

PIRAEUS FACTORING



Activity Report 2013

Nea Smirni, Greece / June 2014



Contents

1.	Our Company	page 3
2.	Governance	page 4
3.	Piraeus' Factoring Milestones	page 5
4.	Highlights of the year 2013	page 6
5.	Factoring in Greece through the years	page 7-8
6.	Piraeus' Factoring Turnover	page 9-12
7.	Strategic Objectives for 2014	page 13
8.	Financial Information	page 14-15
9.	Contact details	Page 16



Our Company

- Piraeus Factoring SA, member of Piraeus Bank Group, is specialized in providing factoring services with a presence in the Greek and International factoring industry since 1999.
- Member of Factors Chain International (FCI - The largest chain of agents factoring in the world) since 1999 and a Full Member since April 2014.
- Awarded in 2011 from FCI as the export factor that showed “the best service quality improvement”
- As a factoring company, we administrate and finance accounts receivable ledgers of businesses established both in the domestic as also in the foreign market by taking advantage of the synergies developed through years within the FCI network.
- Piraeus Factoring SA develops synergies both 'internally' within the Piraeus Bank Group (through the Credit Departments of the Bank) and 'externally' with third party companies (p.e. companies providing credit insurance coverage) in order to support business customers.
- Our objective is to be a kind of a satellite factoring service to companies of all sizes and to develop new products in order to cover the constantly changing business environment and maximize customer satisfaction.
- Our main vision is to pursue excellence in our service quality in order to be identified as one of the leading factoring institutions.



Governance

Management Board

Chara Vardakari
General Manager

Yanos Nakatsiadis,
Senior Manager of Business Development
and Relationship Manager

Ioannis Kotsikogiannis
Operations Senior Manager

Dimitrios Milas
Credit Senior Manager

Koumoussis Nikolaos
Credit Officer

Board of Directors as of 31/12/2013

Ioannis Papadopoulos
President, General Manager of Business Centres
Piraeus bank SA

Martha Barka
Vice – President, General Manager of Credit Management
Piraeus Bank Group

