

Internal Audit Unit

The primary purpose of the function of the **Internal Audit Unit (IAU)** is the provision of reasonable assurance concerning the adequacy and effectiveness of its Internal Control System (ICS), the effectiveness of risk management and the harmonization with the applicable institutional and regulatory framework. The IAU measures, takes measures for the proper management of the audit risk, the residual risk and risk of fraud, the operational risk and the reputational risk.

More specifically, the Internal Audit of the Bank aims at the:

- > Objective, independent and documented assessment of the adequacy and effectiveness of the ICS, through the conduct of preventive and ex post audits, on the basis of the audit plan approved by the Audit Committee;
- > Information to the Board of Directors, through the Audit Committee, and the Management concerning the course and the results of the audits;
- > Submission of relevant recommendations for improvement concerning the audit results;
- > Cooperation with the Supervisory Authorities and the facilitation, in any manner, of their work;
- > Provision of advisory services in the context of its powers and where required by Management;
- > Maximum utilization of the available resources, aiming at the continuous improvement of the quality and the breadth of its audit and advisory services;
- > Compliance of the procedures with the applicable legislative and regulatory provisions and with the decisions of the administrative body;
- > Whether the procedures are implemented in a proper and effective manner (e.g. transactions compliance, level of actual risk, etc.);
- > Adequacy, quality and effectiveness of the audits performed and the reports submitted by the supporting business units, as well as by the risk management and compliance units.

In addition to the provision of reasonable assurance to the Management, concerning the adequacy of the operation of the internal control system, the Internal Audit Unit may also have an advisory role.

The IAU is an independent, objective audit and advisory function with the mandate to add value and improve the control, risk management and governance procedures of the Epirus Bank. The IAU, implementing a risk-based approach, performs an independent assessment and provides objective assurance concerning the compliance of all functions and units of the institution, including the outsourced activities, with the policies and the procedures of the institution, as well as with external requirements.

It is obliged to perform sampling, ex post audits of all functions and transactions of the Bank (regardless of whether they are carried out by the headquarters or the network), in order to establish the strict and proper implementation of the rules and procedures which have been established for each transaction category and, in general, to establish the compliance of the Bank departments with the applicable institutional and regulatory framework.

The mandate of the Internal Audit Unit of the Epirus Bank is:

- K** The assurance of the reliability and completeness of the financial and administrative reporting and the means used for determining, measuring and presenting the relevant information.
- K** The audit of the systems, the functions and the activities that are critical for the smooth operation of the Bank and the assurance of their harmonization with the current policies, procedures, law and statutes.
- K** The assessment of the method used for ensuring the effective and efficient use of the Bank resources.

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Whether the existing policies and procedures continue to be adequate and in line with the legislative and regulatory requirements, as well as with the risk appetite and the risk strategy of the institution.

The Internal Audit Unit is administratively independent and reports, in respect of matters falling within its competences, to the Board of Directors and the Management, through the Audit Committee.

The IAU work, in general, includes the following:

It has access to any and all business Units of the Bank and is entitled to become aware of any information.

It prepares the annual audit plans.

S It is regularly updated on International Professional Internal Auditing Standards.

It assesses the audit methodology implemented.

It processes the reports with the audit results and updates regularly or, in special circumstances, extraordinarily the Audit Committee and the Management.

It is informed of the results of the audits performed by the statutory certified auditors.

Within the first quarter of each year, it assesses the adequacy of the internal control system and submits the relevant report to the Management and the Audit Committee of the BoD. It recommends the external certified auditors to the Audit Committee.

The Internal Audit Unit of the Bank complies with the ethical principles provided for in the Standards, as well as in the Code of Conduct of the Bank.

It is responsible for identifying and assessing risks in order to determine the frequency of audit in significant audit areas.

Where fraud incidents are identified, the IAU notifies Senior Management, the Audit Committee, the Compliance Unit and performs a special audit.