



**PIRAEUS
FACTORING**

ACTIVITY REPORT FOR 2012

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Establishment
of Multifactoring
SA

Company
becomes a
member of
FCI

- Multifactoring SA becomes a 100% subsidiary of the Piraeus Group and is renamed to Piraeus Factoring SA

- Company opens a branch in Thessaloniki in order to cover the needs of Northern Greece

Piraeus
Factoring
becomes a
member of
the board
of the
Hellenic
Factors
Association

Upgrade of
our MIS
platform &
creation of
the database
“Hot File” for
Risk
Management
& Fraud
Detection

Piraeus
Factoring is
awarded from
the FCI as the
export factor
that showed
“the best
service quality
improvement”

Piraeus
Factoring
consolidates
the factoring
division of
the
Agricultural
Bank of
Greece

July 2012

The Piraeus Bank Group acquired the good part of
Agricultural Bank of Greece

Oct. 2012

The Piraeus Bank Group acquired Geniki Bank from
the Societe Generale Group

Mar. 2013

The Piraeus Bank Group acquired the Greek
subsidiaries of Cyprus Popular Bank, Bank of
Cyprus Ltd and Hellenic Bank

Apr. 2013

The Piraeus Bank Group acquired Millenium Bank
Greece from Millenium BCP

***Piraeus Bank is ranked No 1 in the Greek
banking market with a 30% market share***

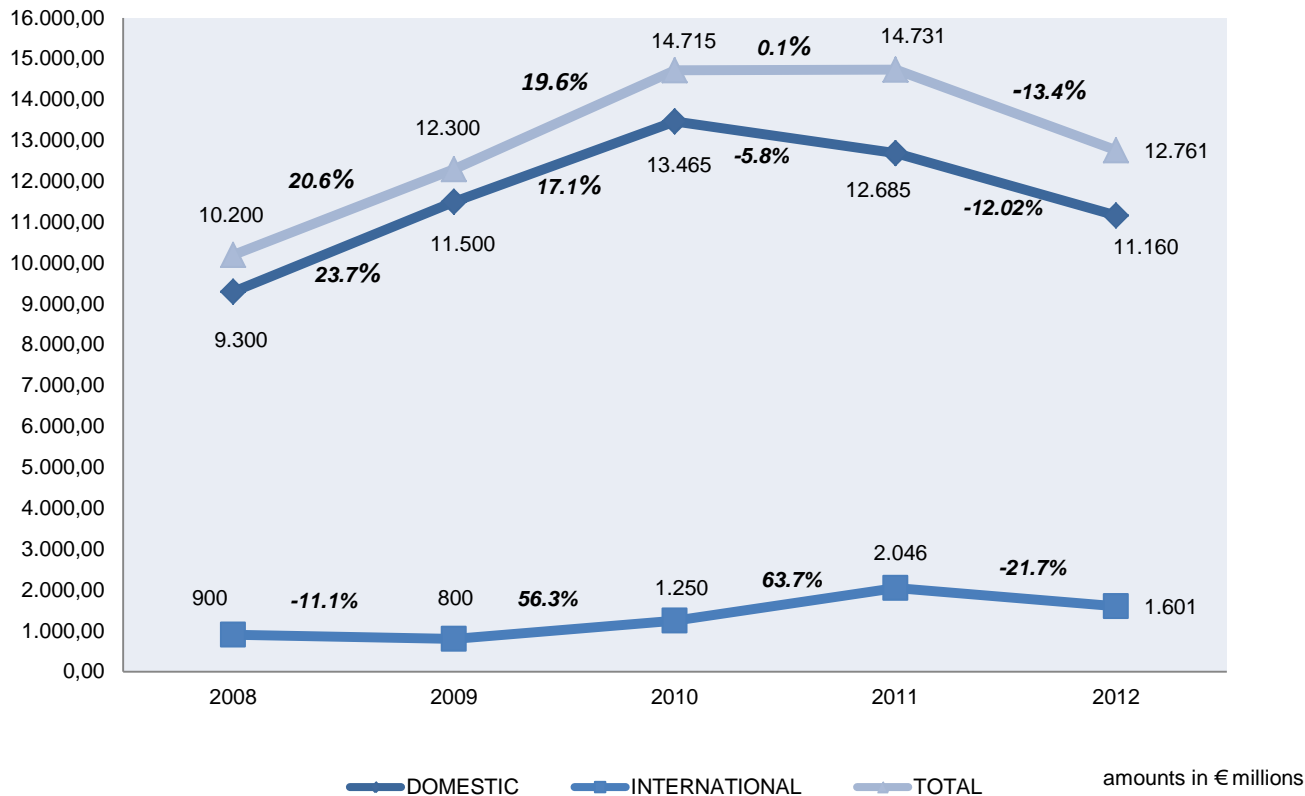
2013

Further to the recent developments, we aim to:

- ☞ Strengthen our presence and activity in the Greek market by becoming a reliable partner for all our clients
- ☞ Further develop our Export Factoring activity following the increase of the Greek Exports which are estimated to further grow by 6% -10% in 2013 and become a Full Member in FCI
- ☞ 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
- ☞ Create synergies with Piraeus Bank in order to mitigate the risk for the whole Group
- ☞ Further improvement of our monitoring and control processes in order to minimize the financial risk and achieve Economies of Scale
- ☞ Maintain the quality of our portfolio as well as the low percentage of non-performing loans



