AEGEAN BALTIC BANK GROUP

Annual Financial Report

31 December 2024

July 2025

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Board of Directors' Annual Management Report for the Financial Year 2024

Dear Shareholders,

We hereby submit for your approval the Financial Statements and the Annual Report of the Board of Directors of Aegean Baltic Bank Group (hereinafter "Group" or "ABBank Group) and Aegean Baltic Bank S.A (hereinafter "ABBank" or the "Bank") for the year ended 31 December 2024, prepared in accordance with the International Financial Reporting Standards, as adopted by the EU.

ABBank is a Greek banking institution, specializing in corporate banking for the shipping sector. As of 2018 it has also engaged in non-shipping corporate banking through the financing of Greek SMEs and larger corporates. ABBank operates through its head office at Maroussi, Athens, Greece and its two branches located in Piraeus and Glyfada.

In 2022 the ABBank established a fully owned subsidiary company, "Acqua Blue Properties Single Member S.A.", for the single purpose of owning and managing a certain repossessed real estate property. Thus, hereinafter ABBank publishes consolidated ("Group") Financial Statements in addition to the customarily published "Bank" Financial Statements.

Overview

In 2024 world GDP growth remained at 3.3% YoY[1] (2023: 3.3%), reflecting the impact to global economic activity of lower than last year but still high inflation and interest rates, as well as persisting uncertainty from continuing and broadening geopolitical and trade tensions. Economic performance varied between countries and regions, with the Eurozone suffering the most, recording an annual GDP growth of 0.9%[1] (2023: 0.4%), whereas Japan saw its GDP growth dropping to 0.1% from 1.9% in 2023. Economic performance of the USA and China was only marginally lower to last year, their GDP growing YoY by 2.8%, 5.0%, respectively[1] (2023: 2.9% and 5.2%, respectively). Nevertheless, the expansion of global trade of goods and services was strong[2], hovering 3.3% YoY (2023: 0.2%), mainly driven by the services component which accelerated by 7% YoY, whereas the international trade of goods grew by ca. 2.0% annually. Seaborne trade exhibited noticeable annual growth, both in terms of cargo volumes (+2.1%) and ton-miles (+5.9%) which, in combination with ship tonnage supply dynamics, pushed bulk carrier and containership earnings higher, while tanker earnings hovered at levels as strong as those of last year.

The economic performance of Greece in 2024 was for the fourth consecutive year stronger than the Eurozone average, recording a 2.3% annual GDP growth (2023: 2.3%). Private consumption, investment, and inventory accumulation were the main factors contributing to the positive result, offsetting the impact of continuing inflationary pressures, especially in services, despite the declining prices in food, non-energy industrial goods and energy. The Harmonized Consumer Price Index hovered 3.0%, compared to 4.2% in 2023, but core inflation stood at 3.6% compared to 2.7% of the Euro Area average. On the fiscal domain stands out the government budget primary surplus of 4.8% of GDP (2023: 1.1%).

For ABBank, 2024 was another profitable year, yet lagging behind the 2023 performance. Group Net Profit amounted to €18.7 mil, down by 30.9% from FY-2023 (€27.0 mil), bringing RoE at 12.8% (2023: 23.0%). Total Operating Income stood at €41.9 mil, €10.7 mil or 20.4% below the year prior. Such underperformance is mainly attributed to a €6.8 mil revaluation loss incurred by the Investment Property and, secondarily, to a €3.0 mil drop in NII. Total Operating Expenses increased by €3.0 mil or 18.7% YoY, to €19.3 mil, ca. 85% of the increase coming from Staff Expenses, 52% thereof attributed to a 14.3% YoY increase in the number of FTEs and 48% to a non-recurring provision charge for top-management retirement compensation. At the same time, Bank Net Profit amounted to €20.5 mil, recording a €6.6 mil or 24.2% YoY decline, approximately €3.5 mil thereof accounting for the provision charge incurred for the impairment of its Investment in the Subsidiary. The Total Operating Income of the Bank hovered €48.8 mil, marking a €3.9 mil or 7.4% annual reduction, whereas Total Operating Expenses stood at €19.2 mil, raising the Bank's Cost-Income Ratio at 39.4%, from 30.8% the previous year. On 31.12.2024 the Bank's Total Assets enhanced by €76.2 million or 7.2% annually to €1.15 billion, reflecting a €61.6 mil enhancement (+11.3% YoY) of Total Liquid and Liquifiable Assets, and a €19.8 mil increase (+3.6% YoY) of Customer Loans, funded by €56.6 mil higher Customer Deposits balances (+6.2% YoY) and the annual increase of Capital through the Net Profit. The NPE Ratio declined further to 0.70% of Total Gross Loans, from 0.82% on 31.12.2023, whereas the NPE Cover Ratio remained at 96% (2023: 97%). Given the increase of average annual total assets in 2024, NIM declined to 3.49% from 3.90% in the previous year. The increase in Customer Deposits and Liquid Assets resulted in stronger Liquidity Coverage Ratio and Net Stable Funding Ratio, which improved to 453.5% and 161.2%, respectively (2023: 387.4% and 156.2%, respectively). If the FY-2024 Net Profit was considered, on 31.12.2024 the CET-1 capital adequacy ratio of the

[1] *International Monetary Fund (IMF), Global Economic Outlook, April 2025.*
[2] *UNCTAD, "Global Trade Update", December 2024.*

Group would stand at 27.35%, from 24.0% in 2023, and that of the Bank at 27.28% from 23.3% the year prior, with application of the IFRS 9 on a fully loaded basis.

World economic environment and developments

The **world economy** experienced modest, yet frail, conditions in 2024, with an easing of inflation and fair economic growth, which is estimated at 3.3% according to the IMF[3], remaining though below the historical average (3.7%) and reflecting varying trends and divergent risks across regions. Global growth outlook was recently revised downwards for 2025 and 2026, to 2.8% and 3.0% respectively, amid the swift escalation of trade tensions and the high levels of policy uncertainty, which are expected to have a significant impact on economic activity.

Advanced economies are expected to experience growth rate easing from an estimated 1.8% in 2024 to 1.4% in 2025 and 1.5% in 2026, with headline inflation converging back to target quicker than in the emerging markets. The **Euro area** has been in a cyclical rebound, but domestic demand has been subdued and, apart from Germany, the contribution of consumption growth may have peaked in its largest economies. Weak consumer sentiment and elevated uncertainty have raised precautionary savings while weighing down consumption growth. Manufacturing activity has remained weak on the back of persistently high energy prices, while services have been the main growth driver, contributing to divergence among European countries, particularly those relying more heavily on these sectors. Growth is expected to remain soft in the Euro area, at 0.8% in 2025 from 0.9% in 2024, reflecting continued weakness in manufacturing, industrial activity and exports, despite the higher consumption and the recovery in real income.

On the other hand, the **US economy** was operating above its potential in 2024, relying heavily on strong domestic demand and consumption, recording a growth rate of 2.8%. However, in 2025, signs of a potential reversal have emerged. Consumer spending declined by 0.6% in January and remained weak in February, with the decrease likely reflecting a normalization of private consumption toward more sustainable levels and the negative impact of recurring policy shifts on economic sentiment. This signals a deterioration of the cyclical position of the US economy and growth is now expected to drop to 1.8% in 2025 and 1.7% in 2026, on account of greater policy uncertainty, trade tensions, and softer demand.

Emerging markets and developing economies are estimated to have grown steadily in 2024, at 4.3%, but again growth is expected to slow down to 3.7% in 2025 and 3.9% in 2026, with noticeable downgrades for countries, such as **China,** affected mostly by the recent trade measures. Chinese economic growth subsided below expectations last year, to 5.0%, on account of reduced consumption, delayed stabilization in the property market and low consumer confidence, while it is expected to soften further to 4.0% in 2025-26. **Indian growth** also slowed more than expected due to a deceleration in industrial activity, but nevertheless it remained quite strong, at 6.5% in 2024, and is projected to drop slightly, to 6.2%-6.3% through 2026. Overall, current projections suggest that the outlook will likely be dominated by downward risks, possibly with broader financial instability, adjustments in FX rates and capital flows, largely depending on the developments around trade tariffs and trade policies.

[3] *IMF, World Economic Outlook, April 2025*

Global Trade and Shipping Markets – Developments and Outlook

Global seaborne trade generally had a positive year in 2024, though growth has moderated into early 2025, and, looking ahead, uncertainty in the outlook has increased. Seaborne trade grew by 5.9% in ton-miles last year, supported by vessel re-routing to avoid the Red Sea and Panama Canal disruptions. Meanwhile, seaborne trade volumes rose by 2.1% to 12.6 billion tons in 2024, supported by underlying growth in the global economy and robust Chinese commodity demand for imports and inventory building.

The Q1-2025 data sends out mixed signals for the current year, as the positive start for the containership and gas sectors contrasted with weaker dry bulk and sluggish oil trades. Analysts currently estimate that in the full year 2025 global seaborne trade will grow by 1.1%, a much slower pace than the firm levels seen across 2023-2024, as several complexities and factors have the potential to impact trading patterns ahead. The Red Sea disruption remains in focus, although no significant changes have been observed in Red Sea transit volumes, which remain down by 70% vs the 2023 levels and thus continue to support longer-haul routes and higher ton-mile demand.

The US government policies are also in the spotlight, as the introduction of a wide range of tariffs (and retaliatory measures by targeted nations, mainly China) are impacting an estimated 1.5% of seaborne trade as of end-Q1 2025 (1.8% in ton-miles). For now, direct impacts on shipping appear relatively limited and potentially smaller than the previous 2018-2019 "trade war" but, given the fluid nature of US policy, there is potential for both further escalation and softening/reversal of current measures or new trade agreements being made and trade patterns evolving. The US policy is expected to also impact shipping in a range of other areas, including sanctions policies, the Russia-Ukraine conflict, as well as the proposed levies on US port calls by Chinese-operated and built vessels and ships whose operators have a vessel on order in China, which are nevertheless potentially less challenging than initial proposals, as it appears that there are enough exemptions to largely avoid disruption to US exports. According to analysts, the new tariffs introduced are for the time being estimated to affect 4% of seaborne volumes overall, with the car carrier and, to a lesser extent, the containership trades projected to experience the most profound impact. Looking at the two main shipping sectors, the direct impacts of tariffs and counter-tariffs appear limited, with only ca. 1.5% of seaborne dry bulk trade being currently affected and just ca. 0.4% of seaborne oil trade. On the other hand, 14% of global container trade (in TEU) is subject to new tariffs and reports suggest that exports from China to the US have fallen sharply into April so far. A more prolonged trade war could result in material contraction of the full year container trade, although a range of scenarios are clearly possible.

On the supply side the world fleet is growing steadily (ca. +4% expected in 2025) but some factors remain fairly supportive, such as the "tight" shipbuilding market, characterized by long lead times and high prices, as well as the uncertainty around fuel transition and technologies, which have curbed newbuilding appetite and caused order volumes to slow down in early 2025. Overall, while freight rates have eased back in some sectors in early 2025, shipping markets have generally remained cash-generating in both 2024 and early 2025. Geopolitics and global economic risks continue to be monitored closely, but disruption factors, some supply-side constraints, reductions in vessel speeds, as well as potential impacts from emission policies are still lending support.

The average earnings of the **tanker sector** (Crude Oil Tankers, Oil Products Tankers) have remained firm. After peaking in late 2022, tanker earnings have receded on average in 2023 and further in 2024, although they still remain significantly above their long-term historical benchmark. The tanker market conditions remain healthy so far in 2025, even though the outlook remains complex, both as regards macroeconomic fundamentals and geopolitical developments and conditions are likely to vary by segment, with the crude tanker market presently being in a strong position with likely positive trends ahead, and the products tanker market potentially easing for the remainder of the year due to softer supply/demand balance. Fundamentals are expected to remain firmer in 2025 through 2027 for the larger crude sector from the average 2024 level, but on the other hand to ease significantly for the smaller crude sizes and the product tankers, as evidenced in the period rates prevailing at the end of 2024. Tanker fleet growth is projected to pick up following the firmer newbuilding contracting of recent years and is estimated to reach 2.4% in the crude segment and 6.3% in the products segment, significantly outpacing gains in vessel demand growth, which is projected to be limited (+0.5%, potentially reaching +1.2% in ton-miles).

The **bulk carriers sector** recorded an overall more positive performance in 2024 than the year before, driven mainly by higher ton-mile demand due to vessel re-routing and longer-haul trades. The market experienced an "unseasonal" weak end in 2024, which was carried over into early 2025, although bulker earnings started firming up within March. Yet, projections for the full year 2025 show an overall softer year for bulk carriers, mainly on account of weaker supply/demand fundamentals, although a number of factors (such as slower speeds and vessel re-routing) can still provide some support. Further rates subsiding is expected later in 2025, and possibly through 2027, as fleet growth is projected to come in again this year at 3% whereas demand will likely edge lower this year, with seaborne dry bulk trade estimated to fall by 1% in the full year 2025 (though a slightly more modest decline of 0.4% is estimated in ton-miles).

Following a large correction through 2023, the **containership** sector recorded an upward trajectory throughout 2024 with firm gains mainly on the back of Red Sea re-routing. The global container trade is estimated to have grown by 5.9% in volumes and by an astonishing 18% in TEU-miles. Container trade demand has seen divergent trends so far in 2025 and while earnings have shown resilience amid tight supply, weaker trends are expected to drag on the market eventually, accentuated by the building impacts of tariffs and trade policy uncertainties. Being among the sectors that will be mostly affected by the developments in trade policies, scenarios about the global container trade growth vary greatly, from a material contraction in the full year, to a growth of 2%-3%. Yet, with fleet growth projected at 6% in 2025, more challenging fundamentals prevail, and a strong correction may be reflected in the period rates for 2025-2027.

Greek Economic Developments and Outlook

Greek Macroeconomic Developments in 2024

Greece's economy continued its growth momentum in 2024 with GDP having grown by an estimated 2.3% YoY, exceeding the euro area average, with the forecast for 2025 revised to 2.1%. The expansion was primarily driven by private consumption and investment growth, with the former benefiting from the strengthening of real disposable income due to rising employment as well as lower inflation, and the latter being fueled by the European Recovery and Resilience Facility (RRF) funding. Notwithstanding its positive downward trajectory from its 2022 peak, inflation has been a challenge, with the Harmonized Index of Consumer Prices (HICP) and core inflation standing at 3% and 3.6% respectively in 2024 due to persistent increases in services prices, despite the declining prices in food, non-energy industrial goods and energy. The debt to GDP ratio decreased by 10% in 2024 compared to 2023 to 153.6% on account of early debt repayment and notable economic growth.

According to data from the Hellenic Statistical Authority (ELSTAT), the Construction sector in Greece has shown solid growth, supported by public infrastructure projects and private buildings, with the construction production index recording an almost 20% growth in 2024. The Industrial output also grew by 5.2% in volumes, though industrial turnover grew at a slower pace of 2%. Both Wholesale and Retail trade volumes declined YoY, by 4.6% and 1.6% respectively, nevertheless the still elevated prices affected positively the retail sales/turnover, which increased by +1.6%. The Services sector expanded marginally in output terms (+1%), but the higher prices for services resulted in a substantially higher growth rate in turnover terms. Commercial Real Estate has benefited both from foreign investments, particularly in hospitality, logistics and office spaces, as well as from domestic demand, with the office and retail price indices increasing by 4.2% and 7.8% YoY respectively in 1H2024 and office and retail rents increasing by 2.2% and 6.2% YoY. The Manufacturing sector remains resilient and on a rising path, marking a 3.7% growth in 2024. Finally, the Renewable Energy sector has seen significant expansion aligning with the EU decarbonization goals, with notably 48% of total energy generation in 2024 coming from RES (versus 45% from conventional sources and 7% from hydro-generation). Investment in solar and wind energy projects has increased, supported by EU RRF funding.

Greek Economic Outlook for 2025 and Beyond

According to published reports by the Bank of Greece[4], economic activity continued to expand at a satisfactory pace (2.2% YoY) in Q1 2025, outperforming the euro area (1.5% YoY), despite the elevated uncertainty in the international economic environment. HICP inflation remained relatively high at 3.0% in the first 5 months of 2025 (at par with the average 2024 level), as increases in the annual rates of food items and non-energy industrial goods, as well as a slower pace of reduction in energy inflation, were partially offset by a marginal decline in services inflation. In the housing market, apartment prices continued rising at a strong, though decelerating, pace in Q1 2025, following on from 2024. Labor market developments remained positive in Q1 2025, with unemployment falling further. The current account deficit increased further in the first four months of 2025 due to a deterioration in the secondary income account and in the services balance, which was partly offset by an improvement mainly in the primary income balance and to a lesser extent in the goods balance. On the fiscal front, there was a positive surprise with the 2024 primary fiscal outcome coming in at a surplus of 4.8% of GDP, significantly larger than the 2025 Budget target (2.5%) mainly due to higher tax revenue.

Looking ahead, according to the latest BoG projections (Note on the Greek Economy, June 2025), the Greek economy is expected to grow by 2.3% in 2025 and converge thereafter towards potential growth, mainly driven by private consumption and investment spending, supported by the contribution of available European resources, as well as lower anticipated inflation and the expected reduction in the public debt-to-GDP ratio below 150%, which will likely further improve investment sentiment. Private consumption is expected to remain firm, and exports are estimated to grow on average by 3.8% during 2025-2026, yet with an expected negative contribution to GDP due to anticipated higher imports to support the strong investment activity. HICP and core inflation are projected to decline towards the 2% mark by the end of 2026. The fiscal stance is expected to turn expansionary in 2025 on the back of RRF implementation. While downward risks continue to exist, mainly relating to the economic trends in the eurozone, geopolitical developments, climate risks and delays in the implementation of structural reforms, the short/medium-term baseline projections remain positive.

[4] *Bank of Greece, Governor's Annual Report, 2024; Bank of Greece, Note on the Greek Economy, June 2025.*

Presently the baseline scenario for the performance of the Greek economy, and consequently of the Greek lending portfolios, assumes a continuation of ECB's monetary policy as well as Greece's fiscal support measures and does not project further escalation in the open war fronts (particularly that of Russia-Ukraine which is more pertinent to the European and Greek economies), nor any further changes in the EU sanctions against Russia. The core inflation rate for Greece is expected to de-escalate further, suggesting moderate economic growth, real estate prices remain on a positive range during 2024-2025, despite having somewhat slowed down from 2023, while positive dynamics in the labor market are expected to contribute to lower unemployment path. Moreover, the Greek economy's short-term prospects are supported by: (a) the expected strong tourism season, (b) EU funding (such as through the Recovery and Resilience Facility, the Multiannual Financial Framework and the European Investment Bank), (c) strong liquidity (as reflected in increased deposit levels and the state cash buffer) and (d) the fiscal measures implemented to mitigate the impact of energy costs. Finally, the de-escalation of base interest rates during 2024, in combination with increased competition within the banking sector (resulting overall in reducing loan spreads), have significantly contributed to the moderation of interest expenses for the majority of obligors, thus counterbalancing to some extent the increase in their operating costs, observed in recent years.

The Greek Financial Environment

Pursuant to the latest publications by the Bank of Greece[5], bank credit expansion accelerated significantly in 2024 and the first months of 2025 under the favorable impact of solid economic growth, declining interest rates (particularly for corporate loans) and supportive public programs, underpinning both increased loan demand and supply. Private sector deposits continued to rise but the annual growth of household deposits has decelerated. Government bond yields and spreads have remained broadly unchanged, as the impact of Greece's sovereign credit rating upgrades helped moderate the spillover effect from rising US Treasury yields and the rise in global financial markets volatility. Greek corporate bonds and equities have outperformed their euro-area peers even amid the global financial market turbulence caused by the US trade policy uncertainty.

In the banking market, as of April 2025, bank credit to non-financial corporations recorded an annual growth rate of 17.2%, in contrast with bank loans to households which continued to contract, mostly reflecting a shrinking stock of housing loans, as consumer loans have been recording growth since mid-2022. According to data from the AnaCredit, in 2024, new corporate loan disbursements stood at €12.2 billion, well above the amount of the corresponding period in 2023 (€9.9 billion). However, in the first 4 months of 2025, these loan disbursements amounted to €2.1 billion compared to €3.3 billion in the same period of 2024.

As a result of the ECB policy rate cuts, bank lending rates have followed a declining path in 2024 and the first months of 2025. Interest rate reductions have been larger in the case of new corporate loans compared to new loans for households.

During 2025-2026, credit provision to the economy is expected to be buoyed by the resources provided through the Recovery and Resilience Facility (RRF) of the NGEU, and the implementation of the National Recovery and Resilience Plan (NRRP) "Greece 2.0". After the approval by the EC of the modified NRRP, total available investment resources reach up to €36 billion, comprising €18.3 billion in subsidies and €17.7 billion in loans (of which €11.2 billion will be channeled through commercial banks). After the disbursement of the 5th instalment of RRF funds towards Greece, the total inflow of RRF loan funds amounts to €11.4 billion. As far as RRF loans through Greek commercial banks are concerned, up to May 2025, 452 loan agreements had been signed financing investments with a total budget of €16.3 billion (RRF loans: €7.1 billion, bank loans: €5.4 billion, investors' own participation: €3.8 billion). Since the start of the implementation of the NRRP in July 2022, the amount of bank loan agreements co-financing RRF projects represents around 10% of total new bank term loan agreements over the same period. Moreover, financial resources continue to be directed to the economy through financial instruments offered in the context of various European and national initiatives. Specifically, the Hellenic Development Bank (HDB), the EIB and the EIF co-finance or guarantee loans extended by commercial banks, mostly to non-financial corporations and secondarily to households. In 2024, bank loan disbursements to non-financial corporations supported by these financial instruments amounted to almost €3.7 billion (2023: €2.0 billion) thus representing 14% of total new bank business loans (40% of new bank loans to SMEs respectively). In the first four months of 2025, loan disbursements to firms related to these instruments amounted to €0.9 billion representing around 20% of total new bank business loans (around 40% for SMEs respectively).

[5] *Bank of Greece, Note on the Greek Economy, June 2025*

Greek Shipping Finance

The 24th Annual Petrofin Bank Research (May 2025) estimates that at the end of 2024, shipping finance to Greek ship owners amounted to USD 53.5 billion, provided by ca. 50 banks and financial companies. Thereof, only 6 are Greek banks and 3 are Cypriot (which entered and remain in the market since 2018, still maintaining however significantly smaller portfolios than the Greek ones). The size of the 2024 Greek shipping portfolio grew moderately, by 5%, in comparison to 2023 (USD 50.9 bil), driven mainly by the Greek and Cypriot banks, which grew their combined portfolios by 18%. Such performance however is understated as new loan origination was substantially higher, but its positive impact was once again held back, due to both accelerated loan repayments (on account of the still elevated interest rates and the available liquidity in the shipping industry) but also the fragile geopolitical environment, which was not supportive for further growth.

The aforesaid 9 Greek and Cypriot banks accounted for 35% (USD 18.6 billion) of the 2024 total Greek shipping finance portfolio (2023: 31%, USD 15.8 billion), with the 4 systemic Greek banks ranking among the top 5 financiers of Greek shipping portfolios, evidencing the sustained interest of local lenders in the shipping sector. Foreign banks with a Greek presence (through branch or representative offices) continued to reduce their total exposure, accounting for USD 11.0 billion or 21% (2023: USD 11.8 billion or 23%), while foreign banks without Greek presence recorded a mild growth to USD 23.9 billion or 45% of the total (2023: USD 23.3 billion or 46%). It is also worth noting that, in line with the prevailing regulatory developments and the banks' commitments towards sustainability targets, a number of banks (8 reported, including the 4 Greek systemic banks) have already provided sustainability-linked shipping loans, which amount on average to 7% of such banks' total shipping portfolios. Such loans focus primarily on vessel emissions and carbon intensity and include specific KPI sustainability criteria, usually accompanied by improved loan terms (e.g. pricing).

ABBank: Financial Results and Developments

Overview

In 2024 the Group recorded a Net Profit of €18.7 mil, resulting in a 12.8% Return on Equity (2023: €27.0 and 23.0%, respectively). FY-2024 Net Profit stood €8.4 mil or 30.9% lower than that of FY-2023, the main drivers of the reduction being the €6.8 mil fair valuation loss incurred in connection with its Investment Property, the €3.0 mil or 6.7% YoY lower Net Interest Income (“NII”), the increase of Personnel Expenses by €2.6 mil or 25.8% YoY - 48% thereof attributed to a non-recurring “*Provision for compensation of Employment Agreement termination”* charge - and the €1.6 mil reversal of provision for Financial Assets, given that the amount recovered from certain Non-Performing Loans (“NPLs”), previously fully provided for, exceeded the amount of additional credit loss impairments calculated for loan exposures.

