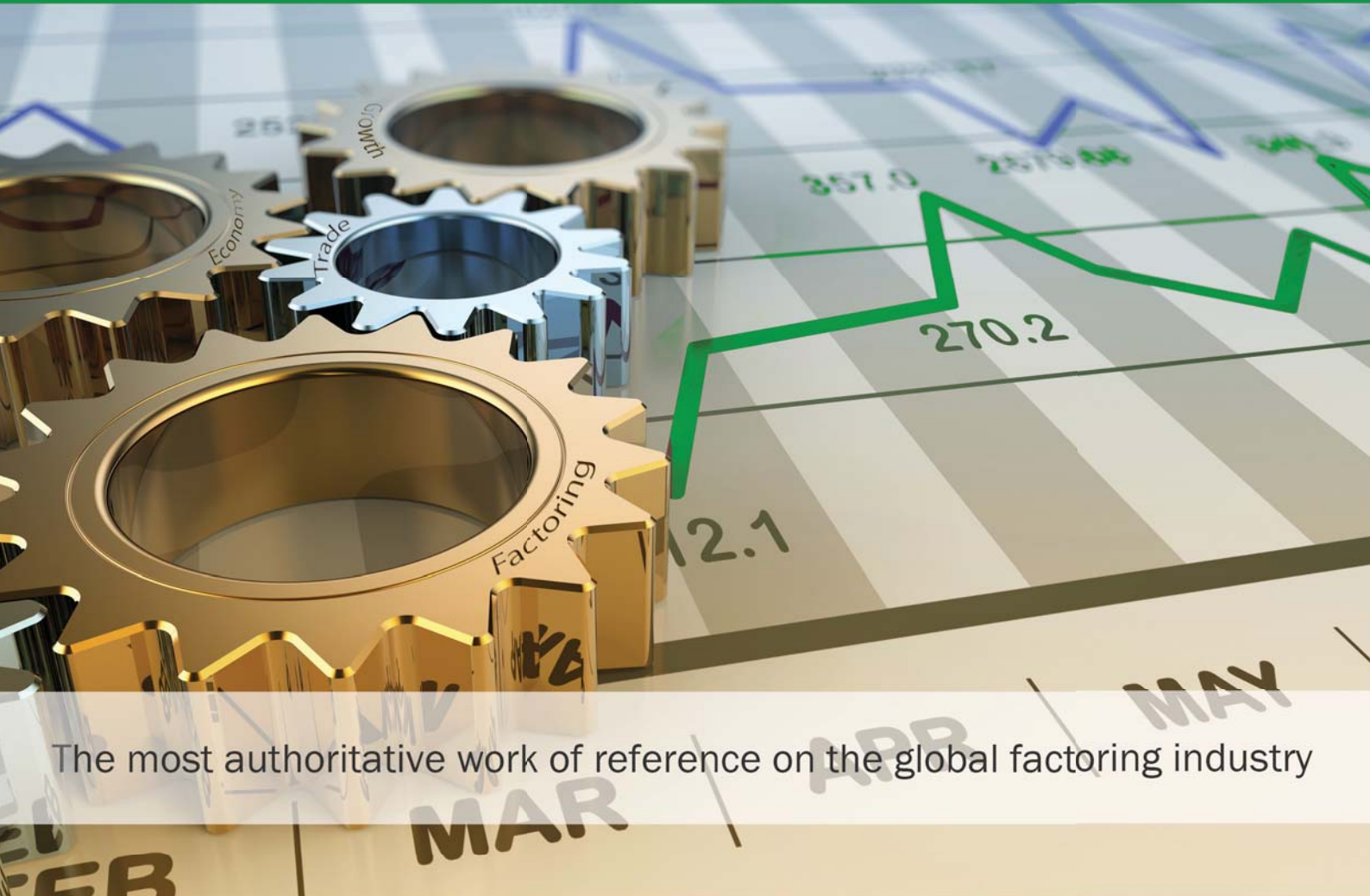


World Factoring Yearbook 2014



The most authoritative work of reference on the global factoring industry

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GREECE



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INTRODUCTION

After a gruelling austerity programme, Greece has started to show improvement in a number of areas, reflecting how reform efforts are beginning to bear fruit. These positive developments can be largely attributed to: labour market reforms improving the country's competitiveness; the fact the deficit is narrowing and output is stabilising; and the return to the bond market – on a small scale and at a high yield – after a four-year exile. Real GDP growth improved from -6.37 per cent in 2012 to -3.76 per cent, tourism revenues have been a significant contributor to this, and the banking sector will continue to play a major role as recapitalisation and liquidity schemes are introduced. Unemployment grew, however, in the last quarter of 2013 to 27.5 per cent, with unemployment between ages 15-24 growing to 57 per cent.