Factoring Turnover in the Greek Market

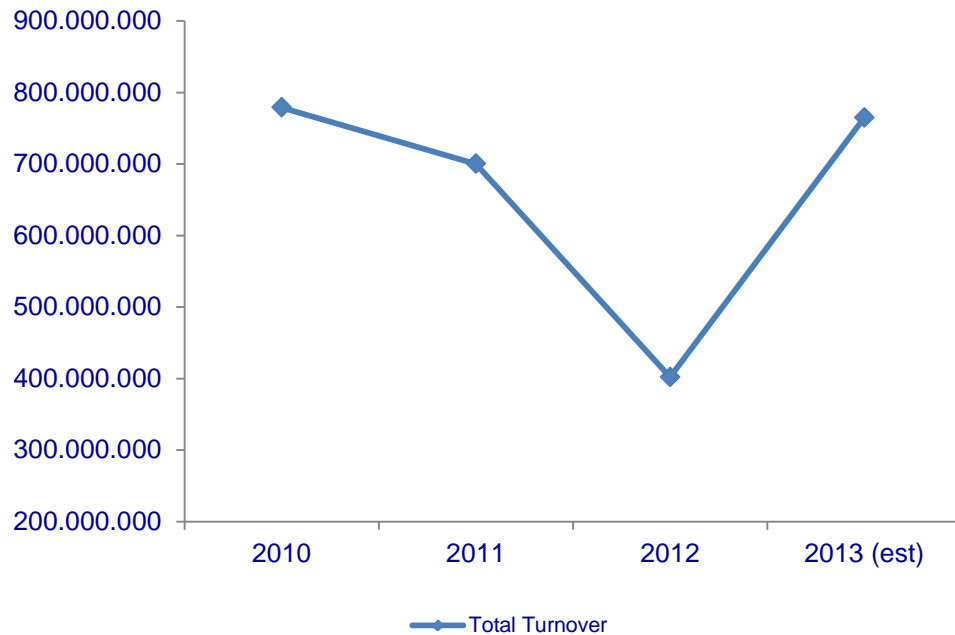


Sources: Factors Chain International & Atradius Country Reports

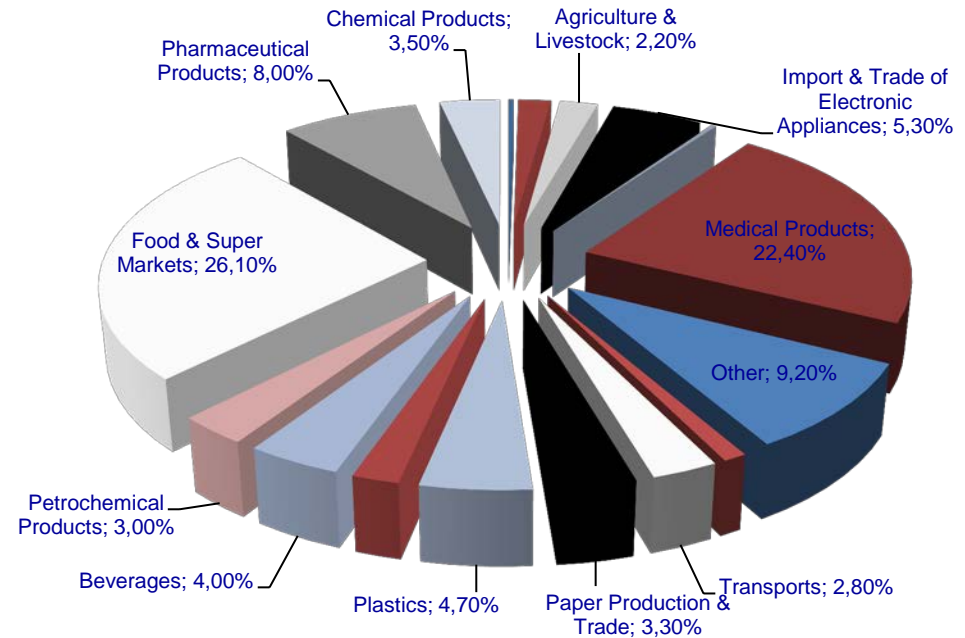
Greek Market Environment

- Greece has been experiencing an economic turmoil since 2008 that has forced the implementation of a very strict austerity program.
- 2012 has been a difficult year in which GDP has contracted by 6.6% leading to a cumulative shrinkage in GDP of 19% since 2008
- Private & Government consumption as well as Investments have decreased. As a result, CPI has decreased in 2012 to 1.5% and is expected to reach -0.3% in 2013
- The country's international competitiveness has improved mainly due to lower wages and prices which is reflected in the current account balance. We expect to have a surplus in 2014
- While Greece struggles to meet the targets set by the "Troika", there is a positive change from the market as reflected in the rating improvement to B- from S&P in February 2013
- All the above is reflected in the decrease in the Factoring Turnover both Domestic and International
- Factoring remained a reliable financial tool mainly due to:
 - The fact that it provides a credit risk coverage arising from the buyer's inability to pay and
 - The increase of the Greek exports

Piraeus Factoring Turnover



Sector Analysis



- ✎ The 2012 turnover decreased by almost 40% in 2012. This is a result of both the situation of the Greek economy as well as of the filtering of our company's portfolio in order to minimize risk exposure
