

# CONTRIBUTION TO SHIP FINANCE

## MICHAEL PARKER

*"They seek him here, they seek him there .... to disguise he even grew a Greek beard. But he cannot hide - and shouldn't. His contributions are too important." – Flemming Jacobs*

**H**ow in the world did shipping get so lucky as to have Michael Parker bank it? After all, in 1985 he was assisting Citi to finance the Channel Tunnel. Instead, in a job move which would be fortuitous for the shipping industry, he was shifted by the bank to assist with a pair of workouts for two Norwegian shipping companies still healthily with us. By his own admission, fortunately his signature appeared nowhere on that first troubled Chunnel financing, but his fingerprints are all over our industry.

For 36 of his 42 years as a banker, shipping has been the better for him, and we suspect that he would admit he has been the happier for shipping.

Through a combination of personality, drive, loyalty, experience and scalpel-sharp wit, he has developed a unique ability to push each of us to be a little better, which is just one reason Michael Parker is such a valuable and valued member of the ship finance community.

### 75,000 HOURS WITH MICHAEL PARKER

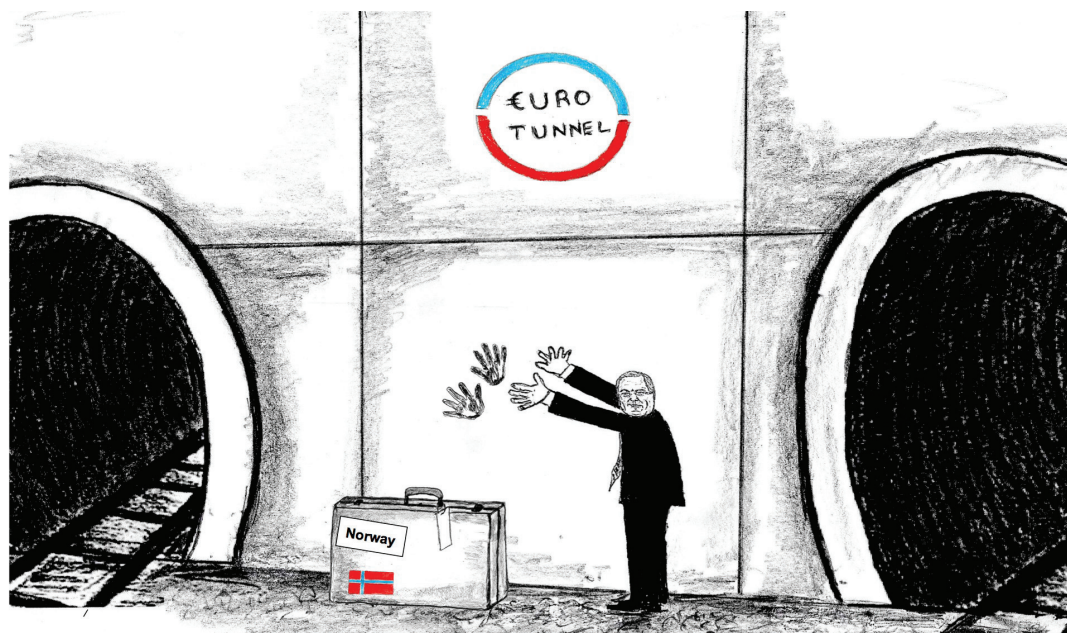
The writer Malcom Gladwell believes in the 10,000-hour rule; it takes 10,000 hours, which can be accomplished working 20 hour per week for 10 years, to develop mastery of a skill. So just imagine how much Michael Parker has done through the 75,000 hours he has spent in ship finance.

Could even the venerable Jock Newbold have imagined for his chosen successor, his mastery of

