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What lessons would you pass on to the next generation?

Always adjust your leverage to the philosophy you want to execute on the risk side – e.g. if all your ships are on long term charter with good charterers, then you can allow yourself higher gearing than if you are in the spot market and/or have weak customers. Always run with plenty of liquidity and avoid buying at the top!!

What advice would you pass on to a ship-owner?

Keep a very open and clear relationship to your bankers and keep more than one bank in case something should happen to that one bank.

What advice would you pass on to a banker?

Focus on safe ship mortgage lending and not divert into other fancy investments or do mismatches in maturities. Furthermore, don't get carried away in the high end of the market.

What was the best decision you or your management team/company made?

Took in more share capital in June 2008 and quickly adjusted commercial terms when the market turned. Also, continuing to do business in the last year with less competition has been very favorable/profitable.

If you had to do it all over again, would you go into shipping?

Yes of course – a very invigorating, global, interesting environment to work in – no boring days...!

Bigger has always been better. Economies of scale have driven shipping and ship size. Will that be the case in the future?

There will always be a drive for economies of scale and I do not think the world will stop where it is now. The higher oil/fuel prices will also push in the direction of bigger ships and planes for example, 10 knots speed on 16000 TEU ships etc.

How important is managing your public image?

It is important, but not as an activity in itself. Doing a good job for customers, inspiring and developing employees, being consistent on strategy, being consistently profitable and paying dividends must always be the focus and from there we should expect to create a good public image.

Bank debt is rationed. The Capital markets are bridging the shortfall. Will there be sufficient capacity to get us to the point when bank lending returns?

Capital markets will for some time be very important – it will take quite some time before the banks (in general) have built enough core capital to be eager to lend again. Today, key for most banks is to improve capital ratios and that can be achieved three ways: Creating profit, raising new capital or reducing the balance sheet. Since few banks are profitable and interesting for investors – only the last alternative is presently realistic.

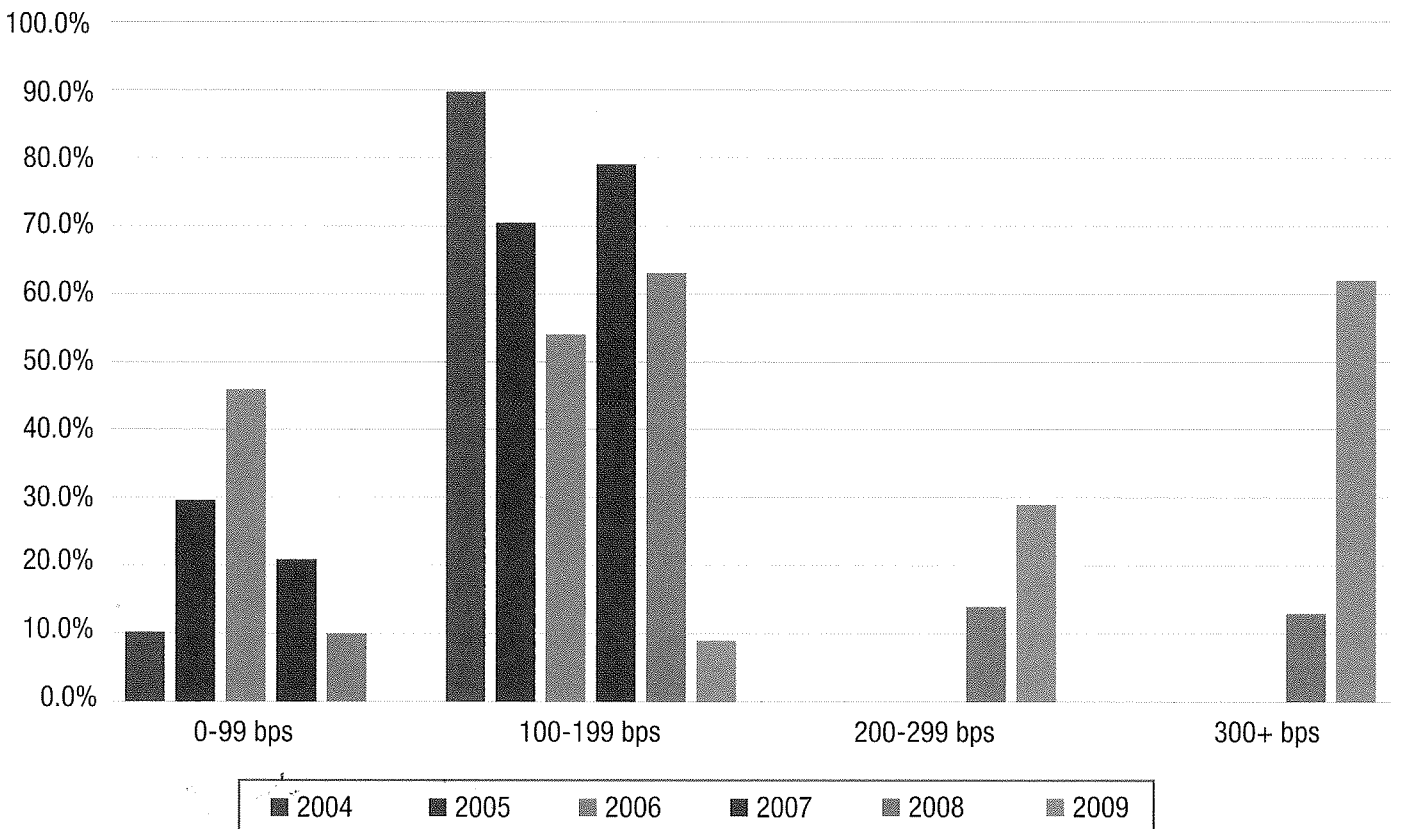
When lending resumes presumably it will be different from ever before.

- **How many banks will be back?**
I expect fewer banks to be active in ship lending going forward than what we saw in the market in 2007/2008
- **Capacity will certainly be diminished. What are your estimates?**
I have no specific numbers, but the “shortfall” is being filled by the capital markets and even more so by the export credit agencies and Chinese banks stepping in (very often they have financed the ship during construction anyway!)
- **Credit and terms will likely be tighter or will it?**
Yes, we hope so!!
- **Will spreads be higher, tenors shorter and advances lower?**
Yes, advances will, of course, be lower now that prices have come down considerably.
- **Or will competitive pressures hold sway?**
No
- **What about government influence? Will the emphasis be on domestic lending?**
Yes, for government supported banks (capital or guarantees), I expect those banks will be told to focus on domestic customers – we see this tendency already in many countries.

Can the industry lobby effect environmental laws?

In general, they seem to be rational and coming from a position of genuine environmental concern driven in part by the public and pressure groups and as reflected in the actions by the politicians...!

Average Spreads Paid by Borrowers – Shipping



**2009 is as anticipated as at April 2009*