Chara Vardakari
Member, General Manager of Piraeus Factoring SA

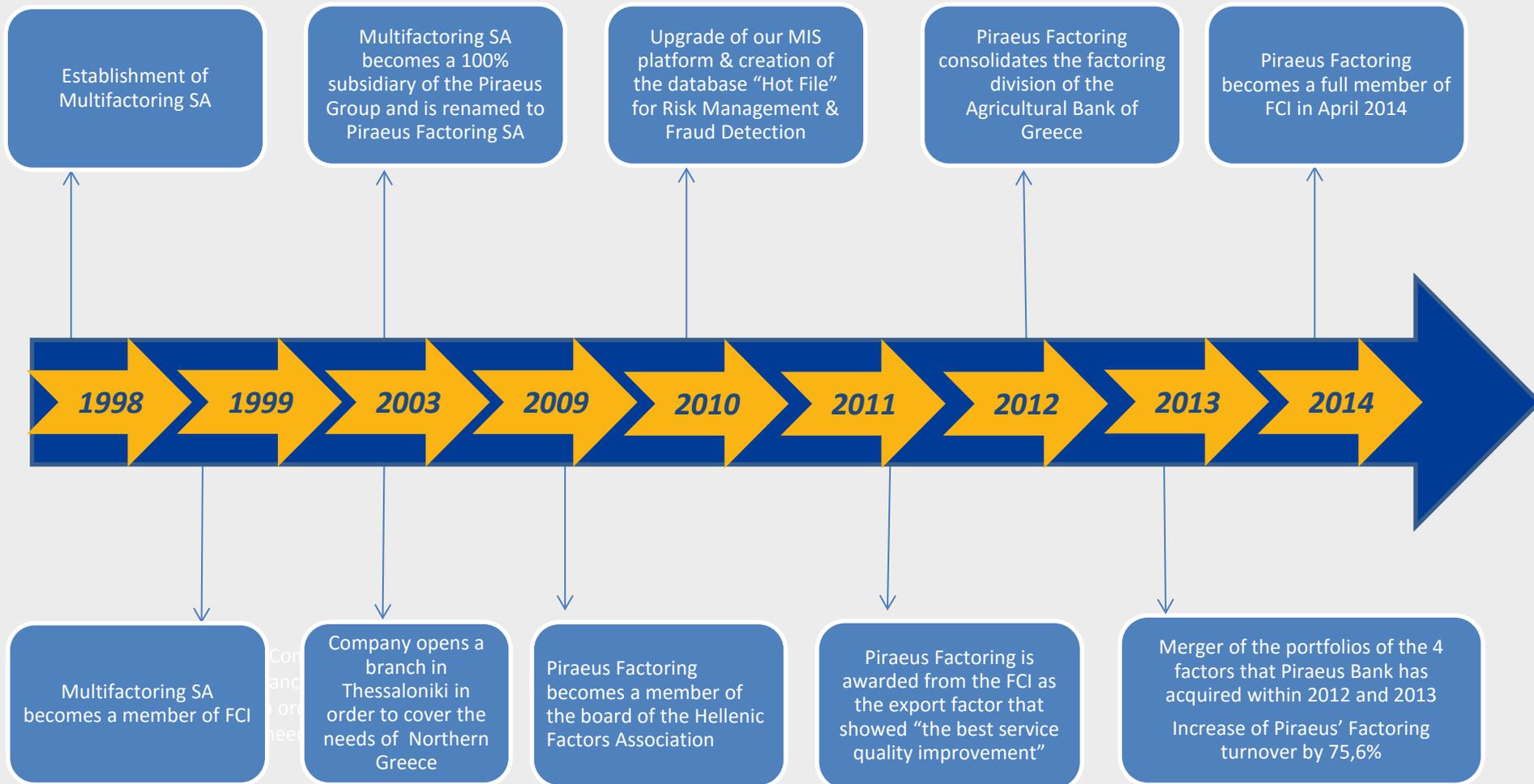
Emmanouil Valetopoulos
Member, Auditor of Internal Audit ,
Piraeus Bank Group

Pinelopi Lazaridou
Member , General Manager of Corporate Business,
Piraeus Bank SA

