Pillar III Disclosures

For the year ended
31 December 2025

Aegean Baltic Bank S.A.

Contents

List of Figures & Tables

INTRODUCTION

This report contains financial and supervisory information relating to Aegean Baltic Bank S.A. ("ABBank") for the year ended 31 December 2025. In accordance with Pillar 3 of the Basel III framework (Part Eight of Regulation (EU) No 575/2013 (CRR), as amended), credit institutions are required to publicly disclose qualitative and quantitative information regarding their risk profile, capital adequacy, corporate governance framework and risk management practices

As reported in previous Pillar 3 disclosures, ABBank established in 2022 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, ABBank prepares and publishes consolidated ("Group") Financial Statements in addition to its standalone ("Bank") Financial Statements.

Given the Subsidiary's limited financial footprint and immaterial impact on the Group's overall risk profile, supervisory and regulatory reporting continues to be performed at the Bank level. Accordingly, the disclosures presented in this report relate exclusively to ABBank on a standalone basis, unless otherwise stated.

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 2025 and FY 2024, as approved by the Bank's Board of Directors on 28 April 2026 and 30 July 2025, 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 on Banking Supervision (BCBS) finalized the remaining elements of the Basel III reforms under the framework entitled “Basel III: Finalizing Post-Crisis Reforms”, commonly referred to within the banking industry as “Basel IV”. The reforms constitute a key component of the international regulatory response to the global financial crisis and aim to enhance the resilience of the banking sector by strengthening risk measurement methodologies, improving the comparability of regulatory capital ratios and reducing unwarranted variability in Risk-Weighted Assets (RWAs).

The final Basel III reforms seek to restore confidence in the calculation of regulatory capital requirements by:

- enhancing the robustness and risk sensitivity of the standardized approaches for Credit Risk, Operational Risk and other risk categories.
- reducing excessive variability in RWAs across institutions.
- constraining the use of internally modelled approaches through revised eligibility requirements and methodological limitations.
- introducing an output floor to ensure that capital requirements calculated using internal models do not fall below a specified percentage of those calculated under the standardized approaches.
- complementing the risk-based capital framework with leverage, liquidity and funding requirements aimed at strengthening the overall resilience of banking institutions.

The revised framework continues to permit the use of internal models for certain risk categories, subject to supervisory approval and regulatory requirements, while preserving the option for jurisdictions and institutions to rely on the standardized approaches provided under the Basel framework.

Within the European Union, the final Basel III reforms have been incorporated into the prudential regulatory framework through amendments to Regulation (EU) No 575/2013 (CRR) and related legislation. In particular, Regulation (EU) 2024/1623 (CRR III) introduced the outstanding elements of the final Basel III framework into EU law, including revised requirements for credit risk, operational risk, credit valuation adjustment (CVA) risk, market risk and the output floor. The majority of these provisions became applicable from 1 January 2025.

The Bank continuously monitors developments in the prudential regulatory framework and assesses their impact on its capital adequacy, risk management framework, internal processes and regulatory disclosures. As at 31.12.2025, the Bank complies with the applicable regulatory requirements and disclosure obligations established under Regulation (EU) No 575/2013 (CRR), as amended.

1.4. SSM - Supervisory Priorities for 2026-2028

ECB Banking Supervision has defined its strategic priorities for the 2026–2028 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.

<u>Priority 1</u>: Strengthening banks’ resilience to geopolitical risks and macro-financial uncertainties.

Strategic Objective: Banks are expected to strengthen their resilience to geopolitical risks and macro-financial uncertainties by maintaining prudent risk-taking practices, ensuring adequate capitalization under the CRR III framework and enhancing their management of climate and nature-related risks.

Key Focus Areas:

- Credit Risk Management:
  - Maintenance of sound credit underwriting standards and risk-based pricing practices.
  - Enhancement of provisioning, IFRS 9 frameworks and management of vulnerable portfolios.
  - Prevention of future non-performing loan accumulation.
- Capital Adequacy and CRR III Implementation:
  - Consistent and accurate implementation of CRR III requirements.
  - Effective application of revised standardized approaches and output floor requirements.
  - Strengthening controls over risk-weighted asset calculations and capital adequacy processes.
- Climate and Nature-Related Risks:
  - Integration of climate and nature-related risks into governance, risk management and strategic planning.
  - Development of prudential transition plans and enhancement of ESG-related disclosures.
  - Continued remediation of supervisory findings and strengthening of physical and transition risk management.
- Geopolitical Risk Resilience:
  - Assessment of the impact of geopolitical developments on capital, liquidity and funding positions.
  - Enhancement of stress-testing, recovery planning and overall resilience frameworks.

Supervisory Activities:

- Thematic reviews of credit underwriting standards and lending practices.
- Targeted reviews and on-site inspections relating to CRR III implementation and risk-weighted asset calculations.
- Monitoring climate and nature-related risk management practices, transition planning and ESG disclosures.
- Assessment of geopolitical risks through supervisory reviews and stress-testing exercises.

Priority 2: Strengthening banks' operational resilience and fostering robust ICT capabilities.

Strategic Objective: Banks are expected to strengthen their operational resilience and ICT capabilities through effective implementation of DORA requirements, enhanced cyber resilience, robust third-party risk management, improved risk data aggregation and reporting capabilities, and sound governance of emerging technologies, including Artificial Intelligence (AI).

Key Focus Areas:

- Operational and ICT Resilience:
  - Strengthening cybersecurity, ICT risk management and third-party risk management frameworks.
  - Ensuring effective implementation of DORA requirements, particularly regarding ICT outsourcing and incident management.
  - Enhancing resilience to cyber threats, operational disruptions and cloud service provider dependencies.
  - Improving ICT change management and operational continuity capabilities.
- Risk Data Aggregation & Risk Reporting (RDARR):
  - Remediation of weaknesses in data governance, data quality and reporting frameworks.
  - Strengthening IT infrastructure and data architecture capabilities.
  - Enhancing management accountability for risk data aggregation and reporting.
  - Alignment with supervisory expectations and BCBS 239 principles.

- Digitalization and Artificial Intelligence:
  - Strengthening governance and risk management frameworks supporting digital transformation initiatives.
  - Monitoring the use of AI and Generative AI applications and their associated risks.
  - Promoting sound controls over technology-driven innovation and automation.
  - Ensuring that digitalization strategies support sustainable business model development and operational resilience.

Supervisory Activities:

- Targeted reviews and on-site inspections relating to cybersecurity, ICT outsourcing and third-party risk management.
- Threat-led penetration testing and assessments of banks' cyber resilience capabilities.
- Supervisory monitoring of DORA implementation and cloud service provider dependencies.
- Supervisory reviews of RDARR frameworks and monitoring of remediation of material findings.
- Targeted on-site inspections of RDARR frameworks where required.

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 also encompasses the Supervisory Review and Evaluation Process (SREP), through which competent authorities assess institutions' risks, governance arrangements, capital adequacy and liquidity adequacy.

1.5.1. Capital Adequacy under Pillar I

Under Pillar I, the current supervisory framework specifies:

- The main risk categories under Pillar I include Credit Risk, Market Risk and Operational Risk, together with additional prudential requirements prescribed by the applicable regulatory framework)
- 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 capital[1], 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%,

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] Total Tier 1 Capital is the sum of CET1 capital and Additional Tier 1 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 and ILAAP are assessed as part of the Supervisory Review and Evaluation Process (SREP).

Given that ABBank is classified as a Less Significant Institution (LSI), direct prudential supervision is exercised by the Bank of Greece under the framework of the Single Supervisory Mechanism (SSM). The Bank's supervisory review is conducted in accordance with the applicable provisions of Law 4261/2014, Regulation (EU) No 575/2013 (CRR), as amended, the relevant EBA Guidelines and the supervisory methodologies adopted within the SSM framework.

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. In 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 31.12.2025, the *Group*'s Total Assets amounted €1,215.3 mil (31.12.2024: €1,151.0 mil), having increased by €64.2 mil or 5.6% YoY, while Total Equity stood at €179.4 mil, €13.9 mil or 8.4% higher than the year prior (2024: €165.6 mil). The Group remained profitable in 2025, albeit at lower levels than in 2024, recording a Net Profit of €13.2 mil (2024: €18.7 mil), which softened the FY-2025 Group RoE to 8.0%, from 12.6% in 2024.

On a ***Bank****/Solo* basis, FY-2025 Net Profit amounted to €13.3 mil, compared to €20.5 mil in FY-2024, whereas Total Assets stood at €1,216.1 mil (2024: €1,151.9 mil).

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 $2/3^{rds}$ – $1/3^{rd}$ 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 131 as of 31.12.2025 (2024: 128).

