

PIRAEUS FACTORING



Activity Report 2014

Nea Smirni, Greece / November 2015



Contents

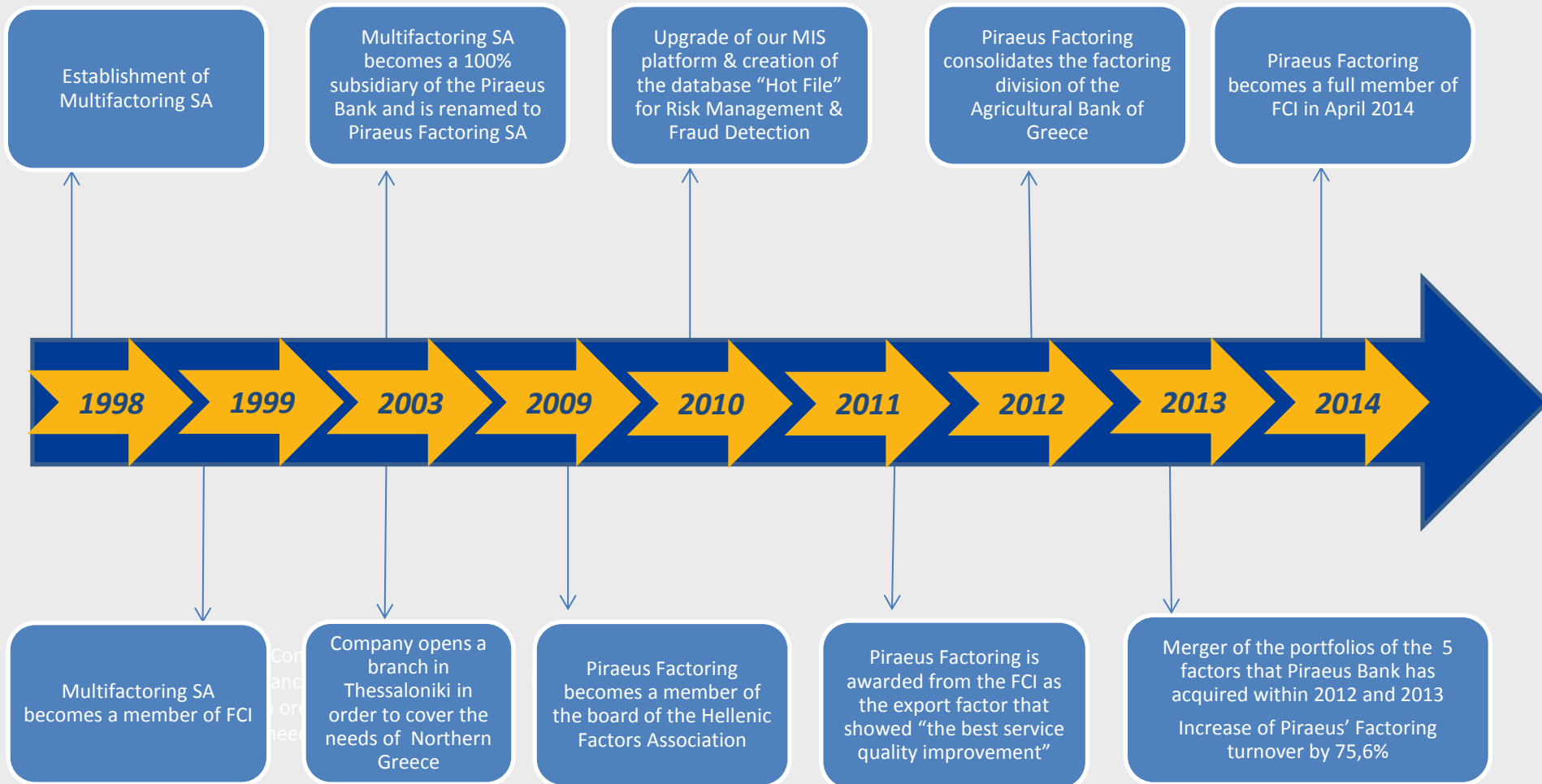
1.	Our Company	page 3
2.	Piraeus' Factoring Milestones	page 4
3.	Highlights of the year 2014	page 5
4.	Factoring in Greece through the years	page 6-8
5.	Piraeus' Factoring Turnover	page 9-12
6.	Strategic Objectives for 2015	page 13
7.	Financial Information	page 14-15
8.	Contact details	Page 16