Dimitrios Voukas
Member, Manager of Task Force & Equity,
Piraeus Bank Group

Kallinikos Kalinko-Kallinikos
Member

Piraeus' Factoring Milestones





Highlights of the year 2013

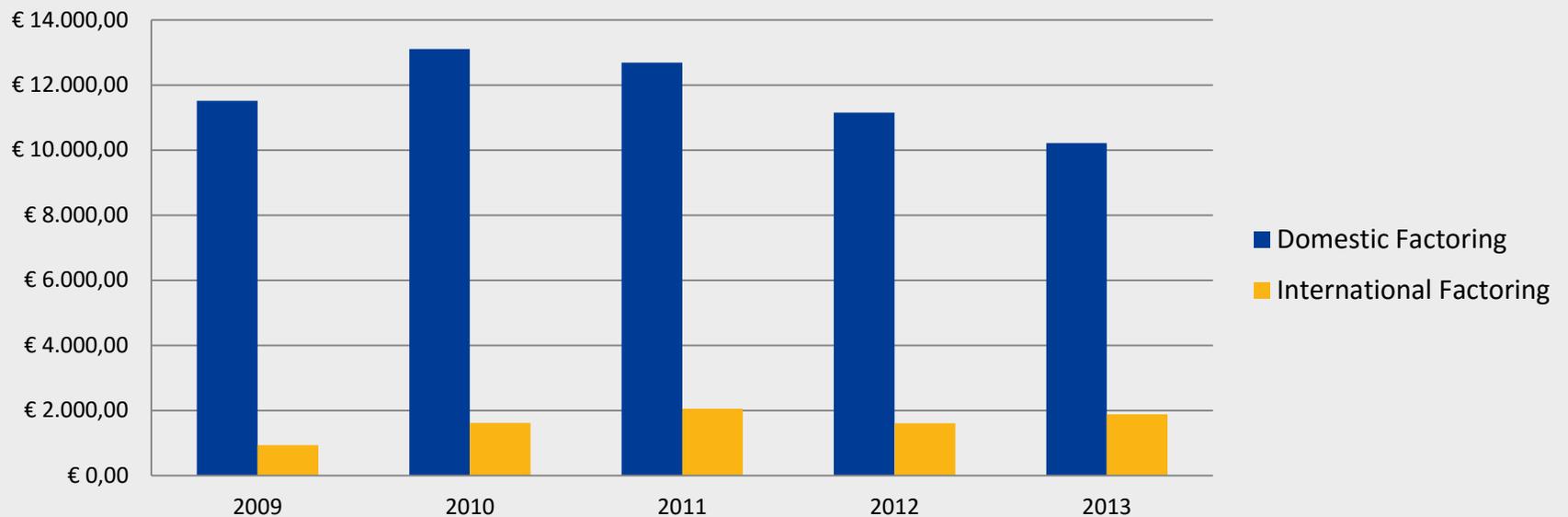
- **Merger of the portfolios of the 4 factors that Piraeus Bank has acquired within 2012 and 2013 (division of Agricultural Bank of Greece, division of Bank of Cyprus Pub. Co Ltd Greece, division of Laiki Bank, division of Millennium Bank and the assets from Laiki Factors & Forfaiters SA)**
- **Assurance of profitability**
- **Conservation of the low rate of bad debts**
- **Increase of our company's market share by increasing the turnover by 75.59% (approximately € 706 million).**
- **Increase in the export factoring services which reached up the amount of € 93 million (including two factors exports and direct export factoring). Our company met the criteria for being a full member of the FCI and became one on April 2014.**