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

2.2. Corporate Governance

The Bank's governance framework is further supported by a number of internal policies, including the Risk Appetite Framework, the Market Risk Management Policy and the Corporate Governance Policy, which is being updated to align with the governance and committee structure requirements introduced by Bank of Greece Act 243/2/07.07.2025:

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

2.2.1. Board of Directors

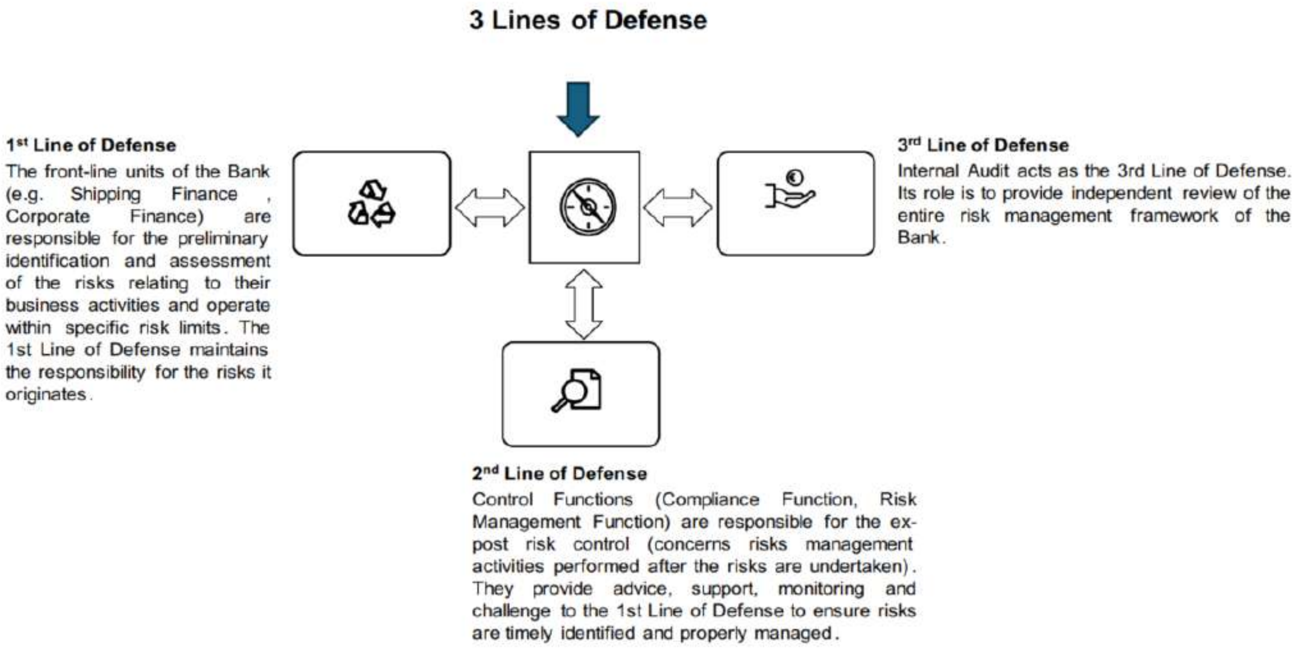
ABBank is governed by a ten-member Board of Directors ("BoD"), composed of professionals with extensive experience in key areas of banking and financial asset management, including audit, information technology, risk management, shipping finance and strategic planning. Two Executive Members (the CEO and the Deputy CEO of ABBank) and four Independent Members are included in the current composition of the Bank's BoD.

The 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 taking 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 can also delegate part of its authority to specially constituted committees, usually of an advisory nature, in relation to technical or specialized matters (i.e. Audit Committee, Risk Management Committee, Remuneration Committee). The BoD appoints the members of those committees, 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.

2.2.2. Three Lines of Defense Model

The Bank applies the Three Lines of Defense (3LoD) Model, as depicted below, in accordance with the Institute of Internal Auditors (IIA). Under the 3LoD Model, management controls and internal control measures constitute the first line of defense in risk management, the risk management and compliance functions established by management constitute the second line of defense, and the independent assurance provided by Internal Audit constitutes the third line of defense. Each of these lines performs a distinct role within the Bank's overall governance framework. As part of the continuous enhancement of its risk governance framework, including Climate-Related and Environmental (CR&E) risks, the Bank has reviewed the allocation of responsibilities across the Three Lines of Defense to ensure clear role definition, accountability and alignment with its overall risk management framework.

Figure 1: ABBank - Three Lines of Defense Model



1. **First Line of Defense**: Responsible for the identification, assessment and management of CR&E risks on a daily basis, as well as the implementation of mitigation measures.
2. **Second Line of Defense (Control Functions):** Responsible for oversight and monitoring of the Bank's compliance with the applicable frameworks, policies, and procedures related to CR&E risks.
3. **Third Line of Defense** – Internal Audit Department (IAD): Responsible for conducting independent evaluation of the adequacy and effectiveness of the Bank's processes and practices.

2.2.3. 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

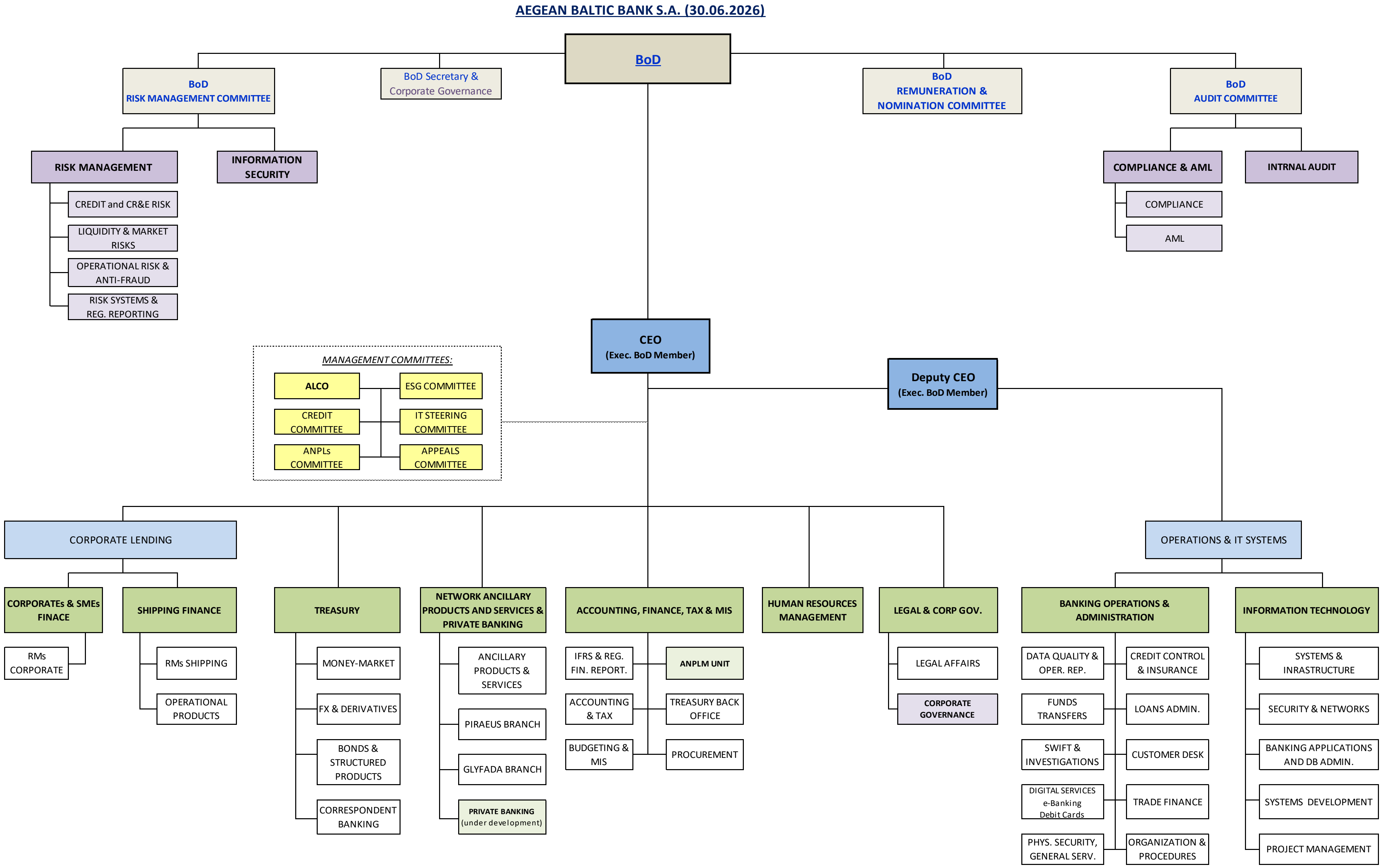
The Bank's ICS system consists of auditing mechanisms and control procedures relating to all its activities, aiming at the latter's effective and secure operation. Particularly, the Internal Control System of the Bank ensures the:

- 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.

The following chart represents the organizational structure of the Bank as of 31.12.2025:

Figure 2: ABBank Organizational Chart



2.3. Bank Financial Performance in FY-2025 and FY-2024

- Net Profit after Tax amounted to €13.3 mil, including a net impairment charge of €3.9 mil, compared to €20.5 mil Net Profit in 2024 (which included a €2.9 mil net impairment charge). Total Equity increased further from €165.5 mil in 2024 to €179.5 mil, and CET-1 Capital from €163.6 mil in 2024 to €177.7 mil as of 31.12.2025.
- FY-2025 operating profit (before provisions and tax) amounted to €21.1 mil (2024: €29.5 mil), while the Cost-Income Ratio increased to 46.3%, from 39.4% in 2024.

Table 1: Abridged FY-2025 and FY-2024 Bank Financial Performance and Relevant Indicators

Balance Sheet (€ '000)	**2025**	**2024**
ASSETS		
Liquidity with Central Bank and Due from Banks	399.0	390.0
Customer loans (Net of Provisions)	577.8	526.2
Thereof: NPLs (Net of Provisions)	*9.1*	*0.1*
Marketable Securities (mainly Bonds)	216.9	215.3
Fixed & intangible assets	16.6	16.5
Other current assets	5.9	3.7
Total Assets	**1,216.1**	**1,151.9**
LIABILITIES		
MM takings (Due to Banks)	-	-
Customer deposits	1,025.2	974.7
Other current liabilities	11.5	11.6
Total Liabilities	**1,036.7**	**986.3**
Shareholders' Equity	**179.4**	**165.6**
Total Liabilities & Equity	**1,216.1**	**1,151.9**
Income Statement (€ '000)	**2025**	**2024**
Net interest income	32.2	40.9
Net fees & commissions	3.6	4.1
Net income from trading and hedging	2.1	2.8
Income from derecognition of financial assets & Other Income	1.3	1.0
Total operating income	**39.2**	**48.8**
Staff, Administration and Depreciation Expenses	**-18.1**	**-19.3**
Gross operating profit (before tax and provisions)	**21**	**29.5**
Loans impairment / provisions	-3.9	-2.9
Net income (pre-tax)	**17.1**	**26.6**
Taxation & deferred tax	3.8	-6.1
Net Income After Tax	**13.3**	**20.5**
Growth & Financial Indicators	**2025**	**2024**
Total assets growth / contraction	+5.6%	+7%
Customer loans (net) growth / contraction	+9.8%	+4%
Customer deposits growth	+5.2%	+6%
Loans - Deposits ratio	56%	54%
Total NPLs as % of total loans (gross)	2.8%	0.7%
PD>90d&Denounced loans as % of total loans (gross)	2.8%	0.7%
Total NPLs Provisions Cover ratio	45.2%	96.1%
Cost-Income ratio (ex - provisions)	46%	39%
NIM (Net interest income/ aver. total assets)	2.77%	3.49%
Nr. of Full-Time Employees at Year-End	131	128

- Total Assets enhanced by €64.2 mil (+5.6% YoY), to €1.22 billion from €1.15 billion in 2024. Mainly due to a €50.5 mil (+5.2% YoY) increase in Customer Deposits which primarily funded an almost equal increase, of €51.5 mil (+10% YoY) of net Customer Loans and, secondarily, a €10.1 mil (+1.7% YoY) increase of Liquid and Liquidable Assets. The Loans-to-Deposits Ratio slightly increased, moving to 56%, from 54% in 2024.