By 31.12.2024 Group’s Total Equity had increased by 13.5% or €19.6 mil YoY, amounting €165.6 mil from €145.9 million in 2023 and the Total Liabilities, which mainly consisted of Customer Deposits, had marked a €54.3 mil or 5.8% annual net increase. Total Assets increased by €74.0 mil or 6.9% YoY, to €1.15 billion from €1.08 billion the previous year. Total Assets growth was primarily attributed to the expansion of the portfolio of Liquid and Liquidable Assets (liquidity balances with the Central Bank, Due from Banks and Investment Bond portfolios) which marked a combined annual increase of €64.5 mil or 11.3% and the portfolio of Loans and Advances to Customers, which enhanced by €19.8 mil or 3.9% YoY, with the NPLs contracting further to 0.7% of total gross loans, from 0.8% in 2023, and their provision coverage being maintained at robust levels (2024: 96% , 2023: 97%).

The Group’s regulatory capital and liquidity strengthened further. Should the Group’s net profit of FY-2024 be considered in full, on 31.12.2024 the CET-1 ratio stood at 27.64% (2023: 24.00%) and the Leverage Ratio at 13.9% (2023: 13.1%), whereas as of the same date the Liquidity Cover Ratio (“LCR”) was calculated at 453% and the Net Stable Funding Ratio (“NSFR”) at 161% (2023: 357% and 158%, respectively).

Finally, in January 2025, Standard & Poor’s raised ABBank's credit rating to 'BB/B' (long term / short term) from 'BB-/B', maintaining a Stable Outlook, noting that: “Our stable outlook reflects our expectation that ABB's solid financials will continue to offset structurally higher risks. These risks result from the bank's small scale and niche business focus in a sector that is highly sensitive to economic developments”; whereas in June 2025 Scope Ratings maintained the Group’s issuer credit rating of BB/B with Stable Outlook.

Statement of Financial Position

The table below illustrates the Group's and the Bank's Balance Sheet, in an abridged form, and the annual changes between 2024 and 2023 of the main asset and liability classes.

Balance Sheet (abridged)	Group		Group		Bank		Bank	
	2024	2023	2024/23	2024/23	2024	2023	2024/23	2024/23
	€ mil	€ mil	+/- € mil	+/- %	€ mil.	€ mil.	+/- € mil	+/- %
Cash and balances with Banks	390.0	281.1	+ 108.9	+38.7%	390.0	281.1	+ 108.9	+38.7%
Loans Net	526.2	506.5	+ 19.8	+3.9%	526.2	506.5	+ 19.8	+3.9%
Of which NPEs , Net of provisions	0.1	0.1	+ 0.0	*+32.1%*	0.1	0.1	+ 0.0	*+32.1%*
Financial assets at FVTOCI	145.7	194.3	- 48.6	-25.0%	145.7	194.3	- 48.6	-25.0%
Debt securities at amortized cost	69.6	68.5	+ 1.2	+1.7%	69.6	68.5	+ 1.2	+1.7%
Investment Property	2.1	8.9	- 6.8	-76.6%	-	-	-	-
Investments in Subsidiaries	-	-	-	-	2.9	7.5	- 4.6	-60.8%
Property and equipment	11.8	11.7	+ 0.0	+0.3%	11.8	11.7	+ 0.0	+0.3%
Intangible Assets	1.8	1.5	+ 0.3	+24.0%	1.8	1.5	+ 0.3	+24.0%
Other Assets	3.8	4.6	- 0.8	-17.6%	3.7	4.6	- 0.8	-18.0%
Total Assets	**1,151.0**	**1,077.1**	**+ 74.0**	**+6.9%**	**1,151.9**	**1,075.6**	**+ 76.2**	**+7.1%**
Due to customers	973.8	917.1	+ 56.7	+6.2%	974.7	918.1	+ 56.6	+6.2%
Other liabilities	11.6	14.0	- 2.4	-16.8%	11.6	13.5	- 1.8	-13.5%
Total Liabilities	**985.5**	**931.1**	**+ 54.3**	**+5.8%**	**986.3**	**931.6**	**+ 54.8**	**+5.9%**
Total Equity	**165.6**	**145.9**	**+ 19.6**	**+13.5%**	**165.6**	**144.1**	**+ 21.5**	**+14.9%**
Total Liabilities and Equity	**1,151.0**	**1,077.1**	**+ 74.0**	**+6.9%**	**1,151.9**	**1,075.6**	**+ 76.2**	**+7.1%**

In 2024 the Total Assets of the Group increased by €74.0 mil or 6.9%, to €1.15 billion from €1.08 billion as of 31.12.2023. Total Assets growth reflects the €54.3 mil or 5.8% YoY rise in the funding side (Total Liabilities), combined with the strengthening of total equity by €19.6 mil or ca. 13.5% YoY, predominantly through profitability. Customer deposits increased by €56.7 mil annually, to €0.97 billion from €0.92 billion the year prior, and Total Loans to Customers by 19.8 mil or 3.9% YoY, resulting in a slight decrease of the Loans to Deposits Ratio to 54.0% from 55.2% in 2023. Other movements of asset and liability classes worth mentioning are:

- Cash and liquidity balances with the Central Bank and other Banks absorbed the bulk of the Total Labilities' increase, having enhanced jointly by €108.9 mil or 38.7% YoY.
- The portfolios of Investment/Marketable Securities measured at Fair Value through Other Comprehensive Income ("FVOCI") and at Amortized Cost ("AC") decreased by €47.4 million in total, or 23.3% YoY, bringing their combined net book value of €215.4 million, compared to €262.8 million in 2023.
- The carrying value of Investment Property decreased by €6.8 million, reflecting a downward adjustment following the fair value remeasurement.
- The increase in Customers' Deposit balances was combined with a shift from Sight Deposits to Time Deposits, as a result of the environment of higher interest rates which, on average, prevailed in 2024 in comparison to 2023, with the Total Customer Deposits interest rate cost increasing by 61bps YoY. As of 31.12.2024 Time Deposits' balances presented an annual increase by €121 mil or 22% YoY, forming ca. 69% of total customer deposits (2023: 60%) and Sight Deposits dropped by €64 mil or 22% YoY, comprising 31% of the total (2023: 40%).
- The portfolios of Loans and Advances to Customers (net of provisions) expanded by €19.8 million or 3.9% YoY, to €526.3 mil, now representing 45.7% of Total Assets (2023: 47.0%). The expansion reflects the 3.2% increase in shipping loans and a 5.7% increase in non-shipping loans, bringing the split between the shipping and non-shipping gross loan balances at 76% and 24%, respectively from 77%-23% the previous year. Notably, in terms of total approved credit limits (i.e. including undrawn commitments and other off-balance sheet amounts) the distribution between shipping and non-shipping was 69% and 71%, respectively (2023: 72% and 28%, respectively).

Regarding the qualitative characteristics of the Bank's assets and liabilities, it should be noted that:

- The amount of net NPEs remains at 0.1 mil from 2023. During 2024 the gross NPE amount decreased by €0.5 mil, to €3.7 mil from €4.2 mil the previous year, mainly through the write-off of an equal amount of gross NPLs as well as the impairment loss connected to them. Thus, the Group's NPE Ratio (Gross NPEs over Total Gross Loans) was minimized to 0.7% from 0.8% in 2023, while the NPE Provisions Cover ratio remained at similarly strong levels as last year (96% in 2024 from 97% in 2023).
- As of 31.12.2024, the liquidable investments (marketable securities in the form of bonds) under the portfolios measured at FVOCI and those under the AC portfolio, amount, to €145.7 mil and €69.6 mil, respectively (€215.4 mil in total). The total amount consists by ca. 98% of Bonds or T-Bills issued by the Greek Government and the USA, the remaining 2% comprising Greek and EU corporate bonds. Notably, approximately 53% of the total, comprise Greek and USA Government T-Bills with short maturities (weighted average of less than 3 months) and interest rate or yield repricing, in case of re-investment, whereas the weighted maturity of the balance 47% is calculated at approximately 31 months. As of 31.12.2024 the average carrying yield of the bond portfolios stood at 3.0% (2023: 3.4%).
- Given the developments in the size and composition of the balances with the central bank, the bonds portfolios, and the customer deposits, the Group's Liquidity Cover Ratio (LCR) and Net Stable Funding Ratio (NSFR) increased to 453.5% and 161.1%, respectively (2023: LCR of 387.4%, NSFR of 156.6%).

Income Statement

The net operating profit (before provisions and taxes) of the Group amounted to €22.6 mil (2023: €36.4 mil), whereas that of the Bank to €29.5 mil (2023: €36.5 mil), while the Net Profit (after taxes and provisions) stood at €18.7 mil for the Group and €20.5 million for the Bank, versus €27.0 mil and €27.1 mil, respectively, in the previous year. Total Operating Income of 2024 read €41.9 mil for the Group and €48.8 mil for the Bank, compared to €52.7 mil for both in 2023, standing €10.7 mil and €3.9 mil, respectively, below the previous year.

The main figures of the Group's and the Bank's Income Statement for FY-2024 and FY-2023 and the annual changes thereof, are presented abridged, in a tabular form, below:

Income Statement (abridged)	Group		Group		Bank		Bank	
	2024	2023	2024/23	2024/23	2024	2023	2024/23	2024/23
	€ mil	€ mil	+/- € mil	+/- %	€ mil.	€ mil.	+/- € mil	+/- %
Net Interest income	40.9	43.9	- 3.0	-6.7%	40.9	43.9	- 3.0	-6.7%
Net fee and commission Income	4.1	5.0	- 0.9	-18.2%	4.1	5.0	- 0.9	-18.2%
Net result from financial transactions	2.8	2.4	+ 0.3	+12.7%	2.8	2.4	+ 0.3	+12.7%
Other income from derecognition of financial assets	1.0	1.4	- 0.4	-26.3%	1.0	1.4	- 0.4	-26.3%
Gains / (losses) from fair value measurement of Investment Property	(6.8)	-	- 6.8	-	-	-	-	-
Total operating income	**41.9**	**52.7**	**- 10.7**	**-20.4%**	**48.8**	**52.7**	**- 3.9**	**-7.4%**
Personnel expenses	(12.7)	(10.1)	- 2.6	+25.8%	(12.7)	(10.1)	- 2.6	+25.8%
General administrative expenses	(5.3)	(5.1)	- 0.2	+4.4%	(5.2)	(5.0)	- 0.2	+3.7%
Depreciation and amortization charges	(1.4)	(1.1)	- 0.2	+19.1%	(1.4)	(1.1)	- 0.2	+19.1%
Total operating expenses (before impairment)	**(19.3)**	**(16.3)**	**-3.0**	**+18.7%**	**(19.2)**	**(16.2)**	**- 3.0**	**+18.5%**
Profit pre provisions and tax	**22.6**	**36.4**	**-13.8**	**-37.9%**	**29.5**	**36.5**	**-6.9**	**-19.0%**
Impairment loss/Provision to Cover Financial Assets' Credit Risk	1.6	(1.4)	+ 3.0	-215.5%	1.6	(1.4)	+ 3.0	-215.5%
Impairment loss on investment in subsidiaries	-	-	-	-	(4.6)	-	- 4.6	-
Tax	(5.5)	(8.0)	+ 2.4	-30.3%	(6.1)	(8.0)	+ 1.9	-23.7%
Net profit/(loss) for the year	**18.7**	**27.0**	**-8.4**	**-30.9%**	**20.5**	**27.1**	**-6.6**	**-24.3%**

In 2024 the Group's Net Interest Income amounted to €40.9 million, recording an annual decrease of €3.0 million or 6.7% YoY. Gross interest income marked a €3.4 million or 5.3% YoY growth, to €67.8 mil from €64.4 mil in 2023, due to the rise of the annual average interest rates in both the EUR and the USD in conjunction with the increase of the average annual balance of Total Assets. In the same period, gross interest expenses increased by €6.4 mil or 31.1% YoY, to €26.9 mil from €20.5 mil the previous year. The accelerated annual expansion of interest expenses is attributed again to the upward movement of average interest rates, augmented by the shift of Sight Deposits into Time Deposits, as well as the increase of the annual average balances of the Total Customer Deposits.

Net Interest Margin hovered 3.49% per annum in 2024, compared to 3.90% p.a. in 2023, marking a 41bps drop. In particular:

- There was minimal fluctuation in gross interest income from loans between 2024 and 2023. However, given that the annual average loan balances in 2024 stood ca. 4.5% higher than in 2023, the gross interest loan yield of loans marked a 32 bps drop.
- The interest income from liquidity placements to the central bank and other banks increased annually by €4.5 million, or approximately 29.4% YoY, because of the increased average balances. In 2024, the interest rate yield of the Bank's liquidity placements improved by 22 bps.
- The interest income from debt securities marked an annual decline of €1.1 mil or 13.0% YoY, due to the reduction of the annual average amount invested thereto, although in 2024 the annual average interest rate yield of the Bank's debt securities portfolio improved by 20 bps, and in conjunction with the above the total gross interest income yield softened by 5 bps only in comparison to that of 2023.
- The Interest expense on customer deposits increased by €6.3 mil or 33.1% YoY. In 2024, the rise in the average annual deposit interest rates over those of 2023 increased the Bank's cost from this source by 61 bps.
- The Interest expenses on interbank takings declined in 2024 by €0.3 mil or 75.8% YoY, bringing the Total Funding Cost of the Group 46 bps higher than 2023.

Net Income from Fees and Commissions amounted to €4.1 mil from €5.0 mil in 2023, recording an annual decrease of €0.9 mil or 18.2%. This was a result of a 16% reduction in commissions income and a 26% increase in commission expenses. The lower income from Fees and Commissions is largely the result of the decreased revenue from commissions related to credit products and especially off-balance sheet commissions (LGs and loan commitments), whereas higher commission expenses are mainly attributed to higher debit card charges.

In 2024 the Group also earned a €2.8 mil Net Income from Financial Transactions, mainly relating to customers’ foreign exchange transactions, compared to €2.4 mil in 2023. Moreover a €1.02 mil gain from the derecognition of financial assets and other operating income was recorded in 2024 (2023: €1.38 mil), and a €6.81 mil loss was recorded in the Group’s Operating Income (charging the Bank’s Net Impairment Loss) from the revaluation of the investment property.

Total Operating Expenses (before impairment) of the Group amounted to €19.3 mil in 2024, marking an annual increase of €3.0 mil or 18.7% (2023: €16.3 mil), noting however that approximately 87% thereof is attributed to the rise in Personnel Expenses. More specifically:

- Personnel Expenses increased by 25.8% or €2.6 mil YoY and amounted to €12.7 mil compared to €10.1 mil in 2023. Notably, ca. 48% of the increase is connected to a non-recurring provision charge for compensation of Employment Agreement termination in relation to certain members of the Executive Management. The remaining 52% of the increase is related to the enhancement of the number of the Group’s full-time employees by 16 (+14%) versus the previous year-end, counting as of 31.12.2024, to 128 members of staff (2023: 112).
- General Administrative Expenses in combination with Depreciation and Amortization charges stood €0.4 mil or 6% YoY higher, with the subscriptions for IT licenses and related maintenance fees together with the non-deductible Tax/Vat payments mainly accounting for the increase.

Total Operating Expenses (before impairment) of the Bank amounted €19.2 mil, standing approximately €0.1 mil lower than the Group’s, due operating costs relating to the Subsidiary which burden the Consolidated Financial statements rather than the Bank’s. As a result, in FY-2024 the Bank recorded a Cost-Income Ratio of 39.4%, compared to 30.8% in 2023.

During 2024, at a Group level, a €1.6 mil net reversal of provisions for impairment loss on financial assets was recorded, being the result of €2.1 mil elimination or reduction of previously recorded impairment losses due to certain NPL recoveries and loan prepayments as well as the reduction of the Expected Credit Loss calculated for the bond portfolios , and a ca. €0.5 mil additional impairment loss provisions on existing and new loans. At a Bank level the net reversal amount was burdened also by the €4.6 mil impairment loss of the Investment in Subsidiaries, bringing the Bank’s Net Impairment Loss on Financial Assets at €2.9 mil.

Shareholders’ Equity – Capital Adequacy

On 31.12.2024, the book value of the Group'**s** Equity amounted to €165.6 mil, from €145.9 mil on 31.12.2023, incorporating the application of IFRS 9 on a fully loaded basis. The above annual net increase of €19.6 mil (+13.5%) consists of the addition of the year 2024 Net Profit, of €18.7 million, in the Group’s Retained Earnings, the positive adjustment of the FVOCI Portfolio Reserve by €0.5 million and the increase of other fair value reserves by €0.4 mil in total.

If the Group’s Net Profit for the FY 2024 was taken into account, the total regulatory capital of ABBank, which fully comprises CET-1 Capital, amounts to €163.6 million (2023: €144.3 mil), after deducting total adjustments of €1.9 million. Similarly, the Bank’s total regulatory capital amounts to also €163.6 mil as of 31.12.2024 (2023: €142.4 mil).

On 31.12.2024 the Group’s total Risk Weighted Assets contracted to €591.8 mil, from €601.1 mil on 31.12.2023, due to lower Credit Risk Weighted Assets, by 1.5% YoY, and higher Operational Risk Weighted Assets by 16% YoY. Likewise, for the Bank, as of 31.12.2024 the total RWAs amounted to €599.8 mil (2023: €609.4 mil)

Therefore:

- Including the Group’s Net Profit of FY 2024, on 31.12.2024 the Common Equity Tier 1 Ratio (CET1 Ratio) is calculated at 27.64%, from 24.0% on 31.12.2023, and that of the Bank’s is calculated at 27.28% (2023: 23.4%);
- Excluding the profits of FY 2024 in full, the distribution of which or not will be decided by the forthcoming Regular General Shareholders’ Meeting, the Group’s regulatory capital amounts to €144.9 million and the CET1 Ratio to 24.5%, while the Bank’s regulatory capital amounts to €143.1 mil and the Bank’s CET1 Ratio to 23.9%.

It is noted that:

a. the ratio is calculated with the fully loaded application of IFRS 9 as ABBank did not make use of the transitional provisions for the gradual recognition of the additional provisions that resulted from its initial application on 1.1.2018,
b. ABBank's total regulatory capital consists exclusively of Common Equity Tier 1 or CET1 and therefore the CET1 capital adequacy ratio is equivalent to the Total Capital Adequacy Ratio, and
c. the Bank's regulatory capital does not include deferred tax asset.

Disclosures pursuant to article 6 of Law 4374/2016

In the context of complying with the provisions of paragraph 4, Article 6 of Law 4374/2016 (Hellenic Government's Gazette A'50/1.4.2016) pertaining to the "Transparency in the relationship of credit institutions with media companies and sponsored persons or entities", ABBank is hereby disclosing information with regard to payments made to natural persons and/or legal entities in 2024. Specifically, during 2024 (a) no payments were made for marketing, advertisement or promotion, in the context of paragraph 1, Article 6 of Law 4374/2016; and (b) the payments effected for donations, sponsorships or grants, in the context of paragraph 2, Article 6 of Law 4374/2016, were the following:

NAME	NET PAYMENT €
HOLY DIOCESE OF NEA IONIA & PHILADELPHIA	**3,541.91**
SMILE OF THE CHILD	**3,175.00**
PALLIATIVE CARE CENTRE GALILEE HOLY METROPOLIS OF MESOGAIA AND LAVREOTIKI	**250.00**
PIRAEUS MARINE CLUB	**1,000.00**
ALMA ZOIS	**2,110.00**
HELLENIC BANK ASSOCIATION	**1,500.00**
GRAND TOTAL	**11,576.91**

In compliance with the current legislative, tax and regulatory framework, with respect to the above payments the Group paid in addition the amount of €700.44 in total, for VAT and other charges.

Other Disclosures

The Bank has never had and, as of 31.12.2024, did not have any own shares in its possession in the context of the article 150, paragraph 3.c of Law 4548/2018.

During 2024 the Bank neither paid nor made any expenses of Research and Development nature.

Subsequent Events after the reporting period

On 6 February 2025, the Bank announced the completion of the acquisition of shares representing 47.9% of its total share capital, as well as additional voting rights corresponding to 20% of its share capital, by the Swiss entity "AEGEAN BALTIC HOLDINGS AG.

This acquisition follows the share purchase agreement signed on April 11, 2024, between the Bank's principal shareholders and AEGEAN BALTIC HOLDING AG. Upon completion of the transaction, AEGEAN BALTIC HOLDING AG now controls 67.9% of the Bank's voting rights.

Group Risk Management

Being a financial institution active in a dynamically evolving economic environment, ABBank has ranked highly the timely recognition, the continued monitoring and the effective management of the banking risks it is exposed to, with the aim to maintain its capital adequacy at solid levels and to prudently balance risk with return for the Bank's shareholders.

The prime objective of the Bank is to comply with the standards of corporate governance and risk management set out by the at any time applicable regulatory framework which governs the operation of the European banking sector, taking also into account the particular characteristics of ABBank's specialized activity, its organic and economic size and the relevant best practices.

Since 1st January 2014 the Directive 2013/36/EU (CRD IV) and the Regulation 575/2013 (both as amended from time to time) of the European Parliament and the Council of Europe have been implemented, introducing to the European financial sector the new Basel III capital adequacy framework. Further to new criteria for the qualitative and quantitative adequacy of own capital, Basel III also includes new minimum standards for liquidity and leverage. Moreover, since November 2014, the Single Supervisory Mechanism (the "SSM") operates as the new system of financial supervision under the auspices of the ECB. The SSM supervises directly the important (or "systemic") financial institutions of the Eurozone, whereas it exercises indirect monitoring ("oversight") on the less-important (or "non-systemic") banks, which are supervised directly by the local supervising authority (the Bank of Greece, in the case of Greek FIs). Pursuant to their new responsibilities, the ECB and the SSM conduct European Comprehensive Assessment Tests for the systemic banks, including Asset Quality Reviews and Stress Tests under various macroeconomic scenarios. As a non-systemic bank, ABBank does not participate in such pan-European assessments, participating though in the respective Stress Test Exercises conducted by the BoG in relation to the less important Greek institutions (LSIs) under its supervision.

Detailed information about the core risks borne by the Bank through its financial exposures as of 31st December 2024 and 31st December 2023 are provided in Note 4 of the Financial Statements, whereas Note 4.9 makes specific reference to the Bank's capital adequacy calculation under both, Pillar I and Pillar II of the Basel-III regulatory framework currently in force.

Credit Risk

Credit risk refers to the possibility of the Bank suffering losses as a result of the inability or unwillingness of its debtors to fully perform their obligations, pursuant to the contractually agreed terms and conditions. Credit risk is embedded in all financing transactions of the Bank, predominantly the lending activities, as well as in other banking activities that carry a risk of default by the Bank's counterparty, such as money market transactions, securities market transactions, transactions in derivatives, as well as transactions involving clearing.

The Bank follows specific procedures for the continuing monitoring, measurement and assessment of credit risk and has compiled and documented relevant risk management policies. Given that the Bank's customer loans portfolio exclusively consists of unrated (by External Credit Agencies) obligors, ABBank has established and follows since 2003 its own, ten-grade, credit risk assessment and rating system. Since 2021 the Bank implements an internally developed credit rating (scoring) model for its shipping credit exposures, while since 2024 it also implements an externally developed credit rating (scoring) model for its non-shipping credit exposures. The results of both rating models are mapped to the Bank's internal credit rating system for the classification of obligors in the various credit risk categories. Moreover, specifically for its shipping obligors, ABBank has developed a model for the simulation of its internal 10-grade credit rating system to that of the "Specialized Lending Slotting Criteria" for Object Finance/Shipping of the Internal Ratings-Based Foundation (IRB-Foundation) approach. Such a model is used by the Bank's Risk Management Unit for stress-testing purposes, as well as to back-test, validate and re-evaluate the credit ratings included in the internal rating system. Since 2018, the Bank's credit policies and procedures have been expanded to also cover non-shipping corporate credits.

The Bank's methodologies for monitoring and assessment of credit risk primarily aim at promptly identifying and optimizing the management of expected and unexpected credit losses which could possibly be incurred. With the view to contribute in the Bank's best possible protection against such losses, credit operations include specific lending policies and criteria, including the purpose and type of each credit facility and its repayment sources, the formation of appropriate credit limits per obligor or group of obligors, limits of individual or sectoral concentrations, the use of credit risk mitigation techniques by obtaining collaterals and guarantees and the implementation of risk-related credit pricing in order to improve the use and yield of the corresponding capital requirements. The Bank's credit operations also involve the regular updates and review of the relevant procedures, aiming at the efficient management of the credit function and the undertaking of corrective measures in the management of deteriorating exposures. For the same purpose, the credit procedures and credit risk management processes are subjected to regular independent assessment by the Internal Audit Unit.