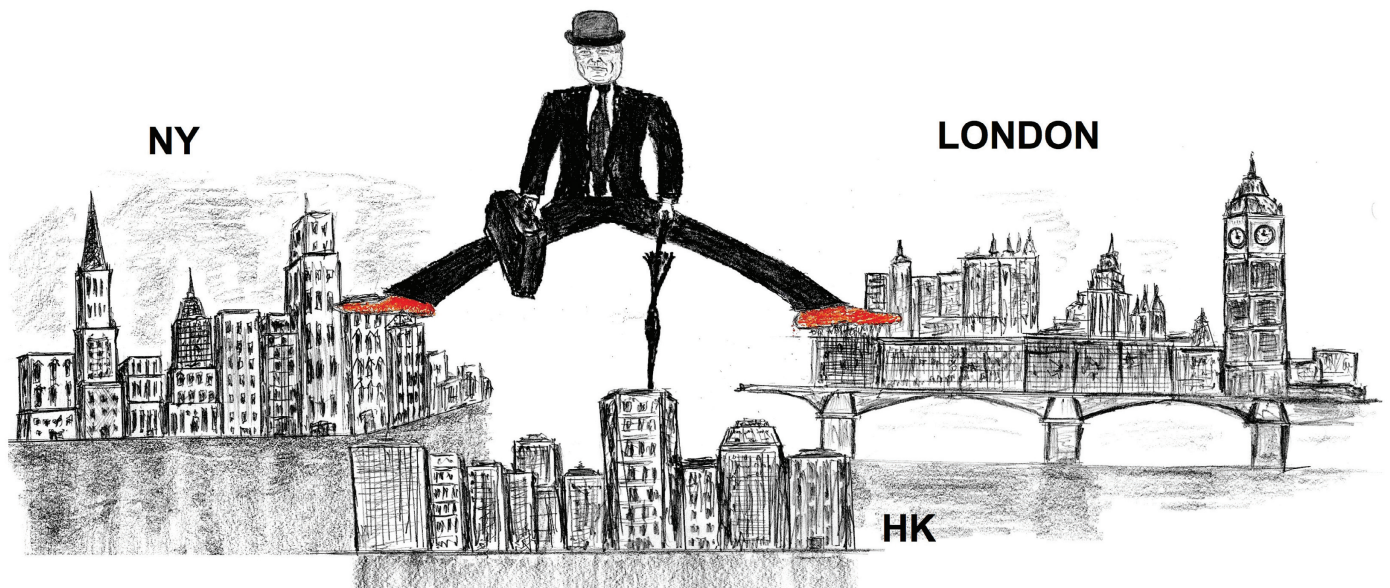
the celebrations, triumphs, capital cycles, economic crises, bank mergers, horse racing, bailouts, conferences, conference rooms, mergers, public offerings, dry bulk, tanker, cruise, gas, container booms, busts, villains, heroes, fine wines, open and closed ship finance windows, flights, airports, hotels, board rooms, restaurants, quiet corners in busy bars, confidante to majors, principals, industries, pandemics and now climate change mitigation....Michael Parker has the receipts, air tickets, battle scars,



*Michael Parker*



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and trophies for it all.

But lest this read like a eulogy, it is important to note that Michael is still at the bank, though he has masterfully orchestrated a succession plan allowing him time to remain an invaluable market presence.

Perhaps more importantly for the industry and the environment, Michael along with

Kristin Holth and Paul Taylor were the foundational authors of the Poseidon Principles. These new and important metrics in shipping's efforts to reduce its CO2 footprint give signatory banks and other shipping industry financial lenders, whose numbers continue to grow, an increasingly important role in helping discipline ship emissions. But, in a grander way, the Poseidon Principles

have a larger sphere of influence, as banks' shipping arms have taken a demonstrable lead in the nascent broader efforts by the finance community to bring environmental discipline to all borrowers.

It is a task Michael Parker has taken to heart and, as always, he leads, and we all benefit.

Not only is this a noble task it is

one that should keep Michael gainfully employed until at least 2050, the IMO Co2 reduction target deadline, following which an appreciative industry might let him enjoy a long weekend or two in the South of France, before his next assignment.

But just a bit about the majestic arc of his Citi career, the frequently transformational elegance of his team's transactions, his fierce client loyalty and acerbic dismissal of those not quite up to snuff, it is important to reflect a bit on just what all this exuberant prose actually means.

As the new Twenty first century loomed, Citi and apparently Michael Parker, the thoroughly modern road warrior, never slept. Like an orchestra conductor – drawing out the diverse talents of far flung soloists by stitching together client needs, industry expertise, diverse financial products, and sometimes, even providing capital. Its maritime hubs in London, New York, Oslo,



Piraeus, Tokyo and Hong Kong propelled Citi these past two decades.

- Participated in 414 deals worth over \$272 billion since year 2000 per our deal database (undoubtedly these counts are low), equal to 1/3 of all deals over this time period.
- Notably:
  - o \$55 billion of bonds
  - o \$18 billion of IPOs
  - o \$12 billion of follow-ons
- Citibank has maintained its shipping portfolio in an era of declining bank participation. The portfolio was at its smallest in 2009 at \$8.0 billion, peaked in 2017 at \$11.4 billion, and last reported April 2019 at \$10.8 billion. Average portfolio size over last 10 years of \$10.0 billion. 2019 rank 11th.
- Over the last 4 years has nominated 73 deals for DotY.