Factoring in Greece through the years

The factoring industry in Greece, taking advantage of its risk and extrovert characteristics, continued its 19-year presence, posting a growth in international factoring of almost 17.5%. Greece maintained its 6th place in the country ranking of two-factor export volume according to the FCI. The total turnover of the Greek Factoring industry based on both FCI and Hellenic Factoring Association (HFA) statistics provided by Greek members, reached €12,103 million recording a slight decrease of almost 5% compared to 2012, but increasing its GDP penetration figure, which rose to 6.64%.

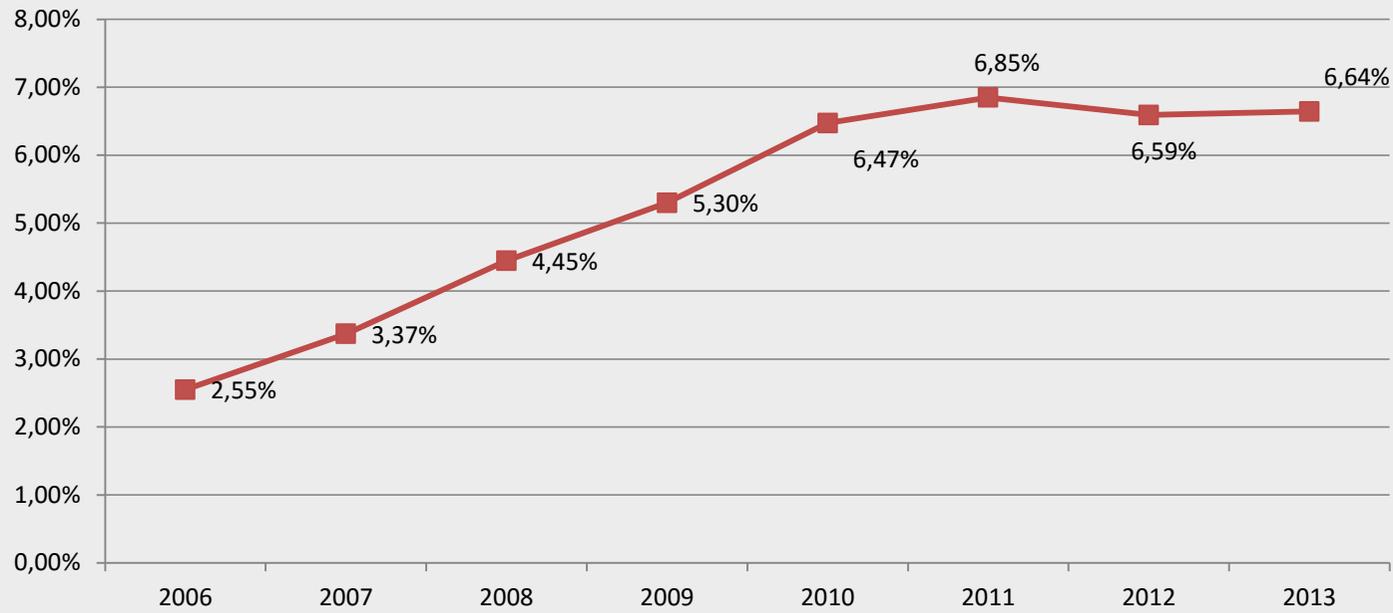
Domestic and International Factoring Volumes (Eur million)



