

Bank of Ireland Maritime Industries

Financing Issues

European ShortSea Congress

Dublin, Wednesday 25th June 2008

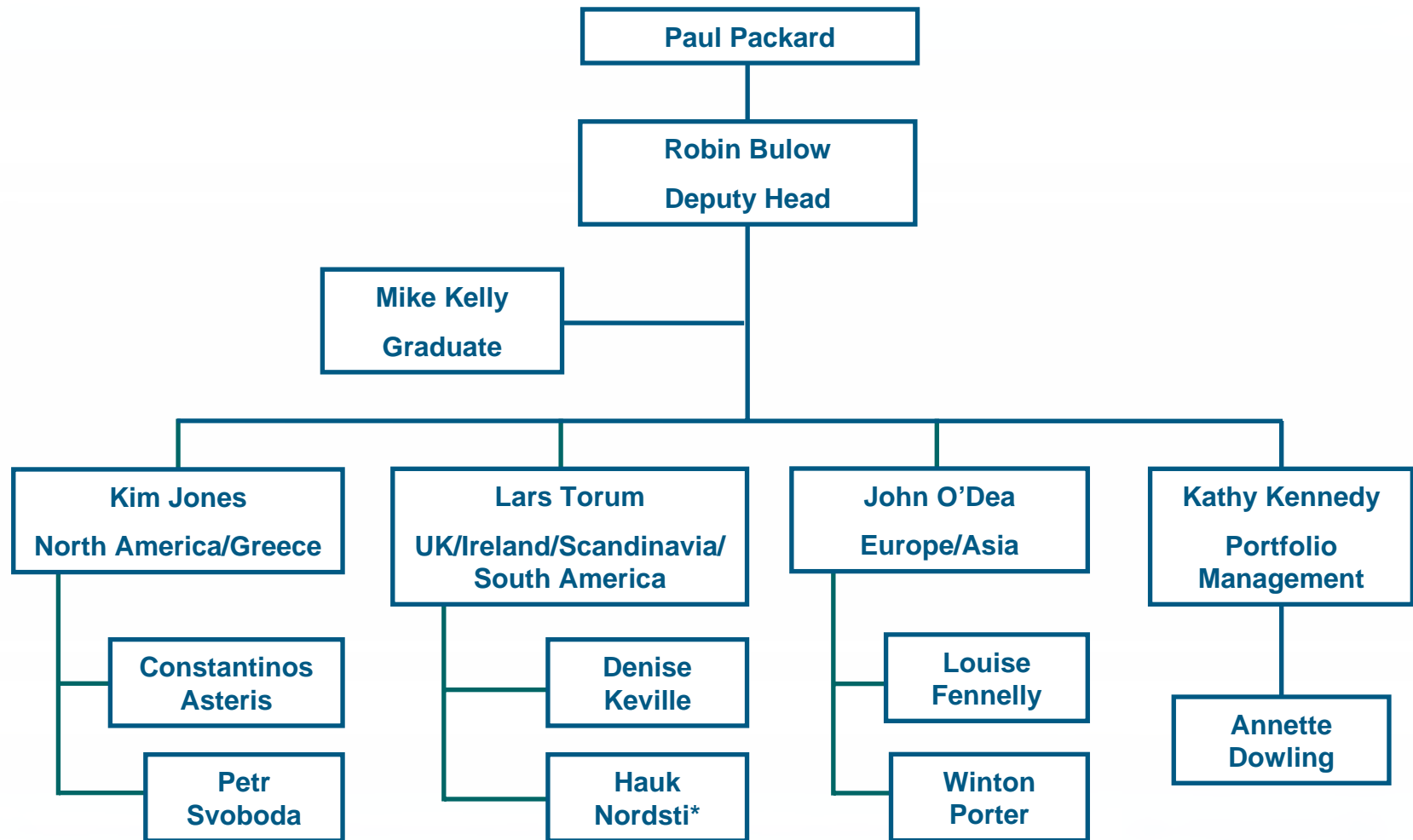


BOI Key Figures

Total Assets at 31-Mar-08	€185bn
Annual Profit to 31-Mar-08	€1.933bn
Market Capitalisation at 23-Jun-08	€6.050bn
Fitch Rating	AA- Stable
Standard & Poors Rating	A+ Positive
Moody's Rating	Aa2 Stable
Listings	Dublin, London, New York