160 pages for George to read.  
 • Won 21 awards (plus however many 2020 awards) since 2017.

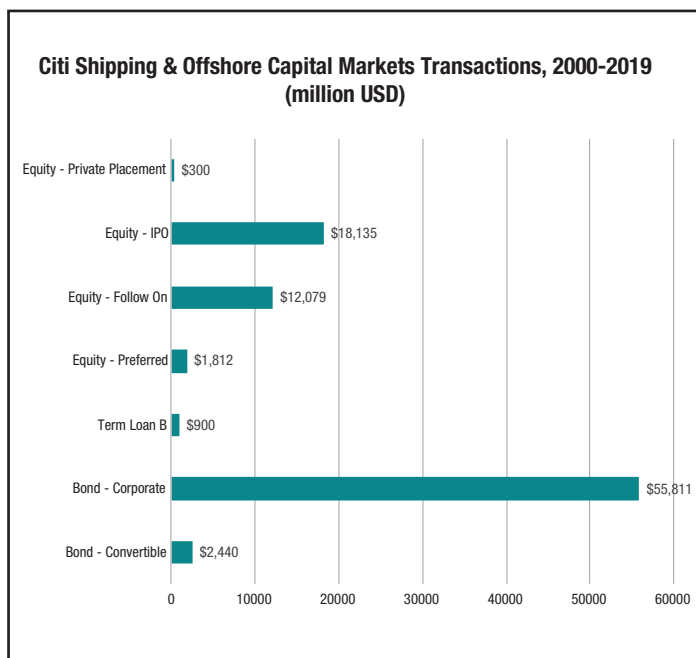
However, as we are not Michael Parker at the dinner podium in the Citibank building, waxing poetic, trash talking coopy editors at Marine Money (Pretty sure he will tell us the figures above grossly underestimate his and his team's contributions!), regaling diners with bloody lessons drawn from gruesome pages of history, doling out market insights, or sharing a special window into the giants of the bank and shipping world. All while Nigel Thomas waits patiently in the wings to say goodnight and Thank you to the dinner guests.

In our case perhaps none too soon, we leave the lion's share of thanks and acknowledgement to his friends.



It is because of his personal depth of experience, the best-known ship financier in the world has all our attention as he orchestrates his next movement, and we fete him for his near mythic Contribution to Ship Finance. Now as Michael prepares for his next challenge,

SAVING THE WORLD, a task which has gotten larger since this article was originally envisioned, the execution of a team and the support of an institution together, will continue to lead the way for the larger marine industry, which is all the better for having worked with him.



## *I got by with a little help from my friends*

*“Michael is one of a kind. A maritime banker with a strategic and long term mindset. A gentleman of finance, mostly winning his way, but thank God not always!”*

– Kristin Holth

*“The doyen of the ship finance community, Michael Parker is beyond doubt one of the two most influential figures in the marine money world rivalled only by Poseidon himself. I have had the privilege of working with Michael for many years, and he has always impressed me with the depth of his knowledge, his visionary thinking, and his integrity and professionalism.”*

– Nikolai Kolesnikov

*“I remember him as a young banker entering the scene in the mid '80's, when we were in trouble and had to deal with tough bankers. He made a lot of sense and gradually took charge. Fortunately, he stayed on as the central man in Citibank's shipping division.”*

– Westye Høegh

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*I first met Michael Parker during the vicious Citibank vs Manufacturers Hanover wars of the early 1980's for leadership in the shipping finance world. He was a really good relationships banker and competitor then, and just got better with time. Problem for us back then was that he was hard not to like and impossible to not respect. He safely steered Citi's forever top tier customer base through the shipping collapse of the early 80s, the Latin American debt crisis of the late 80's, the rush for investment banking revenues by the American banks in the 90s, the boom period of the early 2000s and the bust that followed the Financial Crisis. He has been a constant in an ever changing shipping finance world and has remained highly relevant and influential throughout the period. He has always delivered. I hope his successors will be as good.*

– Morten Arntzen

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*As a quintessential Englishman, Michael has exuded an aura of stability even as he navigated the heavy weather storms encountered by the industry in the decades he has been on the bridge at Citi.*