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.
- Founding member of the Hellenic Factors Association, established in 2009.
- Member of Factors Chain International (FCI - The largest chain of factoring agents 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, Piraeus Factoring SA administrates and finances account receivable ledgers of entities activated both in the domestic and 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 the individual needs of each customer.
- Our company’s objective is to provide high quality factoring services to companies of all sizes and to develop new products in order to cover the constantly changing business environment and maximize customer satisfaction.
- Piraeus Factoring’s main vision is to pursue excellence in our service quality in order to be identified as one of the leading factoring institutions.

Piraeus' Factoring Milestones





Highlights of the year 2014

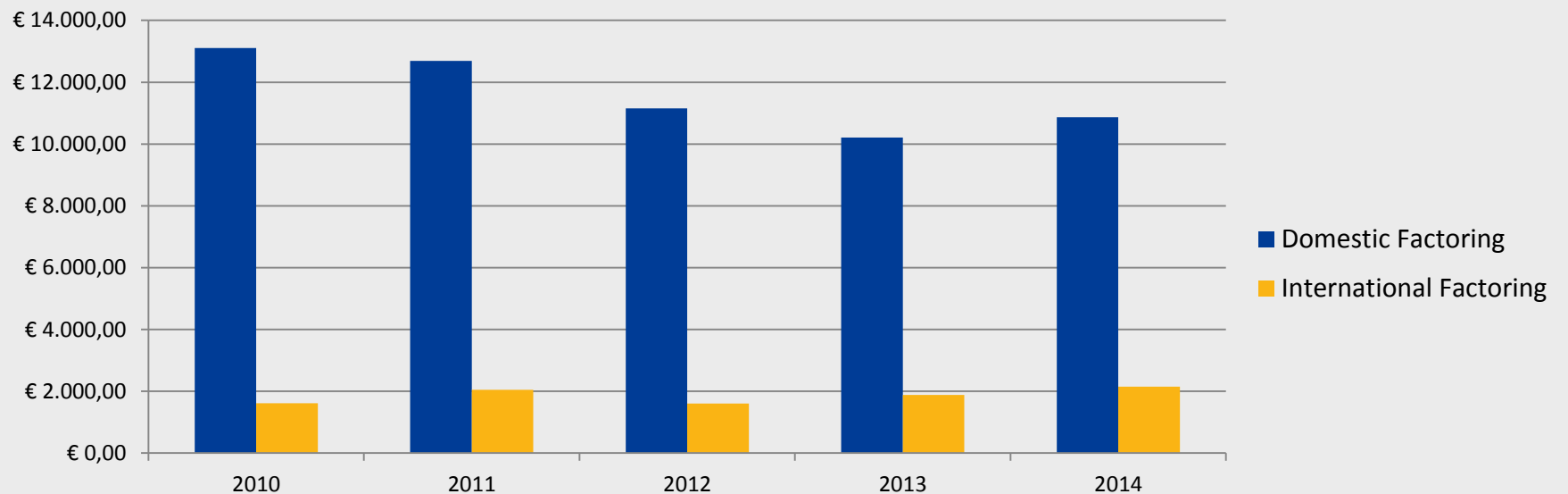
- Piraeus Factoring SA successfully managed within 2014 to fully merge all the portfolios of the 6 factors that Piraeus Bank has acquired within 2012 and 2013 (division of Agricultural Bank of Greece, division of Bank of Cyprus Pub. Co Ltd Greece, division of Laiki Bank, division of Millennium Bank , the assets from Laiki Factors & Forfaiters SA, division of Geniki Bank and division of Hellenic bank)
- On April 2014, Piraeus Factoring SA becomes a Full Member of Factors Chain International, achieving a total turnover of export factoring up to € 137 million (including two factors exports and direct export factoring).
- Assurance of profitability
- Conservation of the low rate of bad debts
- Achievement of higher company's market share by increasing the turnover by 87,75% (to € 1.325,50 million on 2014 from € 706 million on 2013).