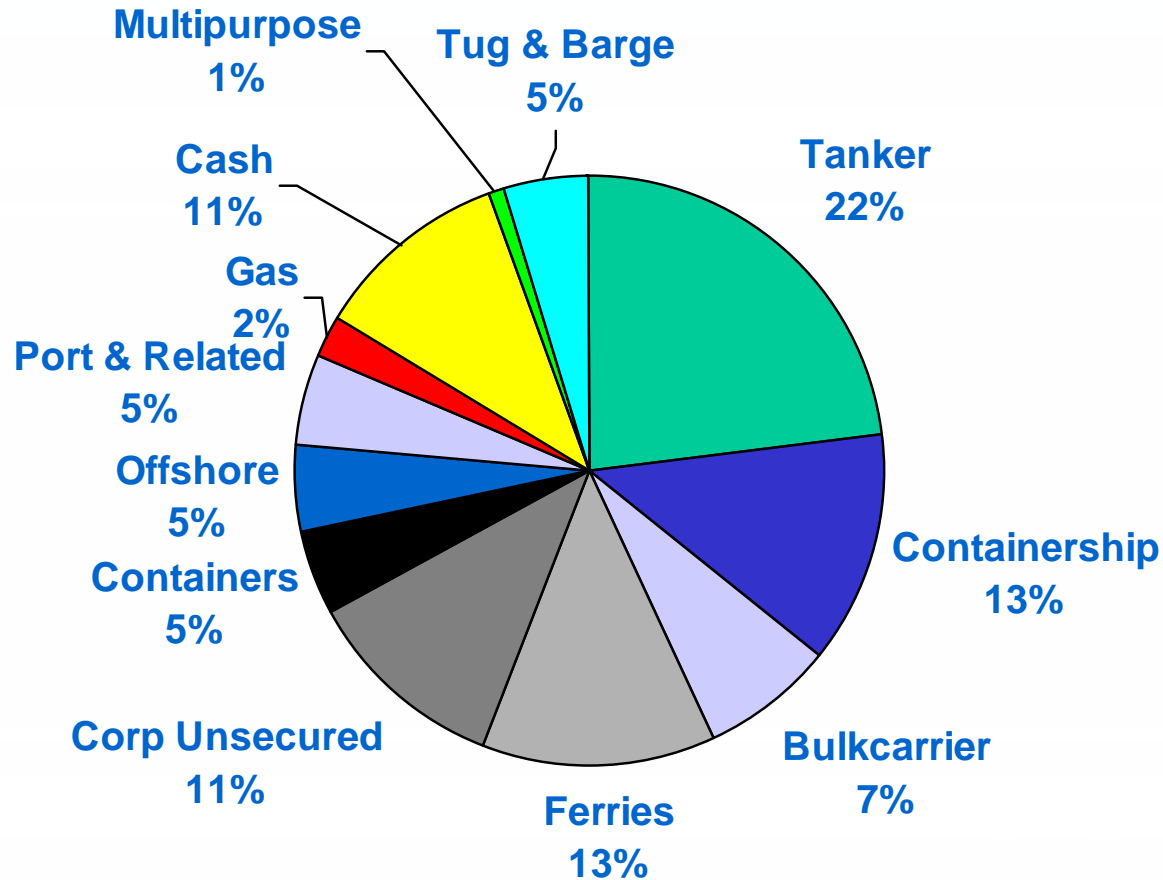


BOI Maritime Industries Team



* Scandinavian Representative - Bergen

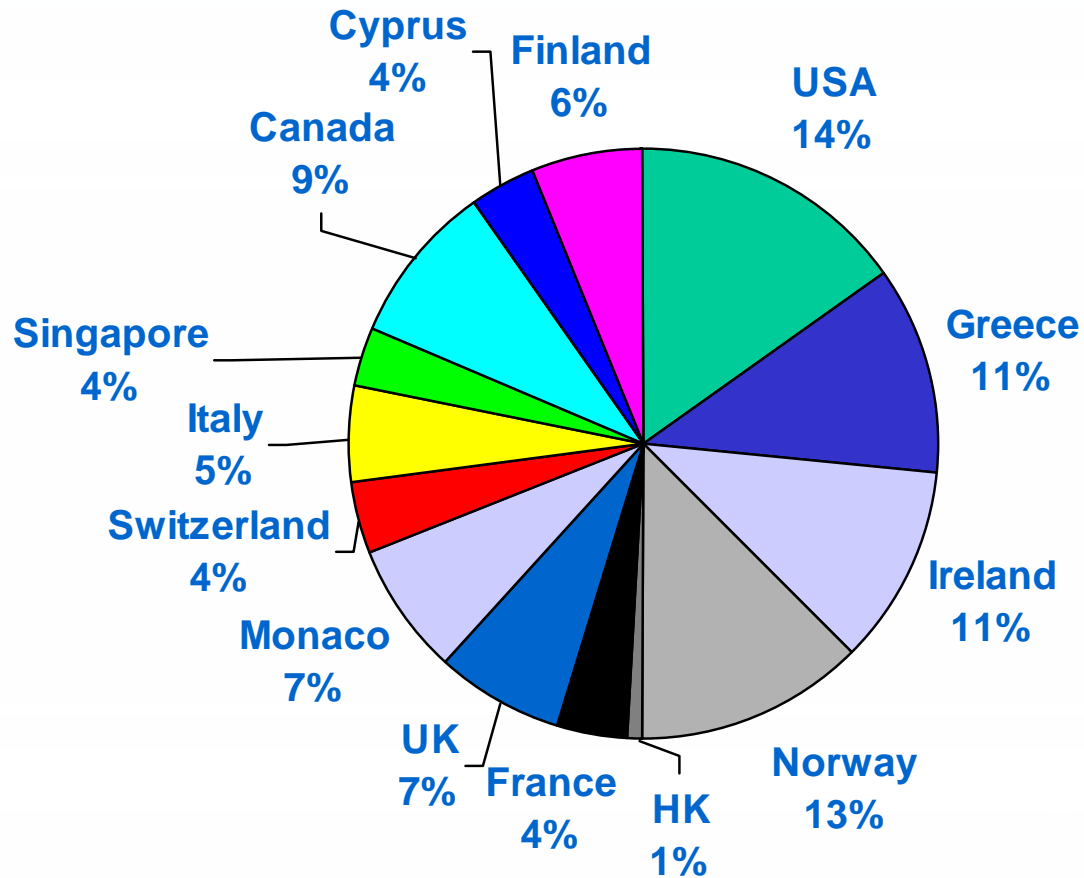
Sectoral Split



Portfolio USD 1.6bn @ 24th June 2008



