



Financing Tankers

A non-Banker's view on the Bankers' view



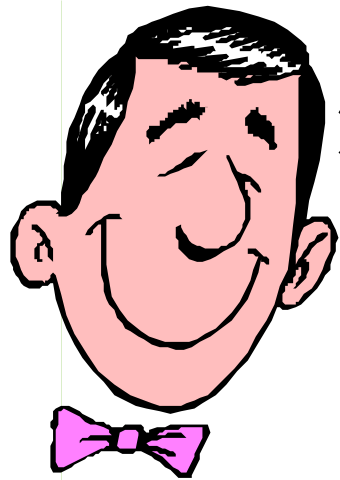
ANTHONY B. ZOLOTAS- EUROFIN LTD.



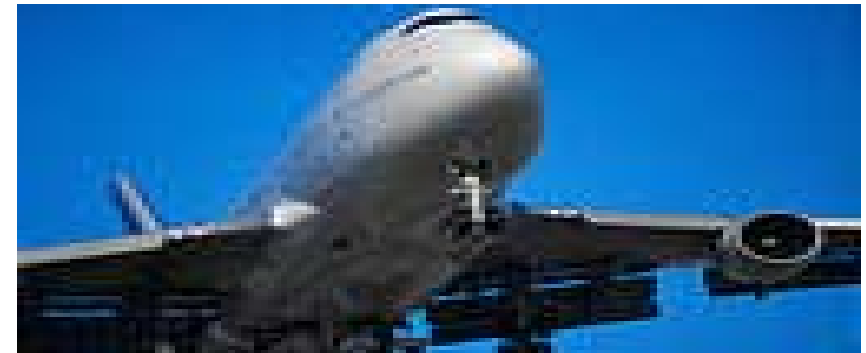
Bankers



drive their cars



fly on planes



yet...

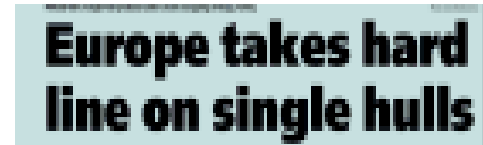
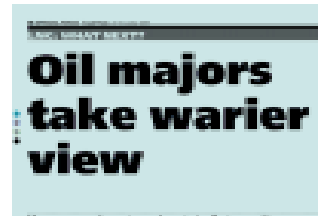
I am **NOT**
financing Tankers



The Oil Transport industry... in the news



"Ship Pollution Worries - Threat to Wildlife"



The New York Times
ON THE WEB

"France Tries to Limit Ship Pollution in Mediterranean"

Guardian Unlimited network

Special report
Waste and pollution

"Prestige tanker will leak oil for another three years"



