



Pillar III Disclosures

**For the year ended
31 December 2024**

Aegean Baltic Bank S.A.

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INTRODUCTION

This report contains information of financial and supervisory nature of Aegean Baltic Bank S.A. (“ABBank”) for the year ended 31.12.2024 that, pursuant to Pillar 3 of the Basel III framework (Part Eight of Regulation (EU) No 575/2013 (CRR) as amended by Regulation (EU) 2019/876), Credit Institutions (CIs) are required to publicly disclose periodically.

As referenced in the previous year’s relevant Pillar III reports, in 2022 ABBank established a wholly owned subsidiary, “Acqua Blue Properties Single Member S.A.” (the “Subsidiary”), with the sole purpose of owning and managing specific repossessed real estate assets. Consequently, the ABBank now publishes consolidated (“Group”) Financial Statements alongside its standard standalone (“Bank”) Financial Statements.

Given the Subsidiary’s limited financial footprint, all supervisory and regulatory reporting continues to be conducted at the Bank level. Therefore, the present report pertains exclusively to the Bank’s Pillar III disclosures.

1. THE BASEL III REGULATORY FRAMEWORK

1.1. The Pillar III Disclosures Guiding Principles

In alignment with the Basel framework's Pillar III objectives, this report aims to enhance transparency and promote market discipline by providing comprehensive disclosures on the Bank's approach to risk-taking and risk management. Through structured regulatory disclosure requirements, market participants are granted access to essential information regarding the Bank's capital adequacy, liquidity position, and funding profile—fostering greater confidence in the institution's resilience and governance.

The disclosures presented herein are tailored to be accessible and meaningful to key stakeholders, including investors, analysts, and financial clients. They offer a clear overview of the Bank's principal activities, the material risks it faces, and the strategies employed to manage those risks. Where applicable, the report highlights notable changes in risk exposures and associated metrics compared to the previous reporting period, along with the management's response to such developments.

Disclosure tables follow the standardized templates set out in supervisory guidelines, populated with quantitative data aligned with regulatory definitions. In addition, qualitative and quantitative insights are provided regarding the Bank's internal processes for identifying, assessing, and mitigating risks. The depth and scope of these disclosures are proportionate to the complexity of the Bank's operations and organizational structure.

This report draws upon the audited Financial Statements for FY 2024 and FY 2023, as approved by the Bank's Board of Directors on 30 July 2025 and 28 May 2024, respectively, and reflects the resolutions of the corresponding Annual Ordinary General Meetings of Shareholders held in the summer of each year. The Pillar III Disclosures Report is publicly available on ABBank's official website: <https://aegeanbalticbank.com/en/meet-abbank/publications/pillar-iii-publications>

1.2. The Basel III Framework

The "Basel III" framework adopts most of the supervisory rules of Basel II, modifying some but also introducing new ones. Thus, Basel III builds on the three fundamental "Pillars" of supervision introduced by Basel II:

- **Pillar I** which pertains to the determination of the minimum capital requirements of Banking Institutions (BIs) in connection with their exposure to Credit Risk, Market Risk and Operational Risk, and the recognized methodologies for determining such risks and calculating the corresponding capital requirements. In comparison with the previous (Pillar II) framework, Pillar III introduced the following fundamental changes:
 - Qualitative and quantitative amendments with regard to the composition the regulatory capital, setting out higher minimum adequacy levels for certain capital means, with particular emphasis given in the Common Equity Tier-1 capital (CET1).
 - The establishment of certain regulatory indicators (ratios) in relation to the minimum acceptable levels of Financial Leverage, Liquidity and Funding the Business Indicators should maintain at all times (Leverage Ratio, Liquidity Cover Ratio and the Net Stable Funding Ratio, respectively), as well as certain requirements for the limitation and control of large financial exposures.
 - Supplementary supervisory regulation aiming towards better serving and integrating the ideal of the "Banking Union" and the development of a "Single Rulebook" in the EU, through the establishment of a comprehensive framework for the prudential supervision, inspection, and control of BIs and the establishment of relevant bodies with certain authority, responsibilities and cooperation between them. In this context, the role, and activities of the European Banking Authority (EBA) was elevated, the Bank Recovery and Resolution Directive (BRRD) was enacted, and certain bodies of prudential supervision were established, such as the Single Supervisory Mechanism (SSM), the Single Resolution Board (SRB) and the Single Resolution Fund (SFR).
- **Pillar II**, which comprises the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) which are carried out by each CIs in relation to the risk management procedures of all the risks to capital, liquidity and funding under Pillar I as well as all other

material risk areas to which it may be exposed to. Pillar II also includes the Supervisory Review and Assessment Process (SREP) which is carried out by the pertinent supervisory authority, mainly on the basis of the ICAAP and the ILAAP reports submitted by the CIs and evaluates the business model and the risk management procedures of each bank, as well as the levels of adequate capital and the procedures each bank should internally maintain or develop, against all risks (Pillar I and Pillar II) it may be exposed to.

- **Pillar III**, which refers to the obligations of CIs to disclose information relevant to their exposure to the risks they undertake, and the procedures followed to deal with these risks and the measurement of the corresponding capital and liquidity requirements.

1.3. Basel III Reforms

In December 2017 the Basel Committee in Banking Supervision finalized and released the 4th iteration of reforms on Banking Supervision. This new set of reforms takes the official name of “Basel III: Finalizing post-crisis reforms”, but in the banking industry is also known as “Basel IV”. This framework is a central element of the Basel Committee’s response to the global financial crisis. It addresses several shortcomings with the pre-crisis regulatory framework and provides a regulatory foundation for a resilient banking system that supports the real economy. A key objective of the revisions in this document is to reduce excessive variability of Risk-Weighted Assets (RWAs).

The revisions to this new regulatory framework will help restore credibility in the calculation of RWAs by:

- enhancing the robustness and risk sensitivity of the standardized approaches for Credit Risk and Operational Risk, which will facilitate the comparability of bank’s capital ratios.
- constraining the use of internally modelled approaches.
- complementing the risk weighted capital ratio with a finalized leverage ratio and a revised and robust capital floor.

While the revised framework will continue to permit the use of internally modelled approaches for certain risk categories (subject to supervisory approval), a jurisdiction which does not implement some or all of the internal-modelled approaches but instead only implements the standardized approaches compliant with the Basel framework.

Moreover, on the 23rd of November 2016, the European Commission (EC) had presented a comprehensive package of reforms aimed at amending CRR, CRD IV, as well as the BRRD and the SRM. The above package, known as “CRR2/CRD5”, was submitted to the European Parliament and the Council for their consideration and adoption. The Banking Package includes prudential standards adopted by the Basel Committee on Banking Supervision (BCBS) and by the Financial Stability Board (FSB), while its main objective is to reduce risk in the European Banking system.

The revised rules on capital and liquidity (CRR2 and CRDV) and resolution (BRRD2 and SRMR2) were published in the Official Journal on the 7th of June 2019, following a legislative process which began at the end of 2016. On May 19th, 2021, the above proposals on CRD 5 and BRRD 2 were transposed into Greek legislation by virtue of Law 4799/2021 published in Government Gazette 78/A/18.05.2021 amending L.4335/2015.

1.4. SSM - Supervisory Priorities for 2025-2027

ECB Banking Supervision has defined its strategic priorities for the 2025–2027 cycle based on a thorough assessment of the key risks and structural vulnerabilities within the European banking system. These priorities adopt a forward-looking stance and aim to address the most critical challenges facing supervised institutions. Each of the three priorities holds equal importance and collectively supports the overarching goal of reinforcing the resilience and soundness of the banking sector.

Priority 1: Strengthen their ability to withstand immediate macro-financial threats and severe geopolitical shocks.

Strategic Objective: Banks are expected to enhance their resilience to adverse macroeconomic and geopolitical developments by improving credit risk management and operational frameworks.

Key Focus Areas:

- Credit Risk Management:
 - Timely identification of asset quality deterioration.
 - Adequate provisioning, especially for vulnerable portfolios (SMEs, commercial real estate).
 - Remediation of deficiencies in IFRS 9 frameworks, including overlays and staging.
 - Targeted reviews of SME portfolios and borrower distress handling.
- Operational Resilience:
 - Compliance with DORA requirements (ICT risk, incident response, third-party risk).
 - Strengthening cyber resilience and outsourcing governance.
 - Addressing concentration risks in third-party ICT providers.
- Geopolitical Risk Integration:
 - Supervisory benchmarking of risk appetite and culture.
 - Inclusion of geopolitical scenarios in the 2025 EU-wide stress test.
 - Assessment of banks' internal stress testing, capital and liquidity planning.

Supervisory Activities:

- Follow-up on IFRS 9 reviews and credit risk OSIs.
- Cyber resilience stress test follow-up and targeted OSIs.
- Implementation of DORA in supervisory assessments.
- Data collection and analysis of third-party ICT dependencies.

Priority 2: Remedy persistent material shortcomings in an effective and timely manner.

Strategic Objective: Banks are expected to effectively and promptly address long-standing deficiencies in key risk areas, particularly climate and environmental (C&E) risk management and risk data aggregation and reporting (RDARR).

Key Focus Areas:

- Climate & Environmental (C&E) Risks:
 - Full alignment with ECB supervisory expectations and CRR3/CRD6 requirements.
 - Integration of C&E risks into governance, strategy, ICAAP and stress testing.
 - Enhanced transition planning and mitigation of reputational and litigation risks.
 - Improved ESG-related Pillar III disclosures.
- Risk Data Aggregation & Reporting (RDARR):
 - Remediation of deficiencies in data architecture, IT infrastructure, and governance.
 - Alignment with BCBS principles and ECB's RDARR Guide.
 - Strengthened accountability of management bodies for data quality and reporting.

Supervisory Activities:

- Monitoring of remediation progress and use of escalation tools (e.g. binding decisions, penalties).
- Horizontal assessments of ESG disclosures and transition plans.
- Targeted OSIs on C&E risk integration and RDARR capabilities.
- Annual Management Report on Data Governance and Data Quality.
- Deep dives into reputational and litigation risks linked to C&E exposures.

Priority 3: Strengthen their digitalization strategies and tackle emerging challenges stemming from the use of new technologies.

Strategic Objective: Banks are expected to enhance their digital transformation strategies and execution plans to ensure sustainable business model development and mitigate risks arising from the adoption of advanced technologies, including AI and cloud services.

Key Focus Areas:

- Digital Transformation:
 - Strengthening governance and strategic alignment of digital initiatives.
 - Addressing execution risks, budgeting deficiencies, and staff upskilling needs.
 - Managing risks from emerging technologies (e.g. AI, digital platforms, cloud).
 - Promoting industry best practices and structured supervisory engagement.
- Technology-Related Risk Management:
 - Mitigating operational and cyber risks linked to digitalization.
 - Ensuring resilience against evolving cyber threats in a complex geopolitical landscape.
 - Enhancing oversight of third-party dependencies and IT infrastructure.

Supervisory Activities:

- Targeted reviews on the impact of digitalization on banks' business models and risk profiles.
- On-site inspections (OSIs) covering both IT and strategic aspects of digital transformation.
- Follow-up engagement with banks based on identified deficiencies.
- Publication of supervisory expectations and good practices in digitalization.

1.5. Basel III - Capital Adequacy Framework

The **Capital Adequacy** of CIs under the Basel III framework is structured, assessed, and monitored around two pillars:

Pillar I defines the minimum capital requirements, based on well-defined rules and methodologies for the identification and assessment of credit, market and operational risks and their transformation into Risk-Weighted Assets (RWAs). These requirements are covered by regulatory own funds, according to the CRR rules.

Pillar II addresses the internal processes for assessing that the overall capital as well as the liquidity of the CI can sufficiently cover its risk profile (Internal Capital Adequacy Assessment Process - ICAAP and Internal Liquidity Assessment Process - ILAAP). In addition, Pillar II introduces SREP, which assesses the risks encountered by CIs and rectifies that they are adequately equipped to manage those risks properly.

1.5.1. Capital Adequacy under Pillar I

Under Pillar I, the current supervisory framework specifies:

- The main risk categories are Credit Risk, Market Risk and Operational Risk, and it defines the accepted methodologies for calculating the amount of risk per category of exposures, i.e., the ways of calculating the weighted (against risk) financial exposures of each Asset class, on-and-off-balance sheet (i.e., the RWAs)
- The minimum level of regulatory capital that each bank should maintain in relation to the amount of financial risk exposure it has undertaken, i.e., the minimum Capital Requirement (CR) per category of financial asset and for each tier/qualitative segment of capital (e.g., CET 1 capital, Total Tier 1 capital¹, Tier 2 capital) and
- The calculation of the Capital Adequacy Ratio (CAR), i.e., the ratio of Total Regulatory Capital to Total Risk Weighted Assets.

The current regulatory framework requires financial institutions to maintain a minimum level of regulatory capital related to the risks undertaken under Pillar I, the latter measured in the form of RWAs. The minimum capital adequacy ratios, as per article 92 of the CRR, are as follows:

- Common Equity Tier 1 Ratio (CET1 Ratio): 4.5%
- Tier 1 Ratio (Tier 1): 6%
- Total Capital Ratio (CAD Ratio): 8%,

¹ Total Tier 1 Capital is the sum of CET1 capital and Additional Tier 1 capital.

provided that CET1 capital forms no less than 56.25% of the Total Tier 1 Capital (i.e., Additional Tier 1 capital may not exceed 43.75% of the Total Tier 1 Capital) and Tier 2 capital does not exceed 25% of the Total Regulatory Capital.

1.5.2. Capital Adequacy under Pillar II

The purpose of Pillar II under the current supervisory framework is to:

- Complement Pillar I by broadening and deepening the identification, analysis, measurement and management of the risks to which ABBank is subject, to ensure that sufficient financial resources (funds) remain available for the timely and effective treatment of risks undertaken by the Bank, but also for the continuous improvement of the procedures and systems for identifying, calculating and managing its risk exposures.
- Extend the concept of capital adequacy beyond the minimum supervisory capital requirements against the main risks covered by Pillar I, introducing the concept of adequacy of internal financial capital that must be taken into account to address all possible risks; additional risks that are not included in Pillar I. Pillar II also recognizes any special qualitative and quantitative characteristics of the Bank, depending on the size, nature and complexity of its operations and the risk management and mitigation practices that it applies, thus it adopts the principle of proportionality.
- Determine that the Bank should have drawn up and implemented an ICAAP, according to predetermined rules and conditions. The ICAAP of each bank is subject to the Supervisory Assessment Process (SAP) which is carried out by the competent banking supervisory.

Given that ABBank falls under the "Less Significant Credit Institutions" (LSIs), for which the local supervisory authority exercises direct supervision, the Bank's Supervisory Assessment Process is carried out by the Bank of Greece (BoG) subject to the methodology set out by the Law 4261/2014 and Regulation (EU) 575/2013, and adopts the EBA guidelines taking into account the corresponding SSM methodology, the principle of proportionality, as well as the best supervisory practices.

2. ABBank - GENERAL INFORMATION

2.1. Business Framework

Founded in 2002, ABBank is a fully licensed Greek banking institution specializing in corporate banking for companies of the shipping industry and, since 2018, for onshore Greek business entities. ABBank is directly supervised by the Bank of Greece (BoG) as one of the LSIs of the Greek banking system.

ABBank operates through its head office in Maroussi, and two branches located in Piraeus and Glyfada, whereas no other offices are maintained in Greece or abroad. During 2022 the Bank established a 100% controlled subsidiary company, “Acqua Blue Properties Single Member S.A.” (the “Subsidiary”), which has as single purpose the ownership and management of certain repossessed real estate property. Hence, as of 31.12.2022, ABBank reports on both a Consolidated/Group and a Solo/Bank level. However, given the limited financial size of the Subsidiary relative to the Bank, ABBank conducts all its supervisory and regulatory reporting, including the Pillar III Disclosures, at a Bank level only.

As of 31.12.2024, the Group's Total Assets exceeded those of the Bank by €76.0 mil (€1,151.9 mil vs €1,075.7 mil), while Total Equity at Group level stood at €165.5 mil, €21.4 mil or 15% higher than the Bank's (€144.1 mil). ABBank remained profitable in 2024, albeit with a performance below that of 2023. Group Net Profit reached €18.7 mil, marking a 30.9% decline from FY-2023 (€27.0 mil), resulting in a RoE of 12.8% (2023: 23.0%). On a Solo basis, the Bank's FY-2024 Net Profit amounted to €20.5 mil, compared to €27.1 mil in FY-2023.

The Bank offers the full range of banking products and services that cover the business requirements of its shipping customers in Finance, Operational Transactions, Treasury and Advisory. In 2018, the Bank started diversifying in the non-shipping, onshore, corporate sector, selectively providing lending, trade finance and operational/transactional products and services to Greek SMEs and larger corporates with exporting orientation, as well as Commercial Real Estate (CRE) and renewable energy financing projects. This diversification strategy intends to enrich ABBank's shipping specialist business profile with domestic corporate assets and income, aiming at a 2/3rds – 1/3rd split between shipping and non-shipping lending.

The Bank's management team has remained substantially the same since its establishment. All members of the management team have long experience in managing credits through the economic cycles of the shipping industry. Since 2018, human capital is gradually enforced with specialists in non-shipping Greek corporate banking. For the standards of shipping finance, the Bank historically maintains low levels of delinquent loans and loan write-offs, whereas in 2022 the first non-shipping/Greek corporate NPE was recorded.

ABBank historically maintains strong capital and liquidity adequacy, in both quantitative and qualitative terms. The Liquidity Coverage Ratio (LCR) has distinctly hovered above the minimum required levels, apart from the mid-2015 through mid-2017 period. Regulatory capital entirely comprises CET1 capital, whereas the CAD ratio has always stood at multiples of the minimum regulatory requirements.

ABBank has been one of the very few Greek banks that, since the emergence of the Greek crisis in 2010, has never been required to consummate a capital enhancement and, consequently, not having been under the strict monitoring of HFSF, the Troika, SSM and DG Comp. During the same period ABBank has probably been the only Greek banking institution continuously growing its personnel, from 53 FTEs in 2010, to 128 in 2024 (2023 : 112).

In January 2025, given the upgrade of the Greek banking system, the Bank's rating by S&P was elevated to BB/B/Stable (Long-term/Short-term/Outlook), whereas since June 2024 the Bank has obtained from Scope Ratings an issuer's credit rating of BB/B with Stable Outlook.

Finally, between Q4-2023 and Q1-2024 ABBank participated in the supervisory stress-test conducted by the BoG for all LSIs under its supervision, on the basis of banks' financial position and exposures as of 31.12.2022. ABBank's results under the stress test were very satisfactory as, under both the Baseline and the Adverse shock scenarios, the Bank maintained its profitability and increased its capital adequacy metrics over the next 3-year test period, demonstrating strong NII performance and relatively limited additional credit loss provisions requirements. Given the above performance the Pillar-2-Guidance (P2G) was set by the Supervisor at the minimum level of 0.25% of relevant capital requirements – a level formalized through the BoG's Committee for Credit and Insurance Matters (ΕΠΙΘ) decision Nr.505-2, dated 28.6.2024.