- Liquid and Liquidable Assets (the sum of liquidity placed with the CB, other banks, and the net book value of marketable securities) increased by €10.5 mil or +1.7% YoY, to €615.9 mil, comprising 50.6% of Total Assets (2024: €605.4 mil and 53%, respectively):
  - Covering Total Liquid Liabilities by 59% (2024: 61%).
  - LCR of 306.0% (2024: 427.4%) and NSFR of 156.1% (2024: 157.7%)
- NPEs also increased to €16.5 mil or 2.8% of Total Gross Loans from €3.7 mil or 0.7%, respectively, in 2024, whereas the NPE Provisions Cover dropped to 45.2% from 96% the prior year.

2.4. Capital Adequacy and Other Regulatory Metrics Highlights

2.4.1. 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." The table below summarizes the Bank's key prudential indicators for FY-2025 and FY-2024, including risk-based capital ratios, leverage ratio, and liquidity metric.

Table 2: KM1 - Key metrics template

Amounts in € '000	**2025**	**2024**
Available capital (amounts)		
Common Equity Tier 1 (CET1)	**177,729**	**163,602**
Tier 1	177,729	163,602
Total Regulatory Capital	**177,729**	**163,602**
Risk-weighted assets (amounts)		
Total risk-weighted assets (RWA)	**634,209**	**599,814**
Total risk-weighted assets (pre-floor)	-	-
Risk-based capital ratios as a percentage of RWA		
CET1 ratio (%)	**28.02%**	**27.28%**
Tier 1 ratio (%)	28.02%	27.28%
Total capital ratio (%)	**28.02%**	**27.28%**
Fully loaded ECL accounting model total capital ratio (%)	28.02%	27.28%
Total capital ratio (%) (pre-floor ratio)	28.02%	27.28%
Additional CET1 buffer requirements as a percentage of RWA		-
P1R, SREP P2R and P2G to be made up of CET1 capital	6.08%	6.08%
Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%
Countercyclical buffer requirement (%)	0.24%	0.12%
Total of bank CET1 specific buffer requirements (%)	8.82%	8.70%
CET1 available after meeting the bank's minimum capital requirements (%)	***+19.20%***	***+18.58%***
Leverage ratio		
Total Basel III leverage ratio exposure measure	1,248,674	1,168,013
Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of CB reserves)	**14.23%**	**14.01%**
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	-	-
Liquidity Coverage Ratio (LCR)		
Total high-quality liquid assets (HQLA)	470,079	464,146
Total net cash outflow	153,634	108,605
LCR ratio (%)	**305.97%**	**427.37%**
Net Stable Funding Ratio (NSFR)		
Total available stable funding	771,787	690,270
Total required stable funding	494,711	437,759
NSFR ratio	**156.01%**	**157.69%**

Highlights:

- As at 31.12.2025, the Bank's Common Equity Tier 1 (CET1) capital increased to €177.7 mil from €163.6 mil in 2024, representing an increase of €14.1 mil or 8.6% YoY. Total Regulatory Capital amounted to €177.7 mil, in line with the Bank's CET1 capital position.
- Total RWAs amounted to €634.2 mil, compared to €599.8 mil in 2024, presenting an increase of €34.4 mil or 5.7% YoY. Despite the increase in RWAs, the Bank's CET1 Ratio strengthened further to 28.02% from 27.28% in 2024, reflecting the stronger growth of regulatory capital relative to risk-weighted assets.
- The Leverage Ratio increased to 14.23% from 14.01% in 2024. Total leverage exposure rose to €1.25 billion from €1.17 billion in 2024, an increase of €80.7 mil or 6.9% YoY, as a result of the expansion of the Bank's balance sheet. The improvement in the leverage ratio was driven by the increase in Tier 1 capital, which outpaced the growth in leverage exposure.
- The Liquidity Coverage Ratio (LCR) stood at 306.0% as at 31.12.2025 (2024: 427.4%), remaining substantially above the regulatory minimum requirement. The year-on-year decline in the LCR was primarily driven by the significant increase in total net cash outflows, which rose by €45.0 mil or 41.5%, while High-Quality Liquid Assets (HQLA) increased only marginally by €5.9 mil or 1.3%.
- The Net Stable Funding Ratio (NSFR) stood at 156.0% (2024: 157.7%). The marginal decrease in the ratio was primarily driven by the higher growth in Required Stable Funding (RSF), which increased by €57.0 mil or 13.0%, compared with the growth in Available Stable Funding (ASF), which increased by €81.5 mil or 11.8%.

Overall, the Bank maintained a strong capital and liquidity position throughout 2025, with capital ratios improving further and both liquidity ratios remaining comfortably above regulatory requirements despite the continued growth of the Bank's business activities.

2.4.2. 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 Supervisory Review and Evaluation Process (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 institution.

In April 2026, the final SREP-2025 Decision was communicated to the Bank by the Bank of Greece (BoG Decision ΕΠΑΘ 568/3/03.04.2026). Based on this assessment, ABBank is required to maintain, in addition to the minimum Pillar I capital requirement of 8.00%, a Pillar II Requirement (P2R) of 2.14% and a Capital Conservation Buffer (CCoB) of 2.50%, resulting in an Overall Capital Requirement (OCR) of 12.64%. Furthermore, Pillar II Guidance (P2G) was maintained at 0.25% CET1, bringing the Bank's total supervisory capital requirement to 12.89%.

The Countercyclical Capital Buffer (CCyB) applicable to relevant Greek private-sector exposures remained at 0.25% throughout 2025 and is scheduled to increase to 0.50% from 1 October 2026.

Notably, the Bank's P2R under SREP-2025 decreased by 23 bps compared to the previous assessment, from 2.37% to 2.14%, resulting in a corresponding reduction of the OCR from 12.87% to 12.64%. However, as the SREP-2025 Decision was formally communicated to the Bank in April 2026, the capital requirements applicable as of 31.12.2025 remained those arising from SREP-2024, namely an OCR of 12.87% and a total supervisory capital requirement (including P2G) of 13.12%.

3. REGULATORY OWN FUNDS & CAPITAL MANAGEMENT

3.1. Capital Requirements under Pillar I

The Bank complies with the prudential requirements set out in Regulation (EU) No. 575/2013 ("CRR"), as amended by Regulation (EU) 2024/1623 ("CRR III"), and the applicable Capital Requirements Directive framework. The CRR III banking package, implementing the final Basel III reforms in the European Union, became applicable from 1 January 2025.

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

- Credit Risk: Standardised Approach.
- Counterparty Credit Risk: Standardised Approach.
- Market Risk: Standardised Approach.
- Operational Risk: Standardised Approach, BIC.

The table below presents the Risk Exposure Amounts ("REAs") or Risk-Weighted Assets ("RWAs") under Pillar I as of 31.12.2025 and 31.12.2024, in accordance with the applicable CRR framework. Capital requirements under Pillar I are equal to 8% of the total risk exposure amounts.

Table 3: OV1 - Overview of RWAs

Amounts in € '000	2025		2024	
	RWA	Minimum CR	RWA	Minimum CR
Credit risk (excluding counterparty credit risk)	**582,985**	**46,639**	**513,089**	**41,047**
Of which: standardized approach (SA)	*582,985*	*46,639*	*513,089*	*41,047*
Counterparty credit risk (CCR)	**0**	**0**	**0**	**0**
Of which: Simplified SA- CCR	*0*	*0*	*0*	*0*
Market risk	**0**	**0**	**0**	**0**
Of which: standardized approach (SA)	*0*	*0*	*0*	*0*
Operational risk	**51,224**	**4,098**	**86,718**	**6,937**
*Of which: basic indicator approach (BIC/BIA)**	*51,224*	*4,098*	*86,718*	*6,937*
Total RWAs and Capital Requirements	**634,209**	**50,737**	**599,807**	**47,984**

As of 1.1.2025 the Bank uses the Basic Indicator Component (BiC) for the calculation of own funds and RWAs under the Standardised Approach, whereas in 2024 the Basic Indicator Approach was used.

As of 31.12.2025, Total RWAs amounted to €634.2 mil, compared to €599.8 mil as of 31.12.2024, representing an increase of 5.7% year-on-year. This increase was primarily driven by a 13.6% rise in Credit Risk RWAs (€583.0 mil versus €513.1 mil in 2024), partially offset by a 40.9% decrease in Operational Risk RWAs (€51.2 mil versus €86.7 mil in 2024). As of 31.12.2025, total RWAs were composed of 91.9% Credit Risk RWAs (including CCR), 0.0% Market Risk RWAs and 8.1% Operational Risk RWAs. As of 31.12.2024, total RWAs were composed of 85.5% Credit Risk RWAs (including CCR), 0.0% Market Risk RWAs and 14.5% Operational Risk RWAs.

