

JSC PIRAEUS BANK ICB

Audit Committee conclusions

about the year 2014 results

General information

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

Mr. Vyacheslav Koval was an acting Chairman of the Management Board and reports to the Supervisory Board chaired by Mr. Yannis Kyriakopoulos as the Chairman of the Supervisory Board of Bank, as of 31.12.2014. Starting from 05.01.2015 new Chairman of the Management Board – Mr. Sergiy Naumov started to perform his duties. The Bank is 99.9% owned by Piraeus Bank S.A. (Athens, Greece) making the part of Piraeus Group.

Inspections of the Bank

In 2014 the Bank was subject to a series of inspections arranged by regulatory authorities of Ukraine, Group Internal Audit of the Piraeus Group, internal Audit Department of the Bank and the external audits carried out by PwC and some local audit companies in compliance with international and local (NBU) standards.

Regulatory inspections performed by the NBU, Tax and Social Funds regional authorities came mostly as a part of the reorganization of the Bank's structure (closing of branches) process. Also a few separate subject inspections of currency control activity adequacy were performed by NBU. All mentioned inspections found Bank to be in good standing and with proper processes arranged and some minor gaps following to their results were corrected.

Group Internal Audit performed a number of specific inspections in IT and some other sections. All comments/reports were properly presented to the Management of the Bank.

Internal Audit of the Bank performed effectively the inspection of all Bank's branches as well as the inspection of various departments and activities, due to which it became possible to improve Bank's operation and processes.

Financial Statements

The External auditor "PwC" has performed a regular annual audit of the Bank and has confirmed the Bank's annual financial results and balance sheet.

Conclusions

The Committee appreciates Bank's transparency and considers that 2014 appeared to be a year of 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 best practices 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 managing 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 2014 financial statements of the Bank.

Sincerely,



Mr. G. Mantakas
Audit Committee Chairman
PIRAEUS BANK ICB