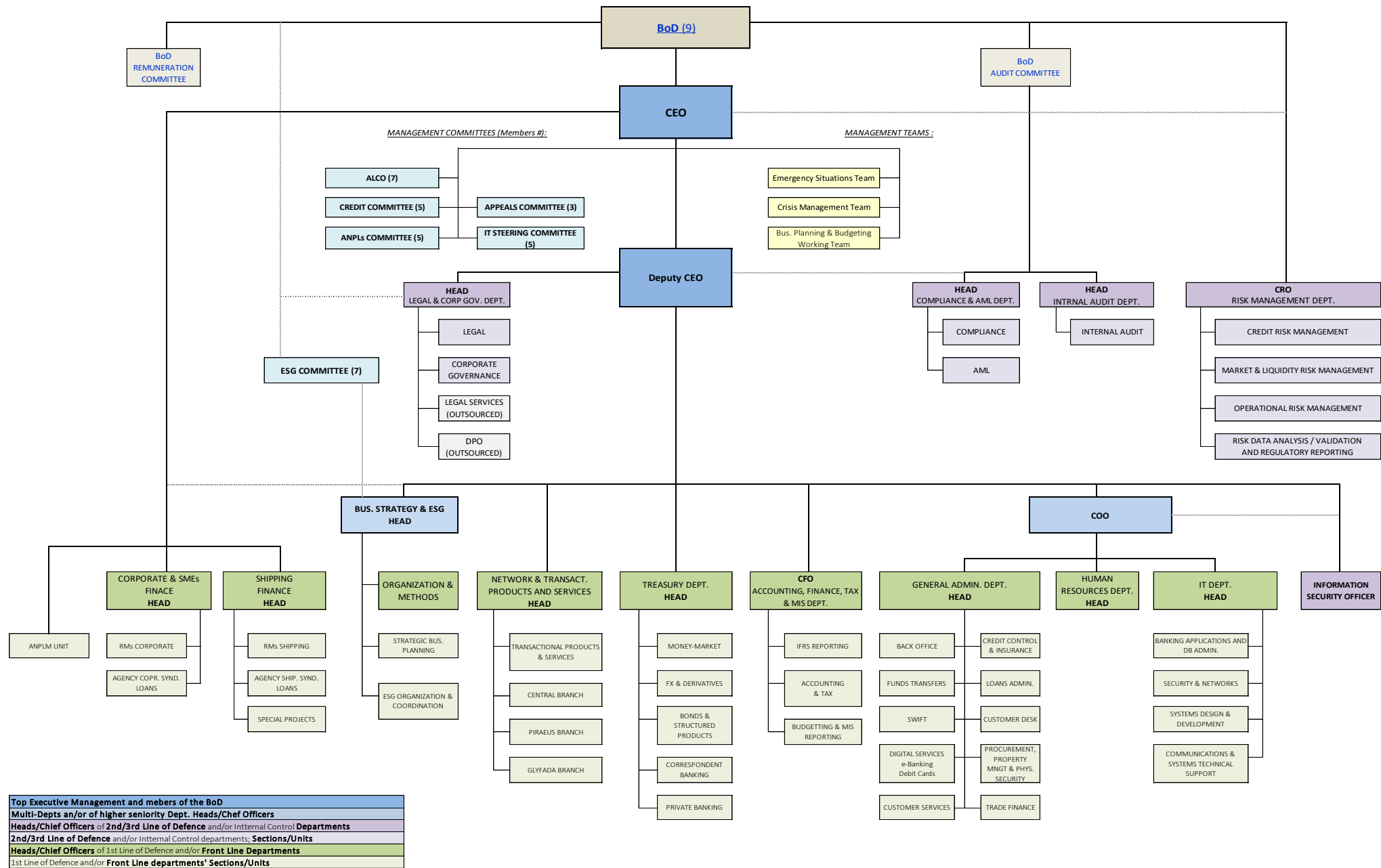
2.2. Corporate Governance

The governing authorities of the Bank ensure compliance with the Articles of Association and the provisions of the current legal and supervisory framework (e.g., Law 4548/2018, Law 3016/2002, BoG Act 2577/2006) as at each time applicable, and comprise:

- The General Assembly of Shareholders.
- The Board of Directors (BoD).
- The BoD Committees.
- Senior Executive Management.
- The Management Committees.
- The Supervisory Entities reporting to BoD and/or Senior Executive Management.
- The External Auditors.

The following chart represents the organizational structure of the Bank as of 31.12.2024:

Figure 1: ABBank Organizational Chart



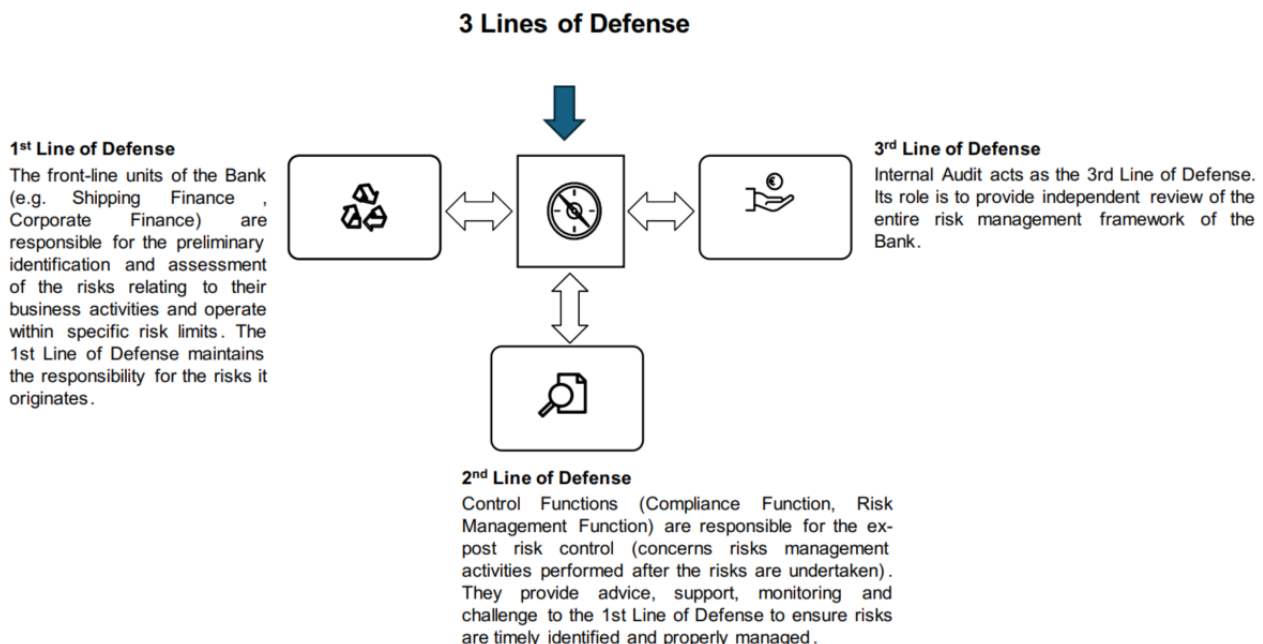
2.3. Board of Directors

Since 2018, the sole change was the appointment of a non-executive member in June 2022, following the resignation of a predecessor. The Board of Directors (BoD) is responsible for administering the Bank's affairs and managing its assets in the ordinary course of business, representing it before and out of courts, and take all (necessary or otherwise advisable) actions to promote the Bank's interests according to its Articles of Association. The BoD can exercise any authority not otherwise vested in the General Assembly of Shareholders. The members of the BoD possess adequate independence and integrity, as well as the necessary qualifications to ensure prudent and diligent management of the Bank. The BoD constitutes the BoD committees, appoints its members, assigns authority, and assesses their performance, in each case according to the current legal and supervisory framework and good international practices / professional standards. Except where prohibited by current legal and supervisory framework, the BoD may delegate, in whole or in part, its authority to one or more persons BoD members or not, provided the powers so delegated are clearly identified. Likewise, the BoD can also delegate part of its authority to specially constituted committees, which are vested powers, usually of an advisory nature, in relation to technical or specialized matters (i.e., Audit Committee, Remuneration Committee, etc.).

2.4. Three Lines of Defense Model

The Bank applies the Three Lines of Defense (LOD) Model, as depicted below, according to the Institute of Internal Auditors (IIA). In the three LOD Model, management controls and internal control measures form the first line of defense in risk management, the various risk control and compliance oversight functions established by management are the second line of defense, and independent assurance is the third line of defense. Each of these three "lines" plays a distinct role within the Bank's wider governance framework.

Figure 2: ABBank - Three Lines of Defense Model



At the 1st line of defense, managers own and manage risks. Management (including front, middle and back-office operations) is responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis. Also, management identifies, assesses, controls, and mitigates risks, guiding the development and implementation of internal policies and procedures and ensuring that activities are consistent with goals and objectives.

The 2nd line of defense includes various risk management and compliance functions established by Management to help build and/ or monitor the first line of defense controls. Management establishes these functions to ensure the first line of defense is properly designed, in place, and operating as intended.

The 3rd line of defense comprises the Internal Audit Department which provides the governing body and Senior Executive Management with comprehensive assurance based on the highest level of independence and objectivity (which is not available in the 2nd line of defense) within the Bank. Internal audit provides assurance on the effectiveness of governance, risk management, and internal controls, including the way the 1st and 2nd lines of defense achieve risk management and control objectives.

External auditors and Bank of Greece as regulator, reside outside the Bank's structure, but they have an important role in the Bank's overall governance and control structure. Regulators set requirements intended to strengthen the controls in an organization and on other occasions perform an independent and objective function to assess the whole or some part of the first, second, or third line of defense regarding those requirements. When coordinated effectively, external auditors and regulators are considered as additional lines of defense, providing assurance to the Bank's shareholders, including the BoD and Senior Executive Management.

2.5. Internal Control System (ICS)

The Internal Control System (ICS) includes the following functions in compliance with the corresponding regulatory framework.

- Risk Management Department
- Compliance Department
- Internal Audit Department

The Bank's ICS system consists of auditing mechanisms and control procedures relating to all its activities, aiming at the latter's effective and secure operation. Particularly, the Internal Control System of the Bank ensures the:

- Coverage of all the Bank's activities and transactions with adequate documentation and appropriate level of detail with respect to the control areas and procedures.
- Consistent implementation of the business strategy with an effective utilization of the available resources.
- Identification and management of all risks undertaken.
- Completeness and the credibility of the data and information required for the accurate and timely determination of the financial situation of the Bank and the generation of reliable financial statements. Support by an integrated Management Information System (MIS) and a communication system with clearly defined hierarchical lines.
- Compliance with the current regulatory framework, the internal regulations and the Code of Ethics and Conduct.
- Provision of procedures for assessment of ICS adequacy.
- Prevention and avoidance of erroneous actions that could jeopardize the reputation and interests of the Bank, the Shareholders and those transacting with the Bank.
- Effective operation of the IT systems to support the business strategy and the secure circulation, processing, and storage of critical business information.

2.6. Financial Performance in FY-2024 and FY-2023

- Net Profit after Tax amounted €20.52 mil, including a €2.9 mil impairment charge (2023: Net Profit of €27.10, after a €1.4 mil impairment charge). Total Equity increased from €144.1 mil in 2023 to €165.6 mil, and CET-1 Capital from €142.4 mil in 2023 to €163.6 mil as of 31.12.2024. Notably, in both 2024 and 2023, CET-1 capital does not include any such distribution, given that the Shareholders' Annual General Meeting of 2024 decided in favor of no dividend distribution
- Total Assets increased by €76.2 mil or +7% YoY mainly due the significant growth of the Cash and Balances with the Central Bank as well as the interbank placements (Due from Banks), which strengthened by €64.8 mil (33% YoY) and by €44 mil (53% YoY), respectively.

- Customer loans (net) of €526.2 mil, increased by €19.8 mil or +4% YoY, now comprising 46% of Total Assets (2023: 47%).
- NPEs decreased by ca. € 0.5 mil YoY, to €3.7 mil and stood at 0.7% of Total Gross Loans (FY-2023: €4.2 mil or 0.8%, respectively), while NPE Provisions Cover read 96% (FY-2023: 97%)
- Liquid and near-liquid Assets increased by €81.2 mil or 8% YoY to €605.4 mil, comprising 53% of Total Assets (2023: €543.9 mil and 51%, respectively).

Table 1: Abridged FY-2024 and FY-2023 Bank Financial Performance and Relevant Indicators

Balance Sheet	(€ '000)	2024	2023
ASSETS			
Liquidity with Central Bank and Due from Banks		390.0	281.1
Customer loans (Net of Provisions)		526.2	506.5
<i>Thereof: NPLs (Net of Provisions)</i>		0.1	0.1
Marketable Securities (mainly Bonds)		215.3	262.8
Fixed & intangible assets		16.5	20.7
Other current assets		3.7	4.6
Total Assets		1,151.9	1,075.7
LIABILITIES			
MM takings (Due to Banks)		-	-
Customer deposits		974.7	918.1
Other current liabilities		11.6	13.5
Total Liabilities		986.3	931.6
Shareholders' Equity		165.6	144.1
Total Liabilities & Equity		1,151.9	1,075.7
Income Statement			
	(€ '000)	2024	2023
Net interest income		40.9	43.9
Net fees & commissions		4.1	5.0
Net income from trading and hedging		2.8	2.4
Income from derecognition of financial assets & Other Income		1.0	1.4
Total operating income		48.8	52.7
Staff, Administration and Depreciation Expenses		-19.3	-16.2
Gross operating profit (before tax and provisions)		29.5	36.5
Loans impairment / provisions		-2.9	-1.4
Net income (pre-tax)		26.6	35.1
Taxation & deferred tax		-6.)	-8.0
Net Income After Tax		20.5	27.1
Growth & Financial Indicators			
		2024	2023
Total assets growth / contraction		+7%	-6%
Customer loans (net) growth / contraction		+4%	-2%
Customer deposits growth		+6%	-9%
Loans - Deposits ratio		54%	55%
Total NPLs as % of total loans (gross)		0.7%	0.8%
PD>90d&Denounced loans as % of total loans (gross)		0.7%	0.8%
Total NPLs Provisions Cover ratio		96.1%	97.4%
Cost-Income ratio (ex - provisions)		39%	31%
NIM (Net interest income/ aver. total assets)		3.5%	3.9%
Nr. of Full-Time Employees at Year-End		128	112

2.7. Capital Adequacy and Other Regulatory Metrics Highlights

2.7.1. Capital, Leverage and Liquidity Adequacy Under Pillar I

ABBank has consistently maintained Capital Adequacy Ratios and other regulatory metrics well above the minimum supervisory thresholds. The Bank's regulatory capital consists exclusively of CET1 capital, calculated on a fully loaded IFRS9 basis, excluding Deferred Taxation claims against the Greek state. The most recent share

capital increase occurred in March 2008, and notably, no capital strengthening actions were required during the “Greek crisis.”

As highlighted in the previous section of this report regarding FY-2024 and FY-2023, the Bank has achieved robust annual asset growth rates since 2018. This expansion has led to a gradual reduction in capital adequacy and leverage ratios, which nonetheless remain at solid levels. Liquidity and funding metrics continue to be sustained at high standards.

The table below summarizes the Bank’s key prudential indicators for FY-2024 and FY-2023, including risk-based capital ratios, leverage ratio, and liquidity metric.

Table 2: KM1 - Key metrics template

<u>Amounts in € '000</u>	2024	2023
<u>Available capital (amounts)</u>		
Common Equity Tier 1 (CET1)	163,602	142,432
Tier 1	163,602	142,432
Total Regulatory Capital	163,602	142,432
<u>Risk-weighted assets (amounts)</u>		
Total risk-weighted assets (RWA)	599,814	609,419
Total risk-weighted assets (pre-floor)		
<u>Risk-based capital ratios as a percentage of RWA</u>		
CET1 ratio (%)	27.28%	23.37%
Tier 1 ratio (%)	27.28%	23.37%
Total capital ratio (%)	27.28%	23.37%
Fully loaded ECL accounting model total capital ratio (%)	27.28%	23.37%
Total capital ratio (%) (pre-floor ratio)	27.28%	23.37%
<u>Additional CET1 buffer requirements as a percentage of RWA</u>		
Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%
Countercyclical buffer requirement (%)	0.12%	0.06%
Total of bank CET1 specific buffer requirements (%)	2.62%	2.56%
CET1 available after meeting the bank’s minimum capital requirements (%)	+24.66%	+20.82%
<u>Basel III Leverage ratio</u>		
Total Basel III leverage ratio exposure measure	1,168,013	1,091,072
Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of CB reserves)	14.01%	13.05%
Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of CB reserves) incorporating mean values for SFT assets	3.00%	3.00%
Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of CB reserves) incorporating mean values for SFT assets	-	-
<u>Liquidity Coverage Ratio (LCR)</u>		
Total high-quality liquid assets (HQLA)	464,146	442,577
Total net cash outflow	108,605	114,237
LCR ratio (%)	427.37%	387.42%
<u>Net Stable Funding Ratio (NSFR)</u>		
Total available stable funding	690,270	654,463
Total required stable funding	437,759	413,660
NSFR ratio	157.69%	158.21%

The annual change in the capital adequacy and leverage ratios is mainly attributed to the substantial asset growth performed by the Bank in FY-2024.

Specifically:

- On 31.12.2024, the Bank’s Total Assets (on Balance Sheet) grew by €76.2 mil or +7% YoY, primarily driven by the substantial increase in Cash and Balances with the Central Bank and interbank placements (Due from Banks), which rose by €64.8 mil (+33% YoY) and €44.0 mil (+53% YoY), respectively.

- Total RWAs amounted €599.8 mil, from €609.1 mil in 2023 (-2% YoY), as a result of Credit RWAs dropping by -5% and Operating RWAs growing by 22.4%, bringing the Bank's CET1 Ratio higher, at 27.3%, from 23.4% in 2023.
- The off-Balance Sheet amount increase by €1.5 mil or 2% YoY. Out of the off-Balance Sheet exposures, those corresponding to undrawn loan commitments increased from €63.3 mil in 2023 to €78.0 mil in 2024 and comprised 23% shipping and 77% non-shipping undrawn commitments (2023: 47% shipping and 53% non-shipping). The remaining off-Balance Sheet exposures correspond to issued Letters of Guarantee, which declined significantly by €13.2 mil, or 58% YoY and concern by 39% shipping obligors (versus 30% the previous year).
- The LCR read 427.4% (2023: 387%), while the NSFR stood at 157.7% (2023: 158.2%). The year-on-year increase of the LCR is primarily attributed to the strengthening of the Liquidity Buffer relative to the reduction of the net liquidity outflows expected over the next 30 days. The marginal annual drop of the NSFR was primarily driven by the higher relative increase of the balances requiring stable funding in comparison to balances of available stable funding.

2.7.2. Capital and Liquidity Adequacy Under Pillar II

The calculation of capital requirements and the dynamic management of the capital base are fully integrated into ABBank's business planning and annual budgeting processes. The primary component of the Bank's risk-weighted assets (RWAs) arises from credit risk exposures in the banking book, followed by operational risk, while market risk contributes only marginally to total RWAs.

As part of the Bank's ICAAP, all material risk exposures are comprehensively identified, assessed, and consolidated to ensure a robust evaluation of capital adequacy.

In accordance with Council Regulation (EU) No. 1024/2013, the Bank of Greece conducts the SREP on a biennial basis. Through this process, the regulator determines the prudential capital requirements for supervised institutions, setting both the Overall Capital Requirement (OCR) under Pillar II and the Pillar II Guidance (P2G). Together, these define the Total SREP Capital Requirements applicable to each bank.