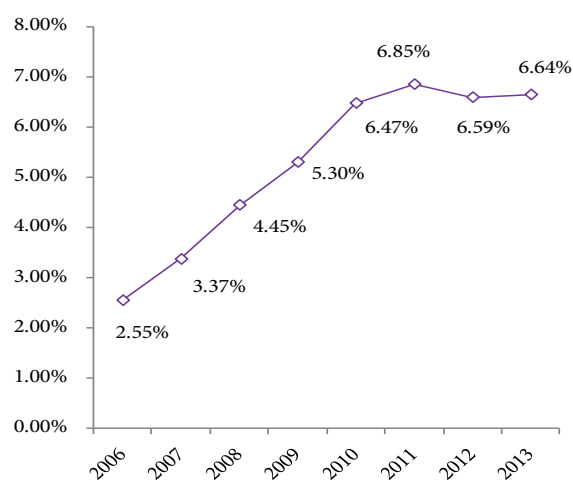
Within this economic environment, the factoring industry posted international factoring growth of 17.5 per cent, and Greece maintained sixth place ranking for two-factor export volumes according to Factors Chain International (FCI). The total turnover for the Greek factoring industry, based on both FCI and Hellenic Factoring Association (HFA) statistics, was €12.103 billion, a decrease of almost 5 per cent on 2012, though GDP penetration figures rose to 6.64 per cent.

INDUSTRY ENVIRONMENT

Greece is expected to emerge from recession by the end of 2014, with GDP growth reaching 0 per cent after five years of negative figures. According to research by Piraeus Bank, the composition of economic activity will not change, but the contraction rates of internal demand

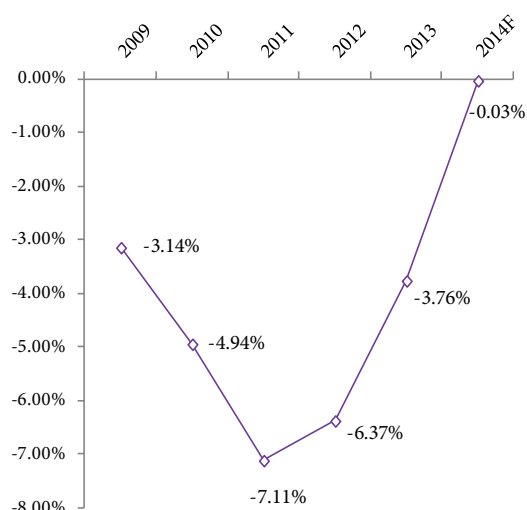
will become even more restricted. Consumption and investments will reduce, though at a declining rate, and this reduction will be partly offset by the improvement in the external balance. Consumption currently accounts for 70 per cent of GDP, so the main risk the country faces as we reach the end of this recession will be related to consumption.

GDP Factoring Penetration 2006-2013



Source: Hellenic Factoring Association (HFA)

Real GDP Growth 2009-2014 (F)



Source: Piraeus Bank

Micro, small, and medium-sized enterprises have suffered disproportionately more than larger businesses during this prolonged recession. The majority of Greek SMEs have had to introduce further unwelcome employment measures, such as reducing working

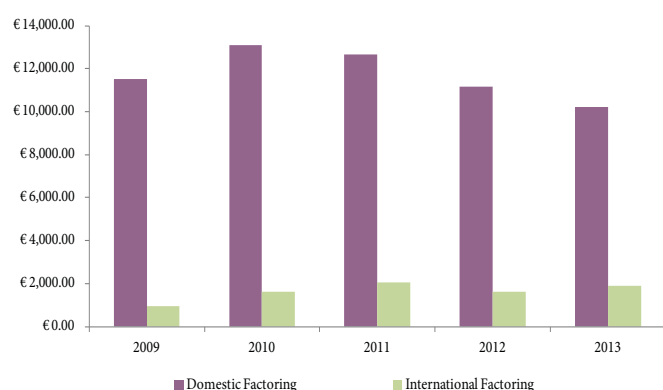
hours, or cutting wages to mitigate the risk of insolvency. All kinds of businesses are trying to sell either in cash, or over a shorter period of time due to a lack of mutual confidence. The huge volumes of post-dated cheques have been reduced.