Country Split



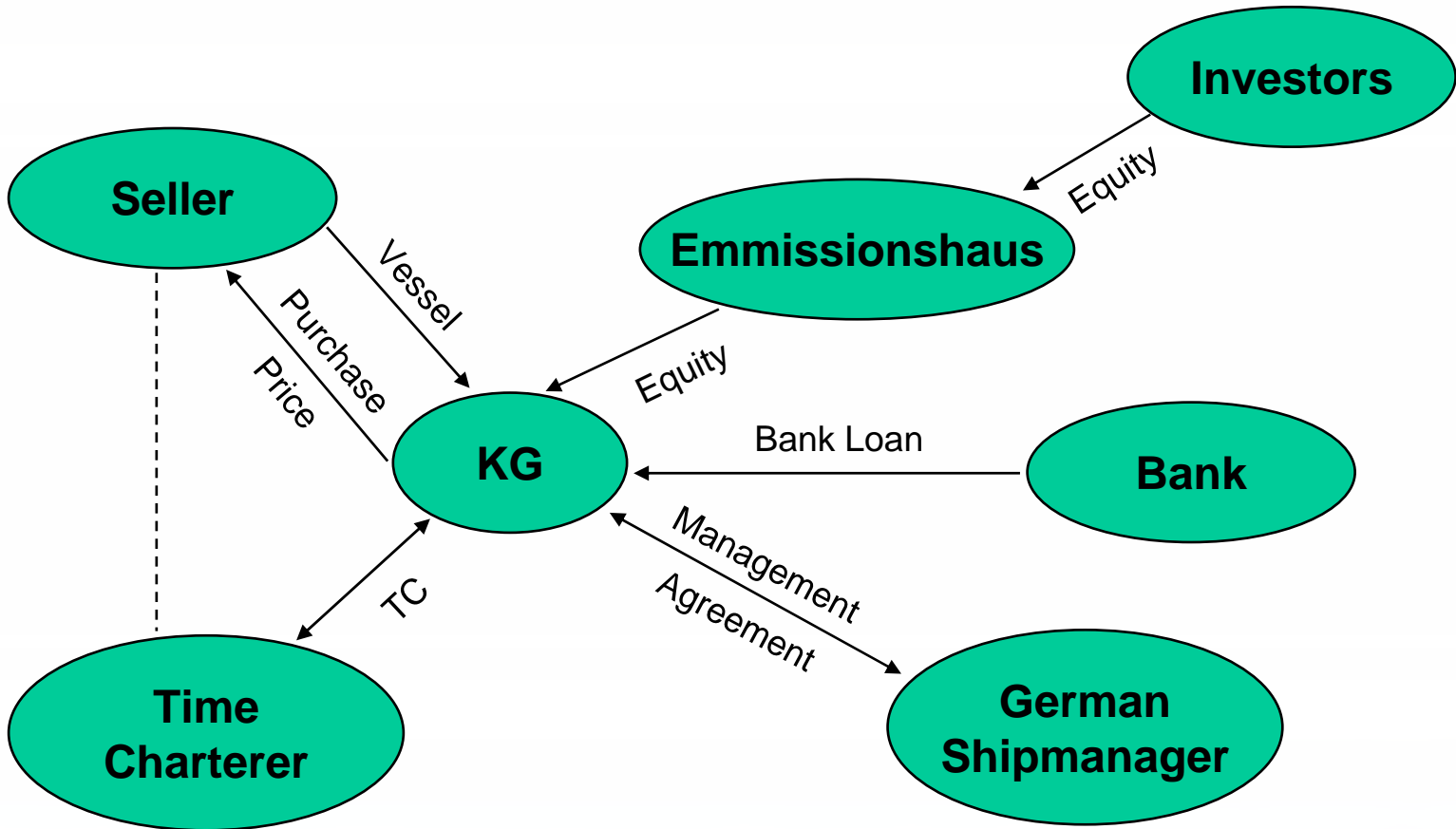
Financing Options

- **Bank Debt**
- **German KG Schemes**
- **Norwegian K/S Schemes**
- **Operating/Finance Leases**