In March 2025 the final SREP decision was announced to the Bank by BoG (Decision of ΕΠΛΘ 526/1/4.3.2025) whereby, in addition to the minimum capital requirement of 8% under Pillar I, ABBank is required to maintain internal capital under Pillar II of 2.37% (P2R), plus the Capital Conservation Buffer (CCoB) of 2.5%, thus bringing the Overall Capital Requirement (OCR) to 12.87%. Moreover, the P2G capital requirement was set at 0.25%, bringing the Total Capital Requirements of the Bank under all, P1R, P2R and P2G to 13.12%. In addition, as of October 2025, a Countercyclical buffer of 0.25% shall apply to all Greek private sector exposures. Regarding the capital composition, 56.25% should comprise CET1 capital and no less than 75% should be Tier-1 capital. The CCoB, the CCyB and the P2G capital requirements should be covered through CET1 capital.

Notably, the Bank's P2R under the SREP-24 improved against the previous, SREP-22 one, by 71 bps in total. Given that the SREP-24 OCR was formally announced to the Bank in March 2025, the OCR and Total Capital Requirement applicable as of 31.12.2024 are considered those of the SREP-22, namely 13.58% and 13.83%, respectively.

3. REGULATORY OWN FUNDS & CAPITAL MANAGEMENT

3.1. Capital Requirements under Pillar I

The Bank has implemented the new regulatory framework CRD IV (Basel III implementation under EU rules), which came into force with Directive 2013/36/EU and Regulation (EU) No. 575/2013.

The Bank applies the following methodologies for the calculation of Pillar I capital requirements:

- Credit Risk: The Standardized Approach.
- Counterparty Credit Risk: The Simplified Standardized Approach.
- Market Risk: The Standardized Approach.
- Operational Risk: The Basic Indicator Approach.

The next table presents the risk exposure amounts (Risk Weighted Assets or “RWAs”) under Pillar I as of 31.12.2024 and 31.12.2023, according to the CRR/CRD IV regulatory framework. The Capital Requirements (“CRs”) under Pillar I are equal to 8% of the risk exposure amounts.

Table 3: OV1 - Overview of RWAs

<u>Amounts in € '000</u>	2024		2023	
	RWA	Minimum CR	RWA	Minimum CR
Credit risk (excluding counterparty credit risk)	513,089	41,047	538,552	43,084
<i>Of which: standardized approach (SA)</i>	<i>513,089</i>	<i>41,047</i>	<i>538,552</i>	<i>43,084</i>
Counterparty credit risk (CCR)	0	0	0	0
<i>Of which: Simplified SA- CCR</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Market risk	0	0	0	0
<i>Of which: standardized approach (SA)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Operational risk	86,718	6,937	70,861	5,669
<i>Of which: basic indicator approach (BIA)</i>	<i>86,718</i>	<i>6,937</i>	<i>70,861</i>	<i>5,669</i>
Total RWAs and Capital Requirements	599,807	47,984	609,413	48,753

As of 31.12.2024, Total RWAs amounted to €599.8 mil as of 31.12.2024, down from €609.1 mil in 2023 (-2% YoY). This decline was primarily driven by a -5% reduction in Credit RWAs, partially offset by a 22.4% increase in Operating RWAs. As a result, the Bank’s CET1 Ratio improved to 27.3%, compared to 23.4% in 2023.

As of 31.12.2024, the total RWAs are broken down in 85.5% Credit (including CCR), 0.0% Market and 14.5% Operational RWAs, whereas in December 2023 total RWAs were broken down in 88%, 0.0% and 12%, respectively.

3.2. Composition of ABBank’s Regulatory Capital

The Bank’s Regulatory Capital is composed exclusively of CET1, calculated on a fully loaded IFRS9 basis, without factoring in any Deferred Tax Assets linked to the Hellenic Republic (PSI). Since its establishment, the Bank has not issued or raised any additional capital or capital enhancement instruments. Accordingly, both the CAD Ratio and the Tier-1 Capital Ratio are fully aligned with the CET1 Ratio.

On 31.12.2024 Bank CET1 capital amounted to €163.6 mil (2023: €142.4 mil), standing €21.2 mil higher than the year before. Net Profit after Tax amounted to €20.52 mil (2023: €27.10 mil), reflecting a YoY decline in profitability of -24%. The FY-2024 result was driven by a -19% decrease in Operating Profit (before provisions and tax), which stood at €29.5 mil (2023: €36.5 mil), combined with a higher provision/impairment charge of €2.9 mil (2023: €1.4 mil) and a taxation charge of €6.1 mil (2023: €8.0 mil). It should also be noted that in both 2024 and 2023, CET-1 capital does not include any such distribution, given that the Shareholders’ Annual General Meeting of 2024 decided in favour of no dividend distribution.

The composition of the Bank’s Regulatory Capital for 2024 and 2023 is outlined in the table below:

Table 4: CC1 - Composition of regulatory capital

Amounts in € '000	2024	2023
Common Equity Tier 1 capital: instruments and reserves		
Directly issued qualifying common share capital plus related stock surplus	88,187	88,187
Retained earnings	68,921	49,109
Accumulated other comprehensive income and other reserves	8,444	6,782
Common Equity Tier 1 capital before regulatory adjustments	165,552	144,079
Common Equity Tier 1 capital: regulatory adjustments		
Prudent valuation adjustments	-149	-194
Goodwill (net of related tax liability)	-1,801	-1,452
Total regulatory adjustments to Common Equity Tier 1 capital	-1,950	-1,646
Common Equity Tier 1 capital (CET1)	163,602	142,433
Capital adequacy ratios and buffers		
Common Equity Tier 1 capital (as a percentage of risk-weighted assets)	27.28%	23.37%
Tier 1 capital (as a percentage of risk-weighted assets)	27.28%	23.37%
Total capital (as a percentage of risk-weighted assets)	27.28%	23.37%
Institution-specific CET1 buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a % of RWAs)	2.62%	2.56%
Of which: capital conservation buffer requirement	2.50%	2.50%
Of which: bank-specific countercyclical buffer requirement	0.12%	0.06%
Common Equity Tier 1 capital (as % of RWAs) available after meeting the bank's minimum capital requirements	24.66%	20.82%

The table below presents a reconciliation between the Bank's consolidated balance sheet prepared under accounting consolidation as of 31.12.2024 and 31.12.2023, and the corresponding balance sheet under the regulatory scope of consolidation. Since the basis of consolidation for financial accounting is fully aligned with that used for prudential reporting, columns (a) and (b) of the standard template have been merged, in accordance with the applicable guidelines.

Table 5: CC2 Reconciliation of regulatory own funds to B/S in the audited financial statements.

Amounts in € '000	2024	2023
Assets		
Cash and balances at central banks	262,363	197,607
Items in the course of collection from other banks	127,650	83,511
Trading portfolio assets	-	-
Derivative financial instruments	-	-
Loans and advances to customers	526,233	506,473
Debt securities at amortized cost	69,640	68,457
Available for sale financial investments	145,737	194,349
Current and deferred tax assets	2,940	7,500
Prepayments, accrued income and other assets	3,744	4,582
Goodwill and intangible assets	1,801	1,452
Property, plant and equipment	11,761	11,722
Total assets	1,151,870	1,075,653
Liabilities		
Deposits from banks	-	-
Customer accounts	974,669	918,083
Derivative financial instruments	3	23
Accruals, deferred income and other liabilities	5,545	7,834
Current and deferred tax liabilities	2,152	1,891
Retirement benefit liabilities	3,949	3,743
Total liabilities	986,318	931,574
Shareholder's equity		
Share (premium + capital)	88,187	88,187
Of which: amount eligible for CET1 capital	88,187	88,187
Of which: amount eligible for AT1 capital		
Retained earnings	68,543	49,109
Reserves	8,822	6,783
Total shareholders' equity	165,552	144,079

It is important to note that ABBank does not hold any significant equity interests in other entities (the value of the investment in the subsidiary “Acqua Blue Properties Single Member S.A.” stands below the materiality threshold for consolidated regulatory reporting), therefore although financial reporting is conducted in both Consolidated/Group and Unconsolidated/Bank level, all regulatory reporting is conducted solely on a solo/Bank basis.

In 2024, the Bank’s Total Assets increased by €76.1 mil, representing a 7% YoY development, reaching approximately €1.152 billion, down from €1.08 billion in 2023. Customer Deposits increased by €56.6 mil or +6.2% YoY, to €0.975 billion from €0.918 billion in 2023, whereas net Customer Loans grew by €19.8 mil or 4% YoY, to €526.2 mil from €506.5 mil, hence reducing slightly the Loans-Deposits Ratio to 54%, from 55% in 2023 while Total Equity increased from €144.1 mil in 2023 to €165.6 mil, and CET-1 Capital from €142.4 mil in 2023 to €163.6 mil as of 31.12.2024.

This increase in funding was primarily driven by the Bank’s higher balances with the central bank and other banks, which rose by €108.9 mil YoY to €390.0 mil from €281.1 mil (+39% YoY). These balances now represent 34% of Total Assets, up from 26% in the previous year. Additionally, the €19.8 mil annual increase in total net loans, together with a €47.4 mil reduction in the Bonds portfolios, accounts for the remaining balance of the annual asset growth.

3.3. Leverage Ratio

The Leverage ratio is calculated in accordance with the methodology set out in article 429 of the regulation (EU) No 575/2013 of the European Parliament and of the Council, as amended by EC delegated Regulation 62/2015 of 10 October 2014. It is defined as an institution's capital measure divided by that institution's total leverage exposure measure and is expressed as a percentage. ABBank submits to the regulatory authorities the leverage ratio on a quarterly basis and monitors the level and the factors that affect the ratio.

The management of Leverage and the monitoring of the Leverage Ratio (LR) are governed by the Bank’s Capital Management and Regulatory Reporting Policy. Since 2020, Leverage has been incorporated into the Bank’s business planning framework, with LR included among the RAF KPIs. Under the revised RAF KPIs accompanying the BP 25–27, approved by the Bank’s BoD in December 2024, the risk appetite limit for LR is set at 7% or higher, while the minimum tolerance threshold is defined at 4%

The tables below include the summary of the Bank’s leverage exposure ratio measure and the leverage ratio with reference dates 31.12.2024 and 31.12.2023:

Table 6: LR1 - Summary comparison of accounting assets vs leverage ratio exposure measure

Amounts in € '000	2024	2023
Total consolidated assets as per published financial statements	1,151,870	1,075,653
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation		
Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference		
Adjustments for temporary exemption of central bank reserves (if applicable)		
Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure		
Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting		
Adjustments for eligible cash pooling transactions		
Adjustments for derivative financial instruments	3	12
Adjustment to securities financing transactions (ie repurchase agreements and similar secured lending)		
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	18,091	23,859
Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital		
Other adjustments	-1,950	-8,453
Leverage ratio exposure measure	1,168,013	1,091,072

As of December 31, 2024, the Bank’s leverage ratio increased to 14.01%, from 13.05% the previous year, well above the regulatory minimum threshold of 3% in both periods, underscoring the Bank’s strong capital position.

Table 7: LR2 - Leverage ratio common disclosure

Amounts in € '000	2024	2023
On-balance sheet exposures		
On-balance sheet exposures (excluding derivatives SFTs, but including collateral)	1,151,716	1,068,635
Gross-up for derivatives collateral provided deducted from balance sheet assets (per accounting framework)		
(Deductions of receivable assets for cash variation margin provided in derivatives transactions)		
(Adjustment for securities received under securities financing transactions that are recognized as an asset)		
(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)		
(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	-1,801	-1,452
Total on-balance sheet exposures	1,149,914	1,067,183
Derivative exposures		
Replacement cost of derivative transactions (net of eligible cash variation margin)	5	17
Add-on amounts for potential future exposure associated with <i>all</i> derivatives transactions	3	13
(Exempted central counterparty (CCP) leg of client-cleared trade exposures)		
Adjusted effective notional amount of written credit derivatives		
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
Total derivative exposures	8	30
Securities financing transaction exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions		
(Netted amounts of cash payables and cash receivables of gross SFT assets)		
Counterparty credit risk exposure for SFT assets		
Agent transaction exposures		
Total securities financing transaction exposures		
Other off-balance sheet exposures		
Off-balance sheet exposure at gross notional amount	18,091	23,858
(Adjustments for conversion to credit equivalent amounts)		
(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		
Off-balance sheet items	18,091	23,858
Capital and total exposures		
Tier 1 capital	163,602	142,432
Total exposures	1,168,014	1,091,072
Leverage ratio		
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	14.01%	13.05%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	14.01%	13.05%
National minimum leverage ratio requirement	3.00%	3.00%
Applicable leverage buffers	0.00%	0.00%

3.4. Internal Capital Adequacy Assessment Process (ICAAP)

In accordance with Article 73 of the Capital Requirements Directive (CRD IV), CIs are required to establish sound, effective, and comprehensive strategies and processes to assess and maintain, on an ongoing basis, the amount, type, and distribution of internal capital deemed adequate to cover the nature and level of risks to which they are or may become exposed. These strategies must be subject to regular internal review to ensure they remain proportionate to the institution's nature, scale, and complexity.

The ICAAP constitutes a core component of Pillar II under the Basel III framework. Its primary objective is to identify, assess, and quantify all material risks—beyond those captured under Pillar I (i.e., credit, counterparty credit, market, and operational risks)—to ensure that the institution maintains adequate capital in line with its overall risk profile and appetite.

Through the ICAAP, ABBank applies both qualitative and quantitative methodologies to evaluate its exposure to material risks, including those not explicitly covered by regulatory capital requirements. The process incorporates forward-looking capital planning under both baseline and adverse scenarios, enabling the Bank to assess its capital adequacy under stressed conditions.

Based on the scenario analysis and impact assessment on capital and earnings, the Bank determines additional internal capital requirements for all relevant risk types, including those already addressed under Pillar I. This ensures a comprehensive and risk-sensitive approach to capital management, aligned with the Bank's strategic objectives and regulatory expectations.

Table 8: ICAAP - List of Additional Internally Calculated Capital Requirements

Additional ICAAP CRs for P1:
Additional CRs for Credit Risk – from Stress Tests
Additional CRs for Market & Operational Risk
A. Total ICAAP CRs for Pillar I Risk categories
Additional ICAAP CRs for P2:
Concentration Risk to Shipping
Strategic Risk – Deviation of BP Core Income & Expenses Vs Actual
IRRBB – Stress Test max negative impact in NII & EVE, combined
Risk CRs increase from USD - denominated RWAs FX Appreciation against the EUR
B. Total ICAAP CRs of Additional Risks Considered
TOTAL Additional Internal CRs for Pillar II from ICAAP (A+B)

3.5. Important events after 31st December 2024

As mentioned in Section 2.7.2 above, in March 2025, the latest SREP decision of the BoG was announced to the Bank, which also included the assessment of the Bank's performance in the supervisory Stress Test conducted by the BoG between Q3-2023 and Q1-2024 and the calculation of the P2G capital requirement thereof. As per the SREP-25 decision, ABBank is required to maintain internal capital under Pillar II of 2.37% (P2R), which after accounting for the Pillar I Capital Requirement of 8% and the Capital Conservation Buffer (CCB) of 2.5%, brings the Overall Capital Requirement (OCR) to 12.87%. Moreover, the P2G capital requirement was set at 0.25%, thus raising the Total SREP Capital Requirements of the Bank to 13.12%. In addition, as of October 2025, a Countercyclical buffer of 0.25% shall apply to all Greek private sector exposures.

Following pertinent approval by the banking regulatory authorities, in February 2025 was consummated the agreement signed in April 2024 between certain existing shareholders of ABBank and Aegean Baltic Holding AG, Switzerland which is ultimately controlled by Mr. Aristotelis Mistakidis, for the acquisition of a ca. 48% stake of the Bank's total shares and ca. 67% of shareholders' voting rights.

The Figure below presents the shareholding and voting rights structure of the Bank as of 31.12.2024 and as of February 2025 (noting that before the latter date there was no differentiation between the structure of shareholding and voting rights):

Figure 3: – ABBank Group Shareholding Structure 31.12.2024 and February 2025

Shareholders	31.12.2024	As of February 2025	
	% of participation in shareholding and voting rights	% of shareholding	% of voting rights
Costanus Ltd., Cyprus ^a	47.56%	23.78%	23.78%
Theodore Afthonides (the Bank's CEO) ^b	39.20%	27.08%	7.08%
Aegean Baltic Holding AG, Switzerland ^c	4.03%	47.90%	67.90%
Delaney Investment Corp., Liberia ^d	3.97%	-	-
Four other Members of the Bank's Management ^e	3.58%	-	-
Mapdale Inc. ^f	0.95%	1.23%	1.23%
Total	100.00%	100.00%	100.00%

^a 31.12.24: 50%-50% controlled by Messrs Panagiotis Tsakos and Ioannis Coustas, 28.2.2025: 100% controlled by Mr Panagiotis Tsakos
^b 31.12.2024: 34.09% owned directly by Mr. Th. Afthonides and 4.29% through Vealmont Ltd., Cyprus, a company controlled by Mr. Th. Afthonides, 28.2.2024: 23.78% owned directly and 3.30% through Vealmont Ltd., Cyprus
^c Fully controlled by Mr. Aristotelis Mistakidis
^d Fully controlled by Mr. Dimitrios Dalacouras
^e Includes the Bank's Deputy CEO. Mr. Konstantinos Hadjipanayiotis who holds 2.16% of the Bank's shores
^f Fully controlled by Mr. Igor Garashkin

4. RISK MANAGEMENT FRAMEWORK

The Risk Management Department constitutes a key component of the Bank's Internal Control System and, together with the Compliance Function, forms the backbone of the second line of defense within the corporate governance framework. The Internal Audit Function represents the third line of defense, providing independent assurance.

The Risk Management Department is responsible for the design and implementation of the Bank's risk management framework, in line with the strategic direction set by the Board of Directors. The Head of the Risk Management Department reports directly to the Board, ensuring independence and oversight at the highest level.

The Department is structured into four main divisions:

- a) Credit Risk Management Division.
- b) Market and Liquidity Risk Management Division,
- c) Operational Risk Management Division, and
- d) Risk Data Systems and Regulatory Reporting Division

4.1. The Risk Management Policy

The Bank's Risk Management framework and the role of the Risk Management Department is documented and outlined in the Bank's Risk Management Policy.

Through its Risk Management Policy, the Bank aims to establish a framework within which the risks inherent to all its activities are effectively identified, assessed, and managed. The policy is adopted and implemented by all employees involved in the Bank's risk-taking activities (including Senior Management), with the following goals:

- To identify the main risks and the areas of the Bank that are exposed to these risks.
- To develop appropriate risk management methodologies.
- To establish adequate systems and controls that enable effective risk management (e.g. measurement, monitoring, reporting).
- To align the BoD's strategic goals with the risks assumed by the Bank.
- To obtain regular BoD review of risk management procedures and activities.
- To minimize the level of possible and/or actual losses stemming from credit, market, liquidity and operational risks through sound systems and internal controls.