Source: Hellenic Factors Association



GDP Factoring Penetration



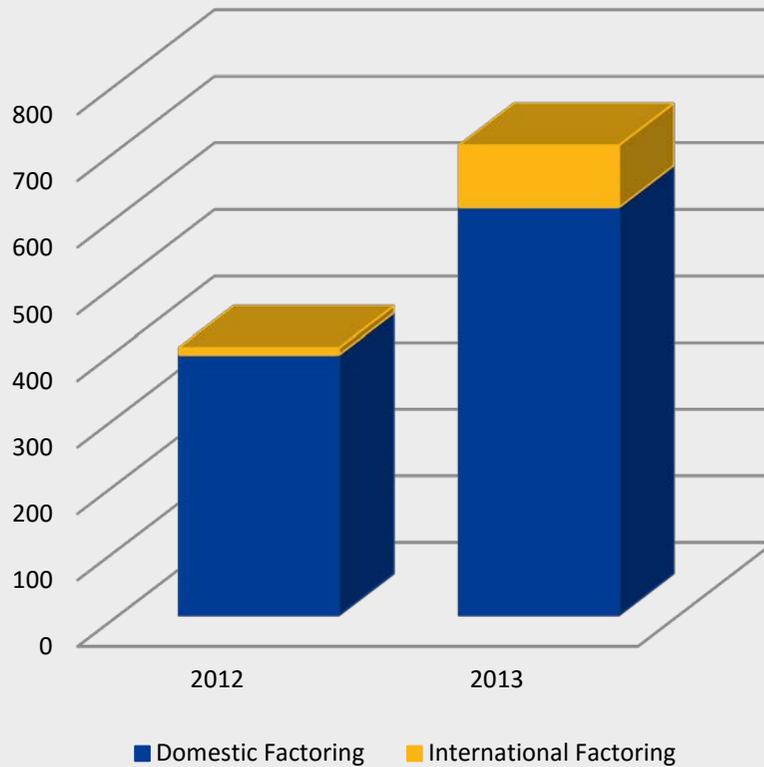
Source: Hellenic Factors Association



Piraeus' Factoring Turnover

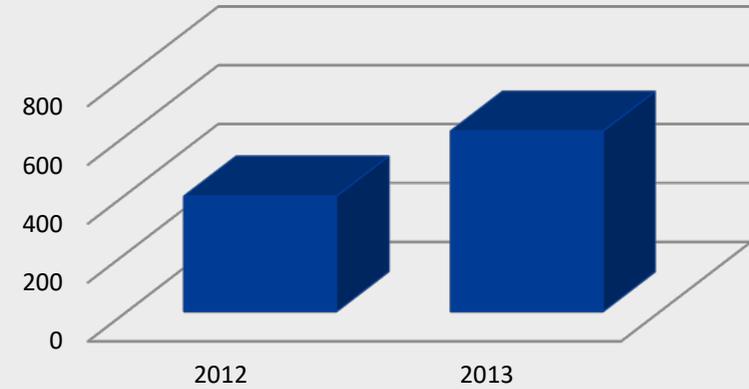
Total Factoring Turnover

in millions



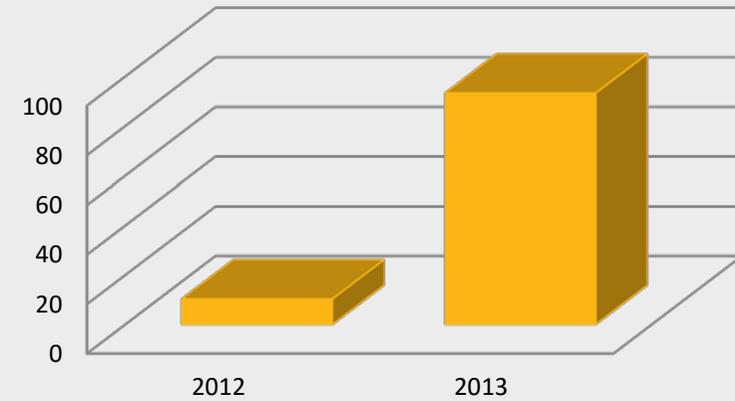
Domestic Factoring Turnover

in millions



International Factoring Turnover

in millions





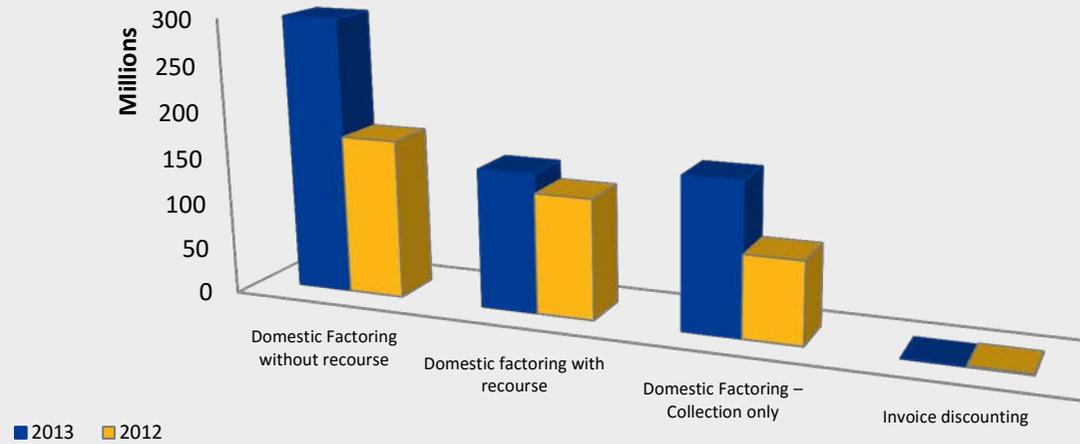
Turnover by factoring product

	2013	2012	
Domestic Factoring without recourse	299.097.140,60	172.141.685,99	73,75%
Domestic factoring with recourse	150.375.396,55	130.098.820,43	15,59%
Domestic Factoring – Collection only	163.359.631,02	88.542.097,91	84,50%
Invoice discounting	-	1.055.356,34	-100,00%
DOMESTIC FACTORING	612.832.168,17	391.837.960,67	56,40%
2-Factor Export Factoring without recourse	48.369.459,95	10.233.376,56	372,66%
Direct Export Factoring	44.798.862,42	-	-
EXPORT FACTORING	93.168.322,37	10.233.376,56	810,44%
TOTAL	706.000.490,54	402.071.337,23	75,59%

