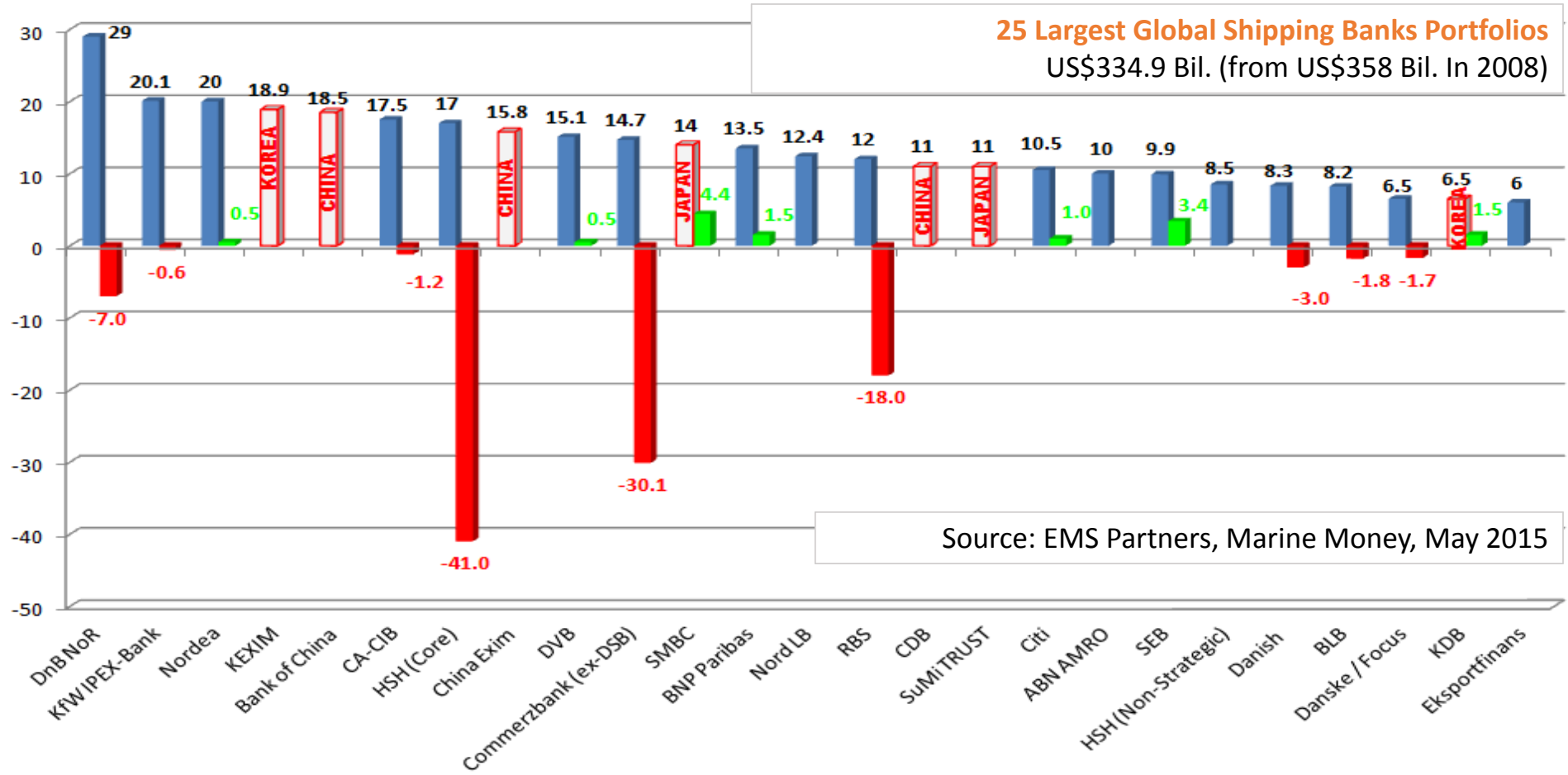


Top 20 Portfolio Reductions 2008–2014



Source: Marine Money

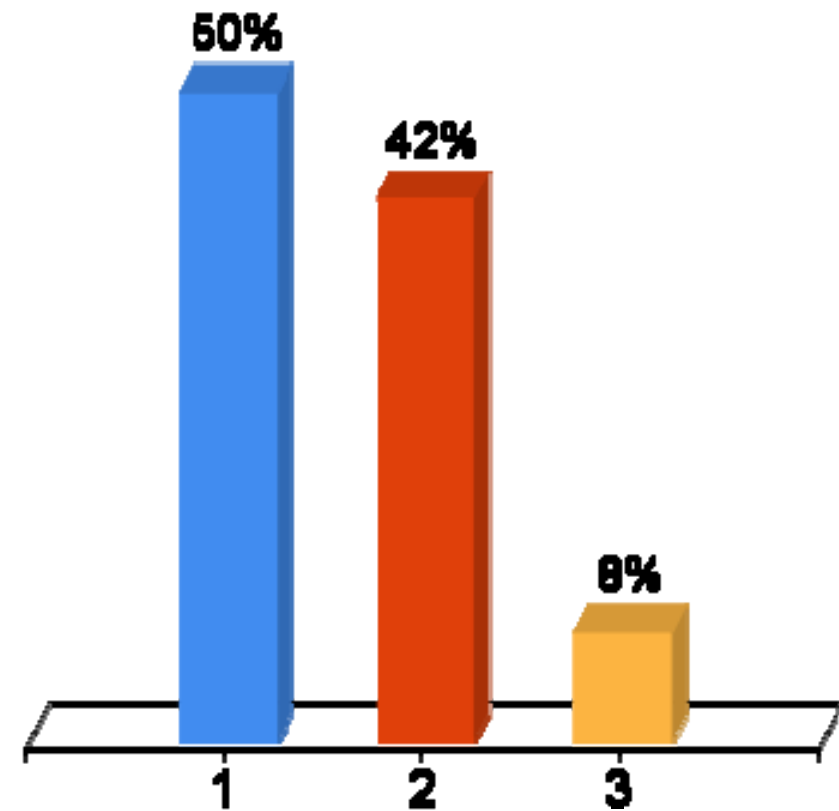
Ship Finance Conditions – April 2016



What will be the status of banks' ship financing activities going forward:



- 1. Bank lending will be even scarcer than today, available only to Top Tier clients*
- 2. Availability of bank lending will continue to remain at today's levels, which will be the new norm.*
- 3. Bank lending will be widely available*



Which funding source will dominate shipping investments going forward:



1. *Bank loans*
2. *Leasing*
3. *Private Equity / Hedge Funds*
4. *Capital Markets (Debt and/or Equity)*
5. *Shipping companies' own equity*