In more detail, pursuant to the policy, the Bank ensures that:

- All risks embedded in the products and activities of the Bank are promptly and appropriately identified, measured and managed.
- The risks identified are managed through adequate procedures and internal controls, and are accepted in advance by the BoD and/or other appropriate committees (e.g. ALCO, Credit Committee).
- Exposures to various types of risks are closely monitored and timely reported to appropriate internal authorities of the Bank, for appropriate measures to be taken with the aim of controlling such.
- Adequate systems (e.g. IT Risk Systems) have been developed and established in order to support the effectiveness and efficiency of risk management.
- Transparency and accountability are supported and promoted, through clear communication and reporting lines.
- The staff involved in Risk Management possess the necessary skills and resources to manage risks effectively and have good understanding of their role and responsibilities within the Risk Management Framework.
- The risk identification, assessment, management, monitoring, reporting activities and systems are appropriately and timely documented.
- All types of risks are not managed independently but on a combined basis, thus reducing the possibility of overlaps among risk types.
- The Risk Management Policy is reviewed on a periodical basis and modified accordingly by the appropriate internal authorities, in accordance with the Bank's overall business and strategic objectives.

A list of interrelated risk type specific policies as well as overall documents linked to the current one, is presented below:

- Capital Management Regulatory Reporting Policy
- Market Risk Management Policy
- Credit Risk Management Policy
- Liquidity Risk Management Policy
- Operational Risk Management Policy
- Contingency Funding Plan (“CFP”)
- Recovery Plan (“RP”)
- Business Continuity Plan
- Internal Operating Regulation (“IOR”)

All the above Policies and Plans, as well as their reviews and updates are subject to approval by the BoD of the Bank.

4.2. Risk Management Governance

Pursuant to the Risk Management Policy Framework, the following responsibilities exist for the governance of Risk Management:

- **BoD:** Sets goals, approves policies and limits for Risk Management at a “global level” (i.e. Bank-wide applicable limit for the assumption of credit risk, market risk etc., or of specific groupings and/or concentrations thereof), thus approving the overall strategic framework of the Bank’s core risk limitations. It also ensures that pertinent executives take all required measures to effectively manage risks, according to the approved policies, and monitors risk management measures systematically.
- **Audit Committee:** Supervises and monitors risk identification, assessment and monitoring processes related to the Bank’s operation, it ensures the effectiveness and the application of risk management and other related processes and provides an assessment of the completeness of the impairment methodology of the Bank’s loans or other assets.
- **Internal Audit:** Reviews the effectiveness of the risk management policies and processes, as well as the adherence of the Bank’s units to those policies. It also reviews the completeness and accuracy of the impairment process and its outcome.
- **Legal & Compliance Departments:** Provide advice for the development of the Risk Management Policy and its update and ensures compliance with the legal and regulatory framework.
- **Senior Management:** Ensures that risk management policies and processes are incorporated in the decision-making process.
- **ALCO:** Formulates the organizational strategy of the Bank in terms of management and structuring of assets and liabilities with the purpose to maximize the risk-return balance of the Bank’s activities given the risk policies, the business plan and the risk appetite framework approved by the BoD for the relevant period.
- **Credit Committee:** Analyzes all loans to customers of the Bank, at an individual or portfolio basis, approves new loans and the credit review and the extension-refinancing of existing ones and, when necessary (by internal regulations), seeks additional approvals by the BoD. It also considers and approves the revision and analysis of any events that may affect the Bank’s loan portfolio and pre-approves the loan impairments calculation and write offs (for onward approval by the BoD). The Credit Committee may also make recommendations for the appropriate amendment of credit risk policies.
- **ANPLs Committee:** Analyzes all Arrears and Non-Performing loans and approves relevant action proposed by the ANPLM officer, in accordance with the NPLs Management Strategy and the NPL policy.

The above responsibilities are also included in the Bank’s OR (Internal Operating Regulation) and are graphically outlined in the Bank’s Organizational Chart which is available on the Bank’s website.

4.3. The Risk Management Department

The Organizational Chart clearly depicts the structure of the Bank's Risk Management Unit (RMD) in accordance with the Risk Management Policy. It consists of the CRO, the Credit Risk Manager, the Market & Liquidity Risk Manager, and as of May 2024 the Risk Systems Manager. The figure below presents graphically the current structure and functions of the Risk Management Department.

Figure 4: 5Risk Management Departure Structure



The RMD's operations are governed by the following principles (according to Governor's Act 2577/2006):

- Is administratively independent of executive units and units engaged with transactions or accounting activities and utilizing the risk analysis prepared by the RMD,
- Reports to the Senior Executive Management, to Management Committees or to the BoD, when appropriate,
- Prepares reports/briefs the Senior Executive Management and the BoD on matters within its responsibility, frequently (at least once a quarter),
- Is subject to Internal Audit Unit's review in terms of adequacy and efficiency of the Risk Management procedures,
- Has access to all activities and units, as well as to all of the CI's data and information required accomplishing its operations.

ABBank's risk management operations and those of the Risk Management Department are outlined in detail in the Bank's Risk Procedures Manual. The RMD has the following responsibilities:

- Oversees the appropriate implementation of Risk Management policy and detailed risk related policies across the Bank. Such detailed policies include:
 - The Credit Risk Management Policy
 - The Market Risk Management Policy
 - The Liquidity Risk Management Policy
 - The Operational Risk Management Policy
 - The Capital Management and Regulatory Reporting Policy
- Develops and uses appropriate methodologies for all risks, including models for the identification, assessment, monitoring, controlling, reporting, and provisioning these risks, and evaluates the adequacy of the above on a regular basis, recommending corrective actions to then pertinent authorities of the Bank, where appropriate.
- Sets limits for each type of risk, monitors the above limits, and evaluates business lines' contribution in the Risk Management process,

- Determines the criteria which form the Bank's early warning system at the level of individual and consolidated exposures, and recommends appropriate procedures and monitoring rules for their treatment.
- Through the CRO, opines to the Senior Management, the ALCO and the BoD on the appropriate techniques for the maintenance of risks within acceptable levels.
- Performs stress tests, at least on an annual basis, based on specific scenarios, analyzes and reports the results and makes recommendations, where appropriate.
- Calculates capital requirements, using appropriate methodologies for their calculation in collaboration with the Finance, Accounting, and MIS Department.
- Participates in the development of procedures for business related issues, and in the evaluation process of major developments (e.g. mergers and acquisitions), in order to incorporate all appropriate risk management mechanisms and controls and ensure compliance with existing rules.
- Participates in business decisions and/or relevant approval processes where the Bank undertakes significant risks (e.g. granting new loans, restructuring of existing loans, investments, participations) related to matters and exposures that do not fall under predefined- general parameters.
- Monitors the overall portfolios' composition and performance and recommends any corrective actions to Credit Committee (e.g. restructuring/settlement of existing loans, examination of impairment indications of certain loans or portfolios, modification of the impairments policy etc.), whenever appropriate.
- Through the CRO, coordinates the evaluation of the Bank's internal and regulatory capital and participates in their evaluation by the supervisory authorities, acting also as a liaison between them and the Bank with regards to risk management, capital adequacy, and banking supervision issues.

The CRO is appointed by the BoD and such appointment (or replacement) is notified to the BoG. He/she is responsible for the supervision and coordination of the Risk Management operations of the Bank.

Moreover, he/she ensures the development and implementation of the ICAAP and ILAAP reports, the Risk and Capital Strategy and the Bank's RP and the monitoring and development of the Bank's CFP, approved by the BoD. Finally, the CRO is a core member of the Crisis Response Team (usually together with the CFO and the Treasurer, once more) under the CFP and the RP.

4.4. Risk Management Data and IT Systems

The Bank sources the granular data needed Risk Management from its Core Banking systems. Acknowledging the importance of ensuring data accuracy and quality, it has also set up control points and checks in all the steps of data extraction, manipulation and aggregation processes.

In April 2020 the Bank agreed the acquisition and implementation of a Risk Management and Regulatory Reporting system, the *OneSumX* (OSX) of the Anglo-Dutch specialist firm Walters Kluwer. The implementation project commenced in June 2020 and teams from Risk Management, IT, Finance as well as the vendor participated. Implementation of the first stage (Regulatory Reporting, covering all COREPs of the existing framework and the FINREP) was initially due for completion in 2021, but due to certain drawbacks completion took place in Q4-22. In 2023 the second stage commenced, which includes Pillar II capital and liquidity risk management and stress-testing applications, also covering the IRRBB and the CSRB.

The whole project comprised a major task for the standards of ABBank as it calls for upgrade of systems and processes, training, coordination and reorganization of certain departmental and intra-departmental functions as the new system's processes for risk management and regulatory reporting require data collection and validation from the Core Banking system, namely Globus/T-24. Following full implementation of OSX, most of the processes/steps of data elaboration have been automated, having been appropriately bridged to OSX from the Core Banking System of the Bank, such as:

For Credit risk information (both portfolio and account level)

- Loan information: Core Banking system (Globus T24, by Temenos), LD and SL modules.
- Collateral information: Core Banking system, Collateral module

For data quality checking purposes, the granular data are recorded in Excel files. Such checks include missing data or unexpected empty fields and consistency in format of fields to allow proper operation of links between different accounts or collaterals and reconciliation checks of granular data with the respective credit exposures data downloaded in the relevant module of OSX. Further reconciliation checks with accounting figures, corrections (if needed) and calculation checks follow, prior to downloading each COREP in the XBRL format required for regulatory reporting and submissions (the XBRL module is built-in in the OSX system).

For stress-testing purposes of the Credit Risk portfolios, the reconciled data and calculations downloaded in Excel are used, and further processing is performed by combining such with the models and data used for each particular stress test (as outlined in each relevant part of Section 3, above).

For Market risk positions (per type, portfolio and itemized position level), the Bank relies on:

- For derivatives: Core Banking system (Globus T24, by Temenos), FX and Derivatives modules.
- For marketable securities: Core Banking system, Bonds module

For the pricing of Market risk positions and stress-testing purposes relevant pricing and risk metrics tools of the Bloomberg system are used.

For IRRBB the granular data are obtained from the Core Banking systems outlined above and further analysis and calculations are performed for the evaluation of the Bank's NII and EVE under the pre-stress and stress scenarios applicable at each time.

The above analysis and processing are performed by the members of the RMD (each one dealing with the risk area he/she specializes in) and final result checks and internal authorizations for reporting, by the CRO.

4.5. Risk Management Strategy and Risk Appetite

The purpose of risk appetite is to delimit, synthetically and explicitly, the levels and types of risk that the Bank is ready to assume in the development of its business. The risk appetite is defined as 'the amount and type of risks considered reasonable to assume for implementing its business strategy, so that the Bank can maintain its ordinary activity in the event of unexpected events that could have a negative impact on its level of capital, levels of profitability and / or its share price'.

The Risk Appetite the Bank is willing to accept can be verbally summarized in the following statement: *'The primary objective of risk management is to contribute to the activities of the Business Units in optimizing overall profitability – adjusted for risk – whilst ensuring the continuity of the Bank through the implementation of a suitable approach to risk management'.*

The Bank's Risk Appetite Framework ("RAF") is set by the BoD, ensuring it is aligned to the Bank's strategy, while its principles are applied by the Business Units, overviewed by the Bank's Risk Management Department. Specifically, through the approval of the Annual Business Plan by the BoD, the Bank defines and reviews regularly its Risk Appetite Framework, whereby specific measures and indicators are outlined for each material risk category and relevant limits/thresholds are set, signifying the Bank's risk appetite, early warning and recovery action trigger levels, for the effective management and monitoring of liquidity and funding risk. The Bank's Risk Appetite Framework (inclusive of both quantitative and qualitative elements such as limits and thresholds per risk type and sub-type) and its management framework is based, amongst other factors, in the analysis of the impact of unlikely but plausible tension scenarios performed by RMD and the adoption of pertinent measures to ensure that policies and business planning priorities set are met, as suggested by the Head of RMD to the Business Planning Working Team (where he/she is a member of) for further approval by the BoD.

The BoD regularly assesses and revises the RAF, at least on an annual basis, in the course of the regular business planning process, or more often if so required in cases that internal and/or external conditions have materially changed, following relevant proposal or consultation with the Business Planning Working Team or the Head of RMD.

Several important high level risk appetite statements that summarize the risk appetite of the Bank are qualitatively defined in each of the respective risk areas of the Risk Management Policy, whereas **the quantitative limits and thresholds are defined and determined in the RAF KPIs and presented in tabular form.**

For each selected indicator (KPI) shown in the table, the Bank has defined relevant thresholds that constitute a normal (“green”) performance vs an “amber” or a “red” performance level. The “green” threshold defines the Bank’s risk appetite level, the “amber” threshold defines the Bank’s risk bearing capacity and the “red” threshold defines the zone beyond the Bank’s risk bearing capacity i.e. the risk tolerance levels of the Bank. When the risk tolerance levels are breached, i.e. the Bank operates beyond its risk bearing capacity, the entry of the Bank into the recovery zone is signified, meaning that is exposed to severe financial stress. Although the Bank may be able to continue its operations for a short period of time this is not considered a sustainable situation. Therefore, adequate recovery actions and options need to be taken.

Such recovery options and actions in the case that the capital and/or liquidity adequacy of the Bank is threatened are analyzed and scheduled in the RP which is updated and approved by the Bank’s BoD on an annual basis. Moreover, in connection to liquidity and funding risks the Bank has in place a CFP which is also annually updated and approved by the BoD. The CFP outlines the Bank’s scheduled actions to resist stressed liquidity and funding situations and has the purpose to provide for corrective actions prior to the Bank entering a recovery mode (tackled by the RP).

5. CREDIT RISK

Credit risk is defined as the potential risk that an obligor will fail to meet their financial obligations (principal, interest, fees) on time or in full, according to the contractually agreed terms. Credit risk arises from the possibility that an obligor is either unwilling to perform an obligation or its ability to perform such may be impaired, hence from the probability of defaulting on its obligation and creating an economic loss to the Bank. Moreover, in relation to credit exposures being traded and/or listed in an active securities market (e.g. a bond, warrant, etc.), credit risk may also arise from losses that may result from a reduction in the value of such an exposure/security due to actual or perceived by the market deterioration in the credit quality of the specific exposure/security or its obligor/issuer.

Credit Concentration Risk stems from large exposures to the same obligor, industry or geographical region i.e. exposures to sets which largely share common or correlated risk characteristics, which in case that stressed conditions prevail in such sets may negatively affect the credit quality and credit performance of the whole set, hence increasing the probability of the Bank realizing significant losses, endangering its financial solidity and possibly its ability to maintain its core activities. Any financial exposures of the Bank may generate concentration risk, by positions recorded as assets, liabilities on or off balance-sheet.

ABBank's exposure to credit risk arises primarily from lending to corporate customers which largely consist of companies of the shipping industry and the service providers to that industry and, to a lesser extent, Greek SME, and larger companies active in major business sectors of the Greek economy, CRE and renewable energy projects.

The Bank is not active in retail banking or leasing. The credit risk exposures classified as "Retail Exposures" exclusively refer to staff loans extended by the Bank to its employees.

ABBank's credit risk exposure also arises from its own investment activities, treasury management activities, trading operations in the derivatives market and foreign exchange markets as well as in the settlement of securities' trades.

In FY-2024, total gross credit risk exposures increased by €81.3 mil YoY (+7%), reaching €1.25 bn, up from €1.17 bn in 2023—effectively returning close to their record level of 2022. This growth was primarily driven by a cumulative €85.7 mil increase across the Bank's largest asset classes (Central Governments and Central Banks, Financial Institutions, and Corporates), partially offset by a modest €4.5 mil decline in the remaining asset categories, mainly exposures to Public Sector Entities and Other Assets.

The Table below outlines the credit risk exposure per regulatory asset class/category:

Table 9: ABBank Credit Risk Exposures per Regulatory Asset Class/Category

Credit Risk Exposures (Gross on and off-Balance Sheet balances)	(€ '000)	2024	2023
Gross Value of Exposure to:			
Central Governments, Central Banks		443,334	420,886
Public Sector Entities (PSEs) Guaranteed by Central Governments		30,174	30,173
Multilateral Development Banks (MDBs)		-	2,156
Banks and Financial Institutions		127,650	83,527
Corporates - Performing		619,335	599,687
Corporates – Non-Performing		3,731	4,197
Retail		0,958	1,294
Other Assets		18,529	25,049
Total Credit Risk Exposures (Gross)		1,243.7	1,166.9

The amount of risk associated with the credit exposures depends on various factors such as:

- general economic conditions and financial stability.
- market developments.
- the overall financial condition of the debtor and its business activity.
- the amount of the exposure along with the duration and the type of exposure.
- the existence of collaterals and guarantees.

The implementation of the credit policy that describes the principles of credit risk management of the Bank ensures effective and uniform credit risk monitoring and control.

The Credit Risk Management Section of the Risk Management Department operates with the mission of continuous monitoring, measurement, and control of the Bank's credit risk exposures against enterprises.

5.1. Loan Exposures to Corporates - Credit Risk Measurement

Given that the Bank's shipping loans portfolio primarily comprises obligors in the shipping sector who are not rated by External Credit Risk Assessment Institutions (ECRAIs), the Bank has developed and applies its own internal ten-grade credit risk rating system. For consistency and comparability, this internal rating system is also applied to non-shipping loan customers, even in cases where they are rated by local ECRAIs.

This part of the Report discusses the credit rating and credit approval process of the Bank, as well as the credit rating status of the corporate loans' portfolio as of the reference date and the credit rating migrations that took place during FY-2024

5.1.1. Credit Rating and Credit Approval Process

For the purposes of assessing and rating its credit risk coming from loan exposures, the Bank has established and implements, since 2003, a 10-grade internal rating system, ranging from "1 - Excellent" to "10 - Loss". The evaluation is based on the financial strength and the appraised creditworthiness of each obligor. The Bank has also developed, in direct mapping to its original rating scale, a similar 10-grade rating system for its non-shipping exposures.

Credit evaluation and rating take into account both the quantitative and qualitative characteristics of each obligor, including the performance it has demonstrated over its commitments, in conjunction with the characteristics of the credit proposal under consideration and the conditions and developments in the relevant market sector.

To date, evaluation and review of all credit limits and obligor groups, irrespective of amount, require the approval of the Bank's 5-member Credit Committee. If the total 'one-obligor/group' exposure exceeds 15% of the accounting value of the Bank's net worth, the cumulative approval of the BoD is also required. Reviews are performed at least once a year for limits rated at "1-EXCELENT" through "5-SATISFACTORY" (inclusive). Limits rated as "6-ACCEPTABLE" or below ("watch-listed") are reviewed more often (at least semi-annually). The proposal for evaluation of a new credit or the review of existing ones is compiled and submitted by the Business Units ("BUs", shipping and non-shipping sections) and it is also assessed ("endorsed") by the Credit Risk Management section of the Risk Management Department. The Credit Committee considers both the proposal and evaluation of the proposing unit/officer and the endorsement of Credit Risk Management.

Table 10: Credit risk rating system

Rating	Creditworthiness	Policy
1	Excellent	Develop relationship
2	Strong	Develop relationship
3	Very Good	Develop relationship
4	Good	Develop relationship
5	Satisfactory	Develop on a case-by-case basis (lower leverage, strong collateral) / Maintain relationship
6	Acceptable	Maintain relationship / Increase exposure on very selective basis. Strengthen Collateral. Improve full collectability prospects through mild restructuring only.
7	Vulnerable	Limit exposure / Maintain relationship subject to strong collateral. Improve full collectability prospects through restructuring (distress restructuring included, as ultimate measure only).
8	Substandard	Limit exposure / Restructure (distress) subject to very strong collateral and/or much stronger debt servicing potential (NPE forborne/UTP)
9	Doubtful	Restructure / Terminate relationship through liquidation. Enforce legal rights with the aim to avoid incurring tangible loss (NPE/Denounced).
10	Loss	Terminate relationship through liquidation. Enforce legal rights or restructuring (distress/NPE forborne) with the aim to limit loss (NPE/Denounced).