*Michael has a vision and insight supported by his academic background, experience, and devoted and focused deep thinking. His new mission in pursuit of greening the industry (supported by his new look as a wanabe hippy look alike) is moving apace because of his continued focus and perseverance for which we are grateful as we have been for his maturity heretofore.*

– John Hadjipateras

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*“Michael Parker - a steady presence in a sea of change, a veteran of shipping cycles, and a man now shaping the industry for the future. The things you have seen, the people you have met, and the deals you have done could fill many volumes. Congratulations on all you have done for the industry.”*

– Andreas Sohmen Pao

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*“One of my most vivid memories of Michael Parker is his commentary after one of my presentations – I think probably at a Marine Money affair. I had just delivered what I felt was a thoughtful assessment of the future of the markets. In his comments on my carefully prepared my material, Michael noted that I was wearing brown shoes and the wrong color suit for the time of day. He generously forgave my transgressions as I was from the other side of the Atlantic and couldn't be expected to know the sartorial code!*

*For me, Michael's extraordinary combination of cutting humor, deep insights, and enthusiasm for our business has been an inspiration. He has set the bar high and kept me jumping!*

– Arlie Sterling

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*“My relationship with Michael Parker passed the professional stage a long time ago. We meet regularly and, as an ardent environmentalist, he fully converted me to his views, which I now endorse and apply to our company in a much more active way.*

*We have made a point to see each other regularly to exchange ideas about Shipping or other subjects of common interest. I respect his intellect, and trust his integrity sufficiently to make these encounters a pleasure I look forward to.*

*At my age, I have probably met most of the bankers involved in our Industry over the past 50 years. Only when we started working together in a banker client relationship did I properly appreciate his professional quality. He is the last of a breed of Shipping Bankers that we wish he would be around forever.”*

– John Angelicoussis

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*“Well I would have thought that long afternoons sat in Skinkers must feature, as would his tendency to send Jock Newbold long emails at midnight about the future of shipping and/ or threats to resign after he had had one too many brandies.*

*A man ahead of his time in terms of flexible working, both for himself (always working from the South of France on a Friday) and for his people (letting me follow Norwegian working hours ie 8 to 3 when I had my youngest as a child.)*

*I could not think of a better boss.”*

– Lesley Jones

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*Michael has been an ever-present fixture of ship finance since he placed a mortgage on the Ark, built with zero carbon emissions fully in accordance with the Poseidon Principles! Michael is forward thinking and broad minded, so if I describe him as old fashioned, I only mean that he has those attributes traditionally associated with his profession, in that he is discrete, consistent, authoritative, impeccably connected, reliable, humourous and kind. He is youthful in the willingness to put his energy behind change and to see it through, as evidenced by his support to GMF and the carbon agenda, just as he once did behind the industrial changes in his career as banks merged, loans went from bilateral relationships to transactional syndication with added cross selling and increased risk management through derivatives. He also understands economics and business as core human activities and as such must benefit society, which is where his personal interest in politics and history give him a good foundation for sound judgement. This is why he is well liked and widely admired.*

– Paddy Rodgers

*"Congratulations Michael on this well deserved award! Your passion and drive to shape the new landscape of shipping finance in the wider interests of responsible environmental stewardship within shipping is an example to all leaders in our sector. Spearheading the Poseidon Principles, your inspirational leadership, conviction to the cause, and inclusiveness of the team around you is matched by your love of modern history, dry intellectual humour and everlasting memory of a good deal. PS Can I buy back my portfolio on today's market terms?"*

– Paul Taylor

*In my mind, Michael Parker is the superlative "Renaissance banker" – a man with many talents and areas of knowledge. He needed to be very talented to survive and thrive so long in as complicated an investment bank as Citibank.*

*I've been fortunate to act for Citibank on shipping matters for close to 30 years, and one of the early lessons I learned was never to underestimate Michael - nor predict what he would do! Since WFW and Citi have co-sponsored the Speakers' Dinner for Marine Money Week in New York for the last umpteen years, I've had several times the burden of speaking just before Michael to the gathered luminaries of those evenings. I was the warm-up act to the star performer, never having a clue what he would deliver - I was always intrigued and rarely disappointed!*

*Most recently I've been glad to work closely with Michael on the Poseidon Principles – a real pleasure and privilege to play a part in that excellent initiative. Michael must take great credit personally for leading the financiers' charge on the carbon emissions issue when it is needed more than ever. His has been a tremendous contribution to our industry - many more years may it continue!*