Factoring in Greece through the years

The Greek Factoring industry, during 2014, was in its 19th year of operation and not only remained a reliable commercial and financial solution within the country's business community but also succeeded in having an increase of 7.55 per cent, reaching a figure of more than 13 billion euros. The respective GDP factoring penetration ratio during 2014 formulated at 7,27 per cent from 6,68 per cent during 2013. International Factoring posted a figure growth of 14,47 per cent showing a good comprehension of the local business needs, although the domestic factoring with recourse remained the overall dominant product overall with a market share of 38.28 per cent.

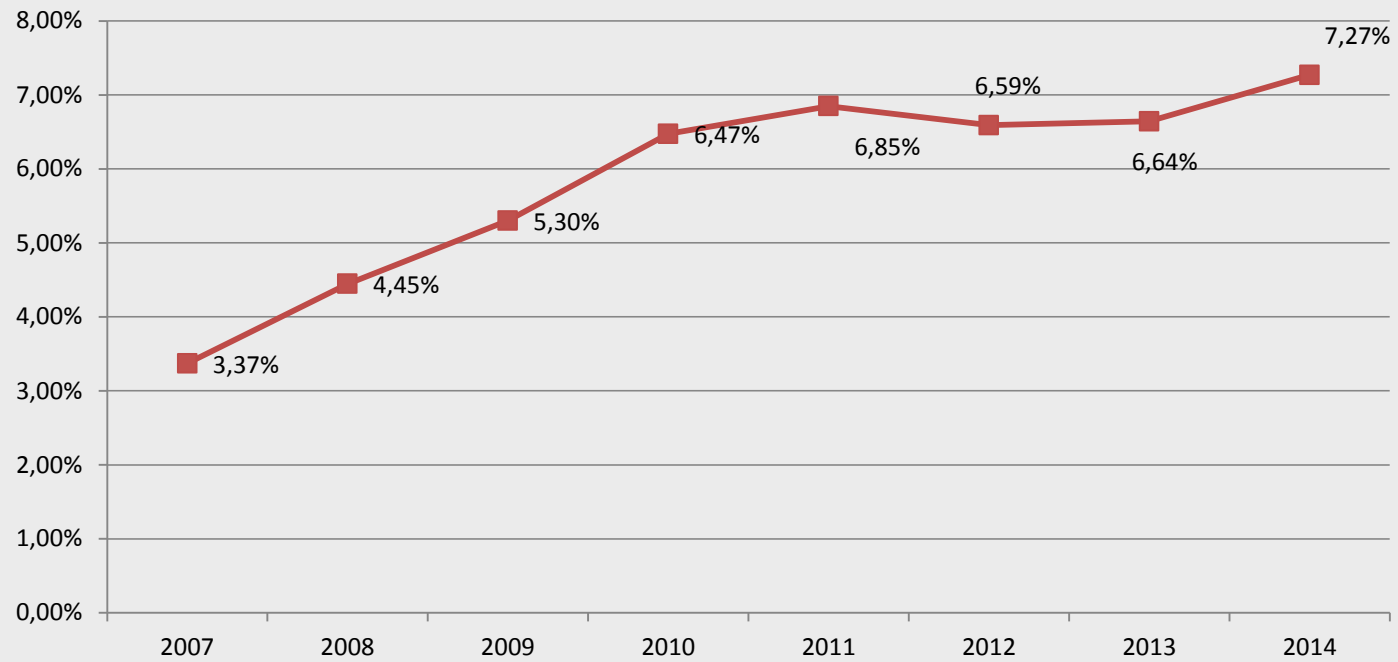
Domestic and International Factoring Volumes (Eur million)



