

PI ETA CONSULTING COMPANY

Shipping Financing Part II

- Managing The Shipping Financing Portfolio

The Alpha, #03-16A, 10 Science Park Road, Singapore Science Park II
Singapore 117684, Republic of Singapore
Tel: +65 634 100 10 | Fax: +65 634 100 20 | Email: marketing@pi-eta.com

OUTLINE FOR SHIPPING FINANCING PROGRAM, A 2-DAY PROGRAM

- **Sources of Ship Finance**
 - Brief History
 - Debt
 - Commercial Loans
 - Bonds
 - Private Placement
 - Shipyard Support Credit Provided by Government or Agency.
 - Mezzanine Finance
 - Equity
 - Owner Equity
 - Public Offering
 - Private Placement
 - Ship Fund
 - Leasing
 - Finance Lease
 - Operating Lease
 - Securitisation

- **Forms of Risk**
 - Credit Risk
 - Business Risk
 - Market Risk
 - Operational Risk

- **Optimal Funding Structure**
 - Key Considerations in selecting a financing option.
 - Advantages of debt financing over other options.
 - Long-term benefits of equity and securitization

- **Long Term Financing Strategy to Enhance Competitiveness and Sustainability**
 - Operating Cost
 - Fuel Cost
 - Revenue and cash flow availability
 - Managing and/or optimizing the Balance Sheet
 - Diversification
 - Deployment of Fleet

- **Documents and Certificates in Shipping Credits**
 - Evidence of Ownership
 - Tonnage Certificate
 - Class Certificate
 - Certificate of Registry
 - Certified Carving and Marking Note
 - Statutory Certificates
 - Various Ship Safety Certificates
 - International Load Line/Local Freeboard
 - International Oil Pollution Prevention (IOPP)
 - Document of Compliance
 - Safety Management Certificate (SMC)
 - Safety of Life at Sea (SOLAS)
 - Certificate of Fitness
 - International Ship Security Certificate (ISSC)
 - Maritime Labour Certificate (MLC)

- **Documentation required for Shipping Loans**

- **Pre-delivery Financing**
 - Financing the Shipyard
 - Terms of payment are some down payment and balance through a letter of credit
 - Terms of payment are progressive payments in accordance with ship building contract
 - Financing the owner/purchaser
 - Terms of payment are a) with no re-fundament guarantee b) with re-fundament guarantee

- **Post-delivery Financing**
 - Financing the owner/purchaser

- **International Convention on the Arrest of Ships**
 - What is an arrest? Why do you need to arrest? How to go about making an arrest?
 - Precautions to take in arresting and releasing a vessel.
 - When could a vessel be released?
 - Current International Agreement
 - Bank needs to know its status and rights in such a position

- **Protection & Indemnity Clubs**
 - A Brief History
 - International Group of P&I Clubs
 - Composition and operation
 - Who can be insured?
 - What do they cover?
 - Evidence of Cover in P&I Insurance
 - Letters of Undertaking and Loss Payable Clauses
 - Innocent Owners' Protection/Mortgagees' Interest/Breach of Warranty
 - Balancing the Financial Status of the Clubs

➤ **Case Study**

- Analyse the Key Assets and Liabilities
- Revenue and Profitability
- Key Financial Ratios.

For more information, please contact PI ETA Engagement Resource (PEER) Group at
Tel: +65 634 100 10 | Fax: +65 634 100 20 | Email: marketing@pi-eta.com | Website: www.pi-eta.com

PROGRAM FACILITATOR

Mr. Andrew K. T. Goh

B.Econ.

Mr. Andrew K. T. Goh is a Business Domain Expert Facilitator with PI ETA Consulting Company. He has 32 years of banking experience having held senior banking positions in both international and local banks. Andrew is also an Independent Non-Executive Director of HL Global Enterprises Ltd, a listed company of the Hong Leong Group of Companies.

Andrew has a successful track record in Corporate Banking, Trade Finance, Specialized Lending, Lending to Small and Medium Enterprises and Credit Audit.

Prior to his current appointment, he was a Senior Audit Manager in Credit Risk Review with Overseas-Chinese Banking Corporation. He spent almost 5 years reviewing the corporate loans of the organization. Before this appointment, he was the Head of Corporate Banking with American Express Bank for 13 years. Andrew also spent 3 years with United Overseas Bank, first as Head of Consumer Banking and Credit Administration before assuming the position of Head of Corporate Banking. His first job was with Bank of America, having spent 11 years with this financial institution. He was appointed the first Chairman of the Bank's Marketing Committee and was also the Bank's Asia Specialist for Energy. Andrew spent 2 years in Houston Texas financing oil traders, major oil companies, oil field supply equipment manufacturers and other oil related industry players. He was also a Section Head of the Bank's Energy, Shipping, Chemical and Aerospace Department and made Senior Credit Officer of the Bank's Jurong Branch. Andrew also spent a year in the Bank's Specialised Lending Department handling the problematic accounts.

Andrew graduated with a Bachelor of Economics degree from the University of Adelaide, South Australia. He was also a part-time lecturer for 5 years in the 1990s lecturing on the subject of "Bank Lending" at the Nanyang Technological University of Singapore. This subject was offered to second year students of the School of Accountancy and Business.