As a result of its specialization in the financing of the shipping industry, a capital-intensive activity by nature, credit risk concentrations are historically observed in the Bank's portfolio of loan exposures to customers. As of 31.12.24 and 31.12.23, none of the Bank's credit exposures to customers exceeded the maximum limit set out by banking regulation, of 25% of Regulatory Capital, (Part Four, Regulation (EU) No 575/2013 (CRR), articles 387-403). The Bank monitors credit risk concentrations on a continuous basis, as part of its Credit Risk Management Policy and related processes, with increased emphasis in the repayment sources and the applicable credit risk mitigation techniques (collaterals and guarantees) applicable to such exposures.

The procedures for approving new credits and regularly reviewing and reassessing existing ones until their full repayment, are clearly set out and centralized, under the responsibility of the Credit Committee for performing loans/exposures. Moreover, pursuant to the Acts of the Executive Committee of the Bank of Greece ("ECA/BoG") Nr. 175/2020 and Nr. 181/2021 regarding the management of non-performing and forborne exposures, the Bank has established relevant policies and procedures which also comply with best practices in relation to such exposures. The management of Non-Performing Exposures is conducted by a specific, dedicated Unit of the Bank, while relevant credit approvals are approved by the ANPL Credit Committee.

For the calculation of capital requirements for credit risk, the Bank follows the Standardized Approach of the current regulatory framework.

Details on Credit Risk are included in Note 4.2 of the Financial Statements.

Liquidity Risk

Liquidity risk refers to the Bank's ability to maintain sufficient liquid resources for the coverage of scheduled or unexpected withdrawals of cash, the repayment of all obligations of the Bank and the funding of its loan and other commitments.

The business nature of ABBank, its relatively small size within the Greek banking system and the disruptions observed during the last few years in the financial and interbank markets have set the liquidity risk as an area of top priority for close monitoring and attention.

The Bank's Risk Management Unit regularly performs stress tests for the Bank's liquidity, under mild and extreme volatility scenarios of both idiosyncratic (company-specific) and systemic nature. Moreover, it closely monitors customer deposit concentrations at individual, currency and maturity zone level, depository behavioural trends of the Bank's clientele, as well as the evolution of the regulatory ratios LCR and NSFR, and other liquidity ratios such as the Loans to Deposits Ratio. The Risk Management Unit also analyses potential liquidity and refinancing gaps and has incorporated in its liquidity risk management strategy the expansion of funding sources, the maintenance of strong levels of liquid assets and assets eligible for liquidation or refinancing, as well as the mitigation of funding concentrations. Ongoing liquidity risk analysis, stress test results under certain macroeconomic and idiosyncratic scenarios (e.g. concentrations in liquidity and funding and coverage of relevant potential outflows) and the results of monitoring the sources, uses and cost of funds are submitted to the Bank's Assets-Liabilities Committee (ALCO) and Senior Management, for consideration and appropriate decision-making.

With regards to liquidity concentration risk in particular, due to its specialization in corporate banking for the shipping sector, a capital-intensive activity by nature, concentrations comprise an inherent characteristic of the Bank's business model since its establishment and are historically observed in its customers' deposit balances. Such concentrations may be intensified in periods of strong freight markets, given that globally standard ship-financing terms provide for the obligation of borrowers to receive any cash flows connected to the operation, insurance and sale of ships mortgaged in favour of the lender (the Bank), in pledged (also in favour of the lender) deposit accounts maintained with the Bank.

As mentioned above, the monitoring and, especially, the risk mitigation of deposit concentrations comprise an integral part of the Bank's liquidity risk management policy and process, whereby dedicated key indicators are included in the Bank's Risk Appetite Framework and are monitored and analysed on a continuous basis, with the aim to ensure that the at any time market value of the liquid and liquidable assets of the Bank, alone or in combination with other funding sources, adequately cover potential liquidity withdrawal threats connected to concentrations.

Pursuant to the regulatory framework of Basel III, the regulatory requirements for Liquidity Risk include the continuous calculation, monitoring and compliance with minimum acceptable liquidity ratios, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) which have gradually come into effect since October 2014.

Details on Liquidity and Liquidity Risk are included in Note 4.3 of the Financial Statements.

Market Risk

Market risk refers to the possibility of the Bank incurring losses due to adverse changes in the levels of market prices of bonds and securities, interest rates and foreign exchange rates it is exposed at.

ABBank follows a policy of maintaining limited market risk positions. Through documented policies and procedures being followed for the assumption and management of market risk, the Bank aims at timely identifying, evaluating, monitoring and minimizing such (e.g. through hedging transactions), in conjunction with the compliance with the relevant principles and limits set out and approved by its pertinent internal body (ALCO).

The Bank regularly conducts stress tests in relation to all major market risks, such as Interest Rates risk, Foreign Exchange Risk, Re-pricing Risk in the banking book as well as Market Value Risk for its marketable securities holdings etc. ABBank has selected the Standardized Approach for the calculation of market risk capital requirements and the relevant supervisory reporting.

Details on Market Risk are included in Note 4.4 of the Financial Statements.

Operational Risk

Operational risk involves the possibility of generating losses as a result of implementing inadequate or unsuccessful internal procedures and systems, of external events and/or the human factor.

The Bank has established a policy framework for the management of operational risk which includes the procedure of self-assessment of operational risks and the related area of control, the procedure of lost data collection and the development and update of action plans for the mitigation of operational risks.

For the calculation of the capital requirements for operational risk, the Bank follows the Basic Indicator approach.

ESG Risks

Since 2020, Environmental, Social and Governance issues (ESG) have been set by regulators and supervisors as important factors that banks and financial institutions should consider, monitor, analyze, and gradually incorporate in their risk assessment as well as their credit approval and overall decision-making procedures. The European Banking Authority (EBA) as well as the ECB and SSM regularly elaborate and issue relevant guidelines that banks and financial institutions should adopt, with the aim to upgrade accordingly their internal procedures and corporate governance framework with regards to credit risk and financial sustainability assessment, considering the role of banks towards the acceleration of the transition to a low-carbon world through the support of capital allocation in 'greener' activities and the financing of the transition of businesses and households to a more sustainable operating model.

In the above context, in November 2020 the SSM issued specific guidelines and a set of 13 "expectations" for ESG risks management that the Systemically Important financial institutions (SIFIs) are required to implement. It is expected that shortly, EBA and SSM will regulate additional and more specific actions to be taken in connection with the full incorporation of the ESG risks factors in the Pillar I, Pillar II and Pillar III requirements of the SIFIs, whereas it is also expected that the Less Systemically Important financial institutions (LSIs) should gradually commence incorporating in their internal procedures and decision-making the ESG risks factors.

The climate crisis and the consequences of human activity on the environment are a global risk that governments, public bodies and the private sector must take into account. The targets set by the Paris Agreement include both the mitigation of climate-related risks and the limitation of the increase in global average temperature. Taking these into consideration, European Union has oriented the actions of its members towards the achievement of these targets. Greece, being a member of the European Union, must align its policies with the aim of mitigating the risks. This also means complying with legislative amendments and additions made to achieve the objectives of the Paris Agreement.
Climate change and environmental degradation are sources of structural change that affect economic activity and, in turn, the financial system. Climate-related and environmental risks are commonly understood to comprise two main risk drivers:

• **Physical risk** refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation. Physical risk is therefore categorised as "acute" when it arises from extreme events, such as droughts, floods and storms, and "chronic" when it arises from progressive shifts, such as increasing temperatures, sea-level rises, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity. This can directly result in, for example, damage to property or reduced productivity, or indirectly lead to subsequent events, such as the disruption of supply chains.
• **Transition risk** refers to an institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. This could be triggered, for example, by a relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences.

Financial services play a fundamental role in the current international economic system and are vulnerable to climate-related and environmental risks, although not directly as in the case of real economy sectors. The impact from CR&E risks differs depending on the type of financial service provided. Banks act as financial intermediaries and facilitate the functioning of the economy via capital formation, creation of credit, facilitation of trade, market making, assurance and custody. As intermediaries, banks are dependent on the general financial soundness of its stakeholders. Climate-related and environmental risks that affect banks' counterparties directly, for example mortgage holders on properties located in flood areas, can also affect banks indirectly through things like the default and loss of value of the collateral. This chain of interdependencies can turn into a solvency risk to the bank if CR&E risks materialise for a substantial group of counterparties. In cases where CR&E risks materialise across the financial sector, the overall risk to the economy can turn systemic and become a global concern.

As a Greek Bank, AB Bank has a responsibility both to manage the potential climate and environmental (CR&E) risks it may face and to support the Greek government's efforts to meet its climate and environmental goals Climate-related and environmental risks (CR&E risks) are a critical factor for AB Bank with significant exposure to shipping activities. Specifically, the shipping sector takes up the largest part of AB Bank's portfolio. Risks arising from the maritime sector, such as oil spills, hazardous materials transport, and rising sea levels, can impact the value of assets in the bank's portfolio, while also increasing the operating and maintenance costs of ships and ports. Banks that finance shipping companies must consider not only the financial impacts, such as the depreciation of collateral value and rising operational costs, but also environmental regulations, such as those related to ballast water usage and hazardous materials management. The need for compliance with international regulations, and the adaptation to the physical consequences of climate change make the management of these risks essential for ensuring the resilience of the Bank's maritime loan facilities.

Approach towards ESG

Aegean Baltic Bank (AB Bank or the Bank) recognizes the pivotal role of sustainable finance in fostering long-term economic stability, environmental stewardship, and social well-being. In a rapidly evolving global landscape marked by climate change, environmental degradation, and social inequality, the financial sector plays a pivotal role in directing capital toward sustainable activities that generate positive impacts.

As a responsible financial institution, AB Bank understands that integrating sustainability principles into its operations is not just a regulatory necessity but also a strategic imperative that ensures resilience, enhances long-term value creation, and aligns with stakeholder expectations. By incorporating Environmental, Social, and Governance (ESG) considerations into financial decision-making, the Bank aims to mitigate risks associated with climate change, support the transition to a low-carbon economy, and contribute to broader societal goals such as financial inclusion and responsible corporate governance

ESG Disclosures

In the context of complying with the provisions of the National Climate Law and more specifically the Article 20 of Law 4936/2022 (Hellenic Government's Gazette 105A/27-5-2022), the Bank issued in 2024 a Carbon Footprint Report to the publicly accessible electronic database of the Ministry of Environment of the reference year 2023. The report includes voluntary targets and actions of greenhouse gas emissions and will be updated annually.

Moreover, the Bank published its inaugural ESG report for the years 2022-2023 and is currently in the process of developing and publishing the ESG report of the reference year 2024. This report signifies a significant milestone in the bank's progression, as it represents the initial documented pledge to sustainability. It embodies a new phase in the bank's endeavor towards environmental stewardship, social accountability, and ethical governance.

Inclusive workforce

Aegean Baltic Bank recognizes the importance of its employees and strives to create a high-quality work environment that fosters long-term relationships. The culture of the Bank embeds the business ethics which applies to all its interaction with employees, customers, providers, and external professionals. To achieve the above purpose, the Bank implements strategies such as:

-Building Trust through Training and Development: Implementation of strategies that build trust through professional training, motivation, guidance, and education.

-Open Communication Channels: Prioritization of open communication channels at all levels, enabling employees to express concerns and ideas freely.

-Fair Wages and Additional Benefits: Ensuring fair wages and offering additional benefits are fundamental to the Bank's approach, as is the empowerment, appreciation, and recognition of its team members.

-Continuous Skill and Knowledge Development: Strong emphasis on the continuous development of qualifications, skills, and knowledge.

Furthermore, ABBank is committed to fair hiring practices that comply with relevant labor laws. The Bank seeks to build a team that not only meets professional standards but also reflects the Bank's values and culture. The transparent and equitable hiring process is intended to attract and retain top talent, ensuring a strong and skilled team that contributes to the Bank's ongoing success.

ESG in Governance processes

To effectively oversee the implementation of its sustainability agenda, AB Bank has established a dedicated Sustainability Committee as one of its key management committees. This committee is responsible for providing strategic direction, ensuring regulatory compliance, and driving the integration of sustainability principles across all business units. The creation of the Sustainability Committee reflects AB Bank’s commitment to achieving its long term sustainability objectives while maintaining financial stability and stakeholder trust.

The Sustainability Committee (SC) is a management-level committee within AB Bank’s corporate governance framework. It operates under the Senior Executive Management (SEM) and reports directly to the Board of Directors (BoD). As part of the bank’s governance structure, the SC plays a crucial role in shaping, overseeing, and ensuring the successful implementation of AB Bank’s sustainability strategy. Positioned as an executive decision-making body, the SC works closely with key governance committees, including the Audit Committee, which supervises ESG-related risks, and the Risk Management Department, responsible for integrating climate-related and environmental risks into the bank’s financial risk framework. Additionally, the Strategic Planning Division ensures that ESG initiatives are embedded in the bank’s long-term strategy and business objectives.

The SC is responsible for defining and implementing the bank’s sustainability agenda, ensuring that ESG principles are fully integrated into all business operations. It develops and proposes the ESG strategy, setting key priorities and defining sustainability objectives that align with national and EU regulatory requirements. This includes compliance with frameworks such as the EU Taxonomy, the Non-Financial Reporting Directive (NFRD), and Greece’s National Climate Action Plan. The committee also supports the development of ESG-related policies, ensuring that sustainability considerations are reflected in financial decision-making, risk management, and corporate governance.

The **ESG Coordinator** plays a vital role in supporting the Sustainability Committee and facilitating the execution of ESG initiatives. The ESG Coordinator operates under the Head of Strategy and Planning and also serves as the Secretary of the Sustainability Committee, ensuring smooth committee operations, managing ESG data collection, and tracking performance. This role involves preparing meeting agendas, maintaining minutes, and coordinating communication between the SC and various business units. Additionally, the ESG Coordinator oversees internal and external ESG reporting, supporting the development of sustainability disclosures, stakeholder engagement initiatives, and communication campaigns. The ESG Coordinator also works with internal and external auditors to facilitate sustainability audits and regulatory compliance assessments. Furthermore, the ESG Coordinator coordinates ESGrelated training programs, ensuring employees are well-informed about the bank’s sustainability commitments and best practices. By serving as the key liaison between the SC and other business functions, the ESG Coordinator plays a pivotal role in driving the effective implementation of AB Bank’s ESG strategy.

Athens, 30 July 2025

The Chairman of the BoD	The Managing Director
Dimitrios Kapotopoulos	Theodore Afthonidis

Independent Auditors' Report

(Translated from the original in Greek)

To the Shareholders of Aegean
Aegean Baltic Bank S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the Separate and Consolidated Financial Statements of Aegean Baltic Bank S.A. (the "Bank") which comprise the Separate and Consolidated Statement of Financial Position as at 31 December 2024, the Separate and Consolidated Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying Separate and Consolidated Financial Statements present fairly, in all material respects, the separate and consolidated financial position of Aegean Baltic Bank S.A. and its subsidiary (the "Group") as at 31 December 2024 and its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Bank and the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, as incorporated in Greek legislation, and with the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the requirements of the applicable legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters, that, in our professional judgment, were of most significance in our audit of the Separate and Consolidated Financial Statements of the current period. These matters and the relevant significant assessed risks of material misstatement were addressed in the context of our audit of the Separate and Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment allowance on loans and advances at amortised cost

See Notes 2.11, 3.1 and 20 to the Consolidated and Separate Financial Statements

The key audit matter	**How the matter was addressed in our audit**
Loans and advances to customers at amortised cost for the Group and the Bank amounted to EUR 532.5 million as at 31 December 2024. The impairment allowance for expected credit losses for the Group and the Bank amounted to EUR 6.2 million as at 31 December 2024. The measurement of expected credit losses on loans and advances to customers at amortised cost requires the application of judgement and estimations. The key areas where we identified a higher degree of judgement and estimations by management—and therefore focused our audit regarding the estimation of expected credit losses for the Bank and the Group—are: • Significant Increase in Credit Risk (SICR): The identification of qualitative indicators for identifying a significant increase in credit risk for staging classification is judgmental taking also into account the current macroeconomic and geopolitical uncertainty, also taking into account the criteria of Unlikeliness to Pay (UTP). • Methodologies and Assumptions Estimations: The calculation of expected credit losses involves methodologies and assumptions	Our audit procedures included, among others: Controls testing: We tested relevant manual, general IT and automated controls over key systems used in the ECL process. Main aspects of our controls testing involved evaluating the design and testing the operating effectiveness of the key controls over the: • Governance and policies around ECL and related approvals. Test of details: Key aspects of our testing included, among others the following: • We performed substantive procedures on a sample basis in order to assess the SICR assessment. • We assessed the appropriateness of the methods and the assumptions used, reviewing calculations and data used and inspecting the governance around these adjustments, with the support from our financial risk specialists. • We performed substantive procedures to assess the completeness and accuracy of critical data input used in the ECL models.

which inherently require the application of judgement. The estimation of expected credit losses is based on the calculation of probability-weighted future cash flows. ECL may be inappropriate if certain models or underlying assumptions or their application or data used do not accurately predict defaults or recoveries over time or fail to reflect the estimated credit losses of loans and advances to customers. As a result, certain IFRS 9 models, model assumptions and data, are the key drivers of complexity and subjectivity in the Bank's and the Group's calculation of the ECL estimate. • Individually Assessed Exposures: The estimation of future cash flows, valuation of collateral and probability weighting of scenarios constitute assumptions with high estimation uncertainty. Disclosures in the Separate and the Consolidated Financial Statements. The disclosures regarding the Bank's and the Group's application of IFRS 9 are key for the understanding of the significant judgements and material inputs to the IFRS 9 ECL results, as well as, to provide transparency of the credit risk exposures of the Bank and the Group.	• We reperformed ECL calculations for lending exposures in all stages. • We performed substantive procedures to assess the reasonableness of significant assumptions used in the measurement of impairment of individually assessed credit impaired exposures, including the assumptions used to estimate discounted future cash flows and the valuation of collaterals for which we have engaged our real estate valuation specialists. Our financial risk specialists assisted with the: • Assessment of the Bank's and the Group's impairment methodologies conceptual soundness according to IFRS 9 requirements. • Assessment of the Bank's and the Group's impairment methodologies implementation Assessing disclosures: We evaluated the adequacy and appropriateness of the disclosures in the Separate and Consolidated Financial Statements according to IFRS 9 requirements. In addition, we assessed whether the disclosure of the key judgements and assumptions was sufficiently clear and explanatory.

Investment Properties

See Notes 2.17, 3.2 and 224 to the Consolidated and Separate Financial Statements

The key audit matter	How the matter was addressed in our audit
The Investment Property of the Consolidated financial statements present the fair value of the investment property held by the Group through its subsidiary Aqua Blue Properties, amounting to EUR 2.1 million as of 31 December 2024. We have assessed the valuation of the	• Our audit procedures, including with the involvement of our real estate valuation specialist, included, among others, the following: • We obtained an understanding of the process and valuation method for the investment property followed by the Group. We assessed the professional

investment property as a key audit matter due to the complexity of the assumptions and estimates involved, as well as the fact that, compared to the year ended 31 December 2023, the property has shown a significant change in value. Disclosures in the Separate and the Consolidated Financial Statements. The disclosures regarding the application of IFRS 40 are key for the understanding the significant of the significant judgements and estimates used in determining the fair value of the investment property.	competence, independence, and experience of the external independent valuator engaged by the Management. • We evaluated whether the valuation techniques and methods applied by the Management and the external independent valuers are consistent with generally accepted valuation techniques for investment property in the market. This assessment was conducted with the involvement of our real estate valuation specialists, who evaluated the estimates and assumptions applied by Management and the external independent valuator in determining the fair value of the investment property. Specifically: • We assessed the assumptions, methodology, calculations, and the weighting assigned to the different valuation methods used by the external independent valuator. • We evaluated the change in the value of the investment property compared to the prior year, taking into account the characteristics of the investment property, as well as real estate market trends. • With the support of our real estate valuation specialist, we performed: ○ An assessment of future cash flows ○ An estimation of construction costs ○ An estimation of the discount rate ○ An estimation of the capitalization rate ○ Assessment of the application of the discounted cash flow (DCF) method • We evaluated the sensitivity analysis of the investment property's value. • We evaluated the adequacy and appropriateness of the disclosures in the Separate and Consolidated Financial Statements.

Other Matter

The Separate and Consolidated Financial Statements of Aegean Baltic Bank S.A. for the prior year ended 31 December 2023 were audited by another audit firm for which the Certified Auditor issued an audit report on 28 May 2024 expressing an unmodified opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, for which reference is made in the "Report on Other Legal and Regulatory Requirements" but does not include the Separate and Consolidated Financial Statements and our Auditors' Report thereon.

Our opinion on the Separate and Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Separate and Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Separate and Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Separate and Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the Separate and Consolidated Financial Statements in accordance with IFRS, as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Separate and Consolidated Financial Statements, the Board of Directors is responsible for assessing the Bank's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Bank is responsible for overseeing the Bank's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Separate and Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs which have been incorporated in Greek legislation will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Separate and Consolidated Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Separate and Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Separate and Consolidated Financial Statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on these Group Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Separate and Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1 Board of Directors' Report

The Board of Directors is responsible for the preparation of the Board of Directors' Report. Our opinion on the financial statements does not cover the Board of Directors' Report and we do not express an audit opinion thereon. Our responsibility is to read the Board of Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work pursuant to the requirements of paragraph 1, cases aa, ab and b, of article 154C of Law 4548/2018, we note that:

(a) In our opinion, the Board of Directors' Report has been prepared (or has not been prepared) in accordance with the applicable legal requirements of Articles 150 and 153 of Law 4548/2018 and its contents correspond with the accompanying Banking Separate and Consolidated Financial Statements for the year ended 31 December 2024.

(b) Based on the knowledge acquired during our audit, relating to Aegean Baltic Bank S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2 Additional Report to the audit Committee

Our audit opinion on the Separate and Consolidated Financial Statements is consistent with the Additional Report to the Audit Committee of the Bank dated 29 July 2025, pursuant to the requirements of article 11 of the Regulation 537/2014 of the European Union (EU).

3 Provision of non Audit Services

We have not provided to the Bank and its subsidiaries any prohibited non-audit services referred to in article 5 of Regulation (EU) 537/2014 or any other permissible non-audit services.

The permissible non-audit services that we have provided to the Bank and its subsidiaries during the year ended 31 December 2024 are disclosed in Note 41 of the acBanking Separate and Consolidated Financial Statements.

4 Appointment of Auditors

We were appointed for the first time as Certified Auditors of the Bank based on the decision of the Annual General Shareholders' Meeting dated 26 June 2024.

Athens, 30 July 2025

KPMG Certified Auditors S.A.
AM SOEL 186

Anastasios Kyriacoulis, Certified Auditor
AM SOEL 39291

AEGEAN BALTIC BANK GROUP

Separate and Consolidated Financial Statements
In accordance with International Financial Reporting Standards

31 December 2024

July 2025

Income Statement

	Notes	2024 €' 000 Group	2024 €' 000 Bank	2023 €' 000 Group	2023 €' 000 Bank
Interest and similar income *(using the EIR)*		67,861	67,861	64,421	64,421
Interest expense and similar charges		(26,945)	(26,945)	(20,550)	(20,550)
Net interest income	5	**40,916**	**40,916**	**43,871**	**43,871**
Fee and commission income		4,461	4,461	5,289	5,289
Fee and commission expense		(389)	(389)	(309)	(309)
Net fee and commission income	6	**4,072**	**4,072**	**4,980**	**4,980**
Net income from other financial transactions	7	2,746	2,746	2,447	2,447
Other operating income		10	10	18	18
Gains / (losses) from derecognition of financial assets	8	1,018	1,018	1,364	1,364
Gains / (losses) from fair value measurement of Investment Property	9	(6,820)	-	-	-
Total income		**41,942**	**48,762**	**52,680**	**52,680**
Personnel expenses	11	(12,669)	(12,669)	(10,067)	(10,067)
General administrative expenses	12	(5,303)	(5,204)	(5,078)	(5,017)
Depreciation and amortization	13	(1,354)	(1,354)	(1,137)	(1,137)
Impairment (losses)/releases on loans and advances to customers	14 & 4	1,574	1,574	(1,703)	(1,703)
Impairment (losses)/releases on investment securities	20 & 21	45	45	301	301
Impairment losses on subsidiaries	10	-	(4,560)	-	-
Profit/(Loss) before tax		**24,235**	**26,594**	**34,996**	**35,057**
Income Tax	15	(5,543)	(6,073)	(7,954)	(7,957)
Profit/(Loss) for the year		**18,692**	**20,521**	**27,042**	**27,100**

Note: Comparative information of the caption interest and similar income has been classified as interest and similar income (using the EIR) in order to be comparable with current year's presentation.