Source: Hellenic Factors Association



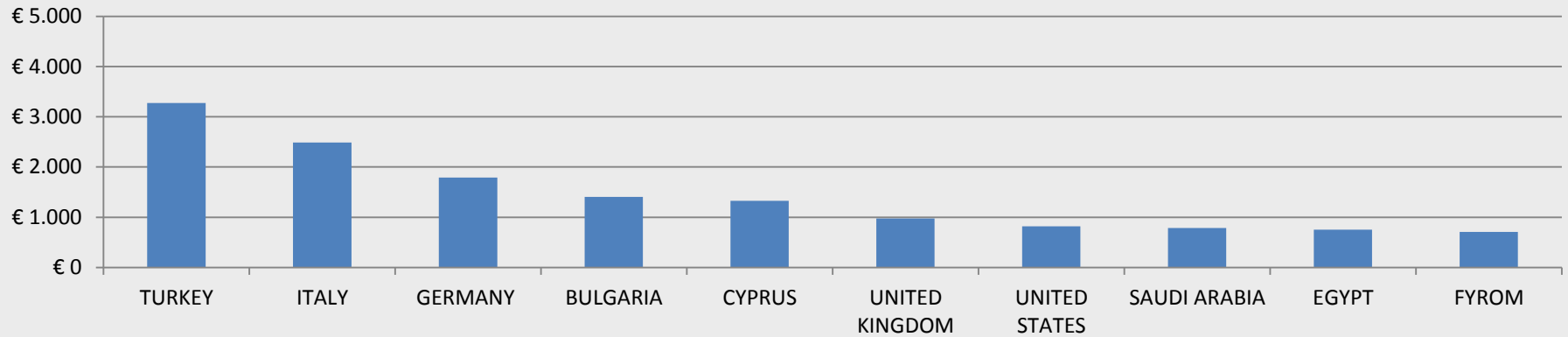
GDP Factoring Penetration



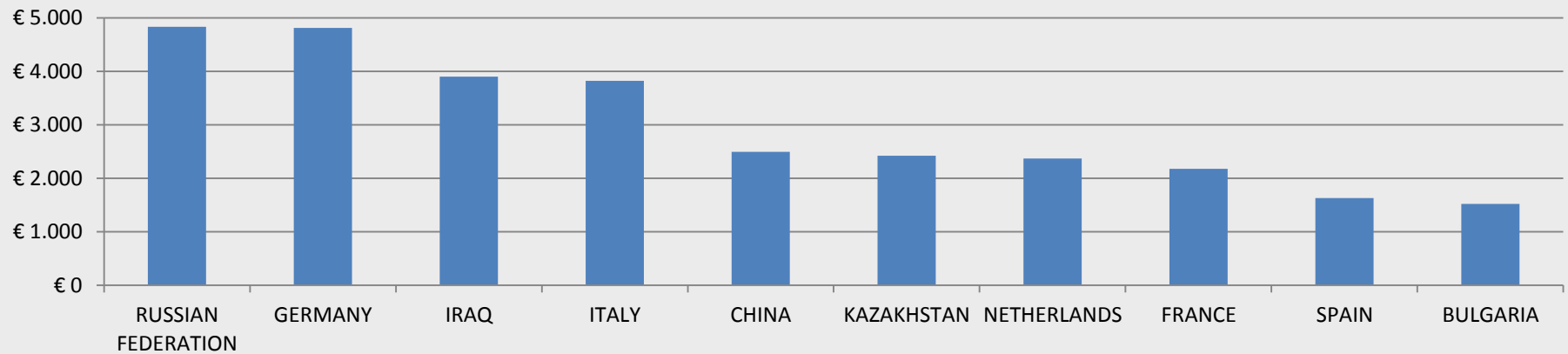
Source: Hellenic Factors Association



Greece's Top 10 Export countries per 2014 (EUR millions)



Greece's Top 10 Import countries per 2014 (EUR millions)