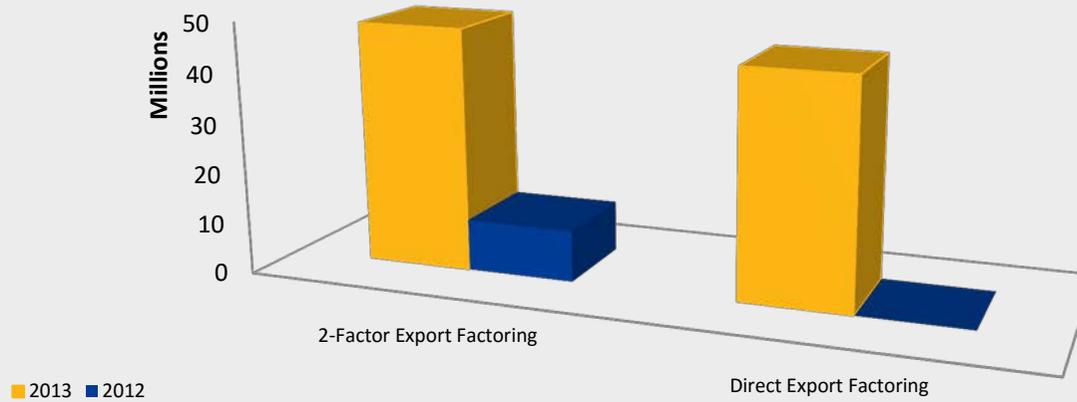
The percentage between Domestic and International Factoring was 86,80% vs 13.20% for 2013 from 97,45% vs 2,55% for 2012, showing the achievement of the company's objective for the growth of the Export Factoring.