In addition to the above regular review procedure, the Credit Risk Management section performs a "portfolio-wide" review and re-assessment of all obligors and limits following each year-end. The purpose of this review is

to operate as a “safety-net” for the Bank’s credit evaluation process, whereby the as of year-end credit rating of all obligors is re-examined and finalized in order to cover cases of delays in the preparation and submission of ordinary reviews by the pertinent sections of the BUs, or re-assess approvals which were performed duly, but early in the year (e.g. Q1 of the referenced year) and material changes in market conditions and/or the financial standing of the relevant obligors may have occurred since then. The portfolio-wide review is also assessed and approved by the Credit Committee.

Notably, exposures classified as Non-Performing, are monitored and handled by an independent unit (ANPLM Unit), and are discussed and approved by a separate committee, the ANPL Credit Committee. ANPLs may be credit-rated from “7-Vulnerable” and below and are certainly rated from “8-Substandard” and below (thus, the credits rated in the four lower levels may not necessary all fall under the auspices of the ANPLM unit).

5.1.1.a Credit Rating Tool for Shipping Exposures

Since 1.1.2021, the Bank has fully incorporated in its credit evaluation process for shipping exposures a credit rating model which was created with the assistance of external advisors. The development of the model was based on the statistical analysis of the historical data and characteristics of the Bank’s shipping portfolio, as these were evaluated through a scoring model used by the Bank for stress-testing purposes since 2008, which follows the slotting criteria for object finance – Shipping, of the IRB-Foundation Approach. The shipping credit rating model comprises 15 criteria, 6 (six) of which are borrower/group-specific and 9 (nine) are facility-specific, with fixed assigned weights which have been determined through the statistical analysis mentioned above. The evaluation of the said 15 parameters produces a rating score for each facility and, consequently, for each obligor group, the latter being mapped to the Bank’s internal 10-scale credit rating system. For the time being, the produced scores do not carry probabilities of default, as the development of the model has been based on the Bank’s individual credit datasets, which refer to a historically low-default and low-loss portfolio, and thus cannot produce statistically reliable default parameters (PD, LGD).

In both the previous (judgmental) methodology and under the Credit Rating Tool, the rating and classification is reported at the obligor group level. However, in certain cases the classification is maintained at facility level, if the latter entails distinctly different risk characteristics from other exposures towards the obligor/group (e.g. fully cash-collateralized exposures, where the specific RWA as well as LGD and consequently EL are eliminated).

The table below summarizes the characteristics evaluated in the Credit Rating Tool for the production of the shipping obligors’ credit ratings:

Table 11: Table of the Shipping Credits Rating Tool Criteria

ABB Credit Rating Tool for Shipping Exposures	
Overview of Evaluation Criteria	
Group Criteria	1. Group's history/experience in the operation of vessels 2. Size of Group's owned fleet (average last 3 years) 3. Group's cashflow diversification 4. Group's recent financial status and performance, including compliance with financial covenants 5. Group's capacity to mitigate financial shortcomings in next 2 years and remedy ACR breach under the facility (i.e. capacity to absorb market decline from present levels; incl. current assets/liabilities, contingencies and known free liquid assets held outside the financial statements) 6. Group's track record in servicing financial obligations (incl. reputation)
Facility Criteria	1. Manager's technical and commercial track-record, reputation and capacity for such vessel and relevant licenses 2. Size of fleet under management in the subject shipping sector/segment (average last 3 years) 3. Vessel's relative characteristics vs. market norms (incl. design, additional equipment, maintenance, technical advantages etc.). For niche types, scale down 4. Current commercial and/or financial arrangements of vessel restricting "salability" (e.g. unfavourable TCs, requirement to prepay additional amounts/tranches etc.) 5. Certainty of income flow (Charter duration, quality, strength, and reputation of charterer) 6. Projected debt servicing capacity (CF projections basis) throughout loan tenor and balloon refinancing risk 7. Facility's repayment curve (normal, backloaded, front-loaded, grace, bullet) 8. Facility asset cover ratio 9. Completeness of facility's security package

It is noted that during 2024:

1. A total of 34 evaluations were performed during 2024, concerning 29 groups, being (a) 28 out of 35 borrowing groups with pure ship-financing facilities existing at YE-2024, plus (b) 1 group which was evaluated during the year but was not included in the YE-2024 balances, as its exposure was repaid.
2. Out of the total evaluations, 2 credit scores concerning 2 obligors (6% of total evaluations, concerning 4% of the aggregate ship-financing limits which were evaluated), were overridden by the proposing Account Officers (and ultimately approved by the Credit Committee). Such overriding adjustments were based on the fact that certain characteristics of the exposures could not be fully captured by the parameters of the tool (more specifically, reputation and/or co-operation of principal/guarantor in one case and potentially high downside risks associated with a decline from the prevailing strong market conditions in the other). In all cases, the overriding adjustment was of 1 rating notch, where the credit rating Tool produced a more favourable credit score than the one proposed by the Account Officers.
3. Out of the total evaluations, 10 assessments (29% of total evaluations, concerning 32% of the aggregate ship-financing limits which were evaluated) produced a credit score of more than x.75, in the respective rating grade (e.g. higher than 2.75, 3.75 etc). In such cases, the Bank's Credit Policy provides the flexibility to the analyst to propose the rounding of the group's final rating to the closest lower and more conservative grade (e.g. a score between 1.75-1.99 which conventionally corresponds to Credit Rating 1, may, with the justified proposal of the Account Officer, be rounded to Credit Rating 2 without it constituting an overriding action). Out of these 10 cases, 8 (or 24% of total evaluations, concerning 27% of the ship-financing limits which were evaluated) were indeed rounded to the immediately lower rating category for prudence.
4. Overall, 1 continuing shipping group was upgraded during 2024 through the credit rating Tool and none was downgraded. The upgrade is attributed to the improved financial status and the satisfactory performance of the obligor, as well as the more positive repayment outlook of our exposure.

5.1.1.b Credit Rating Tool for Non-Shipping Exposures

During Q4-2021, the Bank purchased an externally developed credit rating system (ICAP) for its non-shipping corporate exposures, considering the growth of such portfolio, particularly since 2020, as well as the diversity of the respective obligors/exposures. The Bank, in close cooperation with the service provider, completed the necessary tests and trainings, as well as the development of certain additional features which were required, and as of 1/1/2024 it has incorporated the use of such system in its credit evaluation processes.

The credit model assesses a number of quantitative and qualitative criteria by combining information input by the user, transactional behavior data obtained directly from the Bank's core system, as well as the latest publicly available information which is maintained in the provider's database. The final output is a credit score which is presented on a 10-scale grade scale, accompanied by an assigned probability of default. It is noted that such rating system:

- (a) covers all obligors who maintain double-entry books (Category C) and therefore cannot be used to cover the full range of the Bank's non-shipping exposures, such as object/project finance limits (which, notably, include CRE facilities, loans for the construction of renewable energy production facilities etc.). The latter continue to be rated on the basis of the Bank's internal rating scale, following the synthesis and amalgamation of specific economic and technical factors relevant to such exposures.
- (b) produces a credit score which solely reflects the creditworthiness of an obligor on an isolated basis, disregarding the particular characteristics of the Bank's exposure towards such obligor (such as, for example, security on hard assets, cash collaterals etc. which effectively reduce the exposure's credit risk), as opposed to the internal credit rating scale used by the Bank, which assesses the credit profile of an exposure as a whole, traditionally reflecting the expected loss, rather than the probability of default of an obligor alone.

Consequently, the Bank is currently in the process of developing a mapping between the score produced by the credit rating tool and its internal rating scale, in order to ensure that all non-shipping exposures (i.e. whether rated through the tool or not) are ultimately reported in the same rating scale, in a standardized and uniform manner. Hence, the use of the rating tool for the non-shipping obligors is, for the time being, used in a supplementary manner and the full integration is expected to be completed by the end of 2025.

5.1.1.c Credit Rating Status as of 31.12.2024 and 31.12.2023

The following table depicts the evolution of the internal credit rating distribution of all Bank's loan exposures to Corporates in the last three years, incorporating also the results of the annual, portfolio-wide Credit Review performed by the Credit Risk Management Section. Total Amounts of the approved limits/exposures are quoted on the basis of the original amounts of the on- and off-Balance Sheet exposures – i.e. the approved credit limits – excluding accrued interest and unamortized loan commissions, as at the relevant reference date. Moreover, referenced amounts also include approved but non-committed exposures. Thus, minor deviations may be observed if the above amounts are compared with other tables whereby the committed and reported amounts are referenced.

The Bank's credit expansion from 2020 onwards had a positive impact on the overall credit quality of the loan portfolio, as it was mostly focused on obligors of higher creditworthiness and despite the contraction of the portfolio during 2022-2024, such distribution was not materially affected. As of 31.12.2024, the allocation of obligors within the upper half of the credit risk classes remained substantially the same at 96.4% of total credit limits (96.5% in 2023 and 96.4% in 2022).

Table 12: Table of the Shipping Credits Rating Tool Criteria

INTERNAL CREDIT RATING OF OBLIGORS	31 st December 2024		31 st December 2023	
	Total Original Credit Limits (€ '000)	% of Total Limits	Total Original Credit Limits (€ '000)	% of Total Limits
1 – Excellent	0	0.0%	0	0.0%
2 – Strong	12,057	1.9%	13,046	2.1%
3 – Very Good	174,934	27.6%	176,887	29.1%
4 – Good	183,960	29.0%	134,772	22.2%
5 – Satisfactory	239,626	37.8%	261,513	43.0%
6 – Acceptable	6,735	1.1%	17,326	2.9%
7 – Vulnerable	12,248	1.9%	0	0.0%
8 – Substandard	0	0.0%	0	0.0%
9 – Doubtful	2,702	0.4%	2,685	0.4%
10 – Loss	1,029	0.2%	1,510	0.2%
Total	633,291	100.0%	607,739	100.0%
Annual Difference:	+ 25,552	+4.2%	- 33,898	-5.3%

The majority of the exposures retained, or even upgraded in some cases, their previous credit rating, as it is better highlighted in the next table below (migration matrix), where it is shown that in 2024 the majority of the exposures (75.9%) preserved their previous rating, while upward migrations accounted for a little more than half (55%) of the total migrating exposures. Upgrades involved shifts from categories “4-Good” and “5-Satisfactory”, respectively to “3-Very Good” and “4-Good”, as well as to “2-Strong” by a rather limited amount. On the other hand, downward migrations involved shifts mainly from category “2-Strong” to “4-Good” and to a smaller extent from “6-Acceptable” to “7-Vulnerable” and from “3-Very Good” to “4-Good”.

Similar to the previous year, as of 31.12.2024 the most populated credit ratings remain “3”, “4” and “5”, with the latter holding the lion's share both at YE-2023 and YE-2024. The combined share of the 2 most populated ratings reached 67% in 2024 (“4” and “5”), versus 72% in 2023 (“3” and “5”). Rating “5” constitutes the largest category historically (with the exception of 2022), now followed by rating “4”, with an individual share of 29%, from 22% in 2023. Rating “3” subsided to the third place, with a share of 28% in 2024, from 29% in 2023, continuing to capture in 2024, together with the aforementioned two categories, the vast majority of the Bank's loan exposures (ca. 95%, versus 94% in 2023 and 90% in 2022).

As regards the remaining ranks, similar to the previous two years the first category “1-Excellent” does not include any credits, whereas the last category “10-Loss” includes all the Bank's shipping NPEs (PD>90&D sub-category). The remaining non-performing exposure (being the Bank's sole non-shipping NPE, also in the PD>90&D category) ranks since 2023 at “9-Doubtful”, following its downgrade from “7-Vulnerable” due to its denouncement. The balance of the exposures ranking at credit rating “2-Strong” declined YoY to 1.9% from 2.1% and include loan exposures to 1 shipping obligor (representing 57% of the total exposures rated at “2”), in

addition to the fully cash-collateralized exposures (predominantly letters of guarantee) historically included therein. Credit rating “6-Acceptable” presents a slightly reduced share YoY (1.1%, from 2.9% in 2023), exclusively due to the downgrade of one obligor to category “7” (whose share increased to 1.9%, from 0% in 2023), on account of the its temporarily stressed liquidity position, following the assumption of certain larger-scale projects. Finally, it is noted that exposures distributed among the lower 5 categories (3.6% of total limits, versus 3.5% in 2023) are allocated in all respective ratings, except for “8-Substandard” which remains vacant.

5.1.2. Sectors Financed

The table below depicts the distribution of AB Bank’s loan portfolio per financed sector, split between the shipping and the non-shipping corporate sub-sectors, including exposures to Greek medium and larger sized companies and companies with international or export-oriented activities, CRE and Renewable Energy entities. The distribution is presented on the basis of total exposure principal amounts (i.e. approved credit limits for on- and off-Balance Sheet loan and L/G exposures, without interest accruals and unamortized loan commissions), at the end of 2024 and 2023.

As of 31.12.2024, the non-shipping exposures comprise ca. 33% of the total credit limits, from 30% the previous year (+€28 mil or +15% YoY). The shipping exposures account for ca. 67% of the total limits on 31.12.2024, having declined by €2 mil, or -0.5% from 2023.

Table 13: Loans to Corporates - Credit Limits Segmentation per Sector

Market / Sector financed	% of Original Total Exposures to Customers as of 31.12.2024	% of Original Total Exposures to Customers as of 31.12.2023
A. Shipping Exposures	67.3%	70.5%
1. Crude Oil Tankers	0.0%	1.8%
2. Oil Products Tankers	13.0%	10.1%
3. Specialized / Bunkering Tankers	2.8%	3.3%
4. Gas Carriers (LPG/LNG)	2.0%	2.1%
5. Dry Bulk Carriers	32.3%	35.3%
6. Containerships	2.1%	2.5%
7. Passenger/Car Carriers (Ro-Pax, Ro-Ro)	2.1%	3.3%
8. Offshore Support Vessels	7.7%	6.2%
9. Other Shipping & Shipping Services	5.4%	5.9%
B. Non-shipping Exposures	32.7%	29.5%
1. Commercial Real Estate	5.8%	5.5%
2. Renewable Energy Production	4.3%	4.6%
3. Energy Providers	1.9%	2.0%
4. Services	2.6%	2.7%
5. Manufacturing	5.9%	5.8%
6. Construction	3.8%	3.7%
7. Wholesale Trade	7.4%	4.1%
8. Other non-shipping	1.0%	1.1%

In FY-2024, Wholesale Trade became the largest non-shipping exposure (23% of non-shipping, 7.4% of total), overtaking Manufacturing (18% of non-shipping, 5.9% of total). The CRE sector ranked third (18% of non-shipping, 5.8% of total), followed by Renewable Energy (13% of non-shipping, 4.3% of total). Including Energy Providers, the broader Energy sector accounted for 19% of non-shipping exposures and 6.2% of the total portfolio.

5.1.3. Country Risk

As of 31.12.2024, 34.9% of the Bank’s total loan exposures were considered to have a strong connection to Greek country risk, up from 33.1% in 2023. This includes:

- Shipping exposures linked to Greece, primarily €13.9 mil across three obligor groups (2.2% of total credit limits), mainly in the Greek ferry sector and two NPEs with recovery prospects tied to Greek real estate.

- Non-shipping exposures, which represent 33% of total credit limits and 25% of drawn balances, are more directly influenced by Greek economic conditions. These exposures are concentrated in CRE, RES, and sectors such as Wholesale Trade, Manufacturing, and Construction, many of which have export-oriented profiles.

Despite the increase, the Bank's overall exposure to Greek country risk remains manageable, supported by sectoral resilience and favorable macroeconomic indicators. Continuous monitoring of obligors' financial strength and collateral values is maintained to mitigate potential risks from adverse economic developments.

5.1.4. Loan Securities and Collateral – Credit Risk Mitigation Techniques

As of 31.12.2024, the Bank's loan portfolio remains predominantly secured by shipping-related collateral, including ship mortgages, pledges, assignments of earnings, insurances, and guarantees. Non-shipping exposures are increasingly backed by tangible collateral, mainly real estate and manufacturing equipment, with 21 corporate exposures secured by mortgage collateral over commercial properties.

The shipping portfolio was secured by 76 mortgaged vessels (2023: 86), with an average age of 16 years and a market value covering net exposures by approx. 348% (2023: 331%). Non-shipping real estate collateral covered net exposures by approx. 161% (2023: 155%).

For regulatory purposes under the Standardized Approach (EU Regulation 575/2013), only specific forms of collateral qualify as eligible credit risk mitigation (CRM), including cash, marketable securities, and certain guarantees. Most customary collateral types (e.g., ship mortgages, real estate) are not recognized for CRM treatment.

As of 31.12.2024, total cash collateral stood at €81.1 mil (2023: €53.3 mil), with €75.5 mil securing on-balance sheet exposures (14.4% coverage post-impairments) and €5.5 mil securing off-balance sheet exposures (6.4% coverage). The YoY increase of €27.8 mil (+52%) relates exclusively to on-balance sheet exposures.

5.2. Credit Quality of Financial Assets

Under paragraph 5.5.1 of the IFRS 9, financial institutions should recognize loss allowance for Expected Credit Losses (ECL) for every asset measured at Amortized Cost (AC) or Fair Value through Other Comprehensive Income (FVOCI), irrespective of the existence of objective evidence of impairment. For credit impaired assets and assets that display a Significant Increase in Credit Risk (SICR), the Bank should recognize ECLs over their lifetime, whereas the remaining financial assets are measured for ECL over a period of twelve (12) months.

The impairment loss on loans and advances to customers results from a continuous evaluation of the customer's portfolio for expected losses. The evaluation of the customer's portfolio is performed by officers responsible for each credit category, using specific methodology and guidance in accordance with IFRS 9, which are continuously reexamined.

5.2.1. ECL for Loans and Advances to Customers

Significant Increase in Credit Risk (SICR): The Bank uses a combination of criteria for the purposes of identifying a Significant Increase in Credit Risk, as follows:

- Relative rate thresholds:** The Bank recognizes a significant increase in credit risk for exposures to borrowers that have been downgraded by two (2) or more notches since their initial recognition and, as result of such downgrade, fall within the credit ratings five (5) and seven (7) of the Bank's 10-scale internal credit rating system;
- Forbearance:** The Bank classifies all forbore performing exposures (FPE) as having a SICR;
- Backstop indicators:** The Bank applies the criterion of 30 days past due for the identification of SICR;
- Defaulted Exposures:** The definition of default applied by the Bank is consistent with Regulation 575/2013 of the European Parliament (CRR) Article 178, "Default of an obligor" and BoG ECA 181/28.01.2021. An obligor is considered as defaulted when either or both of the following have taken place:

- * The debtor is past due more than 90 days on any material credit obligation to the institution;
- * The debtor is assessed as UTP its loans obligations in full without realization of collateral, regardless of the existence of any past-due amount or of the number of days past-due.