– Nigel Thomas

*Jock Newbold, Citibank's legendary Global Shipping Division Head in New York, began to rave about a talented new addition soon after Michael joined Citi's shipping division in London in 1985. Of course, Jock, perceptive and far-sighted, was right, and then some. So it came as no surprise that, when Jock announced his retirement in 1997, it was Michael who succeeded him as Global Shipping Head. We hosted a lovely private dinner party for Jock and Michael in the Ward Room at the New York Yacht Club to mark the occasion.*

*In April 2008, during the financial crisis and notwithstanding a corporate travel freeze, Michael came to Manhattan specially to attend Jock's funeral at Grace Church here and pay his respects to Jock's widow Judy and family. Jock, ever the meticulous planner, had chosen C.H.H. Parry's beautiful setting of William Blake's "Jerusalem," which is as much a British national hymn as "God Save the Queen." Michael and I sat together and sang from memory, with great effect, apparently, as Jay Goodgal, in a nearby pew, and others were clearly impressed, the moving hymn not being one universally known in the United States.*

*"Once a chorister, always a chorister," I whispered to Michael. He smiled. "Head boy?" I asked. "Prefect," he replied, quietly. Michael surely is a Prefect in international finance and shipping. He is among the very best and brightest, the most creative, effective and honorable of worldwide leaders in this most dynamic industry.*

– Jovi Tenev

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*Michael is my mentor and more like a father to me, by far the best of all in what he does and how he does it, bringing out the best of all of us.*

*I am very proud and honoured to have had the opportunity to be next to him in action for the past 15yrs*

*I remember like it was yesterday the first time I went in the office of the great Michael Parker: the Brigitte Bardot picture, the calm power and confidence, many discussions on so many occasions both professional and personal, always against all odds and always a pioneer, always with the same calm power and confidence. Thank you for everything and proud of all the pigs that in the end flew - one after the other! Perseverance and persistence coupled with genuine drive/ concern for the well-being of our clients and meeting both their and Citi's targets.* – Vassilis Maroulis

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*Here is my take on the pre shipping era aka. life before Michael even realised what Jock Newbold did for a living i.e.managed a world class shipping franchise.*

*This would have been in 1985/6 when Michael was busy looking after a group of Construction and Engineering clients of the likes of Balfour Beatty, Costain, Tarmac Derby, Taylor Woodrow, Wimpey and others. These former were notable for being part of the bid for mandate to build and operate the Channel Tunnel concession. Of course Michael and I knew each other back then because we worked in neighbouring teams and my focus was on companies in the Electronics space, but I had managed to go off piste and organised the finance for the privatisation of the UK Ports and Ferry business that was bought by Sea Containers and later sold to Stena. This is relevant because Sea Containers became a bidder for the Channel Tunnel concession, so MP and I were on opposing teams requiring a Chinese Wall.*

*This gave Michael and I a very early opportunity to practice social distancing, which he did to great effect and equal disdain!*

*Of course his team won because Maggie Thatcher lacked the backbone to challenge the French support for the ill-fated proposal since at that time she lost three cabinet Ministers over one weekend.*

*The Chunnel was a disaster waiting to happen and as history shows, it did not disappoint, eventually collapsing under the weight of over priced debt on a massively overrun budget.*

*MP still defends this as a smart decision, but I think that is only because he bought shares in the venture that gave him the right to a lifetime discount of obscene proportions which he uses to commute to his home on the south of France.*

*The sobering reality of the great folly drove him into the arms of Newbold who needed Michael to help sort out some financial challenges of a shipping kind and the rest, of course is history.* – Chris Conway

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*Innumerable  
Words meetings glasses trials  
Character is known*

– Shreyas Chipalkatty

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*Michael is one of those people whose opinion is always sought on complex issues. His dedication to the industry and his ability to be a driving force for change is inspiring to others. And of course, there are few bankers who can match his ability to use historical anecdotes to capture an audience's attention and guide them to find modern parallels.* – Christa Volpicelli

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*Michael is more than just a great shipping banker, to me he is my most trusted and respected mentor professionally and personally since in my 20s. What makes him charismatic is his intelligence, knowledge, wittiness and most important of all his humanity. I'd better stop here otherwise this will become an open love letter though I did blow him a kiss once in the Hong Kong airport!* – James Tong

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