Statement of Comprehensive Income

	Notes	2024 €' 000 Group	2024 €' 000 Bank	2023 €' 000 Group	2023 €' 000 Bank
Profit for the year		**18,692**	**20,521**	**27,042**	**27,100**
Other comprehensive income / (expense)					
Items that may be reclassified subsequently to profit or loss					
Fair value reserve (FVOCI financial assets)	36	652	652	1,631	1,631
Related tax	28	(143)	(143)	(359)	(359)
Total items that may be reclassified subsequently to profit or loss		**509**	**509**	**1,272**	**1,272**
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the defined benefit obligations	33	(80)	(80)	(155)	(155)
Related tax from remeasurement of defined benefit obligations	28	18	18	34	34
Revaluation surplus from land & building	27	647	647	3,033	3,033
Related tax from revaluation surplus from land & building	28	(142)	(142)	(667)	(667)
Total items that will not be reclassified subsequently to profit or loss		**443**	**443**	**2,245**	**2,245**
Other comprehensive income for the year		**952**	**952**	**3,517**	**3,517**
Total comprehensive income for the year		**19,644**	**21,473**	**30,559**	**30,617**

The notes on pages 40 to 146 are an integral part of these separate and consolidated financial statements.

Statement of Financial Position

	Notes	31.12.2024 €' 000		31.12.2023 €' 000	
		Group	**Bank**	**Group**	**Bank**
ASSETS					
Cash and balances with Central Bank	17	262,363	262,363	197,607	197,607
Due from banks	19	127,650	127,650	83,511	83,511
Loans and advances to customers	20	526,233	526,233	506,473	506,473
Investment securities FVTOCI	21	145,737	145,737	194,332	194,332
Debt securities at amortized cost	22	69,640	69,640	68,474	68,474
Derivative financial instruments	23	8	8	6	6
Investment Property	24	2,080	-	8,900	-
Investments in Subsidiaries	25	-	2,940	-	7,500
Intangible assets	26	1,801	1,801	1,452	1,452
Property and equipment	27	11,761	11,761	11,722	11,722
Other assets	29	3,769	3,737	4,595	4,576
Total assets		**1,151,042**	**1,151,870**	**1,077,072**	**1,075,653**
LIABILITIES					
Due to customers	30	973,842	974,669	917,143	918,083
Derivative financial instruments	23	3	3	23	23
Retirement benefit obligations	33	2,152	2,152	1,891	1,891
Liabilities for current income tax and other taxes	32	905	905	4,353	4,354
Deferred tax liabilities	28	3,949	3,949	4,273	3,743
Other liabilities	31	4,640	4,640	3,480	3,480
Total liabilities		**985,491**	**986,318**	**931,163**	**931,574**
SHAREHOLDERS' EQUITY					
Share capital	34	37,980	37,980	37,980	37,980
Share premium	35	50,207	50,207	50,207	50,207
Reserves	36	8,915	8,822	6,877	6,783
Retained earnings	37	68,449	68,543	50,845	49,109
Total shareholders' equity		**165,551**	**165,552**	**145,909**	**144,079**
Total liabilities and equity		**1,151,042**	**1,151,870**	**1,077,072**	**1,075,653**

The notes on pages 40 to 146 are an integral part of these separate and consolidated financial statements.

Statement of Changes in Equity

' 000

	Note 36	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Group						
Balance at 01.01.2023		**37,980**	**50,207**	**1,887**	**27,276**	**117,350**
Profit / (Loss) for the year		-	-	-	27,042	27,042
Movement in the OCI reserve – valuation		-	-	1,631	-	1,631
Related tax on OCI reserve - valuation		-	-	(359)	-	(359)
Remeasurement of the defined benefit obligations		-	-	-	(155)	(155)
Related tax on remeasurement of defined benefit obligations		-	-	-	34	34
Revaluation gains on land & building, net of tax		-	-	2,366	-	2,366
Total comprehensive income for the period		**-**	**-**	**3,638**	**26,921**	**30,559**
Statutory reserve		-	-	1,352	(1,352)	-
Dividends paid		-	-	-	(2,000)	(2,000)
Balance at 31.12.2023		**37,980**	**50,207**	**6,877**	**50,845**	**145,909**
Group						
Balance at 01.01.2024		**37,980**	**50,207**	**6,877**	**50,845**	**145,909**
Profit / (Loss) for the year		-	-	-	18,692	18,692
Movement in the OCI reserve – valuation		-	-	652	-	652
Related tax on OCI reserve - valuation		-	-	(143)	-	(143)
Remeasurement of the defined benefit obligations		-	-	-	(80)	(80)
Related tax on remeasurement of defined benefit obligations		-	-	-	18	18
Revaluation gains on land & building, net of tax		-	-	505	-	505
Total comprehensive income for the period		**-**	**-**	**1,014**	**18,575**	**19,589**
Statutory reserve		-	-	1,026	(1,026)	-
Balance at 31.12.2024		**37,980**	**50,207**	**8,915**	**68,449**	**165,551**

The notes on pages 40 to 146 are an integral part of these separate and consolidated financial statements.

	Note 36	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Bank						
Balance at 01.01.2023		**37,980**	**50,207**	**1,793**	**25,482**	**115,462**
Profit / (Loss) for the year		-	-	-	27,100	27,100
Movement in the OCI reserve – valuation		-	-	1,631	-	1,631
Related tax on OCI reserve - valuation		-	-	(359)	-	(359)
Remeasurement of the defined benefit obligations		-	-	-	(155)	(155)
Related tax on remeasurement of defined benefit obligations		-	-	-	34	34
Revaluation gains on land & building, net of tax		-	-	2,366	-	2,366
Total comprehensive income for the period		**-**	**-**	**3,638**	**26,979**	**30,617**
Statutory reserve		-	-	1,352	(1,352)	-
Dividends paid		-	-	-	(2,000)	(2,000)
Balance at 31.12.2023		**37,980**	**50,207**	**6,783**	**49,109**	**144,079**

Bank					
Balance at 01.01.2024	**37,980**	**50,207**	**6,783**	**49,109**	**144,079**
Profit / (Loss) for the year	-	-	-	20,521	20,521
Movement in the OCI reserve – valuation	-	-	652	-	652
Related tax on OCI reserve - valuation	-	-	(143)	-	(143)
Remeasurement of the defined benefit obligations	-	-	-	(80)	(80)
Related tax on remeasurement of defined benefit obligations	-	-	-	18	18
Revaluation gains on land & building, net of tax	-	-	505	-	505
Total comprehensive income for the period	**-**	**-**	**1,014**	**20,405**	**21,419**
Statutory reserve	-	-	1,026	(1,026)	-
Balance at 31.12.2024	**37,980**	**50,207**	**8,822**	**68,543**	**165,552**

The notes on pages 40 to 146 are an integral part of these separate and consolidated financial statements.

Cash Flow Statement

	Notes	31.12.2024 € ' 000 Group	Bank	31.12.2023 € ' 000 Group As restated	Bank
Cash flows from operating activities					
Profit before tax		**24,235**	**26,594**	**34,996**	**35,057**
Adjustments for:					
Depreciation and amortization charges	13	1,354	1,354	1,137	1,137
Credit provisions and other impairment charges	14-21-22	(734)	(734)	1,402	1,402
Provisions for retirement benefit obligations	33	189	189	156	156
(Gain)/losses from derecognition of financial assets measured at AC	8	(1,005)	(1,005)	(1,364)	(1,364)
(Gain) / Loss from derecognition of investment securities FVTOCI	8	(13)	(13)	-	-
Retirement compensation	31	1,250	1,250	-	-
Fair value adjustment of Investment Property	24	6,820	-	-	-
Impairment of Investment in Subsidiaries	25	-	4,560	-	-
Foreign exchange (profit)/loss on cash and cash equivalents		(2,868)	(2,868)	1,346	1,346
		29,228	**29,327**	**37,673**	**37,734**
<u>Net (increase)/decrease in operating assets:</u>					
Loans and advances to customers	14-20	(18,131)	(18,131)	12,438	12,438
Derivative financial assets	23	(2)	(2)	(6)	(6)
Other assets		1,536	1,549	1,674	1,690
<u>Net increase/(decrease) in operating liabilities:</u>					
Due to banks		-	-	(750)	(750)
Due to customers	30	56,699	56,586	(93,459)	(93,524)
Derivative financial liabilities	23	(20)	(20)	(142)	(142)
Other liabilities		(137)	(136)	(906)	(918)
Cash flow from operating activities before tax payment		69,173	69,173	(43,478)	(43,478)
Income Tax paid		(10,084)	(10,084)	(5,534)	(5,534)
Net cash flow from operating activities		**59,089**	**59,089**	**(49,012)**	**(49,012)**
Cash flows from investing activities					
Acquisition of property and equipment	27	(224)	(224)	(270)	(270)
Acquisition of intangible assets	26	(729)	(729)	(477)	(477)
Acquisition of investment securities FVTOCI	21	(492,004)	(492,004)	(519,613)	(519,613)
Acquisition of debt securities at amortized cost	22	(28,330)	(28,330)	(8,133)	(8,133)
Proceeds from maturities of investment securities	21-22	568,467	568,467	520,645	520,645
Net cash flow from investing activities		**47,180**	**47,180**	**(7,848)**	**(7,848)**
Cash flows from financing activities					
Cash payments of lease elements	31	(242)	(242)	(214)	(214)
Dividends paid		-	-	(2,000)	(2,000)
Net cash flow from financing activities		**(242)**	**(242)**	**(2,214)**	**(2,214)**
Net increase / (decrease) in cash and cash equivalents		**106,027**	**106,027**	**(59,074)**	**(59,074)**
Cash and cash equivalents at beginning of period	18	**267,378**	**267,378**	**327,798**	**327,798**
Foreign exchange profit /(loss) on cash and cash equivalents		**2,868**	**2,868**	**(1,346)**	**(1,346)**
Cash and cash equivalents at end of period	18	**376,273**	**376,273**	**267,378**	**267,378**

The notes on pages 40 to 146 are an integral part of these separate and consolidated financial statements.

Note 1: General Information

The Bank is registered under the trade name “AEGEAN BALTIC BANK BANKING SOCIETE ANONYME”, (“the Bank”), with the distinctive title “AB Bank S.A.”. Its registered office is located at 91 Megalou Alexandrou & 25th Martiou street 151 24, Marousi, Attica, Greece (Reg. 52755/06/B/02/34 and GEMI Registration No. 4918201000). The Bank’s term shall expire on 31.12.2099, however it may be extended or abridged following a resolution of the General Assembly of the Shareholders.

The Bank’s objectives are to conduct, on its own behalf or on behalf of third parties, in Greece and abroad, by itself or in a joint venture with third parties, without restriction and in any form or shape, the entirety of the services and activities, which domestic banking institutions are permitted, from time to time, to conduct. The Bank’s objectives include, but are not limited to, the services and activities indicated in Article 4 of its Article of Association.

The Aegean Baltic Bank Group, (“the Group”), besides the parent company includes one 100% subsidiary as at 31.12.2024 under the trade name ‘ACQUA BLUE PROPERTIES SINGLE MEMBER S.A.’

The composition of the Board of Directors, which was elected by the General Meeting on 15 January 2024 (following the resignations of five out of nine members who were elected by the General Meeting of Shareholders of the Bank on 28 June 2022) and constituted into body the same date, was on 31.12.2024 as follows:

Georgios Raounas	Chairman	Non-Executive, Independent
Theodoros Afthonidis	Vice Chairman and Managing Director	Executive Member
Konstantinos Hadjipanayotis	Member & Deputy Managing Director	Executive Member
Anastasios Afthonides	Member	Executive Member
Anastasios Tourkolias	Member	Non-Executive
Lampros Theodorou	Member	Non-Executive
Marina Bouki	Member	Non-Executive
Maria Melliou	Member	Non-Executive, Independent
Damianos Charalampidis	Member	Non-Executive, Independent

By virtue of Resolutions No. 373/01.07.2025, the composition of the Board of Directors was as follows:

Dimitrios Kapotopoulos	Chairman of the BoD	Independent, Non-Executive
Theodoros Afthonidis	Vice Chairman of the BoD & Managing Director	Executive Member
Konstantinos Hadjipanayotis	Member & Deputy Managing Director	Executive Member
Anastasios Afthonidis	Member & Deputy Managing Director	Executive Member
Anastasios Tourkolias	Member	Non-Executive Member
Lampros Theodorou	Member	Non-Executive Member
Georgios Xiradakis	Member	Non-Executive Member
Claude Antoine Meyer	Member	Independent, Non-Executive
Despoina Xenaki	Member	Independent, Non-Executive

The standalone and consolidated financial statements (hereinafter the “Financial Statements”) have been approved for issue by the Bank’s BoD on 30th July 2025.

The Financial Statements are subject to the approval of the Annual General Meeting of the Group’s shareholders.

Note 2: Summary of material accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union (the E.U.). E.U. endorsed IFRSs may differ from IFRSs as issued by the International Accounting Standards Board (IASB) if at any point in time, new or amended IFRSs have not been endorsed by the E.U. At 31 December 2024, there were no unendorsed standards effective for the year ended 31 December 2024, which affect these financial statements, and there was no difference between IFRSs endorsed by the E.U. and IFRSs issued by the IASB in terms of their application to the Group and the Bank. Accordingly, the financial statements for the year ended 31 December 2024 are prepared in accordance with IFRSs as issued by the IASB. The financial statements were prepared under the historical cost convention, except for Investment securities at FVTOCI, Investment Property, land and buildings, and all derivative financial instruments which are measured at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Please refer to note 3.

The financial statements are presented in Euro, rounded to the nearest thousand unless otherwise indicated.

a) Standards, interpretations and amendments to published standards effective in 2024

The following amendments to existing IFRSs, effective from 1 January 2024, have been issued by the International Accounting Standards Board (“IASB”) and endorsed by the EU as of the date the Annual Financial Statements were issued. The following amendments had no impact on the financial statements.

- IAS 1 (Amendment) "Classification of Liabilities as Current or Non-current"
The amendment aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. Moreover, the amendment addresses issues regarding the presentation and disclosures of liabilities for which an entity’s right to defer settlement for at least 12 months in subject to the entity complying with specified conditions (covenants) after the reporting period.

- IAS 7, IFRS 7 (Amendment) “Supplier Finance Arrangements”. The amendment aims to add disclosure information about supplier finance arrangements, such as terms and conditions, carrying amount of financial liabilities that are part of such arrangements, ranges of payment due dates and liquidity risk information.

b) New standards, amendments and interpretations to existing standards, effective after 2024.

Amendments to standards that have been issued by the IASB, endorsed by the EU, and therefore have not been adopted by the Group and the Bank:

IAS 21 (Amendment) “Lack of exchangeability”. The amendments specify when a currency is exchangeable into another currency and, consequently, when it is not and how an entity determines the exchange rate to apply when a currency is not exchangeable. Additionally, the amendment requires disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

We do not anticipate any impact on the financial statements.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The amendments are effective for annual periods on or after 01 January 2026.

The amendments clarify that a financial liability is derecognized on the “settlement date” and introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI). The amendments have been endorsed by the EU.

The Bank is currently evaluating the impact of this amendment.

Amendments to standards that have been issued by the IASB but they have not yet been endorsed by the EU, and therefore have not been adopted by the Group and the Bank:

IFRS 18 “Presentation and Disclosure in Financial Statements” (effective for annual periods starting on or after 01.01.2027)

In April 2024 the International Accounting Standards Board (IASB) issued a new standard, IFRS 18, which replaces IAS 1 ‘Presentation of Financial Statements’.

The primary objective of the Standard is to improve the assessment of a company's performance by increasing comparability in presentation in an entity’s financial statements, particularly in the statement of profit or loss and in its notes to the financial statements. Specifically, the Standard will improve the quality of financial reporting due to a) the requirement of defined subtotals in the statement of profit or loss, b) the requirement to disclose certain ‘non-GAAP’ measures – management performance measures (MPMs)and c) the new principles for aggregation and disaggregation of information.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027. Early adoption is permitted. The amendments have not yet been endorsed by the EU.

The Bank is assessing the impact of IFRS 18.

2.2 Going Concern

The annual financial statements have been prepared on a going concern basis, as the Board of the Directors considered the level of the Bank’s Common Equity Tier 1 (CET1) ratio which is 27.6% for the Group and 27.2% for the Bank at 31.12.2024 (see note 4.9), the high level of Liquidity Coverage Ratio (LCR) (447.49% at 31.12.2024 for the Group and the Bank), and the very low Non performing Loans Ratio (NPL) at 31.12.2024 of 0.7% for the Group and the Bank. The Board believes on the appropriateness of the use of going concern basis for the preparation of the financial statements.

The Board does not expect that the Group and the Bank will face liquidity issues as it remains in the high level of Liquidity Coverage Ratio (LCR) 333% during the first five months of 2025.

In January, 2025, Standard & Poor’s raised ABBank's long term credit rating to 'BB/B' from 'BB-/B', with a stable outlook , noting that: “Our stable outlook reflects our expectation that ABB's solid financials will continue to offset structurally higher risks. These risks result from the bank's small scale and niche business focus in a sector that is highly sensitive to economic developments.”

2.3 Consolidation

The consolidated financial statements include the financial statements of Aegean Baltic Bank SA and its subsidiary. Aegean Baltic Bank does not have any joint ventures or associates. The only subsidiary of the Bank is Acqua Blue Properties Single Member S.A. and therefore no non-controlling interest exists.

Income and expenses and other comprehensive income acquired during the year are presented in the Consolidated Income Statement and in the Consolidated Statement of Other Comprehensive Income. Adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with those adopted by the Group. All intercompany transactions, balances, income, and expenses all eliminated in full consolidation.

2.4 Foreign currency transactions

The financial statements are presented in Euro, which is the currency of the country of incorporation of the Group and the Bank (functional currency). Transactions in foreign currencies are translated in Euro at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Euro at the closing exchange rate on that date. Foreign exchange differences (profit or loss) arising from translations are recognized in the income statement. Non-monetary assets and liabilities are recognized at the exchange rate prevailing on initial recognition, except for non-monetary items denominated in foreign currencies that are stated at fair value.

2.5 Interest income and expense

Interest income and expense are recognized in the income statement for all interest-bearing instruments on a time proportion basis, taking account of the principal outstanding and using the effective interest rate method based on the actual purchase price. The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or the next re-pricing date, in order for the present value of the future cash flows to be equal to the carrying amount of the financial instrument.

In particular the Group and the Bank apply:

- For the interest-bearing financial assets classified within Stage 1 or Stage 2, interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.
- For the interest-bearing financial assets classified within stage 3, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.
- For the purchased or originated credit impaired interest-bearing financial assets, interest income is calculated similar to the Stage 3 loans and by applying the credit adjusted effective interest rate of the financial asset.

As of 31st December 2024, the Group or the Bank did not possess any or originated credit impaired financial assets.

2.6 Gains or losses from derecognition of financial assets

This category includes gains/(losses) from the derecognition of financial assets measured at amortized cost or measured at FVTOCI.

-Amortized Cost: Gains/(losses) deriving from the transfer of the unamortized balance of capitalized commissions and expenses of loans that have been early repaid.

-FVTOCI: Gain/(losses) deriving from investment securities redeemed by the issuer during the year.

2.7 Net Fee and commission income

To recognize fees and commission income/expense under IFRS 15, the Group and the Bank apply the following five step model to all contracts with customers other than those in scope with other standards such as financial leasing, financial instruments in scope of IFRS 9:

- Identify the contract with the customer.
- Identify the performance obligations in the contracts.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contracts.
- Recognizing revenue when the entity satisfies a performance obligation.

As such, the Group and the Bank recognize revenue when a performance obligation is satisfied, that is when control of the services or goods is transferred to the customer. The main portion of commission income relates to commission charged by the Bank on fund transfers. The FT commission received by the Group and the Bank are recognized in the income statement when a transaction takes place.
Transaction revenues relating to the origination of a financial instrument which is measured at amortized cost, such as loans and receivables, are capitalized and recognized in the income statement using the effective interest rate method.

2.8 Financial assets at fair value through profit or loss (“FVTPL”)

A. Financial assets at fair value through profit or loss (“FVTPL”)

This category includes financial assets that do not meet the criteria of being measured at either amortized cost or fair value through other comprehensive income (“FVTOCI”) (please refer to Note 2.7). All financial assets acquired principally for the purpose of selling in the short term or if so, designated by the management, are recognized on the trade date, which is the date that the Group and the Bank commit to purchase or sell the asset and are classified under this category which has the following two sub-categories:

A1: Trading securities

Trading securities are securities, which are either acquired for generating a profit from short term fluctuations or are securities included in a portfolio in which a pattern of short-term profit making exists. Trading securities are initially recognized at cost and subsequently re-measured at fair value. Gains and losses realized on disposal or redemption and unrealized gains and losses from changes in fair value are included in net trading income/ (loss). Interest earned with holding trading securities is reported in interest income. Trading securities held are not reclassified out of the respective category. Respectively, investment securities are not reclassified into trading securities category while they are held.

A2: Designated at fair value through profit or loss

Upon initial recognition the Group and the Bank may designate any financial assets as at fair value through profit or loss except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, when either.

I. The Group and the Bank estimate or significantly reduces a measurement or recognition in consistency (i.e., an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different bases.

II. A group of financial assets is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group and the Bank is provided internally on that basis to key management personnel.

III. This category is measured at fair value. The determination of fair values of financial assets at fair value though profit or loss securities is based on quoted market prices, dealer price quotation and pricing models, as appropriate. Changes in fair value are included in net income from other financial transactions.

The financial assets that their contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI Fail) are classified at FVTPL. As at 31st December 2024 the Group and the Bank did not have any financial instruments classified at FVTPL.

B. Equity Securities

Equity securities are measured at FVTPL unless the management of the Group and the Bank irrevocably elects to measure equity securities at FVTOCI if these equity securities are not held for trading. The determination of fair values of financial assets at fair value though profit or loss securities is based on quoted market prices, dealer price quotation and pricing models, as appropriate.

As of 31 December 2024, the Group and the Bank did not have any equity securities.

2.9 Investment Securities measured at fair value through other comprehensive income “FVTOCI”

Debt securities measured at fair value through other comprehensive income “FVTOCI”

In this category the Group and the Bank classify the debt securities that satisfy both of the following criteria:

- The debt security is held within a business model whose objective is to both collect the contractual cash flows and sell assets (Hold to Collect and Sell “HTCS”) and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These securities are not sold with the intention of short-term profit.

The Group and the Bank may elect to classify debt securities under the HTCS Business Model due to the following reasons:

- manage everyday liquidity needs,
- maintain a particular interest yield profile, or
- match the duration of the financial assets to the duration of the financial liabilities that those assets are funding.
- manage the return on the portfolio on an opportunistic basis, by reinvesting in higher yielding assets, without a clear intention of holding the financial assets to collect contractual cash flows (although the Group and the Bank might end up holding the assets if no other investment opportunities occur).

The debt instruments, after initial recognition, are measured at FVTOCI with any fair value changes recorded directly in other comprehensive income.

In the Income Statement, the Group and the Bank recognize interest income using the effective interest rate method, the expected credit losses and the foreign exchange changes. On the date of derecognition, the cumulative fair value gains/losses of debt securities are reclassified from other comprehensive income to profit and loss (“P&L”).

Impairment losses on Debt securities

In line with the IFRS 9 provisions the Group and the Bank in the process of calculating ECL, assesses if SICR of debt securities exist. The identification of SICR is based on qualitative and quantitative criteria depending on the availability, quality and quantity of the information. SICR is identified in the following cases:

- Investment grade debt instruments which experience a downgrade to the “non-investment grade” range of the relevant External Credit Assessment Institutions (hereinafter ECAIs).
- Non-investment grade debt instruments that do not fall within the “default” rating range as provided by an ECAI and experience more than 2 notches credit rating downgrade.
- Should neither a credit rating nor a PD exist for a debt instrument, but the instrument is traded in an organized market then SICR is considered when there is a significant increase of the credit spread by more than 5% in absolute terms at the reporting date vs the origination date.

The Group’s and the Bank’s approach for the estimation of the ECL for the debt instruments portfolio is based on a financial model that estimates the probability-weighted result of two macroeconomic scenarios (baseline and adverse) which calculate the difference between the cash flows that are due to the Bank in accordance with the contractual terms of the debt instrument and the cash flows that the Bank expects to receive, based on the instrument’s credit risk parameters (Probability of Default (PD) and Loss Given Default (LGD)). The following parameters apply:

- The PD of the instruments is inferred by its relevant credit rating (or, in its absence, the credit rating of the issuer). Where credit ratings are provided by different ECAIs, the Bank uses relevant mapping tables to derive equivalent credit ratings.
- The LGD (Loss Given Default) parameter for debt securities is retrieved from the respective recovery rate tables provided by ECAIs.
- EAD (Exposure at Default) is the amount of the debt instrument’s book value or carrying amount at each reporting period.
- The factor used for discounting purposes is equal to the original EIR (effective interest rate) of the instrument.
- The baseline scenario refers to the current macro-economic environment and consequently all the macro-variant risk parameters, specifically debt instrument’s PD and LGD, are known. The adverse scenario refers to a deteriorated macro-economic environment and it is characterized by a percentage increase of the debt instrument’s PD and LGD.