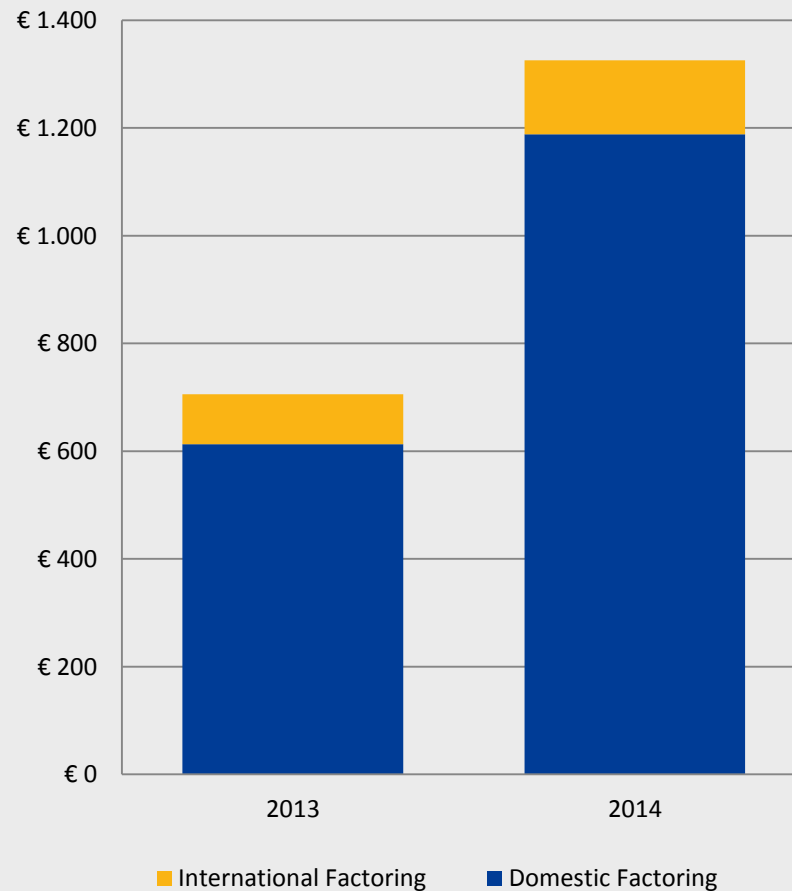
Source: Piraeus Bank Research



Piraeus' Factoring Turnover

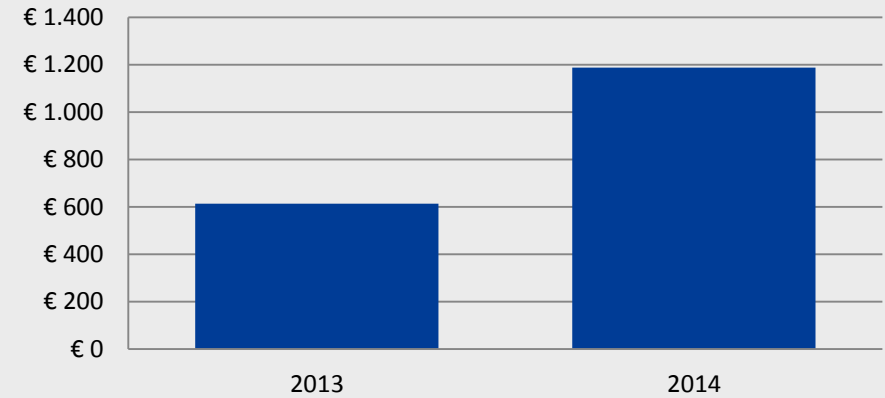
Total Factoring Turnover

in millions



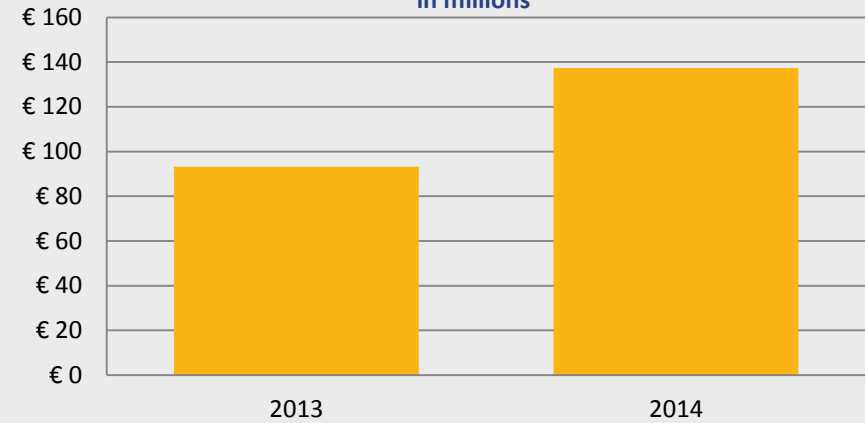
Domestic Factoring Turnover

in millions



International Factoring Turnover

in millions



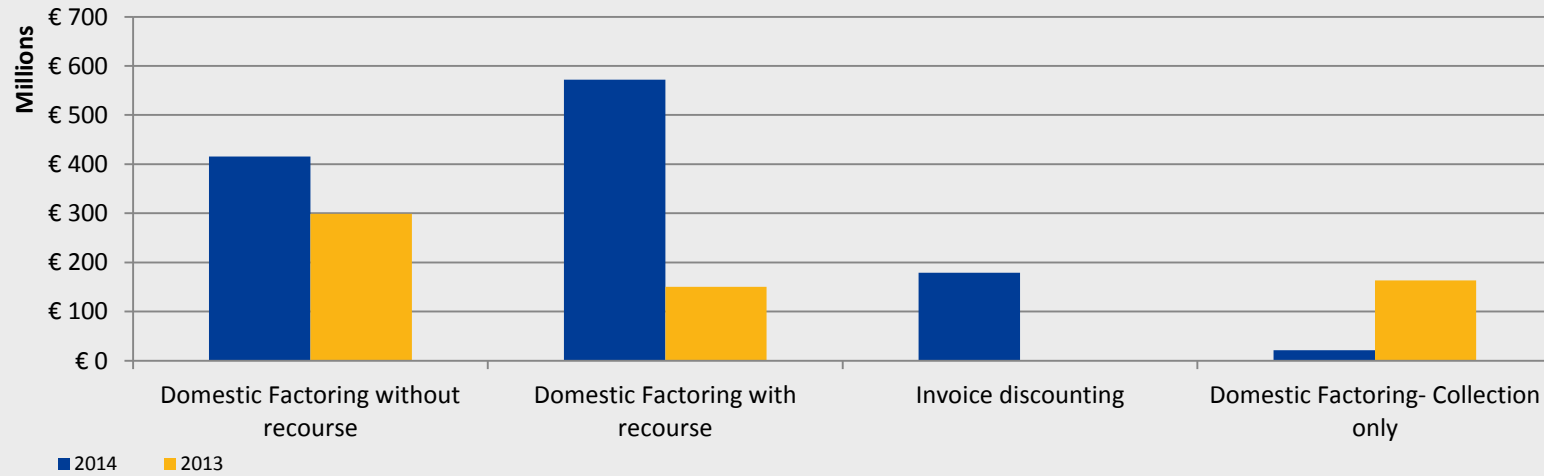


Turnover by factoring product

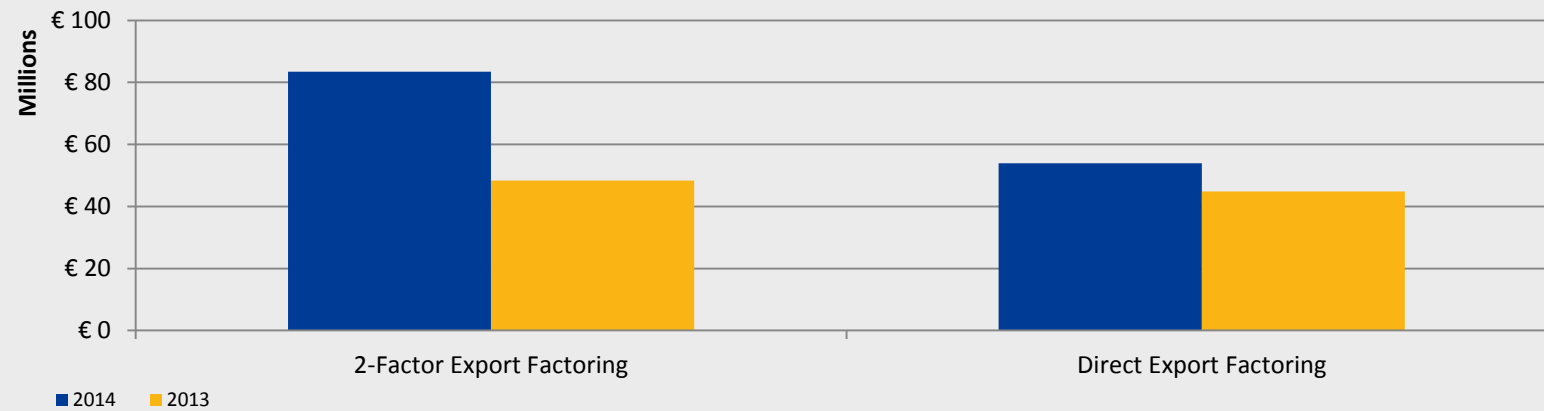
<i>in millions</i>	2014	2013	
Domestic Factoring without recourse	415,68	299,10	38,97%
Domestic factoring with recourse	572,17	150,38	280,48%
Domestic Factoring – Collection only	21,32	163,36	- 86,95%
Invoice discounting	179,01	-	100,00%
DOMESTIC FACTORING	1.188,18	612,83	93,88%
2-Factor Export Factoring without recourse	83,42	48,37	72,46%
Direct Export Factoring	53,90	44,80	20,31%
EXPORT FACTORING	137,32	93,17	47,39%
TOTAL	1.325,50	706,00	87,75%