3.2. Composition of ABBank's Regulatory Capital

The Bank's Regulatory Capital is composed exclusively of CET1, calculated on a fully loaded IFRS 9 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 Total Capital Ratio and the Tier 1 Capital Ratio are fully aligned with the CET1 Ratio. On 31.12.2025, the Bank's CET1 capital amounted to €177.7 mil (2024: €163.6 mil), standing €14.1 mil higher than the year before. The increase was primarily driven by the growth in retained earnings, which rose to €81.6 mil from €68.9 mil in 2024, as well as by the increase in accumulated other comprehensive income and other reserves to €9.7 mil from €8.4 mil. Common Equity Tier 1 capital before regulatory adjustments amounted to €179.4 mil (2024: €165.6 mil), while total regulatory adjustments decreased to €1.7 mil (2024: €2.0 mil), mainly reflecting deductions for goodwill and prudent valuation adjustments.6 7As a result, the Bank's CET1 Ratio increased to 28.02% as of 31.12.2025, compared to 27.28% as of 31.12.2024. Given that the Bank has not issued any Additional Tier 1 or Tier 2 capital instruments, the Tier 1 Capital Ratio and the Total Capital Ratio remained identical to the CET1 Ratio at 28.02%

(2024: 27.28%). The institution-specific CET1 buffer requirement amounted to 2.74% of RWAs as of 31.12.2025 (2024: 2.62%), comprising the Capital Conservation Buffer of 2.50% and a bank-specific Countercyclical Capital Buffer of 0.24% (2024: 0.12%). Consequently, the CET1 capital available after meeting the Bank's minimum capital requirements stood at 25.28% of RWAs as of 31.12.2025, compared to 24.66% as of 31.12.2024.

The composition of the Bank's Regulatory Capital for 2025 and 2024 is outlined in the table below:

Table 4: CC1 - Composition of regulatory capital

Amounts in € '000	2025	2024
Common Equity Tier 1 capital: instruments and reserves		
Directly issued qualifying common share capital plus related stock surplus	88,187	88,187
Retained earnings	81,573	68,921
Accumulated other comprehensive income and other reserves	9,684	8,444
Common Equity Tier 1 capital before regulatory adjustments	**179,444**	**165,552**
Common Equity Tier 1 capital: regulatory adjustments		
Prudent valuation adjustments	-134	-149
Goodwill (net of related tax liability)	-1,581	-1,801
Total regulatory adjustments to Common Equity Tier 1 capital	-1,715	-1,950
Common Equity Tier 1 capital (CET1)	**177,729**	**163,602**
Capital adequacy ratios and buffers		
Common Equity Tier 1 capital (as a percentage of risk-weighted assets)	28.02%	27.28%
Tier 1 capital (as a percentage of risk-weighted assets)	28.02%	27.28%
Total capital (as a percentage of risk-weighted assets)	28.02%	27.28%
Institution-specific CET1 buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a % of RWAs)	2.74%	2.62%
Of which: capital conservation buffer requirement	2.50%	2.50%
Of which: bank-specific countercyclical buffer requirement	0.24%	0.12%
Common Equity Tier 1 capital (as % of RWAs) available after meeting the bank's minimum capital requirements	25.28%	24.66%

The table below presents a reconciliation between the Bank's consolidated balance sheet prepared under accounting consolidation as of 31.12.2025 and 31.12.2024, 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	**2025**	**2024**
Assets		
Cash and balances at central banks	269,392	262,363
Items in the course of collection from other banks	129,611	127,650
Trading portfolio assets	-	-
Derivative financial instruments	-	-
Loans and advances to customers	577,777	526,233
Debt securities at amortized cost	83,077	69,640
Available for sale financial investments	133,796	145,737
Current and deferred tax assets	2,940	2,940
Prepayments, accrued income and other assets	5,863	3,744
Goodwill and intangible assets	1,581	1,801
Property, plant and equipment	12,078	11,761
Total assets	**1,216,130**	**1,151,870**
Liabilities		
Deposits from banks	-	-
Customer accounts	1,025,199	974,669
Derivative financial instruments	171	3
Accruals, deferred income and other liabilities	4,846	5,545
Current and deferred tax liabilities	1,628	2,152
Retirement benefit liabilities	4.843	3,949
Total liabilities	**1,036,687**	**986,318**
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	81,219	68,543
Reserves	10,038	8,822
Total shareholders' equity	**179,444**	**165,552**

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). Thus, 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 2025, the Bank's Total Assets increased by €64.3 mil, representing a 5.6% YoY growth, reaching €1.216 billion, compared to €1.152 billion in 2024. Customer Deposits increased by €50.5 mil, or 5.2% YoY, to €1.025 billion from €0.975 billion in 2024, while net Customer Loans grew by €51.5 mil, or 9.8% YoY, to €577.8 mil from €526.2 mil. As a result, the Loans-to-Deposits Ratio increased to 56.4% from 54.0% in 2024. Total Shareholders' Equity increased from €165.6 mil in 2024 to €179.4 mil, while CET1 Capital increased from €163.6 mil to €177.7 mil as of 31.12.2025

The increase in Total Assets was primarily driven by the growth in the Bank's loan portfolio, which rose by €51.5 mil during the year, together with a €13.4 mil increase in debt securities measured at amortized cost. These increases were partially offset by an €11.9 mil reduction in the financial investments measured at Fair Value through Comprehensive Income. Cash and balances at central banks, together with items in the course of collection from other banks, increased by €9.0 mil year-on-year to €399.0 mil from €390.0 mil, representing 32.8% of Total Assets as of 31.12.2025, compared to 33.9% in the previous year.

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 26–28, approved by the Bank's BoD in December 2025, 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:

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

Amounts in € '000	2025	2024
Total consolidated assets as per published financial statements	1,216.1	1,151.9
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	0	3
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)	34,123	18,091
Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital		
Other adjustments	-1,581	1,950
Leverage ratio exposure measure	1,248.7	1,168.1

As of 31.12.2025, the Bank's Total Leverage Exposure amounted to €1,248.7 mil and, against the CET-1 Capital of €177.7 mil (2024: €1,168.1 mil and €163.6 mil, respectively), resulted in a Leverage Ratio of 14.2% (2024: 14.01%).

Table 7: LR2 - Leverage ratio common disclosure

Amounts in € '000	2025	2024
On-balance sheet exposures		
On-balance sheet exposures (excluding derivatives SFTs, but including collateral)	1,216,131	1,151,716
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)	-1,581	-1,801
Total on-balance sheet exposures	1,214,550,	1,149,914
Derivative exposures		
Replacement cost of derivative transactions (net of eligible cash variation margin)	0	5
Add-on amounts for potential future exposure associated with *all* derivatives transactions	0	3
(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	0	8
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	34,124	18,091
(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	34,124	18,091
Capital and total exposures		
Tier 1 capital	177,729	163,602
Total exposures	1,248,674	1,168,014
Leverage ratio		
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	14.23%	14.01%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	14,23%	14.01%
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 the identified Pillar II risk type, whereas the impact on capital and earnings resulting from the stress test results[2] in all Pillar I risk areas, are taken into account in the Stress Test of the Capital Plan component of the 3-year Business Plan applicable at the reference date of the relevant ICAAP. 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 Pillar II Capital Requirements

Additional ICAAP CRs for P2:
- Credit Concentration Risk to the Shipping Industry (Core Shipping Sectors)
- Credit Concentration Risk to Large Customers (Top-5)
- Strategic Risk – Underestimation of Capital consumption (BP Vs Actual)
- IRRBB – Stress Test max. negative capital impact on EVE (from +2% scenario)
- Risk of USD RWAs FX Appreciation (by 10%)
Total Additional Capital Requirements for Pillar II from ICAAP

3.5. Important events after 31st December 2025

As mentioned in Section 2.4.2 above, in April 2026, the final SREP-2025 Decision was communicated to the Bank by the Bank of Greece (BoG Decision ΕΠΑΘ 568/3/03.04.2026). Based on this assessment, ABBank is required to maintain, in addition to the minimum Pillar I capital requirement of 8.00%, a Pillar II Requirement (P2R) of 2.14% and a Capital Conservation Buffer (CCoB) of 2.50%, resulting in an Overall Capital Requirement (OCR) of 12.64%. Furthermore, Pillar II Guidance (P2G) was maintained at 0.25% CET1, bringing the Bank's total supervisory capital requirement to 12.89%. Finally, the Countercyclical Capital Buffer (CCyB) applicable to relevant Greek private-sector exposures remained at 0.25% throughout 2025 and is scheduled to increase to 0.50% from 1 October 2026.

Finally, between January and June 2026 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 31.12.2025. ABBank's results under the stress test were very satisfactory, demonstrating resilient NII performance and modest additional requirements for credit loss provisions, under both the Baseline and the Adverse shock scenarios. Specifically, under both scenarios the Bank maintained its profitability, whereas its capital adequacy metrics over the next 3-year test period improved under the Baseline scenario, presented only a limited decline under the Adverse scenario. Given the above performance the Pillar-2-Guidance (P2G) is expected to remain at the level set by the Supervisor through the BoG's Committee for Credit and Insurance Matters (ΕΠΑΘ) decision Nr.505-2, dated 28.6.2024, namely at the minimum level of 0.25% of relevant capital requirements.

[2] *The ICAAP CRs, presented abridged below, do not include the capital requirements under Pillar I, which are included in the Stress Test of the Capital Plan component of the 3-year Business Plan 2025-27 (approved by the Bank's BoD in Q1-2025), presented in Section 4.4.2.4 of this report.*

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.
- **Risk Management Committee**: Oversees the Bank's overall risk profile and ensures that all material risks are identified, assessed and managed in line with the RAF. It reviews the ICAAP risk assessment for completeness and consistency, oversees the development and annual review of the RAF, and evaluates stress-testing scenarios, key assumptions and capital impacts. The RMC challenges the robustness of the risk management framework and ensures that capital planning remains aligned with the Bank's risk appetite and strategic objectives.
- **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 ensure 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 of maximizing 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 Department (RMD) in accordance with the Risk Management Policy. It consists of the units and functions depicted in the Figure below. The Head or RMD is the Bank's Chief Risk Officer (the "CRO"), and the department's sections (namely, the Credit Risk Section, the Market & Liquidity Risk Section, the Operational Risk Section, and the Risk Data Systems and Regulatory Reporting Section) are headed by the Credit Risk Manager, the Market & Liquidity Risk Manager, the Operational Risk Manager, and the Risk Data Systems & Regulatory Reporting Manager(s), respectively.