The Group and the Bank classify debt securities measured at FVTOCI in three stages for the ECL calculation.

- Stage 1 – The Group and the Bank classify all debt securities at initial recognition (except for POCI instruments) in Stage 1. Securities rated by an ECAI that, despite any credit rating downgrade, continue to fall under the “Investment grade/non speculative” range, continue to be classified at Stage 1. The Group estimates 12-month ECL for stage 1 debt securities. Debt instruments where the Probability of Default (PD) at each reporting date is higher than the PD at origination date by 200% even though the instruments have an investment grade.
- Stage 2 – The Group and the Bank classify in stage 2 all debt securities which are a classified in stage 1 at the date of initial recognition and experience significant increase in credit risk (SICR) at the reporting date. The Group and the Bank estimate lifetime ECL for stage 2 debt securities.
- Stage 3 – The Group and the Bank classify all debt securities which meet the criteria below:
  - (i) There is objective evidence of impairment (as set out below) at the reporting date, or
  - (ii) The debtor is compliant with the default definition (as described in Note 2.11, in accordance with the Bank’s internal credit risk management purposes), or
  - (iii) The instrument’s credit rating is equivalent to “default”.

  The Group and the Bank estimate Lifetime ECL for stage 3 debt securities.

The following indications are examined to determine whether a financial asset (including debt instruments) is credit-impaired:

a. Significant financial difficulty of the issuer.

b. A breach of contract, such as a default or past-due event (i.e. an issuer has failed to make a payment when contractually due).

c. For economic or contractual reasons relating to the issuer's financial difficulty, a concession has been granted by its lender(s)/debt-holders, which would not otherwise be considered.

d. It is becoming probable that the issuer will enter bankruptcy or other financial reorganization.

e. The disappearance of an active market for that debt instrument because of financial difficulties within such market.

f. The purchase or origination of a debt instrument at a deep discount that reflects incurred credit losses.

2.10 Reclassification of financial assets

The Group and the Bank only reclassify a financial asset on the assignment of an alternate business model to its portfolio. In this event, the Group and the Bank reclassify an asset, and the reclassification is applied prospectively, from the reclassification date onwards. The measurement adjustments are dependent on the original classification as well as the new classification of the asset. This does not give rise to a prior period error in the Financial Statements (as defined in IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”) nor does it change the classification of the remaining financial assets held in that business model (i.e., those financial assets that the Group and the Bank recognized in prior periods and still holds), as long as the Group and the Bank have considered all relevant information that was available at the time that they made the business model assessment. Accordingly, any previously recognized gains, losses (including impairment losses) or interest should not be restated.

Changes in the business model for managing financial assets are expected to be infrequent. They must be determined by the Group's and the Bank’s senior management as a result of external or internal changes and must be significant to the Group's operations and demonstrable to external parties. Accordingly, a change in the objective of the Group’s Business Model will occur only when the Group and the Bank either begins or ceases to carry on an activity that is significant to its operations such as the acquisition or disposal of a business segment.

If the Group and the Bank reclassify a financial asset from the amortized cost measurement category to the FVTPL or FVTOCI measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in the Income Statement for FVTPL and in the Statement of Total Comprehensive Income for FVTOCI.

For reclassifications to FVTOCI measurement category, the effective interest rate and the measurement of Expected Credit Losses are not adjusted as a result of the reclassification. However, the loss allowance would be derecognized and instead would be recognized as an accumulated impairment amount in other comprehensive income.

If the Group and the Bank reclassify a financial asset from the FVTPL measurement category and into the amortized cost measurement category, its fair value at the reclassification date becomes its new gross carrying amount. The date of the reclassification is the date of initial recognition for impairment calculation purposes and the date for the effective interest rate calculation of the financial asset.

If the Group and the Bank reclassify a financial asset from the FVTPL measurement category and into the FVTOCI measurement category, the financial asset continues to be measured at fair value. At the reclassification date, the effective interest rate of the asset is calculated while the date of the reclassification is the date of initial recognition for impairment calculation purposes.

If a financial asset is reclassified from FVTOCI measurement category and into the amortized cost measurement category, the asset is reclassified at its fair value at the measurement date. However, the cumulative gain or loss previously recognized in other comprehensive income is reversed and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortized cost. This reversal affects other comprehensive income but does not affect profit or loss and therefore is not a reclassification adjustment under IAS 1. The effective interest rate and the calculation of Expected Credit Losses are not affected. The loss allowance is recognized as an adjustment to the gross carrying amount of the financial asset from the reclassification date.

If the Group and the Bank reclassify a financial asset from FVTOCI into the FVTPL measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (in accordance with IAS 1 “Presentation of Financial Statements”) at the reclassification date.

Reclassification of equity instruments is prohibited. There are no reclassifications for the years 2024 and 2023.

2.11 Loans and advances to customers measured at Amortized Cost ("AC")

For loans and advances to customers the Bank has identified the following business model:

Business model whose objective is to hold financial instruments in order to collect their contractual cash flows (hold to collect)

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI pass).

The business model reflects how the Bank manages its financial assets in order to generate cash flows. That is the Bank's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Th Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective, as follows:

If a financial asset does not meet the second condition, it is measured at Fair Value through Profit & Loss (FVTPL).

In order to determine whether a financial asset has SPPI characteristics, the Group and the Bank examine at initial recognition a variety of the financial asset's contractual features such as principal, interest, currency, deferral and extension features, subordination, performance-linked features, fees and others, in order to determine whether the financial asset contains contractual terms that change the timing or amount of contractual cash flows such that it would not meet the SPPI condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing if cash flows;
- leverage features;
- prepayment and extension terms; and,
- features that modify consideration of the time values of money (e.g. periodical reset of interest rates).

Particularly for its loans portfolio, the Group and the Bank utilize a tool in questionnaire format to determine whether the SPPI criteria are met. Even though the Bank has initiated the evaluation of its credit processes, in order to prospectively incorporate therein the assessment of climate (and other ESG) risks, it should be noted that at present, none of the Bank's loan exposures include any term associated with sustainability (ESG) factors that could potentially result in the variability of its loan cash flows. Consequently, for the time being, there is no impact from the ESG requirements on the results of the SPPI test performed for the Bank's loan facilities.

Loans and advances to customers are initially recognized at fair value (plus any transaction costs) and measured subsequently at amortized cost using the effective interest rate method. Interest on loans and advances to customers is included in the Income Statement and is reported as "Interest and similar income".

Definition of Default
A key issue in measuring expected losses in a financial asset is identifying when a "default" may occur. The definition of default applied by the Group and the Bank, is consistent with Article 178, "Default of an obligor" of Regulation 575/2013 of the European Parliament (CRR) as amended. 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 unlikely to pay (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.

To determine the existence of an unlikely to pay (UTP) event, the Bank evaluates a number of indicators, including (but not limited to) the following:

a) the exposure enters in non-accrual status and interest ceases to be recognized in the Bank's income statement due to a decrease in the credit quality of the relevant obligor;

b) the exposure is considered impaired, in accordance with the applicable accounting framework (Stage 3 of IFRS 9, see also Note 2.9);

c) the exposure is subjected to a distressed restructuring, which results in a diminished financial obligation due to the forgiveness or postponement of principal, interest or relevant fees;

d) the relevant obligor has entered, or it is becoming probable that it will enter, bankruptcy or similar protection or other financial reorganization;

e) the relevant obligor's financial standing and prospects have deteriorated significantly (including material reduction in turnover/operating cash flows and equity, significant increase of leverage, enforcement of the Bank's collaterals, etc);

f) the relevant obligor is in breach or default of other material credit obligations or presents significant delays in payments to other creditors or out-of-court and/or legal and/or bankruptcy/insolvency proceedings have been initiated against the obligor by other creditors;

g) an exposure, which has already been subjected to forbearance measures and is under probation, is granted additional forbearance measures or it becomes more than 30 days past due;

h) an exposure, in the form of a commitment that, were it drawn down or otherwise used, would likely not be paid back in full without realization of collateral;

i) an exposure, in form of a financial guarantee, that is likely to be called by the guaranteeing party.

Impairment losses on loans and advances to customers
In accordance with the IFRS 9 principles, Expected Credit Losses ("ECL") are calculated on loans and advances to customers measured at amortized cost. More specifically, the Group and the Bank recognize ECL on loans and advances to customers at amortized cost when it is estimated that it will not be able to receive all payments due, as defined by the contract of the loan.

The amount of the ECL allowance on loans and advances to customers at amortized cost is the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that the entity expects to receive discounted at the original effective interest rate of the loan (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group and the Bank perform calculation for expected loans and advances to customers at each reporting date. The loans and advances to customers are grouped per counterparty group, per industry or per type of loan and impairment provisions are calculated individually and collectively.

The Group and the Bank evaluate expected credit losses (ECL) for all its loan exposures through a discounted cash flow model, whereby the present value of the cash flows that the Group and the Bank anticipate receiving in respect of a loan (including the present value of the collateral's residual value) are compared to the loan exposure (netted against any cash collateral) performing 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 Group's facilities). The ECL calculation has been based on information obtained by the submitted credit applications, reviews or internal update memos, data and information obtained from and/or confirmed directly by the officers, as well as the available market reports and databases.

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 all loans that are not credit impaired, nor do they present a SICR and meet all of the following conditions: (i) are 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) are not classified as forborne or defaulted exposures, and (iii) do not have material obligations that are past due more than 30 days. For stage 1 Loans, ECL is calculated for a horizon of 12 months.
- **Stage 2**: includes all loans that present the following criteria. The Group and the Bank according to their policy recognize SICR when :
  (i) there is a more than 2 notches downgrade in the loan's credit rating between the origination date and the reporting date and, as a result of such downgrade, the new credit rating falls within credit ratings 5 and 7 of the Bank's internal credit rating system,
  (ii) following the granting of forbearance measures, the exposure becomes classified as performing forborne, and
  (iii) the exposure becomes past due between 30 and 90 days.
- **Stage 3**: Credit impaired loans (loans that present objective evidence of impairment and/or are considered "defaulted" under the CRR definition (see Notes 2.9 and 2.11). For Stage 3 loans, ECL is calculated for a horizon equal to the lifetime of the loan.

The stage allocation and the ECL calculation is conducted per borrower exposure/on individual facility level, except for cases where certain exposures to a specific group are legally or commercially bound. The Group and the Bank have developed 2 macroeconomic scenarios for the calculation of expected credit losses, one baseline and one adverse. The Group and the Bank weigh by 60% the baseline scenario and by 40% the adverse scenario. The Group and the Bank for the ECL calculation consider several assumptions. These assumptions are based on forward-looking and historical data available at the date when the estimates were made.

The ECL estimation methodology applied by the Bank follows a discounted cash flow (DCF) approach, which estimates the difference between (i) the present value of the cash flows anticipated to be received in respect of a loan over the applicable impairment test horizon (12-month or lifetime) and (ii) the loan exposure.

For the shipping exposures, the assessment is based on assumptions regarding mainly (i) the prospective levels of freight rates, which are determined by both the prevailing 1-year and 3-year time-charter rates, as well as the historically observed time-charter rates, and (ii) the residual ship values, in each case depending on the type and/or specifications of each vessel. The residual ship values are determined using a depreciation method which takes into account the vessels' current market, as well as scrap value. In the adverse scenario, the Bank applies on both freight rates and residual ship values appropriate stress factors, which range between 5% and 30% and are determined on the basis of historically observed data for the main ship types.

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 of the obligors/guarantors which are considered feasible for the relevant financed projects. The Bank incorporates reasonable and 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 Group and the Bank adjusts the allowance for loans and advances to customers at every reporting date, to account for further expected credit losses, or reversals in the event of a decrease in credit risk, through recognition of impairment gains or losses accordingly.

For the Forborne exposures the Group and the Bank have adopted the EBA definition. Forborne exposures are debt contracts in respect of which forbearance measures have been extended. Forbearance measures consist of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments ("financial difficulties"), which would not otherwise be considered, had the borrower not been in financial difficulties.

Evidence of a concession includes:
(a) a difference in favor of the borrower between the modified and the original terms of the loan contract;

(b) cases where a modified contract includes more favorable terms than other debtors with a similar risk profile could have obtained from the same institution.

The Bank, in the normal course of its business activities, modifies the contractual terms of a loan either as a concession granted to a client facing or that is about to face financial difficulties or due to other commercial reasons such as changes in market conditions, competition within the Banking industry, customer retention, etc. Concessions are not treated as forbearances when the borrower is not in financial difficulties.
Upon modification of the contractual terms of a loan, an assessment follows, in order to conclude whether the concession qualifies as forbearance or is due to other commercial reasons.

Exposures for which there has been a substantial modification in repayment terms due to financial difficulty of the borrower, may result in derecognition and recognition of a new asset which is credit-impaired at origination (POCI).

Forborne loans are tested for impairment in accordance with the Group’s and the Bank’s Impairment policy for loans and advances to customers at amortized cost as described above. The Bank offers short-term, long-term, and resolution/closure solutions in line with BoG Act 175/2020. These measures aim to support borrowers facing financial difficulties without concealing credit risk.

2.12 Debt Securities measured at amortized cost (“AC”).

In this category the Group and the Bank classify the debt securities that satisfy both of the following criteria:
- The debt security is held within a business model whose objective is to collect the contractual cash flows (Hold to Collect “HTC”) and
- The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

In the Income Statement, the Group recognizes interest income using the effective interest rate method, the expected credit losses and the foreign exchange changes are recognized in P&L.

For the identification of default for Debt securities measured at AC, as well as for the staging allocation and calculation of expected credit losses, the Bank applies the same framework and methodology as for the debt securities measured at FVOCI (see Note 2.9).

2.13 Modification of financial assets and derecognition of financial assets and financial liabilities

Modifications of financial assets

The Group and the Bank, in the normal course of its business activities, modify the contractual terms of a loan either as a concession granted to a client facing or that is about to face financial difficulties or due to other commercial reasons such as changes in market conditions, competition within the Grouping industry, customer retention, etc.

Upon modification of the contractual terms of a loan, an assessment follows, in order to conclude on whether the concession qualifies as forbearance or is due to other commercial reasons.

When the cash flows of a loan are modified the Group and the Bank assess whether the rights over the cash flows have been modified substantially, or not. As such, the Group and the Bank determine whether the restructured loan should be regarded as:

- The continuation of the original loan if loan terms have not been modified substantially, with modification gain or loss recognized as a consequence of the restructuring, in this case the Group and the Bank recognize modification gain or loss as the difference between the cash flows of the loan after modification discounted by the effective interest rate of the original loan and the carrying amount of the original financial asset; or

- A new loan which replaces the original loan that is hence derecognized if the Loan terms have been modified substantially or the cash flows of the modified asset are substantially different, in accordance with the following paragraph. Substantial modifications resulting in derecognition may include change in borrower, change in the asset's denomination currency, debt consolidation of unsecured exposure into a single new secured asset. In this case the Group and the Bank would recognize a gain or loss based on the difference between the fair value of the new loan and the carrying amount of the original financial asset. In some circumstances following a modification that results in derecognition of the original financial asset, there may be evidence that the new financial asset is credit-impaired at initial recognition, and thus, the financial asset is recognized as an originated credit-impaired financial asset (POCI).

Derecognition of financial assets

According to IFRS 9, the Group and the Bank is entitled to derecognize a financial asset when, and only when:

- The contractual rights to the cash flows from the financial asset cease to exist or expire; or
- When the risk and rewards of the financial asset are transferred.

As such, the Group and the Bank determines that the restructured debt should be regarded as a derecognition of the original loan when:

- The collateral of the related exposure has been realized in full or is of zero value; or
- The claims on the related exposure were waived in part or in full; and
- No more payments on the remaining claim are to be expected.
- Change in the currency that the lending exposure is denominated.
- Change in Borrower.
- Modifications on the interest rate type.
- Changes of the product type of the facility.
- Derecognition of financial liabilities.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or substantial modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Income Statement.

If the modification of the financial liability is not accounted as derecognition then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the gain or loss is recognized in profit or loss. Any costs and fees incurred are recognized as an adjustment to the carrying amount of liability and amortized over the remaining term of the modified financial liability be recalculated the effective interest rate of the instrument.

During 2024 and 2023 did not occur any modification of financial liabilities.

2.14 Derivative financial instruments

Derivative financial instruments are initially recognized in the statement of financial position at fair value and subsequently are re-measured at their fair value.
All derivatives are presented in assets when favorable to the Group and the Bank and in liabilities when unfavorable to the Group and the Bank.

Derivatives are entered into for either hedging or trading purposes and they are recognized at fair value irrespective of the purpose for which they have been entered into. Valuation differences arising from these derivatives are recognized in net income from other financial transactions (Please refer to Note 7). The Group and the Bank use mostly FX SWAPs and FX Futures. The FX Swaps and the FX Futures are purchased in order to hedge the currency risk of the open FX position derived from Loans and Customer deposits in foreign currency.

The Group and the Bank do not use hedge accounting and therefore the gains and losses from derivative financial instruments are recognized in net result from derivatives and investment securities. However, the above instruments are effective economic hedges.

2.15 Intangible assets

Includes software carried at cost less amortization. Amortization is charged using the straight-line method over the estimated useful life, which the Group and the Bank have estimated as three years. Expenditure incurred to maintain the software programs is recognized in the income statement as incurred.

2.16 Property and equipment

Includes land, buildings, additions and improvements cost to leased property and other equipment. Property and equipment are initially recorded at cost.

Building and land are measured at fair value based on periodic valuations (annually) by external independent valuers, less accumulated depreciation, and accumulated impairment losses if any. If the asset's carrying amount is increased as a result of the revaluation, the increase is recognized in other comprehensive income and accumulated in equity under the revaluation reserve account. As at 31 December 2024 the fair value of building and land have been determined by external, independent, certified valuators. For more details, please refer to Note 27.

Other property and equipment are initially recorded at cost. Subsequent to initial recognition, property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses if any.
Subsequent expenditure is capitalized or recognized as separate asset only when it increases the future economic benefits. All costs for repairs and maintenance are recognized in the income statement as incurred.

Depreciation is charged to the income statement on a straight-line basis to allocate their cost or revalued amounts, net of their residual value, over the estimated useful life of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

- Land: No depreciation
- Buildings: Not exceeding 50 years
- Significant Components of the Building Not exceeding 10 years
- Additions to leased fixed assets and improvements: Over the term of the lease.
- Motor Vehicles and Equipment: 3 to 5 years.

Gains and losses arising from the sale of property and equipment are recognized in the income statement.

2.17 Investment Property

Investment property, acquired through auction, includes buildings with their respective portion of land that are held for the purpose of capital appreciation. Investment property is initially measured at cost which includes any expenditure directly attributable to the acquisition of the asset. Subsequently, investment property is carried at fair value. The difference between the fair value and cost of acquisition is recorded in profit and loss. The fair value measurement is carried out by certified independent valuers, on a recurring basis, with appropriate professional qualifications and experience related to the locations and types of the property under assessment on an annual basis.

Regarding the hierarchy of fair value of Investment Property is classified as level 3.

For the Fair Value (as per IAS 40 – Investment Property) valuation of the subject property, the Income Approach and more specifically the Discounted Cash Flows method has been used. According to this contemporary method of valuation, the cash flows model is used as a residual tool which results in the residualized value of the property by considering the current and future inflows and outflows that are generated form the property as well as the capital expenditures (CapEx) that are required for its development. Residual Method is widely implemented in the valuation of properties with development or re-development potential.
For the future revenues and required CapEx calculations the highest and best use (under IFRS 13) of the property is considered. This use has been selected carefully based on the particular property characteristics and the local market dynamics in order to be physically possible, legally permissible and financially feasible. The final operating property is assessed based on the Profits method according to which the value of the property is determined by the net income it currently produces or could produce in the future.

The application of Profits Method includes the following steps:
− calculation of the reasonably sustainable turnover that can be generated at the property by a reasonably efficient operator,
− calculation of the gross profit resulting from the reasonably sustainable turnover,
− calculation of the reasonably sustainable net operating profit, which reflects the expected level of operation by the reasonably efficient operator, and the respective projected revenues and costs. The reasonably sustainable net operating profit is equivalent to EBITDA.

Net cash flows available for distribution are discounted to the valuation date to reflect the time value of money by using as discount rate the Target Rate of return (TRR) of an average market investor. The TRR could be approached using the Weighted Average Cost of Capital (WACC) by taking into account the particular characteristics of the property, the local market dynamics and the general macroeconomic conditions.
At the end of the analysis period (10-year cash flows model) the exit value of the property is calculated by capitalizing the net operating income of the year following the end of the analysis period with the use of the year’s purchase in perpetuity (in case of freehold interest). The exit yield is the All Risks Yield (ARY) of the property which is determined by directly comparing Initial Yields of similar investments in the local market. The ARY reflect all the risks attached to the property as physical asset and as investment and considers the particular characteristics of the property, the local market dynamics and the general macroeconomic conditions. The exit value is also discounted to the valuation date to reflect time value of money . The sum of the aforementioned discounted values constitute the Net Present Value of the property.

The change in the fair value of investment property for the years 2024 and 2023 is presented within “Gains / (losses) from fair value measurement of Investment Property” in the income statement (Note 9).

2.18 Investment in Subsidiaries

Includes Bank's investments in subsidiaries carried at cost, plus any expenses directly attributable to their acquisition less impairment losses. The Aegean Baltic Bank Group, ("the Group"), besides the parent company includes one subsidiary as at 31.12.2024 under the trade name 'ACQUA BLUE PROPERTIES SINGLE MEMBER S.A.'

The Bank assesses for impairment its investment in subsidiaries at each reporting date. If an indication of impairment exists, the Bank performs an impairment test by comparing the carrying value of the investment in the subsidiary with its estimated recoverable amount, determined as the higher of its fair value less cost to sell and its value in use, based on reasonable and supportable information. The calculation of the recoverable amount involves the exercise of judgement in selecting the appropriate parameters.

2.19 Deferred and current income Tax

Deferred tax

Deferred taxation is the tax that will be paid or for which relief will be obtained in the future resulting from the different period that certain items are recognized for financial reporting and tax purposes. Deferred tax is provided for temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are provided based on the expected manner of realization or settlement using tax rates (and laws) enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, taking into consideration the enacted tax rates at reporting date. Current and deferred tax is recognized in the income statement except to the extent that it relates to items recognized directly to equity in which case it is recognized in equity.

The Group and the Bank has offset deferred tax assets and deferred tax liabilities based on the legally enforceable right to set off the recognized amounts i.e., offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Current income tax

Current Income tax liability is based on taxable profit for the year. Taxable profit differs from profit/(loss) for the period as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current income tax liability is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2.20 Provisions and other liabilities

A provision is recognized when the Group and the Bank have a constructive or legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated. Provisions are measured by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

2.21 Employee benefits

Defined contribution plan

For defined contribution plan, the Group and the Bank pay contributions to publicly or privately administrated pension insurance plan, to insurance companies and other funds on a mandatory or voluntary basis. The Group and the Bank have no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense on an accrual basis and charged to the income statement in the year to which they relate.

Defined benefit plan

The net liability of the Group and the Bank, in respect of defined benefit plans, is calculated based on the amount of the future benefits, for which the employees are entitled to and is dependent on their present and former service. The present value of the defined obligation is determined by the estimated future cash outflows using interest rates of high credit rating company securities, which have terms to maturity approximating the terms of the related liability. The obligation deriving from benefit plan has been calculated and recognized on the basis of an independent actuarial study using the "Projected Unit Credit Method". The current service cost is the increase in the present value of a defined benefit obligation arising from employee service during the current period. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment and is recognized directly to profit or loss, when the plan amendment occurs.

Actuarial gains and losses are recognized directly to the equity of the Group, as they occur. These gains and losses are not recycled to profit or loss.

The Group's and the Bank's policy for the indemnities aligns with the 2021 IFRIC decision of IAS 19 fact pattern, concerning the method of attributing benefits to period of service.

2.22 Related party transactions

Related parties include:

(a) an entity that has control over the Group and the Bank and entities controlled, jointly controlled or significantly influenced by this entity, as well as members of its key management personnel and their close family members;

(b) members of key management personnel, their close family members and entities controlled or jointly controlled by the abovementioned persons;

(c) associates and joint ventures of the Group and the Bank; and

(d) subsidiaries.

2.23 Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted balances held with Central Bank, amounts due from other banks and highly liquid financial assets are those that upon initial recognition mature within three months.

2.24 Leases

When the Group and the Bank enter into a lease agreement as a lessee, it recognizes a lease liability and a corresponding right-of-use (RoU) asset at the commencement date of the lease term when the Group and the Bank acquire control of the physical use of the asset.