Domestic Factoring by product

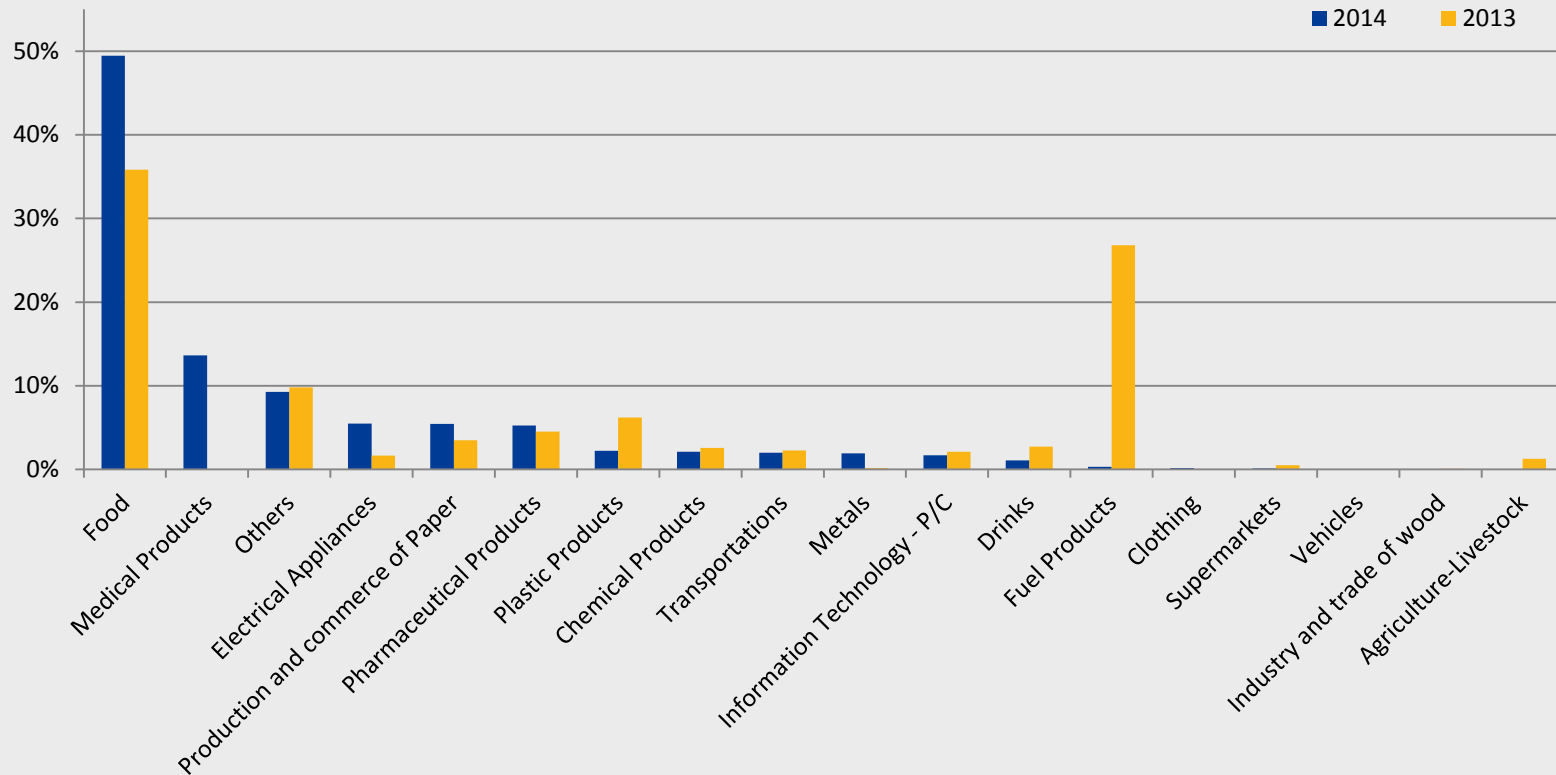


International Factoring by product





Sector Analysis 2014 vs 2013



The food industry has been and will continue to be for 2015 a priority of Piraeus Factoring not only in the domestic but also in the international market.



Strategic Objectives for the year 2015

- ❖ Strengthen our presence and activity in the Greek market by becoming a reliable partner for all our clients
- ❖ Create economies of scale through the exploitation both of the manpower and partnerships
- ❖ Improve the management arrangement regarding assigned receivables on behalf of clients of our parent bank, Piraeus Bank SA.
- ❖ 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 by offering credit cover and collection of receivables.
 - ✓ Broaden the cooperation with the Group subsidiaries abroad by exploiting the benefits of reverse factoring
- ❖ 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 2014

	2014	2013		2014	2013
<u>Assets</u>			<u>Liabilities</u>		
Cash & Cash equivalents	17.292	62.497	Due to banks	208.522	249.139
Loans and advances to customers	228.925	219.680	Retirement benefit obligations	260	138
Goodwill & other intangible goods	116	154	Other provisions	130	130
Tangible assets	89	24	Other Liabilities	3.356	2.282
Differed income tax assets	2.959	1.958	Income tax Liabilities	1.514	198
Other assets	367	523	Total liabilities	213.782	251.887
Total assets	249.747	284.835			
			<u>Equity</u>		
			Shareholders capital	21.126	21.126
			Share premium	2.770	2.770
			Reserves	952	854