Figure 3: 4Risk Management Department Structure

<u>Important Note</u>: It should be noted that the two ambassador functions illustrated in the above figure have not yet been established. They are tentatively earmarked (with same or similar designation) for future reference in the context of the gradual assimilation of the Bank's RMD functions with the Climate Change and ESG Risks and Sustainability policies and procedures currently being implemented.

The RMD's operations are governed by the following principles (according to BoG's CCA 243/2/07.07.2025):

* 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 Management, to Management Committees of to the BoD, when appropriate.
* Reports to the Risk Management Committee (RMC) on matters related to the Bank's risk profile, ICAAP, RAF implementation, stress-testing results and other material risk issues, in accordance with the Bank's governance framework.
* Is subject to Internal Audit Unit's review in terms of adequacy and efficiency of its procedures;
* Prepares reports/briefs the Senior Management and the BoD on matters within its responsibility, frequently (at least once a quarter).
* Has access to all activities and units, as well as to all the Bank's data and information required for its operations.

The Risk Management Department 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;
- Through the CRO, provides regular reporting and risk assessments to the RMC, supporting the Committee's oversight of the RAF, ICAAP, stress-testing framework and overall risk profile;
- 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 capital and the 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.
- Embed risk management into the Bank's culture and existing processes and raise awareness of risk management throughout the Bank.

The CRO, is appointed by the BoD and such an 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, together with the CFO and the Head of Treasury, the CRO is responsible for the monitoring and development of the Bank's *Recovery Plan* (members of the RP Team as well as the Crisis Management Team) and the monitoring and development of the Bank's Contingency Funding Plan (the "CFP", approved and oversighted by the ALCO and/or the Senior Management). Finally, the CRO is a core member of the Crisis Response Team (usually together with the CFO and the Treasurer) 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-20 and teams from Risk Management, IT, Finance as well as the vendor participate. Implementation of the first stage (Regulatory Reporting, covering all COREPs of the existing framework and the FINREP) was completed in Q4-2024.

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 CSRBB. The whole project comprises 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.

In the above context a new section was set up within the Risk Management Department in Q2-2024, the Risk Management Systems and Regulatory Reporting. This new section consists of two divisions, the Risk Management Systems division, which is responsible for the operation and maintenance of the OSX and the systems' feed with appropriate data and processing thereof, and the Regulatory Reporting division, which is responsible for the data integrity and production of regulatory reports. Hence the new section has undertaken the overall processing for risk management and reporting purposes of the risk data, which are collected from (through appropriately automated bridging with) the Core Banking (Globus/T-24) and other systems of the Bank.

Full implementation of OSX automates some of the processes/steps of data elaboration followed to date and outlined below:

For the information required for the Credit risk (both portfolio and account level), the Bank relies on:

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

The granular data are recorded in order to perform data quality checks, such as missing data or empty fields and for consistency in format of fields to allow proper operation of links between different accounts or collaterals, reconciliation checks of granular data with the respective credit exposures data downloaded in the OSX module. Further reconciliation checks with accounting figures, corrections (if needed) and calculations 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 new OSX system).

For stress-testing purposes of the Credit, Market and Liquidity 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 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

Reconciliation and data quality checks are also performed at granular level, by comparing the above with the dealing system's data archived and the working files of the Treasury Dept. and back office. The granular data are input in excel files data recalculation take place, starting from the lowest available granular level i.e. per transaction, for reconciliation purposes with the accounting figures as well as the relevant COREP and FINREP requirements, before downloading the relevant COREP in the XBRL format required for regulatory reporting and submissions.

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 by the RiskPro module of OSX 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 the six yield curve shift/shock scenarios designated by the regulatory framework.

The above analysis and processing are performed by the new Data Systems and Regulatory Reporting section of the RMD and the members of the RMD (each one dealing with the risk area he/she specializes in) perform the checks of the results, whereas the CRO performs the final overview and internal authorization for reporting.

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-2025, total gross credit risk exposures increased by €9.8 mil YoY (+10%), reaching €1.37 bn, up from €1.25 bn in 2024—effectively returning close to their record level of 2022. This growth was primarily driven by increases across the Bank’s largest asset classes, namely Corporates (+€110.1 mil), Central Governments and Central Banks (+€8.9 mil), and Banks and Financial Institutions (+€2.0 mil). As a result, Total Credit Risk Exposures (gross) increased by €122.0 mil, or 9.8% year-on-year, reaching €1.366 billion as of 31.12.2025, compared to €1.244 billion as of 31.12.2024.

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)*	**2025**	**2024**
Gross Value of Exposure to:		
Central Governments, Central Banks	452,189	443,334
Public Sector Entities (PSEs) Guaranteed by Central Governments	30,285	30,174
Multilateral Development Banks (MDBs)		
Banks and Financial Institutions	129,611	127,650
Corporates & SMEs - Performing	716,339	623,492
Corporates & SMEs – Non-Performing	16,831	3,731
Retail	1,560	958
Other Assets	18,870	18,529
Total Credit Risk Exposures (Gross)	**1,365,686**	**1,247,867**

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

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-2025.

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 takes 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" ("watch-listed") or below 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 RMD. The Credit Committee considers both the proposal and evaluation of the proposing unit/officer and the endorsement of Credit Risk Management.

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 5-member 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 10: 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 2025:

1. A total of 49 evaluations were performed during 2025, concerning 43 groups, being (a) 37 out of 42 borrowing groups with pure ship-financing facilities existing at YE-2025 , plus (b) 6 groups which were evaluated during the year but were not included in the YE-2025 balances, as their relevant exposures were either repaid or cancelled.
2. Out of the total evaluations, 1 credit score concerning 1 obligor (2% of total evaluations, concerning 1% of the aggregate ship-financing limits which were evaluated), was overridden by the proposing Officer (and ultimately approved by the Credit Committee). Such overriding adjustment was based on the fact that certain characteristics of the exposures could not be fully captured by the parameters of the tool (more specifically, reputation of principal/guarantor). 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 Bank's Officer.
3. Out of the total evaluations, 14 assessments (29% of total evaluations, concerning 26% 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 14 cases, 7 (or 14% of total evaluations, concerning

12% of the ship-financing limits which were evaluated) were indeed rounded to the immediately lower rating category for prudency.

4. Overall, 2 continuing shipping groups were upgraded during 2025 through the credit rating Tool and none was downgraded. The upgrade is attributed to the improved financial status and the satisfactory performance of the obligors, as well as the more positive repayment outlook of our exposures.

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 uses the score produced by the credit rating tool as an "anchor" rating (essentially applying it directly to clean/unsecured exposures) and may make further adjustments (usually of up to +/- 1 notch) based on the characteristics of the exposure (mainly the existence and quality of collaterals), so as to integrate the final score in 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 a standardized and uniform manner.

5.1.1.c Credit Rating Status as of 31.12.2025 and 31.12.2024

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 has had a positive impact on the overall credit quality of its loan portfolio, as growth has been primarily directed towards obligors with stronger credit profiles. This trend continued during 2025, with total approved credit limits increasing by €94.6 mil, or 14.9% year-on-year, to €727.9 mil from €633.3 mil in 2024.

Table 11: Table of the Shipping Credits Rating Tool Criteria

INTERNAL CREDIT RATING OF OBLIGORS	31st December 2025		31st December 2024	
	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	€ 13,803	1.9%	12,057	1.9%
3 – Very Good	€ 266,558	36.6%	174,934	27.6%
4 – Good	€ 209,199	28.7%	183,960	29.0%
5 – Satisfactory	€ 217,419	29.9%	239,626	37.8%
6 – Acceptable	€ 4,253	0.6%	6,735	1.1%
7 – Vulnerable	€ 13,193	1.8%	12,248	1.9%
8 – Substandard	€ 0	0.0%	0	0.0%
9 – Doubtful	€ 2,726	0.4%	2,702	0.4%
10 – Loss	€ 731	0.1%	1,029	0.2%
Total	€ 727,883	100.0%	633,291	100.0%
Annual Difference:	+€ 94,593	14.9%	+ 25,552	+4.2%

As of 31.12.2025, the allocation of obligors within the upper half of the Bank's internal credit rating scale (ratings 1–5) improved to 97.1% of total credit limits, compared to 96.3% in 2024. This improvement was mainly driven by the significant increase in exposures rated "Very Good" (Rating 3), which rose to 36.6% of total limits from 27.6% in 2024, while exposures rated "Good" (Rating 4) and "Satisfactory" (Rating 5) continued to represent a substantial portion of the portfolio at 28.7% and 29.9%, respectively.

Similar to the previous year, as of 31.12.2025 the most populated credit ratings remained "3", "4" and "5", which together accounted for approximately 95.2% of total credit limits, compared to 94.4% in 2024. Among these categories, rating "3 – Very Good" became the largest individual rating class, representing 36.6% of total limits, compared to 27.6% in 2024. Rating "5 – Satisfactory", which historically constituted the largest category (with the exception of 2022), ranked second with a share of 29.9%, down from 37.8% in 2024, while rating "4 – Good" remained broadly stable at 28.7%, compared to 29.0% in the previous year. The combined share of the two most populated rating classes reached 66.5% in 2025 ("3" and "5"), compared to 66.8% in 2024 ("5" and "4").