Shipping Finance... the Bank's approach

1. ASSET

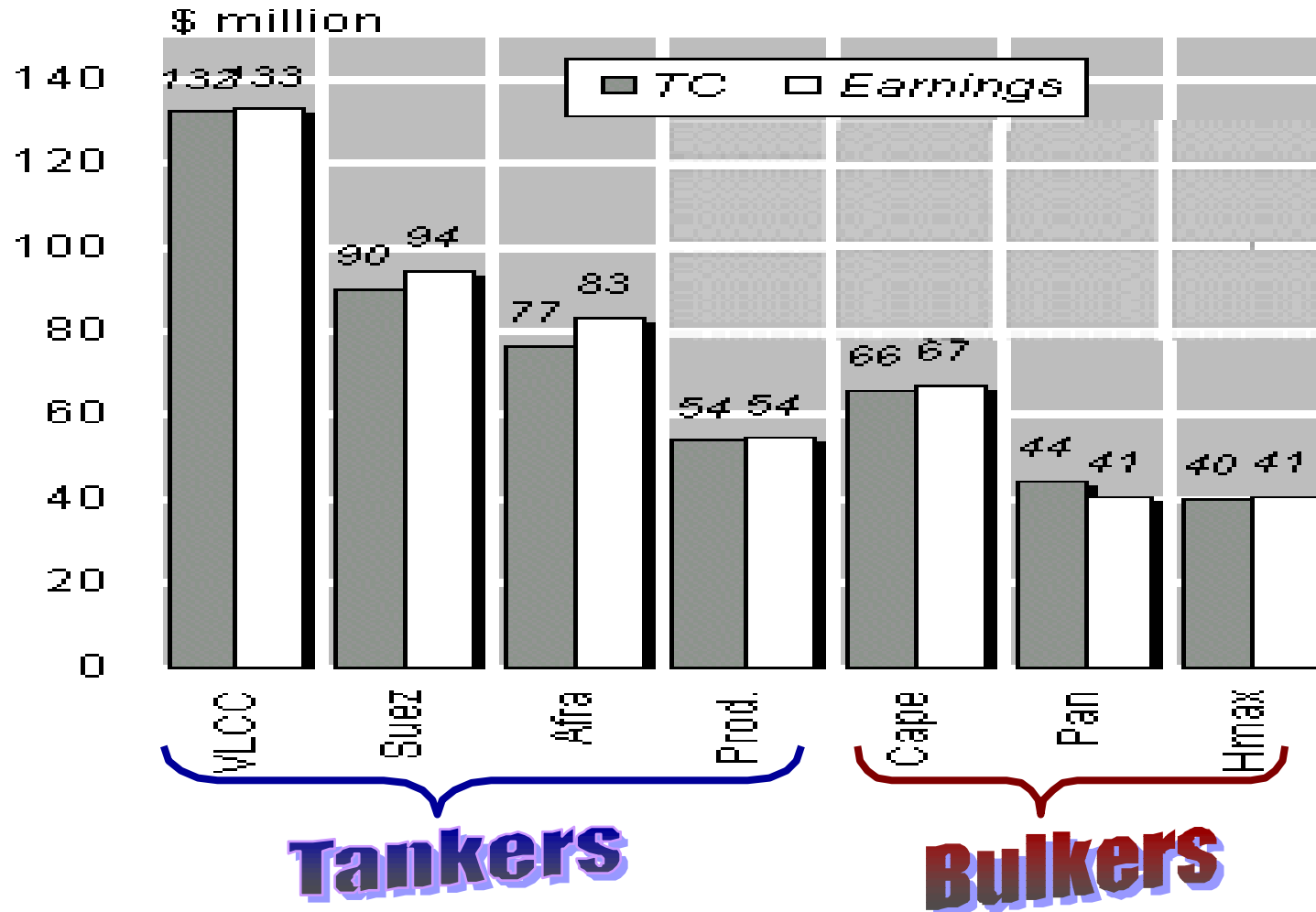
2. CASH FLOW

3. BORROWER



The Oil Transport industry... in the Money

Cumulative revenue 1990 to June 2002 (Tankers v Bulkers)



Source: Clarkson Research Studies



Shipping Business... Lack of Understanding.. by Ship Financiers

Our point raised:

“There is not enough understanding of the shipping business in the banking world, and things are worse for tanker owners than others”.



Testing the Bank's Understanding of the Shipping Business

Has the bank built a shipping team expertise?



- *Shipping staff experience builds over a long period of involvement and exposure.*
- *It is further enhanced by structured industry training programs.*
- *Last but not least...
Experience reaches high levels within the bank.*



Testing the Bank's Understanding of the Shipping Business

Does the Bank have clear procedures?

- *Money Laundering Regulations*
- *Capital Adequacy Regulations*

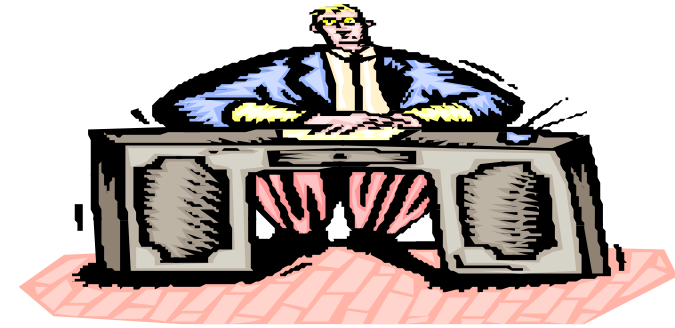
Banks have to establish clear procedures and reporting lines



Testing the Bank's Understanding of the Shipping Business

Examine the Bank's Credit Policy.

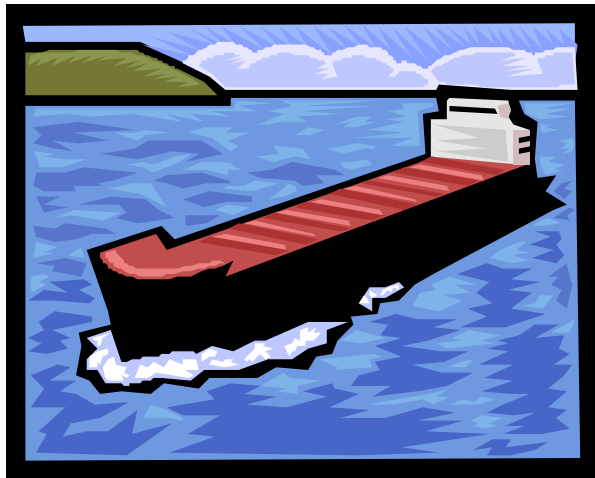
The Credit Policy



- *It is distilled experience and guidelines to assist in the decision-making process.*
- *Provides the foundation over which the bank and the client will build a long-lasting and prosperous relationship.*



As a summary...



A "perfect" bank for a Tanker owner

- It has high level shipping knowledge right up the bank structure
- Its people know what a tanker is
- It has a clear but flexible shipping policy
- It is committed to the industry



A "perfect" bank for a Tanker owner

- It has a good volume of business
- It has imagination
- It employs in key positions honest people who like the industry and who do not see their future advancement hindered by a protracted stay in the shipping department.



CONCLUSION

From time to time tanker shipping gets full of banks who want a piece of the action.

Then when things turn tough, and in the cyclical business that shipping is they do turn tough, they turn their back on it.

That is not the sort of bank we want to see in shipping.

Tanker owners deserve better.



 Eurofin

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