			Retained earnings	11.118	8.199
			Total equity	35.965	32.948
			Total equity & liabilities	249.747	284.835



Financial Information

Statement of total comprehensive income

	01.01 - 31.12.2014	01.01 - 31.12.2013
Interest and similar income	11.904	8.503
Interest expenses and similar charges	(5.975)	(4.888)
<i>Net interest income</i>	5.929	3.615
Fee and commission income	6.772	2.556
Fee and commission expenses	(272)	(21)
<i>Net commission income</i>	6.500	2.535
Other operating income	838	1.262
<i>Total income</i>	13.267	7.412
Staff costs	(1.892)	(1.601)
Administrative expenses	(2.420)	(1.622)
Amortization / depreciation	(106)	(94)
Provisions and impairment	(4.684)	(2.912)
<i>Profit before tax</i>	4.166	1.182
Income tax	(1.093)	25
<i>Profit after tax (A)</i>	3.073	1.207
Actuarial gains / (losses) of defined benefit obligations (after taxes)	(56)	15
Other comprehensive income , net of tax (B)	(56)	15
<i>Total comprehensive income, net of tax (A+B)</i>	3.016	1.221



Contact details

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The boost you need.

PIRAEUS FACTORING S.A. is one of the leading factoring companies in Greece with a significant market share and an established reputation.

The company is 100% subsidiary of **Piraeus Bank Group** which is one of the largest systemic banks in Greece.

Through our broad and in-depth experience as well as our large branch network, we can provide you with fast, custom-made solutions in order to successfully boost your sustainable growth!

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PIRAEUS FACTORING