As regards the remaining rating categories, similar to previous years, the first category "1 – Excellent" did not include any exposures. The last category "10 – Loss" continued to include the Bank's shipping NPEs classified in the PD>90&D sub-category, accounting for 0.1% of total credit limits (2024: 0.2%). The remaining non-performing exposure, representing the Bank's sole non-shipping NPE and also classified within the PD>90&D category, remained allocated to "9 – Doubtful", accounting for 0.4% of total limits, unchanged from 2024.

Exposures rated "2 – Strong" remained stable at 1.9% of total credit limits, while "6 – Acceptable" decreased to 0.6% from 1.1% in 2024. Rating "7 – Vulnerable" accounted for 1.8% of total limits, compared to 1.9% in the previous year. Finally, exposures distributed among the lower five rating categories (ratings "6" to "10") represented 2.9% of total credit limits, compared to 3.6% in 2024, while category "8 – Substandard" remained 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 2025 and 2024.

As of 31.12.2025, the non-shipping exposures comprise ca. 30% of the total credit limits, from 33% the previous year (+€11 mil or +5% YoY). The shipping exposures account for ca. 70% of the total limits on 31.12.2025, having grown by €83.6 mil, or +20% from 2024.

Table 12: Loans to Corporates - Credit Limits Segmentation per Sector

	Market / Sector financed	% of Original Total Exposures to Customers **as of 31.12.2025**	% of Original Total Exposures to Customers **as of 31.12.2024**
A.	***Shipping Exposures***	***70.1%***	***67.3%***
1.	*Oil Products Tankers*	*17.2%*	*13.0%*
2.	*Specialized / Bunkering Tankers*	*4.8%*	*2.8%*
3.	*Gas Carriers (LPG/LNG)*	*0.0%*	*2.0%*
4.	*Dry Bulk Carriers*	*29.9%*	*32.3%*
5.	*Containerships*	*2.9%*	*2.1%*
6.	*Passenger/Car Carriers (Ro-Pax, Ro-Ro)*	*2.4%*	*2.1%*
7.	*Offshore Support Vessels*	*3.4%*	*7.7%*
8.	*Other Shipping & Shipping Services*	*9.4%*	*5.4%*
B.	***Non-shipping Exposures***	***29.9%***	***32.7%***
1.	*Commercial Real Estate*	*7.1%*	*5.8%*
2.	*Renewable Energy Production*	*4.2%*	*4.3%*
3.	*Energy Providers*	*0.1%*	*1.9%*
4.	*Services*	*2.3%*	*2.6%*
5.	*Manufacturing*	*5.0%*	*5.9%*
6.	*Construction*	*3.7%*	*3.8%*
7.	*Wholesale Trade*	*5.9%*	*7.4%*
8.	*Retail*	*0.1%*	*0.0%*
9.	*Other non-shipping*	*1.5%*	*1.0%*

In FY-2025, Commercial Real Estate (CRE) became the largest non-shipping exposure (23% of non-shipping, 7.1% of total), overtaking Wholesale Trade (20% of non-shipping, 5.9% of total). The Manufacturing sector ranked third (17% non-shipping, 5% of total), followed by Renewable Energy (14% of non-shipping, 4.2% of total).

5.1.3. Country Risk

As of 31.12.2025, 32.5% of the Bank's total loan exposures were considered to have a strong connection to Greek country risk, compared to 34.9% in 2024. This includes:

- Shipping exposures linked to Greece of approximately €18.3 mil across four obligor groups (2.5% of total corporate credit limits), primarily related to the Greek ferry sector and one shipping NPE with recovery prospects linked to Greece.
- Non-shipping exposures representing approximately 30% of total credit limits and 26% of drawn balances, mainly concentrated in CRE, RES, Wholesale Trade, Manufacturing and Construction.

The Bank's exposure to Greek country risk remains manageable and continues to be supported by the satisfactory performance of the underlying sectors and obligors. The Bank continues to monitor credit quality, collateral values and macroeconomic developments that may affect its Greek-related exposures.

5.1.4. Loan Securities and Collateral – Credit Risk Mitigation Techniques

As of 31.12.2025, the Bank’s loan portfolio remained predominantly secured by shipping-related collateral, including ship mortgages, pledges, assignments, guarantees and cash collateral, while non-shipping exposures were increasingly supported by real estate collateral, with 23 corporate exposures secured by mortgages over real estate properties.

The shipping portfolio was secured by 81 mortgaged vessels (2024: 76), with a market value covering net exposures by approximately 296% (2024: 348%). Real estate collateral securing non-shipping exposures covered net exposures by approximately 201% (2024: 183%).

For regulatory purposes, only certain forms of collateral, primarily cash collateral and eligible guarantees, qualify as credit risk mitigation under the Standardized Approach. As of 31.12.2025, total cash collateral amounted to €72.1 mil (2024: €81.1 mil), of which €64.9 mil secured on-balance sheet exposures and €7.2 mil secured off-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 customers' 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:

(a) 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;

(b) Forbearance: The Bank classifies all forborne performing exposures (FPE) as having a SICR;

(c) Backstop indicators: The Bank applies the criterion of 30 days past due for the identification of SICR;

(d) 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 constitute 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 prudency 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 cyclicality 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 ECAIs 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 2025 and 31 December 2024, highlighting the Bank’s continued commitment to maintaining a high-quality loan portfolio and a sound credit risk management framework.

Table 13: CQ1 – Credit quality of forborne exposures

	a	b	c	d	e	f	g	h
***Amounts in € '000* 2025**	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 Of Which:			On performing forborne exposures	On non-performing forborne exposure		Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
			defaulted	impaired				
Loans and advances	0	13,084	13,084	13,084	0	-4,031	0	
Central banks								
General governments								
Credit institutions								
Other financial corporations								
Non-financial corporations		13,084	13,084	13,084		-4,031		
Households								
Debt Securities								
Loan commitments given								
Total	0	13,084	13,084	13,084	0	-4,031	0	

	a	b	c	d	e	f	g	h
***Amounts in € '000* 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 Of Which:			On performing forborne exposures	On non-performing forborne exposures		Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
			defaulted	impaired				
Loans and advances	0	0	0	0	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	0	0	0	0	

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

Table 14: 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 *2025*	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	**968,927**	**968,927**	**0**	**16,541**	**13,084**	**0**	**0**	**0**	**0**	**2,726**	**0,731**	**16,541**
Central banks	267,846	267,846										
General governments												
Credit institutions	129,611	129,611										
Other financial corporations												
Non-financial corporations	569,914	569,914	*0*	16,541	13,084			*0*		2,726	0,731	16,541
Of which SMEs	*113,466*	*113,466*		*15,810*	*13,084*			*0*		*2,726*		*15,810*
Households	1,555	1,555										
Debt securities	**216,909**	**216,909**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Central banks												
General governments and PSEs guaranteed by GGs	211,071	211,071										
Credit institutions and MDBs												
Other financial corporations	0	0										
Non-financial corporations	5,838	5,838										
Off-balance-sheet exposures	**140,587**	**140,587**		**0,290**								0
Central banks												
General governments												
Credit institutions												
Other financial corporations												
Non-financial corporations	140,587	140,587										
Households												
Total	1,326,422	1,326,422	0	16,831	0	0	0	0	0	2,726	0,731	16,541

	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

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 15: CR1 – Performing and non-performing exposures and related provisions

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Amounts in € '000 *2025*	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	**968,927**	**968,927**	**0**	**16,541**	**0**	**16,541**	**-2,752**	**-2,752**	**0**	**-7,486**	**0**	**-7,486**	**-7,387**	**528,115**	**3,384**
Central banks	267,846	267,846													
General governments															
Credit institutions	129,611	129,611													
Other financial corporations															
Non-financial corporations	569,914	569,914		16,541		16,541	*-2,747*	*-2,747*	*0*	*7,486*		*7,486*	*-7,387*	527,135	3,384
Of which SMEs	*113,466*	*113,466*		*15,810*		*15,810*	*-0,566*	*-0,566*	*0*	*-6,755*		*-6,755*		*50,335*	*3,384*
Households	1,555	1,555					*-0,5*	*-0,5*						980	0
Debt securities	**216,909**	**216,909**	**0**	**0**	**0**	**0**	**-0,66**	**-0,66**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Central banks															
General governments & PSEs	211,071	211,071					*-0,31*	*-0,31*							
Credit institutions															
Other financial corporations	0	0													
Non-financial corporations	5,838	5,838					*-0,35*	*-0,35*							
Off-balance-sheet exposures	**140,587**	**140,587**	**0**	**0**	**0**	**0**	**0,182**	**0,182**	**0**	**0**	**0**	**0**	**0**	**7,172**	**0**
Central banks															
General governments															
Credit institutions															
Other financial corporations															
Non-financial corporations	140,587	140,587					*0,182*	*0,182*		*0,1*				7,172	0
Households															
Total	**1,326,422**	**1,326,422**	**0**	**16,541**	**0**	**16,541**	**-2,636**	**-2,636**	**0**	**-7,485**	**0**	**-7,485**	**-7,387**	**535,287**	**3,384**

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Amounts in € '000 *2024*	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 & PSEs	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

Table 16: CQ7 – Collateral obtained by taking possession and execution processes

Amounts in € '000 2025	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	0	0
Movable property (auto, shipping, etc.)		
Equity and debt instruments		
Other		
Total	**0**	**0**

Amounts in € '000 2024	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**

5.4. 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 cret 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. It is of note that as of 1.1.2025 the CRR3 framework has been set in force and as of that date the Bank implements the Specialized Lending asset classes (object finance – shipping, commodity finance and project finance) as well as those asset classes of lending secured by mortgages on immovable property separately.

Table 17: CR4 - SA – credit risk exposure and credit risk mitigation (CRM) effects.