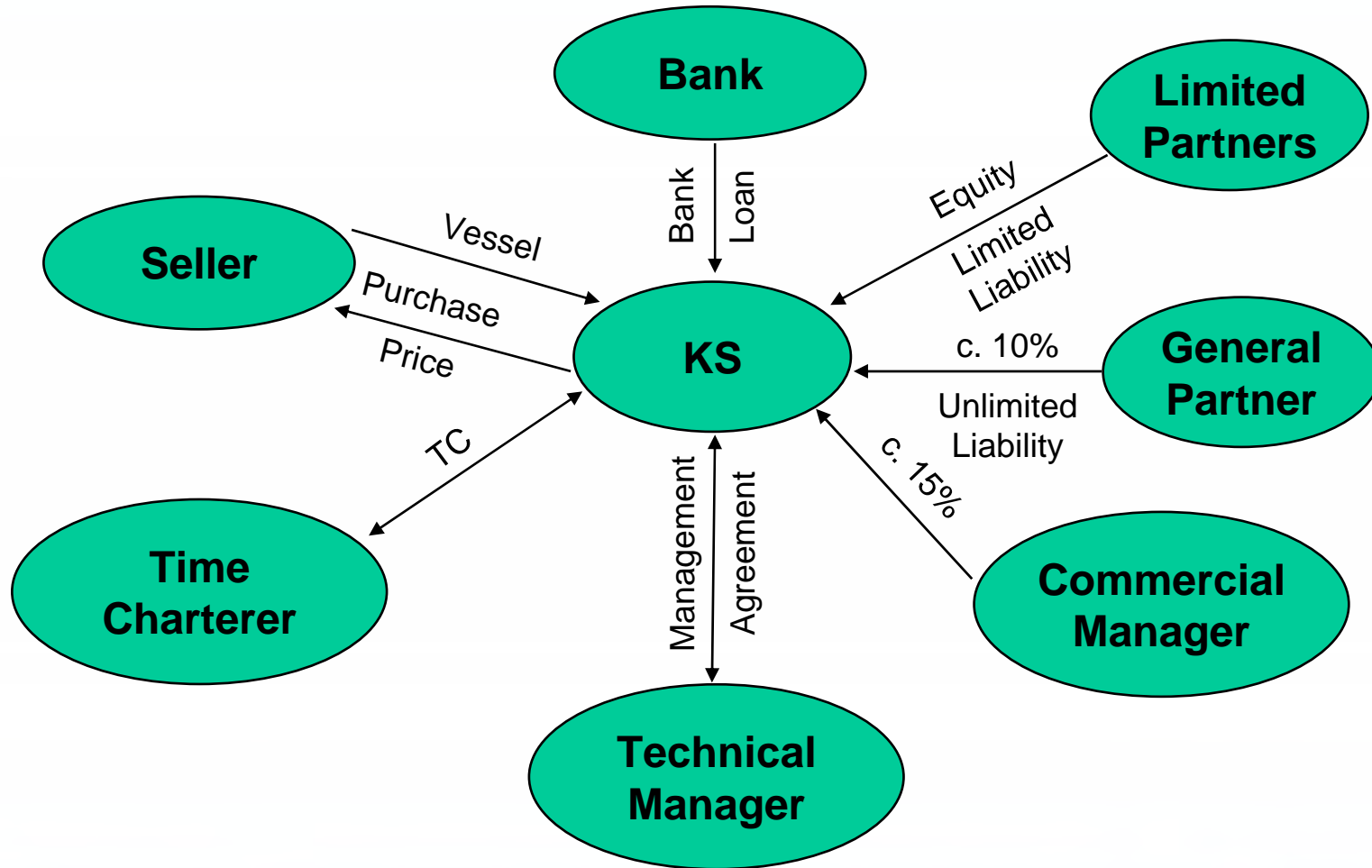


- **LTV 60-80%**
- **Tenor 5-10 years, Profile 5-15 years.**
- **Margins 1.00% to 2.00% range**
- **Security:**
 - **First Priority Mortgage on Vessel**
 - **Assignment of Earnings and Insurances**
 - **Specific Assignment of Timecharter**
 - **Pledge over Earnings, Retention, Dry Docking Accounts**
 - **Holding/Parent Company Guarantee**
- **Covenants:**
 - **Corporate, Financial, Vessel, Insurance etc.**

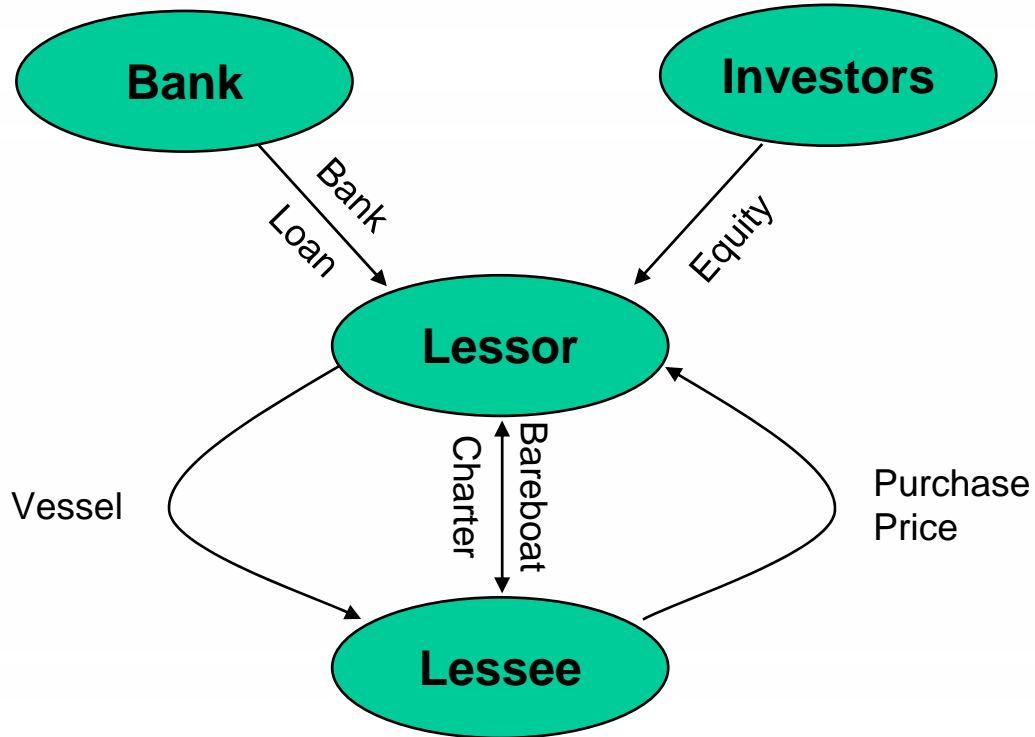
German Kommanditgesellschaft (“KG”) Scheme



Norwegian Kommandittselskap (“KS”) Scheme



Operating/Finance Leases



Impact of the Credit Crunch

- **Financial market liquidity significantly reduced**
- **Reduced availability of funds for shipping projects**
- **Some lenders affected more than others**
- **Remaining banks more choosy**
 - **LTV's reduced**
 - **Tenors shorter**
 - **Pricing increased**
 - **Covenants & structures tighter**

What Banks Need

- **Demonstration of Promoter's Experience**
- **Clear Business Plan**
- **Detailed Employment Assumptions**
- **Detailed Operating Expense Assumptions**
- **Cashflow Projections for Project**
- **Historical Financial Information**
- **Details of Vessel(s) to be Financed**



Conclusions

- **Various financing schemes exist from standard bank finance to more structured leasing products.**
- **Leverage from 60% (bank finance) to 100% in a lease structure should be possible.**
- **The Credit Crunch has impacted the availability of funds so transactions proposed will need to be robust.**
- **Pricing has increased for all forms of finance but overall interest rates remain at historically low levels.**

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