Lease liabilities are presented within Other liabilities and RoU assets within Property and Equipment. Lease liabilities are measured based on the present value of the future lease payments over the lease terms, discounted using an incremental borrowing rate (IBR) concerning buildings and respectively using the rate implicit in the car leases. The interest expense on the lease liabilities is presented within Net interest income.

The RoU asset is initially at an amount equal to the lease liability and is adjusted for rent prepayments, initial direct costs, or lease incentives received. Subsequently, the RoU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset, with the depreciation presented within Depreciation and Amortization charges.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (below €5,000), the Group and the Bank recognizes a lease expense on a straight-line-basis as permitted by IFRS 16 using the relevant practical expedient. This expense is presented within General & Administrative Expenses.

Note 3: Critical accounting estimates and judgments

The preparation of financial statements in accordance with IFRSs requires management to make subjective judgments, estimates and assumptions, which affect not only the carrying amount of assets and liabilities, but also the level of the income and expenses recognized in the financial statements and the notes which are an integral part of the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial year.

Management considers that the subjective judgments, estimates and assumptions, made for the preparation of the financial statements are appropriate and reflect the facts and conditions prevailing on 31 December 2023. The accounting principles, estimates and judgments adopted by the Group and the Bank which are material for the understanding of the financial statements are as follows:

Use of available information and application of judgment are inherent in the formation of estimates in the following areas: recoverability of deferred tax assets, assumptions related to expected credit losses and assessment of fair value of property.

3.1 ECL Estimation

3.1.1 Critical Accounting Assumptions

Determination of ECL of loans and advances to customers

The ECL measurement requires Management to apply a high degree of judgment.

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

The individual provisions relate to loans and advances separately examined for allowance based in the best management's estimation for the present value of future cash flows. Estimating the present value of future cash flows, the management evaluates the financial position of each customer and the recoverable amount of the collateralized assets (e.g., prenotation on Vessels and property). Each case is evaluated separately, whereas the followed methodology is reviewed periodically. Refer to notes 4.2.7 & 13.

Determination of ECL of debt securities

The Group's and the Bank's estimated ECL for debt securities is the output of a probability weighted model for each scenario with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.
For the purposes of the ECL measurement, the Group and the Bank perform 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. Refer to notes 21 & 22.

3.1.2 Judgements

Determination of a significant increase of credit risk (SICR)

The objective of the impairment requirements is to recognize lifetime expected credit losses for all financial assets for which there has been significant increase in credit risk (“SICR”) since initial recognition, whether assessed on an individual or collective basis considering all reasonable and supportable information, including forward-looking.

The assessment is performed at each reporting period by considering primarily the change in the risk of default occurring over the remaining life of the financial instrument and requires Management to apply a high degree of judgment in determining the allowance for impairment losses.

The identification of SICR is based on qualitative and quantitative criteria depending on the availability, quality and quantity of the information.

Determination of scenarios, scenario weights and macroeconomic factors of loans and advances to customers

To achieve the objective of measuring ECL, the Group and the Bank evaluate a range of possible outcomes in line with the requirements of IFRS 9 through the application of macroeconomic scenarios i.e., base and adverse, in a way that reflects an unbiased and probability weighted outcome, which express potential future developments in the Shipping Industry. Each of the aforementioned scenarios, are based on Management’s assumptions for future economic conditions in the form of macroeconomic, market and other factors. Changes in the scenarios and weights, the corresponding set of macroeconomic variables and the assumptions made around those variables would have an effect on the ECL.

3.2 Determining fair value of properties classified under Property, plant and equipment and Investment properties

Property and equipment and investment properties are carried at fair value, as determined by external, independent, certified valuators on an annual basis or more or less often if deemed appropriate upon assessment of relevant circumstances.

For the determination of the Fair Value a combination of the Market Approach (Comparative) and Investment Approach (Income) is used. According to the comparative method the valuation will be based on the conclusions drawn from research and collecting comparative data of property with similar characteristics. The method of the income approach calculates the fair value of each property based on capitalized value of the present lease. Refer to notes 24 & 27.

Note 4: Financial risk management

4.1 Introduction and overview

The Group and the Bank are exposed to the following risks:

- Credit Risk
- Liquidity Risk
- Market Risks
- Operational Risk
- Climate-related and Environmental (CR&E) Risk

This note presents the Group's and the Bank's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, as well as the management of capital.

The Group and the Bank, acknowledge their exposure to banking risks as well as the need to control and effectively manage those risks in the most optimum way and provide continuous and high quality returns to its shareholders.

The Board of Directors (BoD) has total responsibility for the development and overseeing of the risk management framework. The implementation and ongoing development of the Risk Management Framework is a priority and is taken into account in the formulation of annual business plans.

The responsibility for the specification and implementation of the risk management framework, according to directions by the Board of directors, has the Risk Management unit. The head of the Management unit reports directly to the Board of directors. The Risk Management Unit is comprised of the following divisions: a) Credit Risk Management division and b) Market, Liquidity and Operational Risk Management division.

4.2 Credit risk

4.2.1 Credit risk management strategies and procedures

The Group and the Bank engages in activities that can expose it to credit risk. Credit risk is the risk of default of a counterparty regarding its contractual obligations. Credit risk is the most significant risk for the Group and the Bank and therefore its effective monitoring and continuous management constitutes a top priority for senior management.

Group's and Bank's main exposure to credit risk is loans and advances to customers and due from banks. Management gives great consideration to the proper management of credit risk having set up the necessary infrastructure and procedures.

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

Under the Risk Management Department, there is the Credit Risk Management Division which operates with the mission of continuous monitoring, measurement and control of the Group's credit risk exposures against enterprises.

4.2.2 Credit risk measurement and reporting systems

Given that the Group's and the Bank's loans portfolio exclusively consists of unrated by External Credit Assessment Institutions (ECAI) obligors the Group has established and follows its own, ten-grade, credit risk rating system as shown in the table further below.

The Group and the Bank have developed a credit rating model for their shipping obligors, which assesses a set of 15 credit factors with predefined weights and produces a credit score for each obligor. Such score is mapped directly to the Bank's 10-grade internal credit rating system. The Group and the Bank have also developed internally a shipping credit rating interface between its ten-grade rating system and the object finance slotting criteria methodology of the IRB-Basic approach included in the Basel-II framework. To date, this model is being used by the Group's and the Bank's Risk Management Department to validate the credit ratings of the ten-grade risk methodology used internally as well as for shipping credit risk stress-testing purposes.

As regards the corporate (non-shipping) obligors, the Group and the Bank use an internally developed, ten-grade credit risk rating system, equivalent to that of the shipping obligors. The assignment of a credit rating to a corporate obligor is determined on the basis of the thorough analysis of financial and technical factors relevant to the exposure and such obligor and the subjective judgement of the persons participating in the respective evaluation and approval process. Since 1/1/2024, the credit rating process of the corporate obligors is supported by the use of a credit rating model developed by a third-party.

Each category of the credit rating scale corresponds to a specific policy of the Group and the Bank as far as the relationship with the respective obligors is concerned. The credit rating scale for borrowing customers comprises 10 grades from which the top 5 grades correspond to obligors that have not defaulted on their contractual obligations hence the relationship is considered as "satisfactory", whereas the bottom 5 grades are considered "watch-listed". More specifically, the 6th grade corresponds to obligors who have not defaulted on their contractual obligations, or who have undergone a mild restructuring, the 7th grade corresponds to obligors who have recorded or are expected to record sporadic (non-continuing) payment defaults, or who have undergone a distress restructuring, the 8th grade corresponds to obligors who have recorded continuing payment defaults, and/or who have undergone a distress restructuring and the last 2 grades correspond to obligors who have defaulted on their contractual obligations and the Group and the Bank have commenced legal action against them. Staff loans are not included in credit risk measurement system and are considered as "Unrated".

Rating	Credit Worthiness	Credit Assessment Criteria	Credit Quality
1	Excellent	The obligor is a holding company and has an excellent financial performance and debt servicing capacity	Satisfactory
2	Strong	The obligor has a solid financial performance and strong debt servicing capacity	Satisfactory
3	Very Good	The obligor is of medium financial size with very good financial performance and debt servicing capacity	Satisfactory
4	Good	The obligor has good financial performance and debt servicing capacity	Satisfactory
5	Satisfactory	The obligor has satisfactory financial performance and debt servicing capacity and positive prospects	Satisfactory
6	Acceptable	The obligor has acceptable financial performance and adequate debt servicing capacity. Possibility of technical default (covenant breaches).	Watchlisted and/or High Risk
7	Vulnerable	The obligor’s debt servicing capacity is marginal with possibility of payment default. The status of collateral is acceptable and there is room for viable restructuring at satisfactory terms for the Bank	Watchlisted and/or High Risk
8	Substandard	The obligor presents relatively high probability of loss and exhibits sporadic payment defaults which may become continuing. Repayment of the loan is still considered feasible without legal enforcements and there is room for viable restructuring at terms acceptable to the Bank	Watchlisted and/or High Risk
9	Doubtful	The obligor presents high probability of loss and exhibits continuing payment defaults. Repayment of the loan is doubtful and legal enforcement may facilitate the avoidance of a loss	Watchlisted and/or High Risk
10	Loss	The obligor is unable to service the loan and there is certainty that the Bank will incur a loss. Legal enforcement and collateral liquidation may facilitate the minimization of losses	Watchlisted and/or High Risk

The obligor’s credit rating is used, in conjunction with certain other indicators, to determine the appropriate IFRS 9 stage of the respective exposure and to assess if an event of significant increase in credit risk (“SICR”) has occurred.

When the Group and the Bank consider that the credit risk of a borrower, and/or an exposure, has increased at any stage of the relationship, it takes the necessary credit risk management measures to mitigate such risk and, if necessary, to reduce its exposures towards that borrower. The Group and the Bank, before the approval and during the term of the loan, at least annually and at the reporting date, measures the creditworthiness of the counterparty by re-assessing the assigned credit ratings, as well as the quality and sufficiency of the collateral. During each counterparty’s evaluation of creditworthiness, classification in a category and determination of credit limit, the financial information is examined quantitatively and qualitatively.

The most common practice used by the Group and the Bank to mitigate credit risk is requiring collaterals for loans and advances to customers. The major collateral types for loans and advances to customers are vessels, mortgages, receivables, cash collaterals and corporate or personal guarantees.

The collateral associated with a credit is initially evaluated during the credit approval process, based on its current or fair value and is reevaluated at regular intervals (at least once a year).

Significant Increase in Credit Risk

The implementation of the Credit Policy, that describes the principles followed by the Group and the Bank in their credit extension activities and the practices with respect to credit assessment, ensures their effective credit risk monitoring procedures. Management implements a credit quality control procedure, for the timely detection of possible changes in the creditworthiness of the counterparties, as well as for the regular control and evaluation of collateral. All credit limits and borrowers are assessed and reviewed regularly through the Bank's credit rating system. The above credit quality control process helps Management to assess the expected credit loss resulting from the risks undertaken, and to limit such loss by taking relevant measures as may be deemed necessary.

The assessment of significant increase in the credit risk of an exposure since its initial recognition, is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit loss horizon, or based on lifetime ECL horizon. If, following this assessment, a significant increase in credit risk occurs, the Group and the Bank recognize a loss allowance amount equal to the expected credit loss (ECL) amount over the life of that financial instrument.

Under IFRS 9, significant deterioration in a borrower's credit rating should be considered a factor of equal importance to its absolute credit rating. In compliance with the framework and for the purposes of stage allocation, the Group and the Bank use a combination of the following criteria for the purposes of identifying a Significant Increase in Credit Risk (SICR):

a) **Relative Rate Threshold**. The Group and the Bank recognize 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 a result of such downgrade fall within the credit ratings five (5) and seven (7). Essentially, such exposures for which the Group and the Bank recognize a significant increase in credit risk are classified to Stage 2
b) **Forbearance**. All Forborne Performing Exposures (FPE) are classified as having a significant increase in credit risk.
c) **Backstop indicators**. Lending exposures that are overdue more than 30 days, are considered as exposures with Significant Increase in Credit Risk and are classified into Stage 2.

Expected Credit Loss Estimation

Loans and advances to customers

The Group and the Bank assess the impairment losses on individual facility level. Due to the small size and diversity of the Group's and the Bank's loan portfolio, the individual calculation approach is deemed to be the most accurate and efficient for the Group's and the Bank's needs. As such, the stage allocation and the expected credit loss calculation is conducted per borrower exposure. Notable exceptions are cases whereby certain exposures to a specific group are legally or commercially bound.

ECL is defined as the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows expected to be received, discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets). All contractual cash flows of the loan and cash flows resulting from the liquidation of collateral or other credit enhancements are considered.

The time horizon over which the ECL of loans advances to customers is assessed depends on the stage where each lending exposure has been allocated to:

- Exposures that display neither significant increases in credit risk nor indications of impairment or default, and thus are classified in Stage 1, have their expected credit losses measured within a 12month time period.
- Exposures that display significantly increased credit risk (SICR), yet do not have any indications of impairment nor are defaulted, are classified at Stage 2, and lifetime expected credit losses are estimated.
- Exposures that display objective evidence of impairment or are in default, are classified at Stage 3 and have their impairment losses measured through the calculation of Lifetime ECL.

For off- balance sheet exposures, the Group and the Bank calculate the exposure amount at risk calculated through an appropriate credit conversion factor (CCF) and subsequently, measures the expected credit loss through the aforementioned methods.

The Group and the Bank measure the ECL after classifying the obligors under "Going Concern" or "Gone Concern" depending on their servicing capacity and operational and financial standing and thus, the calculation of the future cash flows is carried out in accordance with these two approaches and may be applicable irrespective of the classification status of the underlying exposure (performing or non-performing). Particularly with regard to loan exposures against fixed assets (which include collateral in the form of a mortgage over such asset, such as ships or real estate, and usually also include balloon payments due at maturity), the liquidation of the operating collateral is considered in both cases as a source of repaying the loan and especially the final balloon payment.

Going Concern

"Going Concern" methodology is applied for cases of borrowers whose businesses continue to operate and are expected to remain operational in the foreseeable future. In such cases, their future operational cash flows along with potential cash flows from liquidation or refinancing of collaterals are taken into account when calculating ECL, as the Group and the Bank would reasonably expect to have a legal claim to those cash flows in the event of a default.

The Group and the Bank calculate the best possible estimation of the present value of the related recoverable amount, based on the following:

- Calculation of the obligor's net cash flow until the contractual maturity of the facility (lifetime impairment);
- Estimation of the collateral's residual market value. In the case of shipping exposures in particular, customarily, the collateral comprises one or more vessels and the residual value is calculated by taking into account factors such as the asset's present market value and scrap value, and the historical correlation between asset prices and vessel earning levels, as well as by applying linear interpolations when necessary. A haircut is then applied on the calculated residual value so as to reflect potential refinancing or forced sale of the asset. In the case of corporate exposures, the residual value of any collateral (assigned receivables, property mortgages, financial assets) is determined by applying appropriate haircuts on the nominal value or official valuation of such collateral;

In calculating the factors above, certain assumptions are employed by the Group and the Bank, regarding the future generated income and present market value of the underlying assets, various operating expenses, interest rates, asset prices etc. These assumptions are generally based on forward-looking and historical data available at the date when the estimates were made.

Additional factors, which are considered significant in affecting the debt servicing outcome (such as minimum liquidity / cash collateral requirement, other collateral, cash sweep provisions, fixed employment contracts, asset sale contracts, advanced negotiations for the restructuring of the repayment terms, potential contributions by the shareholders, etc.) are also incorporated in the aforesaid framework.

Provided that the relevant obligor continues to be operational and capable of generating cash flows (thus the use of the "going concern" methodology can be applied), if the contractual maturity of the relevant facility has expired, the impairment test horizon is usually set at twelve (12) months from the test reference date, or at an earlier or later date which represents a reasonable time frame for the due repayment of the exposure through the obligor's prospective cash flows and/or the potential liquidation of collateral, as the case may be.

Gone Concern

The "Gone Concern" methodology is applied to businesses which either have ceased their operations or their cash flows are significantly reduced to an extent where they can no longer service any of their debt obligations.

In such cases, the Bank does not take into account any future cash flows in its calculations. The estimated recovery amount is solely based on the present value of expected cash flows that stem from liquidation of connected collaterals taking into account the time and the liquidation costs.

Provided that the obligor's activity and cash-flow generating capacity has greatly diminished or ceased (thus the use of the "gone concern" methodology can be applied) if the contractual maturity of the relevant facility has expired, the impairment test horizon is usually set at twelve (12) months from the test reference date, or at an earlier or later date which represents a reasonable time frame for the liquidation of the collateral depending on the case and the prevailing liquidation scenario.

Macroeconomic Scenario Integration

According to IFRS 9 financial institutions should integrate available information about potential future economic developments into their ECL calculation. As such, the Group and the Bank base their estimations of future cash flows on the weighted average of two scenarios (base – adverse), which express potential future economic developments affecting the cash flows of the obligors.

With regard to its shipping corporate loan exposures, the Group and the Bank integrate future economic developments by using expected freight rates to estimate the impact on expected cash flows and collateral liquidation values. Market value of collateral is assessed either through straight line depreciation after taking into account the current market and scrap value of the ship or based on the income method after consideration of the spot and forward freight rates and their correlation with market values. For lifetime ECL calculations, the Group and the Bank estimate cash flows based on forward (time-charter) rates (1-year and 3-year) using interpolation methods for a period up to six (6) years. For periods above six (6) years, estimations are based on historical data of the market, as the Group and the Bank assume that the freight market will converge back to its historical averages over extended periods of time.

The table below summarizes the forward time-charter rates, as well as the historical rates, for the main ship types, which were used in the ECL calculations as of 31.12.2024.

Amounts in $/day		1-year TC rate	3-year TC rate	Historical TC rate
Bulk Carriers	**Capesize (170,000 dwt)**	17,981	17,206	16,275
	Panamax (75,000 dwt)	11,356	10,563	13,050
	Supramax (58,000 dwt)	12,469	13,125	12,700
	Handysize (38,000 dwt)	12,000	13,125	11,900
Tankers	**VLCC (310,000 dwt)**	37,875	37,563	34,425
	Suezmax (150,000 dwt)	32,500	31,500	27,850
	Aframax (110,000 dwt)	32,438	30,938	24,625
	LR2 (115,000 dwt)	32,063	30,500	24,925
	LR1 (74,000 dwt)	21,500	20,313	20,700
	MR2 (47-48,000 dwt)	19,938	19,500	17,550
	MR1 (37,000 dwt)	20,563	19,250	15,875
Containerships	**Feeder (2,500 TEU)**	31,750	19,875	19,825

With regard to its corporate loan exposures, considering the small size and diversity of such portfolio, the Group and the Bank incorporate reasonable and prudent estimates of future economic impact on the individualized cash flow projections performed for each exposure. These estimates are generic (i.e. not factor-specific), may vary among different cases 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 Group and the Bank, including, where applicable, assessment of potential economic impact on the counterparties through which such cash flows are originated.

The Bank assessed the impact of a downside scenario on forward rates incorporated into the ECL calculations by performing a sensitivity analysis and concludes that the impact is not material.

Debt Securities

In compliance with the impairment requirement under IFRS 9, the Group and the Bank assess the expected credit losses for each of the debt instruments. The time horizon over which the ECL is assessed depends on the stage where each debt instrument exposure has been allocated.

The amount of expected credit losses (ECL) recognized as an impairment loss allowance depends on the extent of credit deterioration since initial recognition. The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL.

-Debt instruments that display neither significant increases in credit risk nor indications of impairment or default, and thus are classified in Stage 1, have their expected credit losses measured within a 12month time period.
-Debt instruments that display significantly increased credit risk (SICR), yet do not have any indications of impairment and are not defaulted, are classified at Stage 2.
-Debt instruments that display objective evidence of impairment or are in default, are classified at Stage 3 and have their impairment losses measured through the calculation of Lifetime ECL.
The risk parameters used to estimate ECL for the respective financial instruments are:

- **Exposure at Default (EAD)**: represents the amount of book value or carrying amount at each reporting period
- **Loss Given Default (LGD):** represents the estimation of loss over the EAD at the default date. LGD for sovereign and corporate debt securities is taken from respective recovery rating tables provided by ECAIs, the Bloomberg, paper surveys, or based on historical data of the Group and the Bank
- **Probability of Default (PD):** represents the probability that a debt instrument will default over a period of time since the date of assessment (reporting date). There are two PD types that are used for the expected credit loss calculation, as shown below:
    - **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.
    - **Lifetime PD:** the PD over the remaining lifetime of the debt instrument. The lifetime PD is used for the estimation of the lifetime ECL on Stage 2. Lifetime PD is the sum of the marginal PDs with the latter being the incremental probability of default in a specific time period.

Purchased or Originated Credit Impaired

Purchased or originated credit impaired financial assets (“POCI assets”) are financial assets that are credit-impaired on initial recognition. The corresponding assessment for POCI-assets is performed at initial recognition instead of subsequent periods.

POCI assets are not subject to stage allocation and are always measured on the basis of lifetime expected credit losses.

Write-offs

- Where the Group and the Bank has no reasonable expectations of recovering a financial asset either in its entirety or a portion of it, the gross carrying amount of that instrument is reduced directly, partially or in full, against the impairment allowance. After all the relevant investigations and legal required actions have been performed, the loan is written-off through the use of the allowance account.

- Write-offs are approved by the competent Credit Committee members and Bank’s Board of Directors.

Maximum Credit Risk Exposure

The following table presents the Group's and the Bank's maximum credit risk exposure as at 31 December 2024 and 31 December 2023, without including collateral held or other credit enhancements. For on-balance sheet items, credit exposures are based on their carrying amounts as reported in the statement of financial position.

				€' 000
	31.12.2024		**31.12.2023**	
ASSETS	**Group**	**Bank**	**Group**	**Bank**
Cash and balances with Central Bank	262,363	262,363	197,607	197,607
Due from banks	127,650	127,650	83,511	83,511
Loans and advances to customers at amortized cost	526,233	526,233	506,473	506,473
Investment securities – FVTOCI	145,737	145,737	194,332	194,332
Debt Securities at amortized cost	69,640	69,640	68,474	68,474
Derivative financial instruments	8	8	6	6
Maximum exposure from financial instruments	**1,131,631**	**1,131,631**	**1,050,403**	**1,050,403**
OFF BALANCE SHEET ITEMS				
Financial Guarantees	9,452	9,452	22,633	22,633
Undrawn Commitments	24,068	24,068	31,747	31,747
Maximum exposure from off balance sheet items	**33,520**	**33,520**	**54,380**	**54,380**

4.2.3 Expected Credit Loss for loans and advances to customers and for the off balance credit exposures

The following tables depict the expected credit loss per loan category, financial Guarantees and Undrawn commitments of the closing balance 31.12.2024 and 31.12.2023 for the Group and the Bank, based on the weighted probability of two different macroeconomic scenarios, as described above (Note 2.11):

Group			**31.12.2024**	(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Loans and advances to shipping corporations	(1,697)	-	(883)	(2,580)
Loans and advances to corporate sector	(552)	(329)	(2,702)	(3,583)
Total Expected Credit Losses for on Balance sheet	**(2,249)**	**(329)**	**(3,585)**	**(6,163)**
Financial Guarantees	(33)	(1)	-	(34)
Undrawn Commitments	(60)	-	-	(60)
Total Expected Credit Losses for off Balance sheet	**(93)**	**(1)**	**-**	**(95)**
Total Expected Credit Losses on & off Balance sheet	**(2,343)**	**(330)**	**(3,585)**	**(6,257)**

Bank			**31.12.2024**	(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Loans and advances to shipping corporations	(1,697)	-	(883)	(2,580)
Loans and advances to corporate sector	(552)	(329)	(2,702)	(3,583)
Total Expected Credit Losses for on Balance sheet	**(2,249)**	**(329)**	**(3,585)**	**(6,163)**
Financial Guarantees	(33)	(1)	-	(34)
Undrawn Commitments	(60)	-	-	(60)
Total Expected Credit Losses for off Balance sheet	**(93)**	**(1)**	**-**	**(95)**
Total Expected Credit Losses on & off Balance sheet	**(2,343)**	**(330)**	**(3,585)**	**(6,257)**

Group			**31.12.2023**	(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Loans and advances to shipping corporations	(2,077)	(51)	(1,401)	(3,529)
Loans and advances to corporate sector	(534)	(38)	(2,685)	(3,257)
Total Expected Credit Losses for on Balance sheet	**(2,611)**	**(89)**	**(4,086)**	**(6,786)**
Financial Guarantees	(85)	-	-	(85)
Undrawn Commitments	(75)	-	-	(75)
Total Expected Credit Losses for off Balance sheet	**(160)**	**-**	**-**	**(160)**
Total Expected Credit Losses on & off Balance sheet	**(2,771)**	**(89)**	**(4,086)**	**(6,946)**

Bank			**31.12.2023**	(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Loans and advances to shipping corporations	(2,077)	(51)	(1,401)	(3,529)
Loans and advances to corporate sector	(534)	(38)	(2,685)	(3,257)
Total Expected Credit Losses for on Balance sheet	**(2,611)**	**(89)**	**(4,086)**	**(6,786)**
Financial Guarantees	(85)	-	-	(85)
Undrawn Commitments	(75)	-	-	(75)
Total Expected Credit Losses for off Balance sheet	**(160)**	**-**	**-**	**(160)**
Total Expected Credit Losses on & off Balance sheet	**(2,771)**	**(89)**	**(4,086)**	**(6,946)**

Exposure from loans and advances to customers in corporate sector derives from entities that operate in Greece and shipping sector derives from entities that operate internationally.