Very few companies in Greece have been untouched by the turmoil, and some financial institutions have been affected to the point of closure. The extreme reluctance of the banks to lend to Greek firms, because of tight funding constraints due to sovereign debt levels, exacerbates the vicious cycle of economic recession, severely affecting the efforts of Greek companies to remain active. SME access to loans, credit, and funding sources is limited. Factoring, however, due its characteristics, is able to offer a helping hand; especially if the companies in question have a focus on their export sales.

Domestic innovation and consolidation are prerequisites for liquidity. Stronger and healthier corporate schemes are needed not only for domestic but also for international competition. Many domestic consumers cannot afford products at current market prices and action should be taken to remedy this.

Banks are changing their business models and will most likely provide liquidity with limited equity participation and presence of collateral. The four major bank groups (Piraeus Bank Group, Alpha Bank Group, National Bank of Greece Group and Eurobank Group) have been recapitalized but are still in the process of attracting new capital, as non-performing loans remain an issue. Smaller bank groups are following the same path.

Domestic and International Factoring Volumes
(EUR million)



Source: HFA

MARKET PERFORMANCE AND SUPPLY

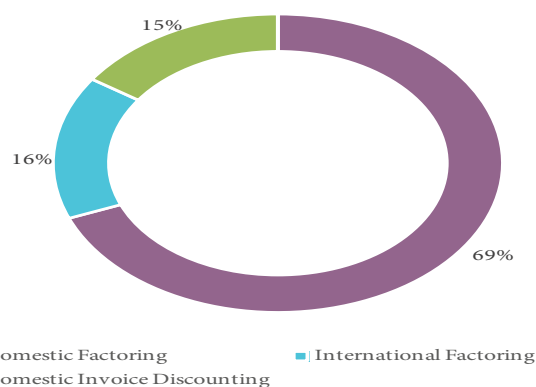
According to HFA figures, the factoring industry showed a decline of 5.20 per cent in 2013, totalling €12.1 billion. Domestic factoring comprised 84.38 per cent, with the remaining 15.62 per cent representing international business.

Domestic factoring services, with recourse and with collection

services, increased volumes in 2013 by 17.64 per cent, and 18.15 per cent respectively compared with 2012. Non-recourse factoring decreased 28.48 per cent, highlighting the reluctance of both the main players and insurance companies to provide limits to buyers in the domestic market. The above also reflects the 21.31 per cent decrease recorded in import factoring recorded during 2013 compared to the year before.

Export factoring posted an 18.82 per cent increase in 2013, according to the HFA. This was a result of the country trying to adopt an export-led growth model of development.

Market Share by Service



Source: HFA

Market Share by Industry Sector

Industry Sector	Percentage
Fuel products	20.56%
Food and animals	18.59%
Metals and derivatives	11.43%
Other	12.77%
Chemical products	5.45%
Pharmaceutical products	4.53%
Information Technology - P/C	3.89%
Tobacco products	3.26%
Plastic products	2.65%
Fish	2.26%
Media	2.06%
Electrical appliances	1.81%
Drinks	1.79%
Transportations	1.77%
Production & commerce of paper	1.75%
Telecommunications	1.58%

Industry Sector	Percentage
Production and commerce of wires	1.33%
Medical Products	1.28%
Constructions	1.24%
Total Exports	100%

Source: National Statistical Service Greece

The crisis has affected companies of all sizes and backgrounds to varying degrees, due to the aforementioned export-led growth model. Financing solutions are being introduced to export-orientated sectors, such as energy, energy transport, tourism, logistics, metals, mining, and minerals. The agricultural sector has also been targeted for financial support, with all stages of production and supply chain, from producer to buyer, already providing positive feedback on implemented solutions. Market share by industry sector, as recorded by the HFA, was mainly focused on three sectors: fuel products accounted for 20.56 per cent of all transactions; the food industry totalled 18.59 per cent; metals and derivatives took a share of 11.43 per cent.

The shares in 2012 were 24.14 per cent; 17.5 per cent; and 9.85 per cent respectively. These figures mean fuel products saw 14.83 per cent less financing than last year, the food industry saw 6.29 per cent more, and metals and derivatives saw 16.04 per cent more.