Amounts in € '000 2025	**Exposures post ECL but before CCF and CRM**		**Exposures post ECL, CCF and 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**
Central Governments and Central Banks	452,179	-	452,049	-	0	0.0%
Non-CG Public Sector Entities	30,282	-	30,282	-	0	0.0%
Multilateral Development Banks	-	-	-	-	-	-
Banks	129,611	-	129,611	-	29,362	22.7%
Corporates and SMEs	573,005	140,404	507,985	26,247	521,597	97.6%
- Of which: specialized lending (Shipping)	*442,165*	*66,813*	*382,797*	*14,722*	*397,519*	*100.0%*
- Of which: specialized lending (Proj. Finance)	*30,336*	*-*	*28,828*	*-*	*28,828*	*100.0%*
- Of which: secured by mortgages on immovable property and ADC exposures	*51,921*	*11,980*	*51,131*	*3,159*	*41,904*	*77.2%*
Subordinated debt exposures and equity	2,940	-	2,940	-	7,351	250.0%
Retail	1,555	-	1,555	-	1,185	76.2%
Defaulted exposures	9,055	289	9,055	52	9,107	100.0%
Other assets	15,930	-	15,930	0	14,384	90.3%
Total	**1,214,557**	**140,693**	**1,149,406**	**26,299**	**582,985**	**49.6%**

Amounts in € '000 **2024**	**Exposures post ECL but before CCF and CRM**		**Exposures post ECL, CCF and 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**
Central Governments and Central Banks	443,331	-	443,331	-	0	0.0%
Non-CG Public Sector Entities	30,171	-	30,171	-	0	0.0%
Multilateral Development Banks	-	-	-	-	-	-
Banks	127,650	-	127,650	-	25,530	20.0%
Corporates and SMEs	529,474	86,961	454,032	11,432	465,464	100.0%
Of which: specialized lending (Shipping)	*402,251*	*21,364*	*331,986*	*4,157*	336,143	100.0%
Subordinated debt exposures and equity	2,940	-	2,940	-	7,350	250.0%
Retail	698	260	698	-	524	75.0%
Defaulted exposures	3,584	-	141	-	212	150.2%
Other assets	15,589	-	15,589	-	14,008	89.9%
Total	**1,153,437**	**87,221**	**1,074,552**	**11,432**	**513,088**	**47.2%**

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

Amounts in € '000 **2025**	**0%**	**20% - 35%**	**50% - 70%**	**75% - 90%**	**100% - 110%**	**150%**	**250%**	**Total credit exposure**
Exposure Classes								
Sovereigns and central banks	452,049							**0**
Public sector entities	30,282							**0**
Multilateral Development Banks	-							**-**
Banks		129,611						**29,362**
Corporates			42,136	6,480	481,745	3,871		**521,597**
- *Of which: specialized lending (Shipping)*					*402,337*			***403,084***
- *Of which: specialized lending (Proj. Finance)*					*28,828*			***28,828***
- *Of which: secured by mortgages on immovable property and ADC exposures*			*42,136*	*5,484*	*2,799*	*3,871*		***41,904***
Subordinated debt exposures and equity							*2,940*	***7,351***
Retail		570			985			***1,185***
Defaulted exposures					9,107			***9,107***
Other assets	1,546				14,384			***14,384***
Total	**483,877**	**130,181**	**42,136**	**6,480**	**506,222**	**3,871**	**2,940**	**582,985**

Amounts in € '000 **2024**	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	**250%**	**Total credit exposure**
Exposure Classes								
Sovereigns and central banks	443,331							**0**
Public sector entities	30,174							**0**
Multilateral Development Banks								-
Banks		127,650						**25,530**
Corporates					465,464			**465,464**
Of which: specialized lending (Shipping)					*336,143*			**336,143**
Subordinated debt exposures and equity							*2,940*	**7,350**
Retail				698				**524**
Defaulted exposures						141		**212**
Other assets					14,008			**14,008**
Total	**473,505**	**127,650**	**0**	**698**	**479,472**	**141**	**2,940**	**479,473**

5.5. Sovereign Exposures Breakdown

In 2025, the Bank's exposures to Central Governments and Central Banks or equivalent entities increased by €9.0 mil., or 1.9% YoY, reaching €482.5 mil. from €473.5 mil. in 2024. As of 31.12.2025, this asset class comprised Greek Government Bonds and T-Bills amounting to €24.4 mil. (5.0%), Government Bonds from other Eurozone countries, Central Banks and U.S. T-Bills totaling €156.4 mil. (32.4%), bonds issued by European Public Sector Entities (PSEs) with a 0% risk weight of €30.3 mil. (6.3%), liquidity placements with the Bank of Greece amounting to €267.8 mil. (55.5%), and other exposures to the Greek State, such as VAT and income tax assets, of €3.6 mil. (0.7%).

The increase in the overall balance was mainly driven by higher liquidity placements with the Bank of Greece and increased other exposures to the Greek State, which more than offset the reduction in holdings of Greek Government Bonds and T-Bills. The composition of these balances as of 31 December 2025 and 31 December 2024 is presented in the table below:

Table 19: Credit Exposures to Central Banks and Central Governments

Initial Gross Exposures to: Central Banks and Central Governments or Equivalent	**Gross Value 31.12.2025 (€'000)**	**% of Total 2025**	**Gross Value 31.12.2024 (€'000)**	**% of Total 2024**
Greek Government Bonds and T-Bills	24,358	5.0%	26,854	5.7%
Bonds of other Eurozone Govs and Central Banks & USA Gov. T-Bills	156,428	32.4%	154,196	32.6%
German Landesbanks classified as PSEs (RW=0%)	*30,285*	*6.3%*	*30,138*	*6.4%*
Other Exposures to Greek State (VAT, Income tax assets)	3,557	0.7%	1,497	0.3%
Liquidity with the ECB	-	-	-	-
Liquidity with the BoG	267,846	55.5%	260,790	55.1%
Total	**482,474**	**100.0%**	**473,475**	**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 20: SOV1 - Sovereign Exposures Breakdown

Amounts in € '000	**Banking book sovereign exposures [3] (after CCF and CRM)**	
Country[4] (in alphabetical order)	**2025**	**2024**
Austria	7,919	7,806
Germany	18,837	12,846
Greece	295,737	288,992
Italy	4,928	4,927
Lithuania	5,137	-
Netherlands	7,949	7,822
Portugal	6,052	6,061
UAE	4,266	114,728
USA	101,224	114,728
Total	**452,049**	**443,185**

3 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.

4 Significant jurisdiction where the counterparties are located

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 Regulation (EU) No 575/2013, as amended (CRR, including CRR III requirements), 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;
- Long settlement transaction.

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 Standardized Approach (SA-CCR) exclusively. The following table presents an analysis of CCR exposures by approach):

Table 21: CCR1 - Analysis of CCR exposures by approach

Amounts in € '000 *2025*	Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
EU - SA-CCR (for derivatives)	0	0.309		1.4	0.434	0.93
Total	0	0.309			0.434	0.93

Amounts in € '000 *20224*	Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
EU - SA-CCR (for derivatives)	8	3.6		1.4	-	-
Total					-	-

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 31.12.2025 the FX-Swaps amounted to €141.1 mil Notional Value with an overnight contractual maturity and a negative replacement cost (FV) of €171 thd (hence not producing any CCR and CVA, calculated in accordance with the SA-CCR approach).

Throughout FY-2025 the Bank had no items/exposures classified in the trading book. Thus, as at 31.12.2025 the Bank's trading book had a zero value (2024: same).

ABBank uses the Standardized approach for the measurement of capital requirements for Market Risk, the Remaining Maturity method. As of 31.12.2025 the Capital Requirement for Market Risk was zero (2024: same), thus no RWA for Market Risk was reported.

Table 22: MR1 - Market Risk Under the Standardized Approach.

Amounts in € '000	Capital Requirements for Market Risk (SA)	
	2025	2024
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 €5.3 mil, corresponding to a capital impact of -0.51% (as a percentage of the Bank's Risk-Weighted Assets as of 31.12.2025).

Conversely, the NII would decrease the most under the parallel down shift of the interest rates curve by 2%, such decrease amounting to €9.8 mil, resulting in a -1.54% capital impact.

The table below includes the Bank's sensitivity impact to EVE and NII measures as of 31 December 2025 and 31 December 2024 under all six types of shocks on the yield curve, as per the applicable regulatory framework. In connection to EVE, in both 2025 and 2024, the largest impact to the capital adequacy ratio results from the Steepener Yield Curve shock.

Table 23: IRRBB1 - Quantitative information on IRRBB.

Amounts in € '000	Δ in EVE		Δ in NII	
Period	**31.12.2025**	**31.12.2024**	**2025**	**2024**
Parallel up	-5,284	-3.038	352	8.293
Parallel down	2,900	3.331	-9,790	-7.242
Steepener	-15,549	-13,773		
Flattener	7,304	12,898		
Short rate up	5,761	12,217		
Short rate down	-12,178	-10,984		
Maximum Negative Δ	**-15,549**	**-13.773**	**-9,790**	**-7.242**
Impact on CET-1 Ratio	**-2.45%**	**-2.30%**	**-1.54%**	**-1.21%**

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.

Under the Basel IV framework, which came into effect in the EU via CRR3 in 2025, the Business Indicator Component (BIC) was introduced as the new Pillar 1 operational risk capital measure. It is purely income-based and the calculation is the sum of three components, each averaged over three years of financial statement data:

- ILDC (Interest, Leases & Dividend Component): captures net interest income, lease income, and dividends
- SC (Services Component): captures fee and commission income/expense and other operating income
- FC (Financial Component): captures net profit/loss from trading and banking book items

The Bank calculated the operational risk capital according to the Business Indicator Approach for 31.12.2025 using the relevant 3 year averages 2023-2025. The total Capital Requirement for Pillar 1 stood at €4.10 mil, which is significantly lower (almost 40% reduction) in comparison to the calculation according to Business Indicator Component Approach for the previous year, which stood at €6.94 mil.