Stage Allocation: For the estimation of ECLs, all loan exposures are categorized in 3 stages, depending on whether they are credit impaired or present a significant increase in credit risk (SICR), as follows:

- **Stage 1:** Includes exposures that do not exhibit a SICR and must: (i) be rated within the upper 4 ranks of the Bank's internal credit rating system or in rank 5 or below but without having been downgraded by more than 1 notch since their initial recognition, (ii) not be classified as forborne or defaulted exposures, and (iii) not have material obligations that are past due more than 30 days. The Bank calculates 12-month ECL for exposures allocated in Stage 1;
- **Stage 2:** Includes exposures that exhibit a SICR as per the aforementioned indicators and may fulfil any of the following conditions: (i) be classified as forborne performing, (ii) be rated at 5 or below in the Bank's internal credit rating system and exhibit a SICR, without being classified as forborne, or (iii) have material obligations which are between 30 and 90 days past due. The Bank calculates lifetime ECL for Stage 2 exposures;
- **Stage 3:** Includes all credit exposures which are defaulted or impaired and may fulfil any of the following conditions: (i) fall under the Bank's definition of default, (ii) are rated at the lower 3 categories of the Bank's internal credit rating system or are non-performing forborne exposures, (iii) a specific impairment loss has already been recorded for them (applicable only during the transition from IAS 39 to IFRS 9). The Bank calculates lifetime ECL for Stage 3 exposures.

Following the above, it becomes apparent that the continuous credit monitoring and re-assessment of the obligors' credit rating constitutes a fundamental principle of the credit policy and relevant procedures followed by the Bank. Each obligor is reviewed and re-evaluated at least annually. It is therefore inferred that the reasons for which an exposure may be allocated in another Stage have already been incorporated in the internal credit rating of the respective obligor.

Nevertheless, for the avoidance of any omissions during the regular annual review of each obligor and/or credit limit, as well as for prudence purposes towards any development in a market sector or the financial position of an obligor which may have occurred after the latest review, the Credit Committee and ANPLs Committee conduct a specific meeting, within the first quarter following the year-end, with the purpose of reviewing and validating the internal credit ratings of all obligors and credit limits of the portfolio. During the review process, the RMD/Credit Risk Management Division documents and proposes the approval of credit rating downgrades or (less frequently) upgrades for specific obligors or credit limits. The relevant approvals by the competent Committees formulate the final rating of all obligors with reference date the end of the year and determine/confirm the allocation of the exposures in stages pursuant to the previous paragraphs.

ECL Calculation Methodology: The Bank assesses the impairment losses on individual facility level as, due to the small size and diversity of the Bank's loans portfolio, such approach is deemed to be the most accurate and efficient for the Bank's needs. Therefore, the stage allocation and expected credit loss calculation is conducted per borrower exposure. Exceptions to the above may include cases whereby certain exposures to a specific group are legally or commercially bound.

The Bank uses a discounted cash flow methodology to evaluate the expected credit loss on its exposures and estimates the present value of the cash flows that it anticipates receiving in respect of a loan over the applicable test horizon (including the present value of the collaterals' residual values), versus the net loan exposure (i.e. after giving effect to the credit risk mitigation provided by any relevant cash collateral). The present value estimations are made using each facility's effective interest rate as discounting factor (recalculated annually at each impairment testing, given the variable interest rate contained in the Bank's facilities).

The assessment is performed under a baseline and an adverse scenario and the probability weighted average of the two scenarios (currently set at 60% for the base case and 40% for the adverse) results in the ECL for each exposure. In cases where no ECL is produced under either scenario, the Bank calculates a flat ECL by multiplying the net exposure amount by the Bank's actual loss rate derived from its historical data (currently standing at 0.33% but rounded upwards to 0.40% for the purpose of the impairment test). The assessment for the shipping

exposures is based on assumptions regarding mainly (i) the prospective levels of freight rates, which are determined by the prevailing 1-year and 3-year time-charter rates as well as the historical time-charter rates, and (ii) the residual ship values, which are determined through straight-line depreciation from their current levels.

Considering the international profile of the shipping industry and the difficulty in identifying strong correlations with particular macroeconomic factors, the applicable stress assumptions used in the adverse scenario have been determined on the basis of the average historically observed annual negative changes of the 1-year time-charter rates for the basic ship types/sizes, taking into account the present level of the freight market for the underlying ship type. The stress factors gradually reduce to 0 during the projection period, reflecting the inherent cyclicity of the shipping markets and the assumption that the market will tend to absorb shocks over time and adjust to a demand/supply equilibrium. For the non-shipping exposures, the assessment is similarly based on the expected residual value of the collateral at varying recovery rates and/or the estimated corporate cash flows from the obligors/guarantors which are considered feasible for the relevant financed projects as well as the liquidity position of the relevant groups. Considering the small size and diversity of its non-shipping portfolio, the Bank incorporates reasonable and conservative estimates of future economic impact on the individualized cash flow projections performed for each exposure. These estimates are generic (i.e. not factor-specific) and depend on the particular characteristics of each obligor and the sector within which it operates, as well as on the existence and strength of legal rights to specific cash flows or assets in favor of the Bank, including, where applicable, assessment of potential economic impact on the counterparties through which such cash flows are originated.

The impairment test is performed by the RMD/Credit Risk Management Division, based on the information and input obtained by the Bank's business units (Business Development Dept. and Corporate Finance Dept.) and the ANPLM unit. The results are reviewed and approved by the Bank's Credit Committee and ANPLs Committee and are ratified by the Bank's BoD together with the approval of the Bank's financial statements for the same year.

5.2.2. ECL for Debt Securities

The Bank's estimated ECL for debt securities is the output of a probability weighted model for each scenario with several underlying assumptions regarding the choice of variable inputs and their interdependencies.

For the purposes of the ECL measurement, the Bank performs the necessary model parameterization based on observed point-in-time data. The ECL calculations are based on input parameters, i.e., Exposure at Default (EAD), Probability of Default (PDs), Loss Given Default (LGDs), etc. incorporating Management's view of the future, by using the current macro-variant risk parameters and the respective ones of a worse than the current macro-economic environment and it is characterized by a percentage increase of the debt instrument's PD and LGD. The exact values of the percentage increase are not constant, and they are subject to the macroeconomic state at the date of the exercise. Moreover, There are two PD types that are used for the expected credit loss calculation (i) 12-month PD: the PD of the shortest period between a period of 12 months and the maturity (if it matures earlier than 12 months) of the debt instrument - the 12-month PD is used for the estimation of the 12 month ECL on Stage 1; and (ii) Lifetime PD: the PD over the remaining lifetime of the debt instrument, which is effectively the sum of the marginal PDs with the latter being the incremental probability of default in a specific time period - lifetime PD is used for the estimation of the lifetime ECL on Stage 2.

The impairment test is performed by the Market Risk Management Section. As in the case of loans, the ECL calculation is performed under a baseline and an adverse scenario and the probability weighted average of the two scenarios (currently set at 60% for the base case and 40% for the adverse) results in the ECL for each exposure. The baseline scenario considers the latest credit rating (and possible downgrade) assigned to each issuer by ECAs and the PD and LGD factors assigned to each notch per type of issuer by same, whereas under the adverse scenario the above PD and LGD factors are increased by 200% and 20%, respectively. The results are reviewed and approved by the Bank's ALCO and are ratified by the Bank's BoD together with the approval of the Bank's financial statements for the same year.

5.3. Non-Performing and Forborne Exposures

As of 28 January 2021, the BoG ECA 181/18.01.2021 was issued regarding the adoption of the EBA Guidelines EBA/GL/2016/07 on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013. Pursuant to the said Act, as well as the Guidelines, with effect from 1 January 2021 financial institutions need to incorporate in their internal procedures and IT systems specific requirements concerning the identification and reporting of defaulted exposures in accordance with the new definition of default contained therein and other relevant aspects. The Bank, in the course of the previous update of its Credit Policies (Shipping Credit Policy and Non-shipping Credit Policy) and NPE Policy, had already incorporated and implemented the new definition of default since 2020, in an effort to timely adjust and align its reporting information with the regulatory requirements. As a result, the Bank has been already recognizing, and flags in its system as defaulted (non-performing) exposures, both those meeting the past due criterion, as well as those meeting the unlikely-to-pay criteria (including distressed restructuring) as defined in the Bank's relevant policies.

Following the issuance of the BoG ECA 181/18.01.2021, the Bank initiated the revision of its NPE Policy which was concluded in August 2022 and incorporated also, to the extent that they were not fully reflected in the previous version of the Policy, the requirements of BoG ECA 175/29.07.2020 regarding the management of non-performing and forborne exposures. Moreover, a subsequent revision of the Bank's Credit Policy was concluded in October 2023 and included the fine-tuning and alignment with the NPE Policy, of certain parameters concerning the application of the new definition of default, such as materiality thresholds, identification and correction of technical defaults, system/IT requirements and adjustments etc. hence the Bank is deemed to be aligned with the respective regulatory requirements, to the extent that they are relevant to its exposures and business model.

The following tables present a detailed breakdown of the Bank's non-performing exposures and associated impairment provisions as of 31 December 2024 and 31 December 2023, highlighting the Bank's continued commitment to maintaining a high-quality loan portfolio and a sound credit risk management framework.

Table 14: CQ1 – Credit quality of forborne exposures

	a	b	c	d	e	f	g	h
<i>Amounts in € '000</i> 2024	Gross carrying amount/nominal amount of exposures with forbearance measures				Accum. impairment, accum. negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposure		Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
		Of Which:						
			defaulted	impaired				
Loans and advances	0				0		0	
Central banks								
General governments								
Credit institutions								
Other financial corporations								
Non-financial corporations								
Households								
Debt Securities								
Loan commitments given								
Total	0				0		0	
<i>Amounts in € '000</i> 2023	Gross carrying amount/nominal amount of exposures with forbearance measures				Accum. impairment, accum. negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
		Of Which:						
			defaulted	impaired				
Loans and advances	0				0		0	
Central banks								
General governments								
Credit institutions								
Other financial corporations								
Non-financial corporations								
Households								
Debt Securities								
Loan commitments given								
Total	0				0		0	

The table below presents an analysis of performing and non-performing exposures categorized by the number of days past due:

Table 15: CQ3 – Credit quality of performing and non-performing exposures by past due days

	a	b	c	d	e	f	g	h	i	j	k	l
Amounts in € '000 2024	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	Total PEs	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total NPEs	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Loans and advances	918,593	918,593	0	3,731	0	0	0	2,702	0	170	859	3,731
Central banks	260,783	260,783										
General governments	1,497	1,497										
Credit institutions	127,650	127,650										
Other financial corporations												
Non-financial corporations	527,966	527,966	0	3,731				2,702		170	859	3,731
Of which SMEs	100,493	100,493		2,702				2,702				2,702
Households	698	698										
Debt securities	215,377	215,377	0									
Central banks												
General governments and PSE guaranteed by GGs	211,222	211,222										
Credit institutions and MDBs												
Other financial corporations												
Non-financial corporations	4,155	4,155										
Off-balance-sheet exposures	33,520			0								0
Central banks												
General governments												
Credit institutions												
Other financial corporations												
Non-financial corporations	33,260											
Households	260											
Total	1,167,490	1,133,970	0	3,731	0	0	0	2,702	0	170	859	3,731

	a	b	c	d	e	f	g	h	i	j	k	l
<i>Amounts in € '000</i> 2023	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	Total PEs	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total NPEs	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Loans and advances	788,926	781,989	6,937	4,197	0	0	2,685	0	189	0	1,323	4,197
Central banks	196,108	196,108										
General governments	245	245										
Credit institutions	83,511	83,511										
Other financial corporations												
Non-financial corporations	508,318	501,380	6,937	4,197			2,685		189		1,323	4,197
Of which SMEs	96,796	96,796		2,685			2,685					2,685
Households	744	744										
Debt securities	262,806	262,806	0									
Central banks												
General governments and PSE guaranteed by GGs	256,866	256,866										
Credit institutions and MDBs												
Other financial corporations												
Non-financial corporations	5,940	5,940										
Off-balance-sheet exposures	54,380			0								0
Central banks												
General governments												
Credit institutions												
Other financial corporations												
Non-financial corporations	53,952											
Households	428											
Total	1,106,112	1,044,795	6,937	4,197	0	0	2,685	0	189	0	1,323	4,197

The following table presents a summary of the credit quality of NPE and related impairments, provisions, and valuation adjustments by portfolio and exposure class:

Table 16: CR1 – Performing and non-performing exposures and related provisions

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
<i>Amounts in € '000</i> <i>2024</i>	Gross carrying amount/nominal amount						Accum. impairment, accum. negative changes in fair value due to credit risk and provisions						Accum. partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Loans and advances	918,593	906,910	11,683	3,731	0	3,731	-2,578	-2,249	-329	-3,584	0	-3,584	-7,387	527,889	300
Central banks	260,783	260,783													
General governments	1,497	1,497													
Credit institutions	127,650	127,650													
Other financial corporations															
Non-financial corporations	527,966	516,283	11,683	3,731		3,731	-2,578	-2,249	-329	-3,584		-3,584	-7,387	527,889	300
Of which SMEs	100,493	88,810	11,683	2,702		2,702	-764	-435	-329	-2,702		-2,702		94,812	300
Households	698	698					0	0							
Debt securities	215,377	215,377	0	0	0	0	-34	-34	0	0	0	0	0	0	0
Central banks															
General governments	211,222	211,222					-18	-18							
Credit institutions															
Other financial corporations															
Non-financial corporations	4,155	4,155					-16	-16							
Off-balance-sheet exposures	33,520	33,520	0	0	0	0	-95	-95	0	0	0	0	0	5,542	0
Central banks															
General governments															
Credit institutions															
Other financial corporations															
Non-financial corporations	33,260	33,260					-95	-95						5,282	
Households	260	260												260	
Total	1,167,490	1,155,807	11,683	3,731	0	3,731	-2,707	-2,378	-329	-3,584	0	-3,584	-7,387	533,431	300

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
<i>Amounts in € '000</i> <i>2023</i>	Gross carrying amount/nominal amount						Accum. impairment, accum. negative changes in fair value due to credit risk and provisions						Accum. partial write- off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non- performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Loans and advances	788,926	770,833	18,093	4,197	0	4,197	-2,700	-2,610	-90	-4,086	0	-4,086	-8,273	502,538	2,912
Central banks	196,108	196,108													
General governments	245	245													
Credit institutions	83,511	83,511													
Other financial corporations															
Non-financial corporations	508,317	490,224	18,093	4,197		4,197	-2,700	-2,610	-90	-4,086		-4,086	-8,273	502,538	2,912
Of which SMEs	96,796	89,053	7,743	2,685		2,685	-474	-435	-39	-2,685		-2,685		93,332	2,685
Households	745	745					0	0							
Debt securities	262,806	262,806	0	0	0	0	-79	-79	0	0	0	0	0	0	0
Central banks															
General governments	256,866	256,866					-28	-28							
Credit institutions															
Other financial corporations															
Non-financial corporations	5,940	5,940					-52	-52							
Off-balance-sheet exposures	54,380	54,380	0	0	0	0	-160	-160	0	0	0	0	0	7,803	0
Central banks															
General governments															
Credit institutions															
Other financial corporations															
Non-financial corporations	53,952	53,952					-160	-160						7,375	
Households	428	428												428	
Total	1,106,112	1,088,019	18,093	4,197	0	4,197	-2,940	-2,850	-90	-4,086	0	-4,086	-8,273	510,340	2,912

Table 17: CQ7 – Collateral obtained by taking possession and execution processes

Amounts in € '000 2024	a	b
	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)		
Other than PP&E		
Residential immovable property		
Commercial Immovable property	6,455	-4,375
Movable property (auto, shipping, etc.)		
Equity and debt instruments		
Other		
Total	6,455	-4,375

Amounts in € '000 2023	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)		
Other than PP&E		
Residential immovable property		
Commercial Immovable property	6,455	
Movable property (auto, shipping, etc.)		
Equity and debt instruments		
Other		
Total	6,455	

The following table provides an overview of the movements (inflows and outflows) of non-performing loans and advances as of 31 December 2024 and 31 December 2023.

Table 18: CR2 - Changes in stock of defaulted loans and debt securities

Amounts in € '000	Gross carrying amount	
	2024	2023
Defaulted loans and debt securities at end of the previous reporting period	4,196	8,580
Loans and debt securities that have defaulted since the last reporting period	350	56
Returned to non-defaulted status	-816	-4,441
Amounts written off		
Other changes	-248	-1
Defaulted loans and debt securities at end of the reporting period	3,482	4,196

5.4. Analysis of Collaterals

The Bank's loans portfolio is customarily secured by mortgages and/or mortgage prenotations over tangible assets (e.g. ships, real estate, machinery/equipment), general or specific assignments of revenues, insurances and receivables, personal or corporate guarantees from persons or entities acceptable to the Bank, cash collaterals and/or pledges over customer accounts.

The value of the collateral is crucial for the estimation of the Bank's degree of coverage and thus its potential recovery in an event of default, while it is also used in the estimation of Expected Credit Losses. Therefore, the the Bank ensures that the valuation of its collateral is updated and performed in a consistent manner, depending on the type of security. Particularly the valuation of tangible collateral (ships and real estate assets) is determined by valuations produced by independent, local or international valuers, in accordance with the Bank's lists of Approved Valuers. Such valuations can be conducted both on "desktop" basis and/or through physical inspection (mandatory in case of initial valuation of real estate), while they are mandatorily obtained prior to any new loan disbursement and are updated with an annual frequency in the case of the ships and bi-annual in the case of commercial real estate.

The collaterals are measured at fair value. When the market value of the collaterals exceeds the loan balance, the value of collateral is capped to the total exposure (on & off-balance sheet) before allowance for impairment.

It should be noted that the collateral amounts are reported in accordance with IFRS standards, rather than CRR supervisory standards, as all shipping loans are secured by mortgages on vessels — a form of collateral that is not recognized under CRR for credit risk mitigation purposes.

The tables below provide an analysis of the closing balance 31.12.2024 and 31.12.2023 of collaterals held for all stages of loans and advances to customers at amortized cost and Off-balance sheet Exposures

Table 19: CR3 - Analysis of the closing balance & Collateral and guarantees breakdown.

<u>Amounts in € '000</u>				
Analysis of the closing balance as of 31.12.2024	Stage 1	Stage 2	Stage 3	Total
Collateral amount				
Loans and advances to shipping corporations	408,063	-	-	408,063
Loans and advances to corporate sector	94,779	11,983	300	107,062
Total Loans and advances to customers	502,842	11,983	300	515,125
<u>31.12.2023</u>	Stage 1	Stage 2	Stage 3	Total
Collateral amount				
Loans and advances to shipping corporations	395,943	10,950	227	406,520
Loans and advances to corporate sector	103,423	8,427	2,865	114,535
Total Loans and advances to customers	499,366	18,777	2,912	521,055
<u>Amounts in € '000</u>				
Breakdown of collateral and guarantees as of 31.12.2024	Real estate collateral	Financial collateral	Other collateral / Vessels	Total value of collateral
Collaterals and guarantees of loans and advances	53,726	32,659	428,740	515,125
Total	53,726	32,659	428,740	515,125
<u>31.12.2023</u>	Real estate collateral	Financial collateral	Other collateral / Vessels	Total value of collateral
Collaterals and guarantees of loans and advances	53,337	106,323	361,395	521,055
Total	53,337	106,323	361,395	521,055

5.5. Standardized Approach - Capital Requirements

The Bank applies the Standardized approach for the assessment of its credit risk exposure to the entire part of its credit facilities. Moreover, the Standardized approach is applied for credit exposures with sovereign and financial institutions counterparties, as well as with corporate bond issuers. Credit ratings are retrieved from the Bank's credit risk rating system as it is described in Section 5.1 above.