- ✎ Our company tries to have a diversified portfolio with exposure to sectors with the less possible risk
- ✎ Our main activity sectors are Food, Medical and Pharmaceutical products that have been the least affected by the economic turmoil
- ✎ The 2013 turnover is expected to grow significantly further to the recent developments in the banking sector

PROVISIONAL BALANCE SHEET FOR 2012

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	Amounts in € Thousands	
	31-12-2012	31-12-2011
ASSETS		
Cash & Cash Equivalents	19,760	31,085
Loans & Advances to Customers (net of provisions)	176,397	200,716
Goodwill & Other Intangible Assets	151	117
Tangible Assets	40	55
Other Assets	1,802	1,587
TOTAL ASSETS	198,150	233,560
LIABILITIES		
Due to Banks	164,085	199,133
Provisions for Credit Risks	235	283
Other Provisions	130	130
Other Liabilities	1,937	3,104
Income Tax	36	0
Total Liabilities	166,422	202,650
Total Equity	31,728	30,910
TOTAL EQUITY & LIABILITIES	198,150	233,560

PROVISIONAL INCOME STATEMENT FOR 2012

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Amounts in € Thousands

	31-12-2012	31-12-2011
Net Interest Income	5,020	6,113
Net fee & Commission Income	1,743	2,951
Other Operating Income	790	659
	7,553	9,723
Staff Costs	-1,458	-1,669
General Operating Expenses	-1,318	-1,904
Provisions for Credit Risk	-3,614	-1,464
Amortization/Depreciation	-121	-125
Profit Before Tax	1,043	4,562
Income Tax Expense	-224	-1,006
Profit/Loss for the period	819	3,556



**PIRAEUS
FACTORING**

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