

JSC PIRAEUS BANK ICB **Revision Commission conclusions** **about the year 2017 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 was a Chairman of the Management Board and reports to the Supervisory Board chaired by Mr. Ioannis Kyriakopoulos as the Chairman of the Supervisory Board of Bank. The Bank is 99.99% owned by Piraeus Bank S.A. (Athens, Greece) making the part of Piraeus Group.

Inspections of the Bank

In 2017 the Bank was subject to a series of inspections arranged by the Group Internal Audit of the Piraeus Group, internal Audit Department of the Bank and the external audit carried out by PJSC «Deloitte & Touche USC» in compliance with International Financial Reporting Standards.

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 ISMS implementation and maintenance area. All comments were properly presented to the management of the Bank.

Internal Audit of the Bank performed a thorough inspection of all Bank's branches as well as performance of separate Bank's departments/activities/processes audit due to which it became possible to improve significantly Bank's operation and processes in general and in specific areas.

Financial Statements

The External auditor PJSC «Deloitte & Touche USC» has 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, and Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements.

Conclusions

The Revision Commission appreciates bank's governance framework and in general wants to point that 2017 appeared to be another year of changes, 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 in terms of international standards in general.

The Revision Commission has reviewed the main potential risks in the Bank's operations that have been identified through audit inspection and acknowledges that the Bank has taken satisfactory risk management initiatives to address those risks

The Revision Commission considers the Internal and External Audit results and recommendations as satisfactory and their implementation and follow up by the Bank as adequate.

The Revision Commission recommends to the General Shareholders Meeting to approve 2017 financial statements of the Bank.

Sincerely,
Mr. Alkiviadis Alexandrou
Audit Committee Chairman
PIRAEUS BANK ICB