The breakdown of market share by factoring service provider was affected by the banking sector consolidation that took place in 2013; most of the Greek factors are either a subsidiary of a bank, or a bank division. Currently there are five factoring players which act as a subsidiary:

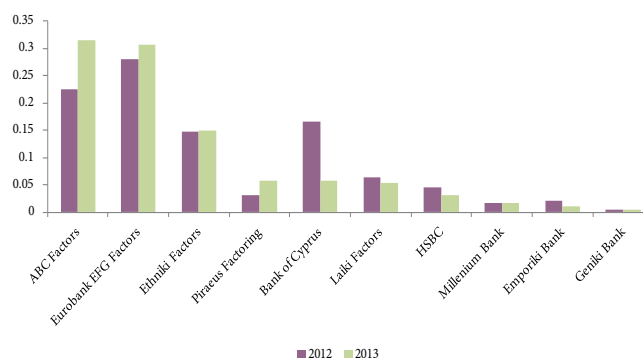
- Piraeus Factoring SA – Piraeus Bank Group
- ABC Factors SA – Alpha Bank Group
- Ethniki Factors SA – National Bank of Greece Group
- Eurobank Factors SA – Eurobank Group
- Laiki Factors & Forfaiters SA – CPB
- And three others that are a division of a bank:
 - HSBC
 - Geniki Bank (Member of Piraeus Bank Group)
 - Attica Bank

At the end of 2013, Greek factoring turnover was concentrated among three factors, which together accounted for 77.09 per cent of the market. In the same period of 2012, there were four factors with a 81.64 per cent market share. This was a result of the banking sector consolidation, and will change gradually as new schemes create new portfolios.

The pricing structure for factoring services in Greece has two major fee categories: interest rate fee, which is related to the advances paid; and the commission fee, which covers the cost of administration, collection and risk coverage, and varies from product to product. It is based on factored turnover and depends on the number of buyers, type of risk, number of invoices, average invoice value, and payment terms.

The Hellenic Factoring Association is taking action, either direct or through its education and marketing committees, to develop factoring in the local market, and deal with the implications of Basel III and various taxation issues. The HFA is also working closely with the EU Federation for the Factoring and Commercial Finance Industry; and Greek executives are active FCI committee members.

Market Share by Service Provider 2012 - 2013
(percentage)



Source: HFA

FUTURE TRENDS

Greece is currently showing gradual but delicate signs of recovery. The planned recapitalisation and restructuring of the banking system, the recent bumper tourist season, and the restart of construction work on major infrastructure projects are all making a positive contribution. Business confidence has been lost, so all the players are looking for better, or alternative, funding and debt protection, especially in the SME sector. Liquidity is a crucial issue, and the country needs to take the development route and put an end to fiscal austerity.

Exports, according to Piraeus Bank research division, are expected to post a further increase of 4.5 per cent in 2014, compared to 2.9 per cent in 2013, which will influence GDP and export factoring. Greece has been one of the 10 major exporting markets within the FCI in recent years. Recapitalisation, and the adoption of a new business model by the banking sector, with a new focus on working capital and bridge financing, will be central to how the economy moves forward. Factoring services belong to the next level of financing, behaving like satellites around companies, and being directly connected with the supply chain and the turnover of clients. Bank consolidation has generated new factoring schemes where the economies of scale have the primary role.

Factoring Products and Services

- Domestic Factoring with/without recourse
- Export Factoring (two-factor) with/without recourse
- Export Factoring (direct) with/without recourse
- Collection Services
- Import Factoring
- Reverse Factoring
- Invoice Discounting
- Maturity Factoring

Factoring is used by companies regardless of their size or their legal form.

ΠΡΟΙΟΝΤΑ ΚΑΙ ΥΠΗΡΕΣΙΕΣ ΠΡΑΚΤΟΡΕΙΑΣ
ΕΠΙΧΕΙΡΗΜΑΤΙΚΩΝ ΑΠΑΙΤΗΣΕΩΝ

- ΕΓΧΩΡΙΟ FACTORING ΜΕ/ΧΩΡΙΣ ΑΝΑΓΩΓΗ
- ΕΞΑΓΩΓΙΚΟ FACTORING (2-FACTOR) ΜΕ/ΧΩΡΙΣ ΑΝΑΓΩΓΗ
- ΕΞΑΓΩΓΙΚΟ FACTORING (ΑΠΕΥΘΕΙΑΣ) ΜΕ/ΧΩΡΙΣ ΑΝΑΓΩΓΗ
- ΥΠΗΡΕΣΙΕΣ ΕΙΣΠΡΑΞΗΣ
- ΕΙΣΑΓΩΓΙΚΟ FACTORING
- REVERSE FACTORING
- ΠΡΟΕΞΟΦΛΗΣΗ ΑΠΑΙΤΗΣΕΩΝ
- FACTORING ΧΩΡΙΣ ΧΡΗΜΑΤΟΔΟΤΗΣΗ

Η πρακτορεία επιχειρηματικών απαιτήσεων χρησιμοποιείται από εταιρίες ανεξαρτήτου νομικής μορφής ή μεγέθους.