4.2.4 Gross Balances for loans and advances to customers and for the off balance credit exposures

The below table shows the gross amounts of the Group's and the Bank's credit exposures for financial instruments at amortized cost as well as the off balance credit exposures as at 31 December 2024 and 31 December 2023.

Group			**31.12.2024**	(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Loans and advances to shipping corporations	403,957	-	1,029	404,986
Loans and advances to corporate sector	112,326	11,683	2,702	126,711
Other loans & Staff loans	698	-	-	698
Total Loans and advances to customers (on Balance sheet exposure)	**516,981**	**11,683**	**3,731**	**532,395**
Financial Guarantees	9,452	-	-	9,452
Undrawn Commitments	24,068	-	-	24,068
Total off Balance sheet Exposure	**33,520**	**-**	**-**	**33,520**
Total Exposure	**550,501**	**11,683**	**3,731**	**565,915**

Bank			**31.12.2024**	(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Loans and advances to shipping corporations	403,957	-	1,029	404,986
Loans and advances to corporate sector	112,326	11,683	2,702	126,711
Other loans & Staff loans	698	-	-	698
Total Loans and advances to customers (on Balance sheet exposure)	**516,981**	**11,683**	**3,731**	**532,395**
Financial Guarantees	9,452	-	-	9,452
Undrawn Commitments	24,068	-	-	24,068
Total off Balance sheet Exposure	**33,520**	**-**	**-**	**33,520**
Total Exposure	**550,501**	**11,683**	**3,731**	**565,915**

Group			31.12.2023	(€' 000)
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to shipping corporations	381,512	10,350	1,512	393,374
Loans and advances to corporate sector	108,712	7,743	2,685	119,140
Other loans & Staff loans	745	-	-	745
Total Loans and advances to customers (on Balance sheet exposure)	**490,969**	**18,093**	**4,197**	**513,259**
Financial Guarantees	22,633	-	-	22,633
Undrawn Commitments	31,747	-	-	31,747
Total off Balance sheet Exposure	**54,380**	**-**	**-**	**54,381**
Total Exposure	**545,349**	**18,093**	**4,197**	**567,639**

Bank			31.12.2023	(€' 000)
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to shipping corporations	381,512	10,350	1,512	393,374
Loans and advances to corporate sector	108,712	7,743	2,685	119,140
Other loans & Staff loans	745	-	-	745
Total Loans and advances to customers (on Balance sheet exposure)	**490,969**	**18,093**	**4,197**	**513,259**
Financial Guarantees	22,633	-	-	22,633
Undrawn Commitments	31,747	-	-	31,747
Total off Balance sheet Exposure	**54,380**	**-**	**-**	**54,381**
Total Exposure	**545,349**	**18,093**	**4,197**	**567,639**

4.2.5 Collaterals and guarantees

The Group's and the Bank's primary source of repayment for its credit exposures is the borrower's or the financed project's/asset's cash flow. Nevertheless, to enhance its security position and protection against the possibility of a borrower's default, the Group and the Bank obtain a set of securities and collateral, the liquidation of which may constitute a secondary recourse for the repayment of a credit exposure. To the extent possible, the Bank aims at obtaining securities which are easily liquidated, legally perfected and of high quality (in terms of rights, priority and enforceability).

The type of collaterals and their coverage ratio depend on various factors including the borrower's financial position, background and operating experience, the type, tenor and amount of the loan, as well as other factors, dictated by and depending on the industry in which the borrower is active. If, at any time, the coverage of the loan weakens and reaches levels lower than those contractually agreed, the borrower is obliged to either immediately repay the uncovered part of the exposure and/or provide additional collateral acceptable to the Group and the Bank, to restore the loan's coverage to its contractual level. The Group and the Bank has developed a list of indicative loan advance ratios, depending on the purpose of financing as well as the type of available collateral, which are nevertheless used for guidance and are not exclusive.

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

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

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

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

Group			**31.12.2024**	(€' 000)
Collateral value	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to shipping corporations	406,805	-	-	**406,805**
Loans and advances to corporate sector	96,037	11,983	300	**108,320**
Total collateral value of loans and advances to customers	**502,842**	**11,983**	**300**	**515,125**

Bank			**31.12.2024**	(€' 000)
Collateral value	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to shipping corporations	406,805	-	-	**406,805**
Loans and advances to corporate sector	96,037	11,983	300	**108,320**
Total collateral value of loans and advances to customers	**502,842**	**11,983**	**300**	**515,125**

Group			**31.12.2023**	(€' 000)
Collateral value	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to shipping corporations	395,943	10,350	227	**406,520**
Loans and advances to corporate sector	103,423	8,427	-	**111,850**
Total collateral value of loans and advances to customers	**499,366**	**18,777**	**227**	**518,470**

Bank			**31.12.2023**	(€' 000)
Collateral value	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances to shipping corporations	395,943	10,350	227	**406,520**
Loans and advances to corporate sector	103,423	8,427	-	**111,850**
Total collateral value of loans and advances to customers	**499,366**	**18,777**	**227**	**518,470**

Group's Breakdown of collateral and guarantees as at 31.12.2024

	31.12.2024			(€' 000)
	Real estate collateral	Financial collateral	Other collateral / Vessels	**Total value of collateral**
Collaterals and guarantees of loans and advances	53,726	32,659	428,740	515,125
Total	**53,726**	**32,659**	**428,740**	**515,125**

Bank's Breakdown of collateral and guarantees as at 31.12.2024

	31.12.2024			(€' 000)
	Real estate collateral	Financial collateral	Other collateral / Vessels	**Total value of collateral**
Collaterals and guarantees of loans and advances	53,726	32,659	428,740	515,125
Total	**53,726**	**32,659**	**428,740**	**515,125**

Group's Breakdown of collateral and guarantees as at 31.12.2023

	31.12.2023			(€' 000)
	Real estate collateral	Financial collateral	Other collateral / Vessels	**Total value of collateral**
Collaterals and guarantees of loans and advances	53,337	106,323	361,395	521,055
Total	**53,337**	**106,323**	**361,395**	**521,055**

Bank's Breakdown of collateral and guarantees as at 31.12.2023

	31.12.2023			(€' 000)
	Real estate collateral	Financial collateral	Other collateral / Vessels	**Total value of collateral**
Collaterals and guarantees of loans and advances	53,337	106,323	361,395	521,055
Total	**53,337**	**106,323**	**361,395**	**521,055**

The group of collaterals that are subject to individual valuations and revaluations on a regular basis should be updated at the time when the exposure is classified as non-performing and at least annually while it continues to be classified as such. The Group and the Bank ensure that, for the collateral subject to indexation or other similar methods, the indexation is updated at least annually. For properties with an updated individual valuation that has taken place within the past 12 months, the property value may be indexed up to the period of the impairment review.

Particular consideration is given to the value and strength of the collateral securing each credit facility, and especially the asset to be financed or being financed and mortgaged (e.g. ship type, age, condition, and technical characteristics, present and prospect market value). The Group and the Bank have defined categories of acceptable collaterals in its credit policy such as ship mortgage, real estate mortgage, bills of exchange, pledged depos etc.

4.2.6 Credit Concentration risk management

The concentration of exposure to credit risk can arise mostly from two types of inadequate risk diversification within a portfolio: (a) obligor concentration and (b) sector concentration. Obligor concentration is associated with inadequate risk diversification arising from large exposure to individual groups of connected borrowing clients. The sector concentration arises from large exposures to customer groups affected by common factors such as the macroeconomic environment, industry activity, currency etc. Moreover, country risk reflects the risk arising from macroeconomic instability, social events or political uncertainty in a country, including debt restructuring, nationalizations that may affect the Group's and the Bank's earnings. The Group’s and the Bank’s exposures to the Greek corporate sector mainly concerns the country risk of Greece, whereas the Group’s and the Bank’s exposures to the shipping sector are not connected to a particular country’s risk due to the international activity nature of the shipping sector.

Credit risk concentrations arising from significant credit exposures to a counterparty or a group of counterparties of common ownership and business interest, whose probability of default depends on common risk factors, is monitored through the Large Financial Exposures (LFE) and Large Obligors (LO) supervisory reports.

In order to comply with the regulatory limits, the Group and the Bank set specific limits for the obligor concentration risk. These limits are set in absolute terms (maximum exposure). The Group and the Bank monitors credit risk concentrations on a continuous basis, as part of its Credit Risk Management Policy and related processes, particularly monitoring and analysing the repayment sources and re-evaluating the credit risk mitigation techniques (collaterals and guarantees) applicable to such exposures. The Credit Risk Management Division is responsible to identify in a timely and accurate manner (both upon evaluation or review of each credit proposal, as well as on each regulatory reporting date) all borrowers and groups of connected borrowers of the Group and the Bank, as well as the Large Financial Exposures, ensuring that they remain within the applicable regulatory limits. Any deviations are promptly identified and reported to the bank’s Credit Committee and the Bank of Greece.

Due to the bank's specialized business model which basically is targeting to loan products to shipping and non-shipping enterprises, credit risk concentration in the exposures of the ten largest debtor/groups is observed. The bank continuously monitors and manages the concentration of the ten largest debtor/groups within the supervisory framework and the prementioned related procedures. As of 31.12.2023 and 31.12.2024, none of the Group’s and the Bank’s credit exposures to customers exceeded the maximum limit set out by the regulatory framework regulation, of 25% of Regulatory Capital, (Part Four, Regulation (EU) No 575/2013 (CRR), articles 387-403.

Finally, within the Internal Capital Adequacy Assessment Process (ICAAP), the Group and the Bank have adopted a methodology to measure the risk arising from concentration to economic sectors (sectoral concentration) and to individual companies (name concentration). Additional capital requirements are calculated, if necessary, and Pillar 1 capital adequacy is adjusted to ultimately take into account such concentration risks.

Sectoral Concentration Risk

The Bank's specialization in shipping finance entails concentration risk in two ways: On the one hand, the Bank's specialization implies accordingly the sectoral concentration of its exposures where ca. 2/3rds of the total loans portfolio concerns the shipping sector (despite the increasing share of non-shipping loans in the total portfolio). On the other hand, the capital size of shipping exposures, as well as the limited number of shipping/shipowning groups also renders the emergence of concentrations per obligor and/or shipping segment highly probable and the potential diversification within the shipping industry rather limited.

The Bank's shipping loans portfolio generally spans most shipping sectors but is closely correlated with the distribution of the world commercial fleet. Hence, higher concentrations are historically observed in the main tanker and dry bulk segments, which are reasonable as these segments constitute (a) the largest/main shipping sectors, but also (b) the sectors with traditionally stronger presence in the Greek-owned shipping (as opposed, for example, to the Containership sector). In 2024, the total tanker and bulker exposures accounted for 48% of the total loans portfolio and for 71% of the shipping exposures (2023: 51% and 72% respectively). It is noted that the Bank predominantly finances oceangoing shipping, with only 2.0% of its loans portfolio concerning limits towards the Greek ferry sector, therefore the shipping exposures exhibit a very low degree of country risk.

A much larger sectoral diversification is observed in the non-shipping portfolio, with ca. 83% of the total non-shipping loans as of 31.12.2024 covering 5 sectors (namely Wholesale Trade, Manufacturing, Commercial Real Estate, Renewable Energy Sources and Construction), each of which accounts for anything between 11%-22% of the total non-shipping loans portfolio (and accordingly for 4%-7% of the total loans portfolio). Nevertheless these exposures obviously present a higher degree of country risk, as they are much more closely related to the country risk of Greece.

4.2.7 Loans and advances to customers

4.2.7.1 Credit quality of loans and advances to customers

The Group and the Bank perform quality analysis of Loans and advances to customers at amortized cost on an individual basis. The below tables present the closing balance 31.12.2024 and at 31.12.2023 of quality analysis with IFRS 9 of impaired loans and advances to customers at amortized cost:

Group			**31.12.2024**	(€' 000)
Stage 1	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to shipping corporations	397,222	6,734	-	403,957
Loans and advances to corporate sector	112,326	-	-	112,326
Other loans & Staff loans	-	-	698	698
Total loans and advances to customers stage 1	**509,548**	**6,734**	**698**	**516,981**
Stage 2	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to corporate sector	-	11,683	-	11,683
Total loans and advances to customers stage 2	**-**	**11,683**	**-**	**11,683**
Stage 3	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to shipping corporations	-	1,029	-	1,029
Loans and advances to corporate sector	-	2,702	-	2,702
Total loans and advances to customers stage 3	**-**	**3,731**	**-**	**3,731**
Total Loans and advances to customers	**509,549**	**22,148**	**698**	**532,395**

Bank			**31.12.2024**	(€' 000)
Stage 1	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to shipping corporations	397,222	6,734	-	403,957
Loans and advances to corporate sector	112,326	-	-	112,326
Other loans & Staff loans	-	-	698	698
Total loans and advances to customers stage 1	**509,548**	**6,734**	**698**	**516,981**
Stage 2	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to corporate sector	-	11,683	-	11,683
Total loans and advances to customers stage 2	**-**	**11,683**	**-**	**11,683**
Stage 3	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to shipping corporations	-	1,029	-	1,029
Loans and advances to corporate sector	-	2,702	-	2,702
Total loans and advances to customers stage 3	**-**	**3,731**	**-**	**3,731**
Total Loans and advances to customers	**509,549**	**22,148**	**698**	**532,395**

Group			31.12.2023	(€' 000)
Stage 1	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to shipping corporations	372,470	9,042	-	381,512
Loans and advances to corporate sector	108,712	-	-	108,712
Other loans & Staff loans	-	-	745	745
Total loans and advances to customers stage 1	**481,182**	**9,042**	**745**	**490,969**
Stage 2	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to shipping corporations	10,350	-	-	10,350
Loans and advances to corporate sector	-	7,743	-	7,743
Total loans and advances to customers stage 2	**10,350**	**7,743**	**-**	**18,093**
Stage 3	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to shipping corporations	-	1,512	-	1,512
Loans and advances to corporate sector	-	2,685	-	2,685
Total loans and advances to customers stage 3	**-**	**4,197**	**-**	**4,197**
Total Loans and advances to customers	**491,532**	**20,982**	**745**	**513,259**

Bank			31.12.2023	(€' 000)
Stage 1	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to shipping corporations	372,470	9,042	-	381,512
Loans and advances to corporate sector	108,712	-	-	108,712
Other loans & Staff loans	-	-	745	745
Total loans and advances to customers stage 1	**481,182**	**9,042**	**745**	**490,969**
Stage 2	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to shipping corporations	10,350	-	-	10,350
Loans and advances to corporate sector	-	7,743	-	7,743
Total loans and advances to customers stage 2	**10,350**	**7,743**	**-**	**18,093**
Stage 3	**Satisfactory**	**Watchlisted and/or High Risk**	**Unrated**	**Total**
Loans and advances to shipping corporations	-	1,512	-	1,512
Loans and advances to corporate sector	-	2,685	-	2,685
Total loans and advances to customers stage 3	**-**	**4,197**	**-**	**4,197**
Total Loans and advances to customers	**491,532**	**20,982**	**745**	**513,259**

4.2.7.2 Credit quality of forborne loans and advances to customers at amortized cost

31.12.2024 (€' 000)

Group	Loans and Advances to customers at amortized cost	Of which: Forborne Loans and Advances to customers at amortized cost	% of Forborne Loans and Advances to customers at amortized cost
Stage 1	516,981	-	0%
Stage 2	11,683	-	0%
Stage 3	3,731	-	0%
Total Gross exposure	**532,395**	-	0%
Stage 1 ECL allowance	(2,249)	-	0%
Stage 2 ECL allowance	(329)	-	0%
Stage 3 ECL allowance	(3,585)	-	0%
Total ECL allowance	**(6,163)**	-	0%
Stage 1	514,732	-	0%
Stage 2	11,355	-	0%
Stage 3	146	-	0%
Total Loans and advances to customers at amortized cost (net amount)	**526,233**	-	0%
Value of collateral	515,125	-	0%

31.12.2024 (€' 000)

Bank	Loans and Advances to customers at amortized cost	Of which: Forborne Loans and Advances to customers at amortized cost	% of Forborne Loans and Advances to customers at amortized cost
Stage 1	516,981	-	0%
Stage 2	11,683	-	0%
Stage 3	3,731	-	0%
Total Gross exposure	**532,395**	-	0%
Stage 1 ECL allowance	(2,249)	-	0%
Stage 2 ECL allowance	(329)	-	0%
Stage 3 ECL allowance	(3,585)	-	0%
Total ECL allowance	**(6,163)**	-	0%
Stage 1	514,732	-	0%
Stage 2	11,355	-	0%
Stage 3	146	-	0%
Total Loans and advances to customers at amortized cost (net amount)	**526,233**	-	0%
Value of collateral	515,125	-	0%

Group	Loans and Advances to customers at amortized cost	Of which: Forborne Loans and Advances to customers at amortized cost	% of Forborne Loans and Advances to customers at amortized cost
			31.12.2023 (€' 000)
Stage 1	490,969	-	0%
Stage 2	18,093	-	0%
Stage 3	4,197	-	0%
Total Gross exposure	**513,259**	-	0%
Stage 1 ECL allowance	(2,611)	-	0%
Stage 2 ECL allowance	(89)	-	0%
Stage 3 ECL allowance	(4,086)	-	0%
Total ECL allowance	**(6,786)**	-	0%
Stage 1	488,358	-	0%
Stage 2	18,004	-	0%
Stage 3	111	-	0%
Total Loans and advances to customers at amortized cost (net amount)	**506,473**	-	0%
Value of collateral	521,055	-	0%

Bank	Loans and Advances to customers at amortized cost	Of which: Forborne Loans and Advances to customers at amortized cost	% of Forborne Loans and Advances to customers at amortized cost
			31.12.2023 (€' 000)
Stage 1	490,969	-	0%
Stage 2	18,093	-	0%
Stage 3	4,197	-	0%
Total Gross exposure	**513,259**	-	0%
Stage 1 ECL allowance	(2,611)	-	0%
Stage 2 ECL allowance	(89)	-	0%
Stage 3 ECL allowance	(4,086)	-	0%
Total ECL allowance	**(6,786)**	-	0%
Stage 1	488,358	-	0%
Stage 2	18,004	-	0%
Stage 3	111	-	0%
Total Loans and advances to customers at amortized cost (net amount)	**506,473**	-	0%
Value of collateral	521,055	-	0%

The below tables presents the movement of forborne loans and advances to customers at amortized cost for the year ending 31.12.2024 and 31.12.2023:

Reconciliation of forborne loans and advances to customers measured at amortized cost	**31.12.2023** (€' 000)	
	Group	**Bank**
Opening balance under (net amount) 01.01	**3,969**	**3,969**
Forbearance measures during the year	-	-
Repayment of loans and advances (partial or total)	-	-
Loans and advances that exited forbearance status	(3,985)	(3,985)
ECL allowance / Allowance for Impairment	16	16
Foreign exchange differences and other movements	-	-
Closing balance (net amount) 31.12	**-**	**-**

There were no forborne loans for the year 2024.

4.2.7.3 Ageing analysis of loans and advances

Group

Shipping Sector

			31.12.2024	(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Current	403,957	-	-	403,957
1-30 days	-	-	-	-
30-90 days	-	-	-	-
90-180 days	-	-	-	-
Past due Over 180 days	-	-	1,029	1,029
Total amount Shipping Sector	**403,957**	**-**	**1,029**	**404,986**

Corporate Sector

			31.12.2024	(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Current	112,326	11,683	-	124,009
1-30 days	-	-	-	-
30-90 days	-	-	-	-
90-180 days	-	-	-	-
Past due Over 180 days	-	-	2,702	2,702
Total amount Corporate Sector	**112,326**	**11,683**	**2,702**	**126,711**

Other Loans & Staff Loans

			31.12.2024	(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Current	698	-	-	698
1-30 days	-	-	-	-
30-90 days	-	-	-	-
90-180 days	-	-	-	-
Past due Over 180 days	-	-	-	-
Total amount Other Loans & Staff Loans	**698**	**-**	**-**	**698**
Total	**516,981**	**11,683**	**3,731**	**532,395**

Bank

Shipping Sector	31.12.2024	(€' 000)		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Current	403,957	-	-	403,957
1-30 days	-	-	-	-
30-90 days	-	-	-	-
90-180 days	-	-	-	-
Past due Over 180 days	-	-	1,029	1,029
Total amount Shipping Sector	**403,957**	**-**	**1,029**	**404,986**

Corporate Sector	31.12.2024	(€' 000)		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Current	112,326	11,683	-	124,009
1-30 days	-	-	-	-
30-90 days	-	-	-	-
90-180 days	-	-	-	-
Past due Over 180 days	-	-	2,702	2,702
Total amount Corporate Sector	**112,326**	**11,683**	**2,702**	**126,711**

Other Loans & Staff Loans	31.12.2024	(€' 000)		
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Current	698	-	-	698
1-30 days	-	-	-	-
30-90 days	-	-	-	-
90-180 days	-	-	-	-
Past due Over 180 days	-	-	-	-
Total amount Other Loans & Staff Loans	**698**	**-**	**-**	**698**
Total	**516,981**	**11,683**	**3,731**	**532,395**

Group

Shipping Sector	31.12.2023			(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Current	380,674	3,413	-	384,087
1-30 Days	838	-	-	838
30-90 days	-	6,937	-	6,937
90-180 days	-	-	-	-
Past due Over 180 days	-	-	1,512	1,512
Total amount Shipping Sector	**381,512**	**10,350**	**1,512**	**393,374**

Corporate Sector	31.12.2023			(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Current	55,761	-	-	55,761
1-30 Days	52,951	7,743	2,685	63,379
30-90 days	-	-	-	-
90-180 days	-	-	-	-
Past due Over 180 days	-	-	-	-
Total amount Corporate Sector	**108,712**	**7,743**	**2,685**	**119,140**

Other Loans & Staff Loans	31.12.2023			(€' 000)
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Current	745	-	-	745
1-30 Days	-	-	-	-
30-90 days	-	-	-	-
90-180 days	-	-	-	-
Past due Over 180 days	-	-	-	-
Total amount Other Loans & Staff Loans	**745**	**-**	**-**	**745**
Total	**490,969**	**18,093**	**4,197**	**513,259**

Bank

Shipping Sector	31.12.2023	(€' 000)		
	Stage 1	Stage 2	Stage 3	Total
Current	380,674	3,413	-	384,087
1-30 Days	838	-	-	838
30-90 days	-	6,937	-	6,937
90-180 days	-	-	-	-
Past due Over 180 days	-	-	1,512	1,512
Total amount Shipping Sector	**381,512**	**10,350**	**1,512**	**393,374**

Corporate Sector	31.12.2023	(€' 000)		
	Stage 1	Stage 2	Stage 3	Total
Current	55,761	-	-	55,761
1-30 Days	52,951	7,743	2,685	63,379
30-90 days	-	-	-	-
90-180 days	-	-	-	-
Past due Over 180 days	-	-	-	-
Total amount corporate sector	**108,712**	**7,743**	**2,685**	**119,140**

Other Loans & Staff Loans	31.12.2023	(€' 000)		
	Stage 1	Stage 2	Stage 3	Total
Current	745	-	-	745
1-30 Days	-	-	-	-
30-90 days	-	-	-	-
90-180 days	-	-	-	-
Past due Over 180 days	-	-	-	-
Total amount Other Loans & Staff Loans	**745**	**-**	**-**	**745**
Total	**490,969**	**18,093**	**4,197**	**513,259**

4.2.7.4 Interest income recognized by quality of loans and advances to customers

Group — **31.12.2024** (€' 000)

	Stage 1	Stage 2	Stage 3	Total
Loans and advances to shipping industry	33,171	-	-	**33,171**
Loans and advances to corporate sector	7,142	633	1	**7,776**
Other loans and staff loans	15	-	-	**15**
Total	**40,328**	**633**	**1**	**40,962**

Bank — **31.12.2024** (€' 000)

	Stage 1	Stage 2	Stage 3	Total
Loans and advances to shipping industry	33,171	-	-	**33,171**
Loans and advances to corporate sector	7,142	633	1	**7,776**
Other loans and staff loans	15	-	-	**15**
Total	**40,328**	**633**	**1**	**40,962**