Domestic Factoring by product

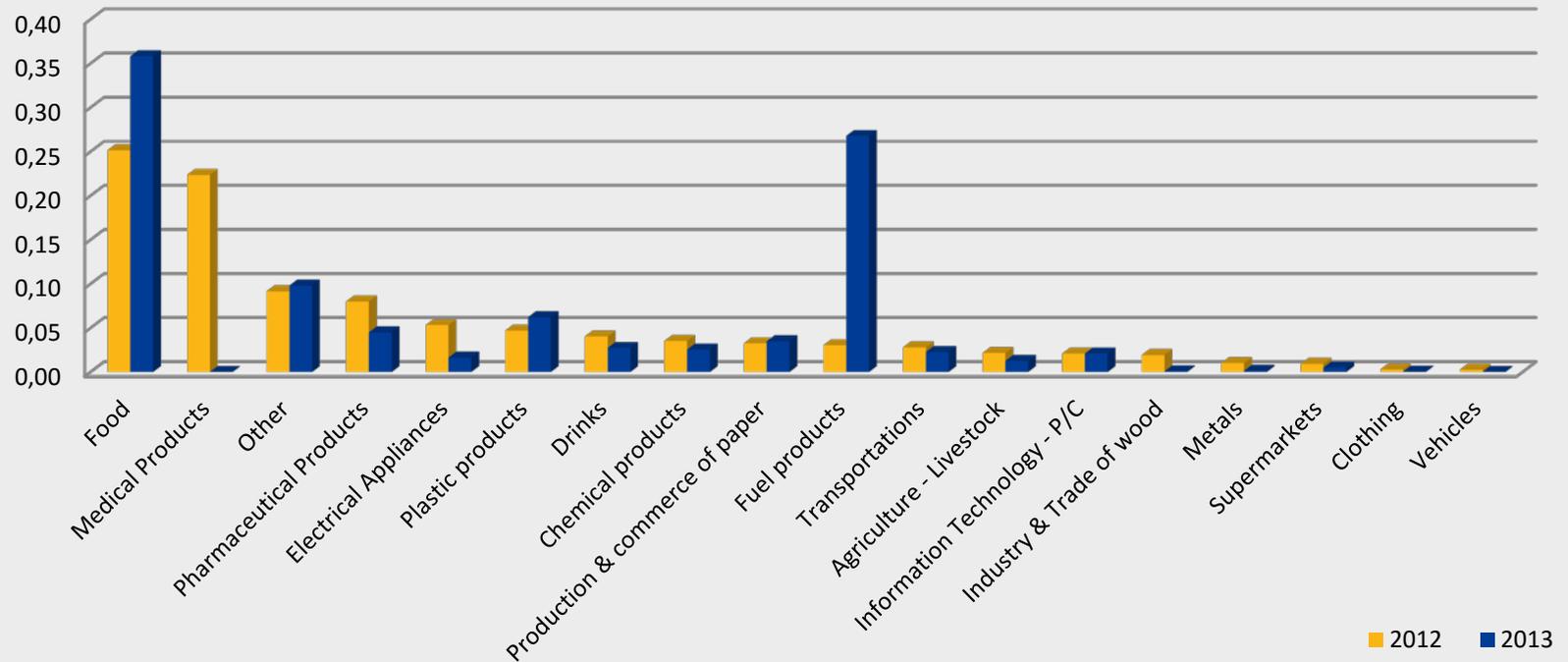


International Factoring by product





Sector Analysis 2013 vs 2012



The food industry has been and will continue to be for 2014 a priority of Piraeus Factoring not only in the domestic but also in the international market.



Strategic Objectives for the year 2014

- ❖ Strengthen our presence and activity in the Greek market by becoming a reliable partner for all our clients
- ❖ Absorb the portfolios of the factors that Piraeus Bank acquired within 2013.
- ❖ Create economies of scale through the exploitation both of the manpower and partnerships
- ❖ Management and improve the management arrangement regarding assigned receivables on behalf of clients of our parent bank, Piraeus Bank SA.
- ❖ Develop the factoring service in the Group subsidiaries abroad
- ❖ Enrich our product portfolio with customer based products in order to cover the continuously changing business environment as well as the financial needs of our clients
- ❖ Strengthen the existing and develop new synergies with Piraeus Bank in order to mitigate the risk for the whole Group
- ❖ Develop our International Factoring activity
 - ✓ Our main target is to develop new export factoring products through exploiting synergies through FCI and third parties (p.e. insurance companies)
 - ✓ The development of import factoring products where the main service will be the collection of receivables.
- ❖ Start new partnerships through Supply Chain Finance facility (Buyer Centric Approach)
- ❖ Maintain the quality of our portfolio as well as the low percentage of non-performing loans



Financial Information

Statement of financial position as at 31st December 2013

	2013	2012		2013	2012
<u>Assets</u>			<u>Liabilities</u>		
Cash & Cash equivalents	62.497	19.760	Due to banks	249.139	164.085
Loans and advances to customers	219.680	176.397	Retirement benefit obligations	138	147
Goodwill & other intangible goods	154	151	Other provisions	130	130
Tangible assets	24	40	Other Liabilities	2.282	1.937
Differed income tax assets	1.958	1.143	Income tax Liabilities	198	36
Other assets	523	618	Total liabilities	284.835	198.109
Total assets	284.835	198.109			
			<u>Equity</u>		
			Shareholders capital	21.126	21.126
			Share premium	2.770	2.770
			Reserves	854	820
			Retained earnings	8.199	7.060
			Total equity	32.948	31.775
			Total equity & liabilities	284.835	198.109



Financial Information

Statement of total comprehensive income

	01.01 - 31.12.2013	01.01 - 31.12.2012
Interest and related income	8.503	11.532
Interest and related expenses	(4.888)	(6.511)
<u>Net interest income</u>	3.615	5.020
Commission income	2.556	1.786
Commission expenses	(21)	(44)
<u>Net commission income</u>	2.535	1.743
Other operating income	1.262	790
<u>Total income</u>	7.412	7.553
Staff costs	(1.601)	(1.487)
General Operating expenses	(1.622)	(1.318)
Amortization / depreciation	(94)	(121)
Provisions for credit risk	(2.912)	(3.614)
<u>Profit before tax</u>	1.182	1.014
Income tax expense	25	(218)
<u>Net profit after tax (A)</u>	1.207	796
Actuarial gains / (losses) of defined benefit obligations (after taxes)	15	(49)
Other comprehensive income after taxes (B)	15	(49)
<u>Total comprehensive income after taxes (A+B)</u>	1.221	746



Contact details

Postal and visiting address

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Nea Smirni,
171 21, Greece

Contact persons

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