

JSC PIRAEUS BANK ICB
Audit Committee conclusions
about the year 2015 results

General information

PIRAEUS BANK ICB (the "Bank") is a legal entity under the laws of Ukraine performing its activity under the law and regulations of Ukraine and is subject to regulatory supervision by the National Bank of Ukraine (the "NBU").

Mr. Sergiy Naumov acted as Chairman of the Management Board and reported to the Supervisory Board chaired by Mr. Yannis Kyriakopoulos.

The Bank is 99.99% owned by Piraeus Bank S.A. (Athens, Greece) making the part of Piraeus Group.

Inspections of the Bank

In 2015 the Bank was subject to a series of inspections arranged by regulatory authorities of Ukraine, Group Internal Audit of Piraeus Group, Internal Audit Department of the Bank and the number of external audits carried out by PwC and the local Audit company «RADA ltd» in compliance with international and local (NBU) standards.

Regulatory inspections performed by the Social Funds regional authorities came mostly as a part of the reorganization of the Bank's structure (closing of branches) process. Also a complex tax inspection was performed by State Fiscal Service of Ukraine. All mentioned inspections found the Bank to be in good standing and with proper processes arranged; some minor gaps following to their results were corrected.

Group Internal Audit performed a number of specific inspections in IT. All comments were properly presented to the management of the Bank.

Internal Audit of the Bank performed a tremendous job in auditing of all Bank's branches as well as Head Office processes and activities due to which it became possible to improve significantly Bank's operation and processes in general and in specific directions.

Financial Statements

The External auditors "PwC" and Audit company «RADA ltd» have performed a regular annual audit of the Bank and have confirmed the Bank's annual Financial Statements including Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements.

Conclusions

The Committee appreciate the Bank's transparency and in general wants to point that 2015 appeared to be a year of significant changes first of all in view of improvement of the Bank's structure, processes and procedures set up in compliance with Piraeus Group requirements in particular as well as international standards in general.

The Committee has reviewed the main potential risks in the Bank's operations and believes the Bank has a fair understanding and assessment of these risks and a proper program of covering or mitigating them.

The Committee considers the Internal and External Audits results and recommendations as adequate and their implementation and follow up by the Bank as satisfactory.

The Committee recommends to the General Shareholders Meeting to approve 2015 financial statements of the Bank.

Sincerely,

Mr. Alkiviadis Alexandrou
Audit Committee Chairman
PIRAEUS BANK ICB