The table below provides an analysis of credit risk exposures (excluding CCR) before and after the application of CCF and CRM techniques, as well as RWA and RWA densities broken down by regulatory exposure classes and a split in on-and-off-balance sheet exposures for the Standardized Approach:

Table 20: CR4 - SA – credit risk exposure and credit risk mitigation (CRM) effects.

Amounts in € '000 2024	Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Asset classes	On balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Sovereigns and central banks	443,334	-	443,334	-	-	0%
Banks	27,650	-	127,650	-	25,530	20.00%
Corporates	529,448	87,214	454,032	11,432	465,464	100%
<i>Of which: specialized lending (Shipping)</i>	402,355	21,623	331,986	4,157	36,143	100%
Retail	698	260	698	-	542	75%
Defaulted exposures	3,584	-	147	-	220	150%
Other assets	15,589	-	15,589	-	14,008	89.86%
Total	1,120,303	87,474	1,041	11,432	505,745	48.0%

Amounts in € '000 2023	Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Sovereigns and their central banks	420,886	-	420,886	-	-	0%
Banks	83,527	-	83,527	-	17,844	21.36%
Corporates	511,276	85,551	465,990	19,113	485,103	100%
<i>Of which: specialized lending (Shipping)</i>	388,856	36,747	353,315	5,939	359,254	100%
Retail	866	428	865	-	649	75%
Defaulted exposures	4,086	-	110,944	-	163,211	147%
Other assets	17,549	-	17,548	-	16,049	91%
Total	1,130,117	101,885	1,101,965	13,361	554,476	49.7%

The following table provides an analysis of credit risk exposures (after the application of CCF and CRM techniques) per regulatory exposure class, assigned to the standardized approach risk weights.

Table 21: CR5 - Standardized approach – exposures by asset classes and risk weights.

Amounts in € '000 2024	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure
Exposure Classes									
Sovereigns and their central banks	443,334								0
Banks			127,650						25,530
Corporates						465,464			465,464
<i>Of which: specialized lending (Shipping)</i>						336,143			336,143
Retail					698				524
Defaulted exposures							147		220
Other assets						14,008			14,008
Total	443,334		127,650	0	698	336,143	147		505,746

Amounts in € '000 2023	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure
Exposure Classes									
Sovereigns and their central banks	420,886								
Banks			79,731	3,795					17,844
Corporates						485,103			485,103
<i>Of which: specialized lending (Shipping)</i>						359,254			359,254
Retail					865				649,406
Defaulted exposures							111		166
Other assets	1,500					16,049			16,049
Total	422,385		79,731	3,795	866	501,152	111		519,811

5.6. Sovereign Exposures Breakdown

In 2024, the Bank's exposures to Central Governments and Central Banks or equivalent entities increased by €20.3 mil, or 4.5% YoY, reaching €473.5 mil from €453.2 mil in 2023. Despite the absolute increase, their share in the Bank's total gross credit risk exposures slightly declined to 37.9%, compared to 38.8% in the previous year. As of 31.12.2024, this asset class comprised Greek Government Bonds and T-Bills amounting to €26.9 mil (5.7%), Government Bonds from other Eurozone countries and U.S. T-Bills totaling €154.2 mil (32.6%), bonds issued by two German Landesbanks (PSEs) with 0% risk weight of €30.2 mil (6.4%), liquidity placements with the Bank of Greece of €260.8 mil (55.1%), and other exposures to the Greek State, such as income taxes, of €1.5 mil (0.3%). The composition of these balances as of 31 December 2024 and 2023 is presented in the table below:

Table 22: Credit Exposures to Central Banks and Central Governments

Initial Gross Exposures to: Central Banks and Central Governments or Equivalent	Gross Value 31.12.2024 (€'000)	% of Total 2024	Gross Value 31.12.2023 (€'000)	% of Total 2023
Greek Government Bonds and T-Bills	26,854	5.7%	84,564	18.7%
Bonds of other Eurozone Govs and Central Banks & USA Gov. T-Bills	154,196	32.6%	139,960	30.9%
Bonds issued by European PSEs ¹⁷	30,171	6.4%	32,327	7.1%
Other Exposures to Greek State (VAT, Income tax assets)	1,497	0.3%	245	0.1%
Liquidity with the ECB	-	-	-	-
Liquidity with the BoG	260,790	55.1%	196,108	43.3%
Total	473,508	100.0%	453,204	100.0%

The table below has a breakdown of ABBank's sovereign exposures, by country with values expressed net of ECL/Impairment charges (CRM).

Table 23: SOV1 - Sovereign Exposures Breakdown

<u>Amounts in € '000</u>	Banking book sovereign exposures ² (after CCF and CRM)	
Country ³ (in alphabetical order)	2024	2023
Austria	7,806	2,039
Cyprus	-	11,042
Germany	12,846	-
Greece	288,992	280,833
Italy	4,927	4,927
Netherlands	7,822	6,036
Portugal	6,061	6,072
Spain	-	6,013
USA	114,728	103,726
Total	443,185	420,688

6. COUNTERPARTY CREDIT RISK

CCR refers to the possibility that the Bank may incur a loss if a counterparty in an off-balance sheet transaction (e.g., a derivative contract with a positive value) defaults on its obligations before the contract's maturity. According to the current regulatory framework, transactions subject to CCR include:

- Over-the-counter (OTC) interest rate or currency derivative transactions;
- Securities or commodity financing, lending, or borrowing transactions;
- Margin lending transactions;
- Transactions with extended settlement periods.

² Amounts refer to On and Off-Balance Sheet exposures. All exposures comprise EUR-denominated exposures, EUR being the domestic currency of each of the above counterparties.

³ Significant jurisdiction where the counterparties are located

To calculate CCR exposure, the Bank applies a valuation methodology based on current market prices, which includes:

- The current replacement cost (i.e., the positive mark-to-market value of the transaction), and
- The potential future exposure (i.e., the estimated increase in exposure over the life of the contract).

A key risk mitigation technique is the use of netting agreements, typically based on standard ISDA contracts. These agreements allow the offsetting of positive and negative replacement values across related derivative transactions in the event of a counterparty default.

The Bank's policy discourages entering into derivative contracts that exhibit wrong-way risk—where the exposure increases as the counterparty's credit quality deteriorates.

For derivative transactions with non-CI counterparties, the associated exposure is incorporated into the customer's overall credit risk, and appropriate collateral is obtained or maintained accordingly. To ensure effective monitoring and management of CCR, ABBank has established risk limits per counterparty and per product. These limits are set and approved by the Asset-Liability Committee (ALCO) and are monitored by the Risk Management Department for compliance. Limits are reviewed and adjusted based on prevailing international market conditions, credit re-evaluation of counterparties, and the Bank's operational requirements.

ABBank's CCR limits primarily cover short-term derivative financial instruments used by the Treasury and Money Market Management Department in the interbank market (i.e., with other CIs), primarily for hedging foreign exchange risk arising from open positions. The allocation of counterparty limits is primarily based on the creditworthiness of the counterparty and it is assessed through Credit ratings from externally recognized credit rating agencies (ECRAs), and supplementary internal assessments conducted by the Risk Department for non-rated financial institutions (FIs), subject to ALCO approval.

To calculate capital requirements for CCR, the Bank applies the Simplified Standardized Approach (Simplified SA-CCR) exclusively. The following table presents an analysis of CCR exposures by approach:

Table 24: CCR1 - Analysis of CCR exposures by approach

<i>Amounts in € '000</i> 2024	Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
EU - Simplified SA-CCR (for derivatives)	7.7	3.6	3.6	1	-	-
Total					-	-
<i>Amounts in € '000</i> 2023	Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
EU - Simplified SA-CCR (for derivatives)	20.7	788	794	1.4	1,112	222
Total					1,112	222

The following table presents the CCR exposures calculated using the standardized approach, as of December 2024 and 2023. The provided breakdown highlights the risk weights attributed to each exposure amount for the total credit exposure estimation.

Table 25: CCR3 - CCR exposures by regulatory portfolio and risk weights.

<u>Amounts in € '000</u> 2024	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure (RWA)
<u>Exposure Classes</u>									
Sovereigns	-	-	-	-	-	-	-	-	-
Non-central government PSEs	-	-	-	-	-	-	-	-	-
MDBs	-	-	-	-	-	-	-	-	-
Banks	-	-	-	-	-	-	-	-	-
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	-	-	-	-
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
<u>Amounts in € '000</u> 2023	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure (RWA)
<u>Exposure Classes</u>									
Sovereigns	-	-	-	-	-	-	-	-	-
PSEs	-	-	-	-	-	-	-	-	-
MDBs	-	-	-	-	-	-	-	-	-
Banks	-	-	-	1,198	-	-	-	-	599
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	-	-	-	-
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	1,198	-	-	-	-	599

7. MARKET RISK

Market risk is the possibility of the Bank reporting losses due to movements in general market factors like interest rates, stock, bond, commodity and derivative instrument prices and currency exchange rates.

As per ABBank's Market Risk Management Policy, "The Bank maintains a policy of aversion to the assumption of Market Risk whereby relevant financial exposures and open positions should be kept to the minimum and a trading intent is not generally accommodated in business activities". Consequently, the Bank does not maintain an active Trading Book and any Market Risk positions may occur only due to hedging physical positions ensued in the Banking Book (Bonds, Interest Rates, Currency Exchange Rates) or because of holding marketable securities which cannot be classified in the Banking Book for technical reasons (e.g. IFRS constraints). Specific ALCO decisions designate the nature, limits and business model of such positions.

According to the Bank's Risk Appetite Framework, the risk appetite level for Market Risk Capital Requirements has been set at up to 2% of the Bank's Total Capital Requirements under Pillar I.

Interest rate risk is largely hedged naturally as the largest single portfolio in the Bank's interest-bearing assets is fully governed by floating interest rate contracts, whereas all other portfolios are fixed rate ones but largely fixed for short-term interest periods, so their re-fixing/re-pricing following the floating interest rate curve movement. On the side of interest-bearing liabilities, the vast majority comprise fixed-rate customer deposits which, nevertheless, are also of short-term fixing. Notably, ABBank has not issued any interest-bearing securities or other similar instruments.

Market Risk may also occur from the Bank's FX positions. FX Trading is not included in the Bank's policy, and it is not actively pursued. FX-Hedging positions mainly comprise cross-currency Swap transactions (EUR to USD and vice versa) aiming to cover the FX risk arising out of the Bank's liquidity/funding mismatch between EURs and USDs in the Banking Book or to cover other Asset-Liability requirements. Such FX swap positions have other banking institutions as counterparties and are of very short tenor (mainly O/N and up to 1 week), thus not resulting in Market Risk capital requirements and maintaining the CVA at minimal levels. As at 31.12.2024 the FX-Swaps amounted to €63.0 mil Notional Value with an overnight contractual maturity (hence not producing any CCR, calculated in accordance with the Simplified SA-CCR approach), and having a Net Fair Value of €4.7 thousand only (replacement cost).

Throughout FY-2024 the Bank had no items/exposures classified in the trading book. Thus, as at 31.12.2024 the Bank's trading book had a zero value (2023: same).

ABBank uses the Standardized approach for the measurement of capital requirements for Market Risk, the Remaining Maturity method. As of 31.12.2024 the Capital Requirement for Market Risk was zero (2023: same), thus no RWA for Market Risk was reported (2023: same).

Table 26: MR1 - Market Risk Under the Standardized Approach.

<u>Amounts in € '000</u>	Capital Requirements for Market Risk (SA)	
	2024	2023
General interest rate risk	-	-
Equity risk	-	-
Commodity risk	-	-
Foreign exchange risk	-	-
Credit spread risk – non-securitizations	-	-
Credit spread risk – securitizations (non-correlation trading portfolio)	-	-
Credit spread risk – securitization (correlation trading portfolio)	-	-
Default risk – non-securitizations	-	-
Default risk – securitizations (non-correlation trading portfolio)	-	-
Default risk – securitizations (correlation trading portfolio)	-	-
Residual risk add-on	-	-
Total	-	-

8. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

IRRBB refers to the current and prospective risk of adverse impacts on a bank's Economic Value of Equity (EVE) or Net Interest Income (NII), resulting from unfavorable movements in interest rates. This risk affects interest rate-sensitive instruments, both on and off the balance sheet, and incorporates market value changes where appropriate. The Banking Book typically bears the majority of interest rate risk, as it includes all interest-bearing assets and liabilities that are not held for trading and are usually managed over longer time horizons. In contrast, the Trading Book contains tradeable instruments accounted for at Fair Value Through Profit or Loss (FVTPL), with shorter holding periods and exit strategies. Although trading book instruments may also be interest-bearing, changes in interest rates are immediately reflected in their market value and subsequently in the Profit & Loss (P&L) statement. Therefore, market risks in the Trading Book are evaluated and stress-tested separately under pricing risk frameworks. IRRBB comprises several components, including Gap risk (from mismatches in interest rate reset timing), Basis risk (from different rate indices moving differently), Option risk (from embedded options like early repayments), yield curve risk (from non-parallel shifts in the yield curve), and Repricing risk (from timing differences in rate changes across instruments). In more detail:

- **Gap or Repricing Risk:** This arises from mismatches in the timing of interest rate changes across assets and liabilities. It includes both parallel shifts (uniform changes across the yield curve) and non-parallel shifts (differential changes across maturities);
- **Basis Risk:** This results from imperfect correlation between interest rates that are used to price instruments with similar maturities. Even when tenors match, differences in reference indices can lead to divergent rate adjustments;
- **Option Risk:** This stems from explicit or embedded options in financial instruments, where either the bank or the customer can alter the timing or amount of cash flows. It includes:
 - Automatic options (e.g., prepayment rights, early redemption clauses), which are exercised when financially beneficial;
 - Behavioral options, where customer behavior (e.g., early withdrawals, loan refinancing) changes in response to interest rate movements.

The Bank regularly assesses the impact of adverse interest rate movements on both NII and EVE through a range of prescribed interest rate shock scenarios, namely .

In the latest stress testing exercise, the results for the two IRRBB components indicate that under a parallel upward shift of the yield curve by 2% the EVE would decline by €3.0 mil, corresponding to a capital impact of -0.5% (as a percentage of the Bank's Risk-Weighted Assets as of 31.12.2024).

Conversely, the NII would decrease the most under the parallel down shift of the interest rates curve by 2%, such decrease amounting to €7.2 mil, resulting in a -1.18% capital impact.

The table below includes the Bank's sensitivity impact to EVE and NII measures as of 31 December 2024 and 31 December 2023. With regards to 2024 the table includes also the EVE impact results under the additional four types of shocks on the yield curve, as per the applicable regulatory framework.

Table 27: IRRBB1 - Quantitative information on IRRBB.

<i>Amounts in € '000</i>		Δ in EVE		Δ in NII	
Period	2024	2023	2024	2023	
Parallel up	-3,038	-4,030	8,293	9,268	
Parallel down	3,331	4,476	-7,242	-8,090	
Steepener	-13,773				
Flattener	12,898				
Short rate up	12,217				
Short rate down	-10,984				
Maximum Negative Δ	-13,773	-4,030	-7,242	-8,090	

9. OPERATIONAL RISK

Operational risk refers to the potential for losses resulting from inadequate or failed internal processes and systems, external events, or human factors. ABBank recognizes its exposure to operational risk as an inherent aspect of its daily operations and strategic initiatives. The Bank is committed to continuously enhancing its operational risk management capabilities through the development and implementation of a comprehensive and effective framework aligned with industry best practices and regulatory standards.

This framework is formally documented through a set of policies and procedures that encompass the full lifecycle of operational risk management—identification, assessment, measurement, mitigation, control, and monitoring—across all business lines and support functions. It also promotes a shared and clear understanding of operational risk among all stakeholders.

Given the Bank's active involvement in e-banking services, the associated cyber risk has become increasingly significant. To address this, ABBank has established a dedicated cyber risk management framework, supported by targeted policies such as the E-Banking Policy, Information Security Policy, and Privacy & Information Incident Management Policy. These policies, along with corresponding procedures and systems, are designed to effectively mitigate risks arising from digital banking activities.

The Bank follows the Basic Indicator ("BI") approach for the calculation of the CRs for Operational Risk, whereby the minimum capital requirement comprises 15% of the last three-year average of the Bank's Total Operating Income. The 2022-2024 average operating income stood at €46.23 mil (2021-23: €37.79 mil) bringing the CR for Operational Risk as of 31.12.2024 at €6.94 mil (2023: €5.67 mil) and the RWA-equivalent at €86.72 mil (2023: €70.86 mil).

The Senior Management of the Bank believes that the CR for Operational Risk calculated through the Basic Indicator Approach results in a quite substantial amount, compared with the small organic size of the Bank (staff of ca. 128 FTEs) and the limited range and complexity of the products and services ABBank offers to date. Also, given the fact that:

- the Bank has recorded only 5 actual loss incidents, with not a significant financial impact over the last 6 years (<€165k in aggregate),
- the Bank has set in its RAF a risk appetite threshold for Operating Risk losses of less than €250 thd p.a. The total amount of the loss incidents of the last five years falls well below the annual threshold of the RAF,
- the current (fifth) assessment cycle of the Internal Control System from the RCSA application conducted across all units shows an overall improved operational risk profile for ABB from the previous assessment of 2023; and
- the set of active insurance policies covering adequately major risk areas.

The Senior Management's opinion is that the CR calculated from the BI approach of €6.94 mil is deemed sufficient to cover losses from Operational Risk and no additional capital under Pillar II is required).

10. LIQUIDITY RISK

Liquidity Risk refers to the current or potential inability of a financial institution to meet its payment obligations as they fall due, due to insufficient liquid assets. To manage this risk effectively, the Bank has established a comprehensive framework that includes systems and procedures for identifying, measuring, managing, monitoring, and reporting both liquidity and funding risks.

This framework ensures that the Bank can promptly recognize and assess the primary sources of liquidity risk, whether arising from existing operations, new business lines, or individual transactions. It also enables the timely detection of current and projected liquidity and funding needs under both normal and stressed market conditions. The Bank actively identifies all available funding sources and seeks to secure liquidity in the most cost-efficient manner.

The framework incorporates specific procedures, systems, metrics, controls, and reporting mechanisms—both internal and external—as well as strategic plans such as the Funding Plan, Business Plan, CFP, and RP. These tools are designed to be deployable under varying degrees of liquidity stress to ensure resilience and continuity.

Oversight is provided by the ALCO, which monitors maturity mismatches between assets and liabilities and evaluates funding requirements under different scenarios. These include conditions that may negatively affect the Bank's ability to liquidate investments or trading positions, or to access capital markets.