The Senior Management of the Bank believes that the CR for Operational Risk calculated through the Business Indicator Component Approach results in a considerable amount, compared with the small organic size of the Bank 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 7 years (<€165k in aggregate),
- the Bank has set in its RAF a risk appetite threshold for Operating Risk losses of less than €450 thd p.a. The total amount of the loss incidents of the last six years falls well below the annual threshold of the RAF.
- the current 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 2024 and
- the set of active insurance policies covering adequately major risk areas;

The Senior Management's opinion is that the CR calculated from the BIC approach of €4.10 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 2025, the Bank's LCR was equal to 305.97%, well-above the supervisory minimum of 100%, comprising HQLAs of €470.1 mil and Total Net Cash Outflows of €153.6 mil (post haircut), presenting a decrease against FY 2024, whereby the LCR stood at 427.24%.

The annual LCR decrease of 2025 was primarily driven by the increase in the Bank's net cash outflows by €45.0 mil, which more than offset the strengthening of High-Quality Liquid Assets (HQLAs), of €5.9 mil YoY. The increase in net cash outflows reflects higher outflows mainly from non-operational wholesale deposits (due to their increased balances YoY) and increased loan commitments, combined with lower expected cash inflows from amounts due from banks in less than the next 30 days, given that larger liquidity amounts of the Bank were placed for a longer period in comparison to the year prior.

The table below shows the level and components of the LCR as of 31.12.2025 and 31.12.2024:

Table 24: LIQ1 - Liquidity Coverage Ratio (LCR).

Amounts in € '000 *2025*	Total unweighted value	Total weighted value
Total High-Quality Liquid Assets (HQLAs)	471,218	470,079
Cash outflows		
Retail deposits and deposits from small business customers, of which:	138,213	15,073
Stable deposits	3,384	169
Less stable deposits	134,829	14,904
Unsecured wholesale funding, of which:	519,628	212,421
Operational deposits (all counterparties) and deposits in networks of coop. banks	0	0
Non-operational deposits (all counterparties)	519,628	212,421
Unsecured debt		
Secured wholesale funding		
Additional requirements, of which:	55,218	5,676
Outflows related to derivative exposures and other collateral requirements	171	171
Outflows related to loss of funding on debt products		
Credit and liquidity facilities	55,047	5,505
Other contractual funding obligations	85,830	7,488
Other contingent funding obligations	3,536	3,089
TOTAL CASH OUTFLOWS		243,748
Cash inflows		
Secured lending (e.g., reverse repos)		
Inflows from fully performing exposures	98,704	90,113
Other cash inflows	606	606
TOTAL CASH INFLOWS		90,719
		Total adjusted value
Total HQLA		470,079
Total net cash outflows		153,634
Liquidity Coverage Ratio (%)		305.97%

Amounts in € '000 *2024*	Total unweighted value	Total weighted value
Total High-Quality Liquid Assets (HQLAs)	464,632	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%**

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 2025, the Net Stable Funding Ratio (NSFR) stood at 156.01%, compared with 157.69% as of December 2024, remaining comfortably above the regulatory minimum requirement of 100%. The marginal decrease reflects the increase in Required Stable Funding (RSF), which rose from €437.7 mil. in 2024 to €494.7 mil. in 2025. This increase was largely offset by a corresponding growth in Available Stable Funding (ASF), which increased from €690.3 mil. to €771.8 mil. over the same period. The proportional increase in both ASF and RSF indicates that the Bank continued to support asset growth and funding requirements with stable sources of funding. The consistently strong NSFR demonstrates the Bank's resilient funding profile, sound balance sheet structure and prudent liquidity risk management.

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

Table 25: LIQ2 - Net Stable Funding Ratio (NSFR).

Amounts in € '000 2025	Unweighted value by residual maturity				Weighted Value
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) items:					
Capital:	**179,444**	**-**	**-**	**-**	**179,444**
Regulatory capital	179,444	-	-	-	179,444
Other capital instruments					
Retail deposits and deposits from small business customers:		**125,162**	**6,470**	**6,584**	***125,841***
Stable deposits		12,370	3,395	990	15,966
Less stable deposits		112,792	3,075	5,595	109,875
Wholesale funding:		**699,154**	**123,355**	**47,990**	**459,245**
Operational deposits					
Other wholesale funding		699,154	123,355	47,990	459,245
Liabilities with matching interdependent assets					
Other liabilities:					
NSFR derivative liabilities					
All other liabilities and equity not included in the above categories		20,242	0	7,257	**7,257**
Total ASF					**771,787**
Required stable funding (RSF) items:					
Total NSFR high-quality liquid assets (HQLA)					**1,139**
Deposits held at other financial institutions for operational purposes					
Performing loans and securities:		191,607	81,699	437,353	**453,479**
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		129,611			12,961
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:		61,996	78,941	435,352	440,518
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)		0	2,758	2,001	**3,079**
Assets with matching interdependent liabilities					
Other assets:		3,826	0	17,887	**19,800**
Physically traded commodities, including gold					
Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties					
NSFR derivative assets		185.84			**23.18**
NSFR derivative liabilities before deduction of variation margin posted					
All other assets not included in the above categories			0	9,053	**9,052.60**
Off-balance sheet items				76,937	**8,138**
Total RSF					**494,711**
Net Stable Funding Ratio (%)					**156.01%**

Amounts in € '000 *2024*	Unweighted value by residual maturity				
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted Value
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%**

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 2025, Customer Deposits increased by €50.5 mil or +5.2% YoY, reaching €1.025 billion compared with €0.975 billion in 2024, while net Customer Loans rose by €51.5 mil or 9.8% YoY, to €577.8 mil from €526.2 mil in 2024. As a result, the Loans-Deposits Ratio increased slightly to 56% from 54% in 2024. At the same time, the combined book value of the Bank's liquid and liquidable assets rose to €615.9 mil, up from €605.4 mil in 2024, while borrowings from the interbank market remained at zero (2024: same). As of 31.12.2025, Deposits coverage by Net Liquid Assets stood at 60% (2024: 62%).

As of 31.12.2025 the gross deposit balances of the Top 10 Depositors amounted €340.9 mil and accounted for 33.7% of Total Deposits as well as of Total Liquid Liabilities. Accordingly, the Top 10 depositors' amount was abundantly covered by the Effective Counterbalancing Capacity amount, by 178% (2024: 187%). As of the same date, the USD balances of the Top 10 depositors accounted for 28.1% of Total Deposits and were covered by the USD-denominated Counterbalancing Capacity by 120% (2024: 22.7% and 134%, respectively). Their EUR balances accounted for 11% of the Total Deposits and were covered by 237% by the EUR-denominated Counterbalancing Capacity (2024: 10% and 314%, respectively).

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 table below presents the carrying amount of encumbered and unencumbered on-balance sheet assets as at 31.12.2025 and 31.12.2024. As of 31.12.2025, encumbered assets amounted to €4.5 mil, while unencumbered assets amounted to €1,121.6 mil. Unencumbered assets included debt securities of €216.8 mil, primarily securities issued by general governments (€211.1mil), and other assets of €994.8 mil.

Table 26: AE1 - Encumbered and unencumbered assets.

Amounts in € '000 ***2025***	**Carrying amount of encumbered assets**		**Carrying amount of unencumbered assets**		**Fair value of unencumbered assets**	
		Notionally eligible EHQLA and HQLA		**EHQLA and HQLA**		**EHQLA and HQLA**
Assets of the reporting institution	4,509	0	1.121,566	471,857		
Equity instruments		0	0	0	0	0
Debt securities		0	216,810	212,053	217,123	212,366
of which: covered bonds		0	0	0	0.00	0.00
of which: securitizations		0	0	0	0.00	0.00
of which: issued by general governments		0	211,056	211,056	211,369	211,369
of which: issued by financial corporations		0	0	0		
of which: issued by non-financial corporations		0	5,754	0	5,754	996
Other assets	4,509	0	994,756	259,804		

Amounts in € '000 ***2024***	**Carrying amount of encumbered assets**		**Carrying amount of unencumbered assets**		**Fair value of unencumbered assets**	
		Notionally eligible EHQLA and HQLA		**Of which: EHQLA and HQLA**		**Of which: EHQLA and HQLA**
Assets of the reporting institution	4,159	0	1.147,710	475,729		
Equity instruments		0		0	0	0
Debt securities		0	215,376	213,365	214,248	212,237
of which: covered bonds		0	0	0	0	0.00
of which: securitisations		0	0	0	0	0.00
of which: issued by general governments		0	211,219	211,219	210,091	210,091
of which: issued by financial corporations		0	2,146	2,146	2,146	2,146
of which: issued by non-financial corporations		0	2,011	0	2,011	0.00
Other assets	4,159	0	932,335	262,363		

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 31.12.2025 and 31.12.2024, 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 27: REM1 – Information on remuneration for all staff

Total Remuneration 2025 (Amounts in '000)	MB Superv. function	MB Mgmt. function	Investment banking	Retail banking	Corporate functions	Ind. control functions	All other staff	TOTAL
Total number of staff								**138**
Of which: - members of the MB - MB Management function	8	2	3	9	16	18	82	
Total remuneration	€ 293.0	€ 3,227	€ 298	€ 499	€ 1,414	€ 1,310	€ 4,952	**€ 11,994**
Of which: - variable remuneration	€ 0.0	€ 2,169	€ 0	€ 39	€ 0	€ 0	€ 100	
- fixed remuneration	€ 293.0	€ 1,058	€ 298	€ 460	€ 1,414	€ 1,310	€ 4,852	
Total Annual Remuneration	€ 293.0	€ 3,227	€ 298	€ 499	€ 1,414	€ 1,310	€ 4,952	**€ 11,994**

Total Remuneration 2024 (Amounts in '000)	MB Superv. 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 MB Management function	6	3	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	
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**

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
SICR	Significant Increase in Credit Risk
SRB	Single Resolution Board
SRF	Sigle Resolution Fund
SREP	Supervisory Review and Evaluation Process
SSM	Single Supervisory Mechanism
Tsd	Thousands
UTP	Unlikeliness-to-Pay
YoY	Year on Year