Liquidity risk analysis spans the Bank's financial, operational, and investment activities. It encompasses both the risk of unexpected increases in the cost of funding and the risk of being unable to liquidate positions promptly and on favorable terms. The Bank's primary sources of liquidity include customer deposits, interbank credit lines, and funding from the European Central Bank (ECB). Effective liquidity risk management ensures the Bank can reliably meet client needs and fulfill all payment obligations.

10.1. Liquidity Coverage Ratio (LCR)

The LCR is designed to enhance the short-term resilience of a bank's liquidity risk profile under a 30-day stress scenario. In accordance with the European Banking Authority (EBA) guidelines, as incorporated into EU law via Commission Delegated Regulation (EU) 2015/61, the LCR is defined as the ratio of HQLA to net cash outflows expected over the next 30 calendar days in a stressed environment. HQLAs are assets that can be readily converted into cash with minimal loss of value. The stress scenario is reflected through prescribed haircuts applied to each category of HQLA, as well as to projected cash inflows and outflows. These haircuts adjust the value of assets and flows to account for potential market and liquidity risks. The LCR is calculated as follows:

- Numerator: The post-haircut value of HQLAs.
- Denominator: The post-haircut net cash outflows over the 30-day horizon.

This ratio ensures that the bank maintains a sufficient buffer of liquid assets to withstand short-term liquidity disruptions, thereby supporting financial stability and regulatory compliance.

As of December 2024, the Bank's LCR was equal to 427.24%, well-above the supervisory minimum of 100%, comprising HQLAs of €464.1 mil and Total Net Cash Outflows of €108.6mil (post haircut). The ratio demonstrates a significant increase relative to FY 2023, during which the LCR stood at 387.42%.

This improvement is primarily driven by both the strengthening of the HQLAs and the further reduction in the Bank's net cash outflows by €5.6 mil., which supported the upward movement of the ratio. The combined effect of a strengthened liquidity buffer and stable funding requirements reflects the Bank's enhanced short-term liquidity resilience and prudent liquidity risk management.

The table below shows the level and components of the LCR as of 31.12.2024 and 31.12.2023:

Table 28: LIQ1 - Liquidity Coverage Ratio (LCR).

Amounts in € '000 2024	Total unweighted value	Total weighted value
Total High-Quality Liquid Assets (HQLAs)		464,147
Cash outflows		
Retail deposits and deposits from small business customers, of which:	103,579	12,023
Stable deposits	7,805	390
Less stable deposits	95,774	11,632
Unsecured wholesale funding, of which:	481,569	199,612
Operational deposits (all counterparties) and deposits in networks of coop. banks	0	0
Non-operational deposits (all counterparties)	481,569	199,612
Unsecured debt		
Secured wholesale funding		
Additional requirements, of which:	24,072	2,410
Outflows related to derivative exposures and other collateral requirements	3	3
Outflows related to loss of funding on debt products		
Credit and liquidity facilities	24,068	2,407
Other contractual funding obligations	63,412	5,868
Other contingent funding obligations	2,098	1,643
TOTAL CASH OUTFLOWS		221,556
Cash inflows		
Secured lending (e.g., reverse repos)		
Inflows from fully performing exposures	114,543	112,708
Other cash inflows	234	234
TOTAL CASH INFLOWS		112,942
		Total adjusted value
Total HQLA		464,147
Total net cash outflows		108,614
Liquidity Coverage Ratio (%)		427.34%

Amounts in € '000 2023	Total unweighted value	Total weighted value
Total High-Quality Liquid Assets (HQLAs)		442,577
Cash outflows		
Retail deposits and deposits from small business customers, of which:	97,975	3,380
Stable deposits	10,141	507
Less stable deposits	87,834	2,873
Unsecured wholesale funding, of which:	452,294	172,886
Operational deposits (all counterparties) and deposits in networks of coop. banks	5,126	1,150
Non-operational deposits (all counterparties)	447,826	171,739
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which:	31,770	9,547
Outflows related to derivative exposures and other collateral requirements	23	23
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	31,747	9,524
Other contractual funding obligations	45,755	7,671
Other contingent funding obligations	2,978	1,778
TOTAL CASH OUTFLOWS		195,262
Cash inflows		
Secured lending (e.g., reverse repos)		
Inflows from fully performing exposures	76,864	67,462
Other cash inflows	50,949	13,563
TOTAL CASH INFLOWS		81,025
		Total adjusted value
Total HQLA		442,577
Total net cash outflows		114,237
Liquidity Coverage Ratio (%)		387.42%

10.2. Net Stable Funding Ratio (NSFR)

The objective of the NSFR is to ensure that the Bank maintains a stable funding structure in relation to its on- and off-balance sheet activities. This reduces the likelihood that disruptions to the Bank's regular funding sources could undermine its liquidity position, potentially increase the risk of failure and contributing to broader systemic stress.

As of December 2024, the NSFR stood at 157.69%, remaining close to the 158.21% recorded in December 2023 and well above the regulatory minimum of 100%. The near-stable NSFR is attributed to the notable increase in Required Stable Funding (RSF), from €413.7 mil. in 2023 to €437.7 mil. in 2024, accompanied by a proportional rise in Available Stable Funding (ASF), from €654.4 mil. to €690.3 mil. The combined effect of the increased Required Stable Funding (RSF), the proportional rise in Available Stable Funding (ASF), and the consistent liquidity buffer reflects the Bank's enhanced short-term liquidity resilience and its prudent approach to liquidity risk management.

The table below presents the level and components of the Net Stable Funding Ratio:

Table 29: LIQ2 - Net Stable Funding Ratio (NSFR).

<u>Amounts in € '000</u> 2024	Unweighted value by residual maturity				Weighted Value
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items:					
Capital:	165,552	-	-	-	165,552
Regulatory capital	165,552	-	-	-	165,552
Other capital instruments					
Retail deposits and deposits from small business customers:		94,040	8,088	2,485	95,388
Stable deposits		15,006	4,765	1,230	20,012
Less stable deposits		79,034	3,323	1,254	75,376
Wholesale funding:		661,514	143,161	19,691	422,029
Operational deposits					
Other wholesale funding		661,514	143,161	19,691	422,029
Liabilities with matching interdependent assets					
Other liabilities:					
NSFR derivative liabilities					
All other liabilities and equity not included in the above categories		46,910	1,317	6,643	7,301
Total ASF					690,270
Required stable funding (RSF) items:					
Total NSFR high-quality liquid assets (HQLA)					485
Deposits held at other financial institutions for operational purposes					
Performing loans and securities:	201,761	64,625	389,993		413,628
Performing loans to financial institutions secured by Level 1 HQLA					
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	127,650				12,765
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	74,112	64,625	386,806		398,153
With a risk weight ≤ 35% under the Basel II standardized approach for credit risk					
Performing residential mortgages, of which:					
With a risk weight ≤ 35% under the Basel II standardized approach for credit risk					
Securities not in default and not qualifying as HQLA (incl. listed equities)				3,187	2,709
Assets with matching interdependent liabilities					
Other assets:	1,760	1,760	1,760		18,792
Physically traded commodities, including gold					
Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties					
NSFR derivative assets					
NSFR derivative liabilities before deduction of variation margin posted					
All other assets not included in the above categories	1,760	1,760	1,760		18,792
Off-balance sheet items	58,454	0	29,026		4,847
Total RSF					437,752
Net Stable Funding Ratio (%)					157.69%

Amounts in € '000 2023	Unweighted value by residual maturity				Weighted Value
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items					
Capital:	144,079	-	-	-	144,079
Regulatory capital	144,079	-	-	-	144,079
Other capital instruments					
Retail deposits and deposits from small business customers:		71,054	65,230	45,728	90,630
Stable deposits		26,380	20,555	1,054	45,642
Less stable deposits		44,674	44,674	44,674	44,988
Wholesale funding:		632,817	187,291	-	410,054
Operational deposits					
Other wholesale funding		632,817	187,291	-	410,054
Liabilities with matching interdependent assets					
Other liabilities:					
NSFR derivative liabilities					
All other liabilities and equity not included in the above categories		3,428	679	9,360	9,700
Total ASF					654,462
Required stable funding (RSF) items:					
Total NSFR high-quality liquid assets (HQLA)					456
Deposits held at other financial institutions for operational purposes					
Performing loans and securities:	158,879	95,763	343,384		385,793
Performing loans to financial institutions secured by Level 1 HQLA					
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	83,511	-	-		8,351
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	70,340	95,763	343,384		374,928
With a risk weight ≤ 35% under the Basel II standardized approach for credit risk					
Performing residential mortgages, of which:					
With a risk weight ≤ 35% under the Basel II standardized approach for credit risk					
Securities not in default and not qualifying as HQLA (incl. listed equities)	5,028	-	-		2,514
Assets with matching interdependent liabilities					
Other assets:	1,066	157,737	23,724		24,336
Physically traded commodities, including gold					
Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties					
NSFR derivative assets					
NSFR derivative liabilities before deduction of variation margin posted					
All other assets not included in the above categories	1,067	57	23,724		24,336
Off-balance sheet items	31,747	-	14,800		3,067
Total RSF					413,652
Net Stable Funding Ratio (%)					158.21%

10.3. Internal Liquidity Adequacy Assessment Process (ILAAP)

The Internal Liquidity Adequacy Assessment Process (ILAAP), as defined under Article 86 of Directive 2013/36/EU, constitutes the Bank's framework for identifying, measuring, managing, and monitoring liquidity risk. It encompasses a broad spectrum of activities, ranging from the definition of liquidity risk appetite at Board level to the daily management of collateral, intraday liquidity, and key risk indicators.

In FY 2024, the Bank maintained strong liquidity metrics. Total Funding Liabilities and Funding Equity increased by 8% YoY, primarily driven by a 6% rise in Total Customer Deposits. Liquid Assets grew at a faster pace, representing 52% of ABBank's balance sheet as of 31.12.2024 (vs. 50% in 2023), supported by a 5% YoY increase in the cash value of the Liquidity Buffer and a 12% YoY rise in the Market Value of the Effective Counterbalancing Capacity.

Beyond quantitative improvements, the Bank's liquidity profile strengthened qualitatively. The ongoing shift from Sight to Time Deposits continued, with the split now at 31% Sight and 69% Time (2023: 40% and 60%), while the average maturity of Total Deposits was extended by approximately three months. Although concentration risk from the Top 10 depositors remained material, it eased from 36% to 33% of Total Liquid Liabilities. Importantly, the Bank's unencumbered liquid assets provide ample coverage against such concentrations and, as confirmed by stress tests across significant currencies, ensure resilience even under severe liquidity crisis scenarios that may affect either the EUR or the USD balance sheet independently.

Liquidity stress testing further validated the Bank's robustness under both baseline and adverse scenarios. Despite notable reductions in stressed LCR and NSFR figures, both remained well above the thresholds defined in the Bank's Liquidity Risk Appetite Framework (RAF).

Overall, the Bank's liquidity risk management framework is comprehensive and proportionate to its size and operational complexity. While some delays in policy documentation were noted, the active involvement of ALCO remains a key strength. The Bank continues to pursue a conservative liquidity strategy, ensuring that new funding supports the maintenance of a strong liquidity buffer and alignment with targeted liquidity ratio.

11. ASSET ENCUMBRANCE

The following table presents the disclosure of on-balance sheet encumbered and unencumbered assets for the year end 2024 and 2023.

Table 30: ENC - Asset encumbrance.

<u>Amounts in € '000</u> 2024	Encumbered assets	Unencumbered assets	Total
Loans on demand	4,159	276,339	280,498
Equity instruments			0
Debt securities		215,376	215,376
Loans and advances other than loans on demand	0		634,168
<u>Amounts in € '000</u> 2023	Encumbered assets	Unencumbered assets	Total
Loans on demand	4,159	205,283	209,442
Equity instruments	0	0	0.00
Debt securities	0	262,805	262,805
Loans and advances other than loans on demand	0		576,650

12. REMUNERATION POLICIES

12.1. Introduction

ABBank recognizes the decisive role played by its human resources in the achievement of the business objectives set by the Board of Directors and the Executive Management and the implementation of the corresponding policies and practices established within the organization.

The Remuneration Policy established by the Bank is an integral part of its Corporate Governance and constitutes a key pillar in shaping the operational framework for the financial, business, and professional development of the organization and its members, in line with the interests of the shareholders.

The Bank attaches particular importance to the quality of its personnel and to the creation of an appropriate working environment which encourages collective work, communication, and transparency, regardless of position, grade, or title, in combination with taking the corresponding initiative and responsibility.

12.2. Remuneration Policy – Applicable Perimeter – Main Characteristics

The Remuneration Policy has been drawn up based on the principle of proportionality and with a view to the proper and effective management of the risks undertaken by the Bank in accordance with its respective strategic objectives and the risk-taking framework adopted, its financial and organizational size, the nature and the complexity of its tasks.

The Remuneration Policy covers all personnel, regardless of position, grade, or title, including senior management, risk management and other persons or executives paid in accordance with the aforementioned, and persons or executives with audit duties.

The Remuneration Policy is governed by the principles of fair reward, motivation to increase productivity and elicit professional satisfaction, while responding to the principles of retaining talent, providing transparency in evaluation and reward, avoiding conflicts of interest, and avoiding taking excessive risks.

According to the Remuneration Policy, staff remuneration is divided into regular and variable. No type of remuneration (regular or variable) is linked to personal financial objectives and the individual contribution to risk-taking, but to the achievement of individual qualitative criteria in combination with collective qualitative and quantitative objectives at the level of the Bank or organizational units, such as the achievement of satisfactory financial results, maintaining a healthy capital base and adequacy, qualitative and quantitative liquidity adequacy, regulatory and supervisory compliance, etc. The Bank does not pay variable remuneration in the form of shares, rights to acquire shares or options.

Primarily, staff remuneration consists of regular remuneration. This may also include additional benefits that are either linked to positions of responsibility (e.g., company car, mobile phone) or provided to all staff, indiscriminately (e.g., meal vouchers).

12.3. Remuneration Committee

Competent for the formulation of the Remuneration Policy is the Remuneration Committee of the BoD. The Remuneration Committee consists of three BoD members, two of which are independent and non-executive members. The Remuneration Committee is also responsible for monitoring the implementation of the Remuneration Policy as well as its periodic review. The Remuneration Committee recommends and documents to the Supervisory Function of the Board of Directors (consisting of the non-executive members of the Board of Directors) any readjustment of the salaries of the Executive Members of the Board of Directors and other senior executives, as well as other benefits and bonuses, together with all other matters previously defined by Governor's Act (ΠΔ/ΤΕ 2650/2012) and now governed by Regulation EU/604/2014.

12.4. Remuneration Disclosures

The annual remuneration and number of the members of the Bank's Board of Directors (BoD), the Senior Management Employees and the Other Material Risk-Takers (as defined in Regulation EU/604/2014) as of 31.12.2024 and 31.12.2023, respectively, is outlined in Table 31 and aligns with the new European framework applicable as of reference date 31.12.2022 and replaces the previously used COR22 structure.

Following the adoption of the new EBA Guidelines (EBA/GL/2022/06 and EBA/GL/2022/08), and the subsequent abolition of the national template COR22, the format of Table 31 has been updated to reflect the revised reporting requirements on remuneration benchmarking and high earners under Directive 2013/36/EU and Directive (EU) 2019/2034.

Table 31: REM1 – Information on remuneration for all staff

Total Remuneration 2024	(Amounts in '000)	MB Supv. function	MB Mgmt. function	Investment banking	Retail banking	Corporate functions	Ind. control functions	All other staff	Total
Total number of staff									134
- Of which: members of the MB		6	3						
- Of which: MB Management function				2	9	15	16	84	
Total remuneration		€ 258.0	€ 1,182.7	€ 304.6	€ 484.6	€ 1,347.8	€ 1,253.1	€ 5,179.8	€ 10,010
- Of which: variable remuneration		€ 0.0	€ 196.5	€ 33.5	€ 34.5	€ 125.1	€ 111.1	€ 399.3	
-Of which: fixed remuneration		€ 258.0	€ 986.2	€ 271.1	€ 450.1	€ 1,222.7	€ 1,142.0	€ 4,780.5	
Total Annual Remuneration		€ 258.0	€ 1,182.7	€ 304.6	€ 484.6	€ 1,347.8	€ 1,253.1	€ 5,179.8	€ 10,010
Total Remuneration 2023	(Amounts in '000)	MB Supv. function	MB Mgmt. function	Investment banking	Retail banking	Corporate functions	Ind. control functions	All other staff	Total
Total number of staff									119
- Of which: members of the MB		7	2						
- Of which: MB Management function				2	8	13	12	75	
Total remuneration		€ 257.0	€ 1,190.6	€ 279.9	€ 361.8	€ 1,247.1	€ 1,084.4	€ 4,326.2	€ 8,747
- Of which: variable remuneration		€ 0.0	€ 252.0	€ 37.5	€ 21.4	€ 120.4	€ 97.5	€ 364.4	
-Of which: fixed remuneration		€ 257.0	€ 938.6	€ 242.4	€ 340.4	€ 1,126.7	€ 987.0	€ 3,961.8	
Total Annual Remuneration		€ 257.0	€ 1,190.6	€ 279.9	€ 361.8	€ 1,247.1	€ 1,084.4	€ 4,326.2	€ 8,747

Appendix: Abbreviations

Abbreviation	Definition
ABBank / The Bank	Aegean Baltic Bank
AC	Amortized Cost
ALCO	Asset-Liability Committee
ANPLMB	Arrears & Non-Performing Monitoring Body
ANPLMS	Arrears & Non-Performing Monitoring Strategy
ASF	Available Stable Funding
AT1	Additional Tier 1
BoD	Board of Directors
BoG	Bank of Greece
BRRD	Bank Recovery and Resolution Directive
CAD	Capital Adequacy Ratio
CCB	Capital Conservation Buffer
CCF	Credit Conversion Factor
CCR	Counterparty Credit Risk
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CFP	Contingency Funding Plan
CI	Credit Institution
CR	Capital Requirements
CRD	Capital Requirements Directive
CRO	Chief Risk Officer
CRR	Capital requirements Regulation
EAD	Exposure at Default
EBA	European Banking Author
EC	European Commission
ECL	Expected Credit Loss
ECRA	External Credit Risk Assessment
EVE	Economic Value of Equity
FIs	Financial Institutions
FSB	Financial Stability Board
FTE	Full Time Employee
FVOCI	Fair Value through Other Comprehensive Income
HQLA	High Quality Liquid Assets
ICAAP	Internal Capital Adequacy Assessment Process
ILAAP	Internal Liquidity Adequacy Assessment Process
IRRBB	Interest Rate Risk in the Banking Book
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LOD	Line of Defense
LSI	Less Significant Institution
Mil	Millions
NII	Net Interest Income
NSFR	Net Stable Funding Ratio
OCR	Overall Capital Requirement
OSX	OneSumX
OTC	Over The Counter
P2G	Pillar II Guidance
P2R	Pillar II Requirement
PD	Probability of Default

PSE	Public Sector Entities
RAF	Risk Appetite Framework
RMD	Risk Management Department
RSF	Required Stable Funding
RWAs	Risk Weighted Assets
SA	Standardized Approach
SAP	Supervisory Assessment Procedure
SICR	Significant Increase in Credit Risk
SRB	Single Resolution Board
SRF	Single Resolution Fund
SREP	Supervisory Review and Evaluation Process
SSM	Single Supervisory Mechanism
Tsd	Thousands
UTP	Unlikelihood-to-Pay
YoY	Year on Year