Group — **31.12.2023** (€' 000)

	Stage 1	Stage 2	Stage 3	Total
Loans and advances to shipping industry	32,995	1,070	-	**34,065**
Loans and advances to corporate sector	6,309	406	168	**6,883**
Other loans and staff loans	14	-	-	**14**
Total	**39,318**	**1,476**	**168**	**40,962**

Bank — **31.12.2023** (€' 000)

	Stage 1	Stage 2	Stage 3	Total
Loans and advances to shipping industry	32,995	1,070	-	**34,065**
Loans and advances to corporate sector	6,309	406	168	**6,883**
Other loans and staff loans	14	-	-	**14**
Total	**39,318**	**1,476**	**168**	**40,962**

4.2.7.5 Movement of loans and advances to customers

The tables below present the movement in stages of gross loans and advances to customers for the years 2024 and 2023:

	2024 '(000)		**2023** '(000)	
Movement of Loans and advances to customers stage 1	**Group**	**Bank**	**Group**	**Bank**
Gross Loans and advances to customers 01.01	**490,969**	**490,969**	**508,138**	**508,138**
Repayments	(191,319)	(191,319)	(233,036)	(233,036)
New disbursements	187,527	187,527	237,717	237,717
Transfer from stage 1 to stage 2 Gross Loans	-	-	(7,112)	(7,112)
Transfer from stage 2 to stage 1 Gross loans	11,005	11,005	3,860	3,860
Interest Accrual	(3,878)	(3,878)	(4,623)	(4,623)
FX difference	22,677	22,677	(13,975)	(13,975)
Total gross amount of Loans and advances to customers 31.12, Stage 1	**516,981**	**516,981**	**490,969**	**490,969**

	2024 '(000)		**2023** '(000)	
Movement of Loans and advances to customers stage 2	**Group**	**Bank**	**Group**	**Bank**
Gross Loans and advances to customers 01.01 (IFRS 9)	**18,093**	**18,093**	**12,088**	**12,088**
Repayments	-	-	(933)	(933)
New disbursements	4,016	4,016	4,102	4,102
Transfer from stage 1 to stage 2 Gross Loans	-	-	7,112	7,112
Transfer from stage 2 to stage 1 Gross loans	(11,005)	(11,005)	(3,860)	(3,860)
Interest Accrual	(76)	(76)	(139)	(139)
FX difference	655	655	(277)	(277)
Total gross amount of Loans and advances to customers 31.12, Stage 2	**11,683**	**11,683**	**18,093**	**18,093**

	2024 '(000)		**2023** '(000)	
Movement of Loans and advances to customers stage 3	**Group**	**Bank**	**Group**	**Bank**
Gross Loans and advances to customers 01.01 (IFRS 9)	**4,197**	**4,197**	**8,582**	**8,582**
Repayments	(555)	(555)	-	-
New disbursements	25	25	125	125
Write off	-	-	(4,475)	(4,475)
Interest Accrual	-	-	(2)	(2)
FX difference	63	63	(33)	(33)
Total gross amount of Loans and advances to customers 31.12, Stage 3	**3,731**	**3,731**	**4,197**	**4,197**

The tables below present the movement in stages of ECL of loans and advances to customers for the year 2024 and 2023:

	2024 '(000)		**2023** '(000)	
Movement of ECL stage1	**Group**	**Bank**	**Group**	**Bank**
ECL of Loans and advances to customers 01.01 (IFRS 9)	**(2,610)**	**(2,610)**	**(2,162)**	**(2,174)**
Transfer from stage 1 to stage 2 ECL	-	-	33	33
Transfer from stage 2 to stage 1 ECL	(54)	(54)	(16)	(16)
ECL release for loans' repayments	1,323	1,323	915	915
ECL charge for loans granted	(784)	(784)	(1,438)	(1,438)
FX difference	(124)	(124)	58	58
ECL of Loans and advances to customers 31.12, Stage 1	**(2,249)**	**(2,249)**	**(2,610)**	**(2,610)**

	2024 '(000)		**2023** '(000)	
Movement of ECL stage2	**Group**	**Bank**	**Group**	**Bank**
ECL of Loans and advances to customers 01.01 (IFRS 9)	**(90)**	**(90)**	**(53)**	**(53)**
Transfer from stage 1 to stage 2 ECL	-	-	(33)	(33)
Transfer from stage 2 to stage 1 ECL	54	54	16	16
ECL release for loans' repayments	42	42	2	2
ECL charge for loans granted	(332)	(332)	(25)	(25)
FX difference	(3)	(3)	3	3
ECL of Loans and advances to customers 31.12, Stage 2	**(329)**	**(329)**	**(90)**	**(90)**

	2024 '(000)		**2023** '(000)	
Movement of ECL stage 3	**Group**	**Bank**	**Group**	**Bank**
ECL of Loans and advances to customers 01.01 (IFRS 9)	**(4,086)**	**(4,086)**	**(7,381)**	**(7,381)**
ECL release for loans' repayments	574	574	-	-
ECL charge for loans granted	(17)	(17)	(1,209)	(1,209)
Write off	-	-	4,475	4,475
FX difference	(56)	(56)	29	29
ECL of Loans and advances to customers 31.12, Stage 3	**(3,585)**	**(3,585)**	**(4,086)**	**(4,086)**

4.2.8 Bond portfolios

The table below presents an analysis of the Group's and the Bank's bond portfolios, using the higher of the two lower rating of Moody's, Standard & Poor's and Fitch, as publicly disclosed by bond issuers and/or other providers of financial information (e.g. Bloomberg), as at 31 December 2024 and 2023:

(€' 000)

Group's Bond portfolios as at 31.12.2024	Rating	FVTOCI	Amortised Cost	Total
Government Bonds	A- till AAA	114,728	-	**114,728**
Government Bonds	B- till BBB+	26,854	-	**26,854**
European Governments	A- till AAA	-	34,541	**34,541**
European Governments	B- till BBB+	-	4,929	**4,929**
European Financial Institution	A- till AAA	-	30,171	**30,171**
Corporate Entities Bonds	A- till AAA	91	-	**91**
Corporate Entities Bonds	B- till BBB+	3,255	-	**3,255**
Corporate Entities Bonds	Unrated	809	-	**809**
Total		**145,737**	**69,640**	**215,377**

(€' 000)

Bank's Bond portfolios as at 31.12.2024	Rating	FVTOCI	Amortised Cost	Total
Government Bonds	A- till AAA	114,728	-	**114,728**
Government Bonds	B- till BBB+	26,854	-	**26,854**
European Governments	A- till AAA	-	34,541	**34,541**
European Governments	B- till BBB+	-	4,929	**4,929**
European Financial Institution	A- till AAA	-	30,171	**30,171**
Corporate Entities Bonds	A- till AAA	91	-	**91**
Corporate Entities Bonds	B- till BBB+	3,255	-	**3,255**
Corporate Entities Bonds	Unrated	809	-	**809**
Total		**145,737**	**69,640**	**215,377**

Group's Bond portfolios as at 31.12.2023	Rating	FVTOCI	Amortised Cost	Total
				(€' 000)
Government Bonds	A- till AAA	103,828	-	**103,828**
Government Bonds	B- till BBB+	84,564	-	**84,564**
European Governments	A- till AAA	-	22,333	**22,333**
European Governments	B- till BBB+	-	15,969	**15,969**
European Financial Institution	A- till AAA	-	30,171	**30,171**
Corporate Entities Bonds	A- till AAA	90	-	**90**
Corporate Entities Bonds	B- till BBB+	4,483	-	**4,483**
Corporate Entities Bonds	Unrated	1,366	-	**1,366**
Total		**194,332**	**68,474**	**262,805**

Bank's Bond portfolios as at 31.12.2023	Rating	FVTOCI	Amortised Cost	Total
				(€' 000)
Government Bonds	A- till AAA	103,828	-	**103,828**
Government Bonds	B- till BBB+	84,564	-	**84,564**
European Governments	A- till AAA	-	22,333	**22,333**
European Governments	B- till BBB+	-	15,969	**15,969**
European Financial Institution	A- till AAA	-	30,171	**30,171**
Corporate Entities Bonds	A- till AAA	90	-	**90**
Corporate Entities Bonds	B- till BBB+	4,483	-	**4,483**
Corporate Entities Bonds	Unrated	1,366	-	**1,366**
Total		**194,332**	**68,474**	**262,805**

4.2.9 Climate-related & Environmental Risk impact on Credit Risk

As more analytically described in Note 4.6, during 2024, the Group and the Bank carried out a Qualitative Materiality Assessment aiming at identifying, evaluating and prioritizing the CR&E risks pertinent to its activities and portfolio, as well as the ways in which (i.e. the transmission channels) these could affect the prudential risks that the Bank is currently exposed to and manages.

Particularly as regards the impact on **Credit Risk**, the Materiality Assessment exhibits that all **Physical Risk** sub-categories (namely floods/sea level rises, droughts/extreme heat, storms/hurricanes, water stress and biodiversity loss/land usage) are anticipated to have a **Low impact** on the Group's and the Bank's shipping lending portfolio (which constitutes the largest sector of exposure) and a **Medium impact** on the non-shipping lending portfolio, after considering the specific characteristics of the Bank's exposures. In more detail:

Impact of Physical Risks for Greece: Greece is increasingly vulnerable to climate change, facing significant physical and environmental risks that could broadly impact the economy, disrupt multiple sectors and destabilize the financial services sector. Key challenges include rising sea levels, more intense storms, increased flooding and heightened risks of droughts and water shortages, particularly during summer months and the effects are both direct and indirect. Direct risks involve impaired credit quality and collateral values, especially in flood-prone regions. Indirect risks may arise as disruptions ripple through interconnected sectors, exacerbating systemic vulnerabilities. A widening insurance protection gap is also a growing concern in Greece, where a significant portion of properties remain uninsured despite increasing natural disaster risks. Recent discussions in Greece have highlighted the importance of mandatory property insurance to reduce this gap, particularly in light of severe flooding and wildfires and in September 2023, the Greek government proposed measures to introduce mandatory insurance for medium- and large-sized properties as part of its climate resilience strategy, aiming to increase resilience and reduce the financial burden on the state and private sectors following natural disasters. It is noted that the Group and the Bank include mandatory insurance covenants and undertakings against the main physical risks, in all its corporate credit facilities as applicable, thus mitigating the potential impact.

Impact of Physical Risks for the Shipping Industry: The main Physical Risk sub-categories may impact the shipping industry mostly in terms of infrastructure, as well as transportation costs and global trade flows. That being said, it is noted that the Group's and the Bank's shipping obligors are exclusively shipowners and the assets financed are exclusively vessels (rather than infrastructure), thus the impact of the above factors on those borrowers' operations will most likely be substantially milder, considering that any delays in loading/ discharging and/or longer routes taken, are compensated for by the shippers/charterers who are in the majority of cases liable to pay voyage costs (including bunker fuel costs, port/canal transit premia, cargo insurance premia etc.) and are also liable to pay demurrages (thus potentially even increasing shipowners' profitability). The impact of Physical Risks on the activity of shipowners, and by extension on the credit risk of the Bank's shipping loans portfolio, is likely to be limited to:

(i) increased costs associated with potential damage or loss of cargo (the latter pertinent mostly to containerships, which constitute a small fraction of the Bank's shipping exposures) during storms/hurricanes and/or extreme heat,

(ii) increased maintenance costs due to higher degree of wear and tear, stemming from extreme weather conditions and

(iii) the performance of trips with lower cargo volumes; yet, in such cases, and depending also on other market conditions, it is possible that the impact would be mitigated through an adjustment of the agreed freight/hire rate for the particular trip.

Finally, Physical Risks might impact the operations of shipping companies if they affect their physical premises/infrastructure/centers of operation. Again, such impact is considered to be low, bearing in mind that the vast majority of companies (especially those being obligors of the Bank) are not located in high-risk regions, while – due to the nature of the business – shipping companies have traditionally been capable to perform their operations remotely and uninterruptedly.

On the other hand, the **Transition Risk** sub-categories (namely policy/regulation, market sentiment and technology) are expected to have a stronger impact on the Credit Risk of the Group's and the Bank's loans portfolio, with the significance level ranging from "Low/Medium" (in the case of Technology risk), to "Medium" (in the case of Market Sentiment) and "High" (in the case of Policy/Regulation risk). In more detail:

1. Regulatory and policy changes applicable to banks may impact credit risk management and how credit risk is assessed, as the Group and the Bank may be required to further integrate ESG factors (in addition to current guidance) in the future. Additionally, the credit risk profile of obligors, depending on the economic sector in which they operate, may be impacted by increasing requirements (including higher investment and operational costs) to meet the evolving environmental and sustainability standards, whereas non-compliance may affect their operational efficiency and financial standing, as well as collateral values, therefore increasing default and expected loss rates.
2. Changes in market sentiment, driven by climate and environmental impacts, may decrease economic confidence, as well as customer and/or investor trust and create ripple effects across sectors, potentially affecting both the obligors' financial stability, as well as asset/collateral values. Such effects will likely be more pertinent for the non-shipping portfolio, while on the contrary, the impact of shifts in market sentiment will likely disseminate more easily through the Group's and the Bank's shipping portfolio, considering the inherently international nature of the shipping industry, as well as its global regulatory environment and its pivotal role in world trade and supply chain.
3. Technology changes may have an impact on the Group's and the Bank's Credit risk as obligors are, or will be, required to implement appropriate adaptive technologies to respond to new requirements associated with the transition, otherwise they may potentially be negatively affected. Key sectors in Greece (including energy-intensive industries such as the manufacturing sector), but also the shipping industry, may potentially face pressures to adopt emissions-reducing technologies and companies may encounter difficulties adapting, due to financial and resource constraints, possibly leading to business contraction or, in some cases, exit from the market. Therefore, it is critical to evaluate the readiness of obligors to integrate such technologies, as well as the potential impact on credit risk and market stability if these businesses struggle to adapt. It is noted however that, as shifts in technology usually require substantial time to mature and become widely implemented, businesses often have sufficient time allowance to evaluate their options and adapt their operations accordingly, hence the potential impact of such risk is assessed as "low".

4.3 Liquidity risk

Liquidity Risk is the current or prospective risk that a financial institution will not be able to meet its obligations as they become due, because of lack of required liquidity. Primary liquidity risk sources include, but are not limited to: (i) Funding risk: the need to replace outflows from unanticipated withdrawal/non-renewal of deposits or other market funding sources, and/or from unanticipated funding of contractually committed lines and facilities, and (ii) Marketability risk: due to stressed market conditions, the absence of buyers/investors causes a lack of liquidity depth in a particular market, thus asset holdings cannot be sold timely and/or at prices below their fair value, that would not entail excessive costs for the Bank. In general, liquidity risk relates to the financial, operating and investing activities of the Group and the Bank. This risk involves both the risk of unexpected increases in the cost of funding the portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner on reasonable terms.

As per the Liquidity Risk Management Policy of the Group, the Assets and Liabilities Committee (ALCO) and the Risk Management Department monitor the gap in maturities between assets and liabilities as well as the funding requirements based on various assumptions, including conditions that might have an adverse impact on the Group’s and the Bank’s ability to liquidate investments and trading positions and the ability to access capital markets, on a continuous basis. The core outline of the Group’s Liquidity Risk Management Strategy is to: Maintain a diversified and stable funding base, in terms of funding sources and currencies; Establish strong and lasting relationships with depositors and other liability holders; Avoid excessive reliance on any counterparty (including related parties), product or funding market; Always maintain a strong portfolio of unencumbered liquidity and liquid assets in terms of both amount/value, and quality; Follow sound liquidity and funding planning processes and procedures of continuous monitoring, including guidelines and limits for collateral management; Always maintain an up-to-date Liquidity Risk Appetite Framework which includes a clearly defined and robust set of Liquidity KPIs, appropriate for the continuous monitoring of the identified liquidity and funding risks of the Bank and including limits/thresholds per such indicator, which reflect the liquidity risk management and risk mitigation strategy of the Bank; and Maintain at all times up-to-date Contingency Funding and Liquidity Recovery Plans.

Liquidity risk also includes the risk of concentration of funding and, in particular, concentration of deposits among the largest depositors. Due to the Group's specialization in corporate banking in the shipping sector, a capital-intensive activity by nature, deposit concentrations have been inherent to its business model since its inception. Monitoring. managing and mitigating this concentration risk is an integral part of the Bank's liquidity risk management policy and procedures, and specific monitoring indicators are included in the Bank's Risk Appetite Framework, which are followed up and analyzed on an ongoing basis, aiming to ensure that the, at each time, market/fair value of the Bank' unencumbered liquid and liquidable assets, independently or in combination with other alternative funding sources, sufficiently cover the threat of any potential outflows of deposits connected to concentrations.

On 31.12.2024 the percentage cover of the aggregate balance of the 10 largest depositors of the Group, excluding those pledged (in favor of the Group) as security for loans provided by the Group, by the sum of the value of Group liquidity placed with the Central Bank and the interbank market, together with the fair value of the Group's investments in marketable debt securities (measured at their fair value as of the reference date), amounted to 189% (31.12.2023: 166%). Liquidity and additional liquidity risk is being reported to Bank of Greece monthly.

The following table presents the quality of liquid and liquidable assets of the Group and the Bank as of 31 December 2024 and 2023, based on their carrying values:

Liquid and Liquidable Assets' Quality (% of total)	Quality / Credit Rating	2024	2023
a) Cash, Balances with CB, Due from Banks and Governments Bonds (USA, Eurozone)	AAA to AA-	78%	83%
b) Due from Banks	A+ to A-	12%	14%
c) Due from Banks and EU Corporate Bonds	BBB+ / BBB-	10%	2%
d) Due from Banks and EU Corporate Bonds	BB+ to BB- or Unrated	0%	1%
Total		**100%**	**100%**
Total Amount (in € '000)		**604,261**	**541,212**

The following tables present maturity analysis of Group and Bank Assets and Liabilities as of 31 December 2024, based on their carrying values. Liabilities without contractual maturities (sight and saving deposits) are presented in the 'less than 1 month' time bucket.

The below tables assume that all liabilities will be paid at maturity and they will not be rolled over (e.g. all term deposits are withdrawn at their contractual maturity).

Group's contractual cash flows based on the carrying amounts as at 31.12.2024

(€' 000)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
ASSETS						
Cash and balances with central banks	262,363	-	-	-	-	**262,363**
Due from banks	108,339	19,311	-	-	-	**127,650**
Loans and advances to customers	5,946	15,095	130,657	255,679	118,857	**526,233**
Investment securities at FVTOCI	38,464	88,678	-	11,384	7,211	**145,737**
Total Assets	**415,112**	**123,084**	**130,657**	**267,063**	**126,068**	**1,061,983**
LIABILITIES						
Due to customers	(647,938)	(177,489)	(84,187)	(21,952)	(42,277)	**(973,842)**
Finance Lease Liabilities (included in other liabilities)	(2)	(4)	(144)	(271)	-	**(421)**
Total on balance sheet	**(647,940)**	**(177,493)**	**(84,331)**	**(22,222)**	**(42,277)**	**(974,263)**
Off Balance sheet (Loan Commitments)	(244)	(269)	(450)	(7,103)	(1,386)	**(9,452)**
Total (On & Off Balance sheet)	**(648,184)**	**(177,761)**	**(84,781)**	**(29,325)**	**(43,663)**	**(983,715)**

Bank's contractual cash flows based on the carrying amounts as at 31.12.2024

(€' 000)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
ASSETS						
Cash and balances with central banks	262,363	-	-	-	-	**262,363**
Due from banks	108,339	19,311	-	-	-	**127,650**
Loans and advances to customers	5,946	15,095	130,657	255,679	118,857	**526,233**
Investment securities at FVTOCI	38,464	88,678	-	11,384	7,211	**145,737**
Total Assets	**415,112**	**123,084**	**130,657**	**267,063**	**126,068**	**1,061,983**
LIABILITIES						
Due to customers	(648,766)	(177,489)	(84,187)	(21,952)	(42,276)	**(974,669)**
Finance Lease Liabilities	(2)	(4)	(144)	(271)	-	**(421)**
TOTAL LIABILITIES	**(648,768)**	**(177,493)**	**(84,331)**	**(22,222)**	**(42,276)**	**(975,090)**
Off Balance sheet (Loan Commitments)	(244)	(269)	(450)	(7,103)	(1,386)	**(9,452)**
Total (On & Off Balance sheet)	**(649,012)**	**(177,761)**	**(84,781)**	**(29,325)**	**(43,662)**	**(984,542)**

The following tables present maturity analysis of Group and Bank Liabilities as of 31 December 2023, based on their carrying values. Liabilities without contractual maturities (sight and saving deposits) are presented in the 'less than 1 month' time bucket.

The below tables represent all liabilities will be paid at maturity and they will not be rolled over (e.g. all term deposits are withdrawn at their contractual maturity).

Group's contractual cash flows based on the carrying amounts as at 31.12.2024

(€' 000)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
LIABILITIES						
Due to customers	619,002	234,488	61,712	1,941	-	**917,143**
Derivatives financial instruments	23	-	-	-	-	**23**
Finance Lease Liabilities (included in other liabilities)	9	37	166	294	-	**506**
Total on balance sheet	**619,034**	**234,525**	**61,878**	**2,235**	**-**	**917,672**
Off Balance sheet (Loan Commitments)	17	3,765	2,139	15,766	946	**22,633**
Total (On & Off Balance sheet)	**619,051**	**238,290**	**64,017**	**18,001**	**946**	**940,305**

Bank's contractual cash flows based on the carrying amounts as at 31.12.2024

(€' 000)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
LIABILITIES						
Due to customers	619,943	234,488	61,712	1,940	-	**918,083**
Derivatives financial instruments	23	-	-	-	-	**23**
Finance Lease Liabilities (included in other liabilities)	9	37	166	294	-	**506**
Total on balance sheet	**619,975**	**234,525**	**61,878**	**2,234**	**-**	**918,613**
Off Balance sheet (Loan Commitments)	17	3,765	2,139	15,766	946	**22,633**
Total (On & Off Balance sheet)	**619,992**	**238,290**	**64,017**	**18,000**	**946**	**941,246**

4.4 Market risks

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not related to changes in the obligor's credit standing), will affect the Group's income or the value of its financial instruments. Specifically for the Group and the Bank, market risk is further analyzed in the following risks:

- Interest rate risk arising from transactions in bonds that are classified as FVTOCI.
- Interest rate risk arising from interest rate swaps.
- Foreign exchange risk arising from transactions in outright FX forwards.
- Debt securities at amortized cost
- Loans and advances to customers

4.4.1 Interest rate risk

Interest rate risk is the current or prospective risk to earnings (Net Interest Income) and capital arising from adverse movements in interest rates affecting the Grouping book positions (IRRBB). Assets and liabilities are analyzed with respect to interest rate risk (gap analysis). Assets and liabilities are categorized into time periods (gaps) by either contractual repricing in the case of variable interest rate instruments or maturity date in the case of fixed interest rate instruments. The analysis below provides an approximation of the interest rate risk exposure since transactions with different duration are aggregated together per time bucket.

Group's Interest Rate Risk as at 31.12.2024 (€' 000)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS							
Cash and balances with Central Bank	260,761	-	-	-	-	1,602	**262,363**
Due from banks	108,161	19,242	-	-	-	247	**127,650**
Loans and advances to customers	174,152	325,094	19,059	9,171	-	(1,243)	**526,233**
Investment securities – FVTOCI	38,464	88,676	-	11,200	7,099	298	**145,737**
Debt securities at amortized cost	-	-	9,999	53,337	6,056	248	**69,640**
Other remaining assets	-	-	-	-	-	19,419	**19,419**
TOTAL ASSETS	**581,538**	**433,012**	**29,058**	**73,708**	**13,155**	**20,571**	**1,151,042**
LIABILITIES							
Due to customers	680,529	217,491	64,448	6,415	-	4,959	**973,842**
Finance lease liabilities	21	42	144	228	-	-	**435**
Other remaining liabilities	-	-	-	-	-	11,214	**11,214**
TOTAL LIABILITIES	**680,550**	**217,532**	**64,592**	**6,643**	**-**	**16,173**	**985,491**
Total interest sensitivity gap	**(99,012)**	**215,480**	**(35,534)**	**67,065**	**13,155**	**4,398**	**165,551**

Bank's Interest Rate Risk as at 31.12.2024 (€' 000)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS							
Cash and balances with Central Bank	260,761	-	-	-	-	1,602	**262,363**
Due from banks	108,161	19,242	-	-	-	247	**127,650**
Loans and advances to customers	174,152	325,094	19,059	9,171	-	(1,243)	**526,233**
Investment securities – FVTOCI	38,464	88,676	-	11,200	7,099	298	**145,737**
Debt securities at amortized cost	-	-	9,999	53,337	6,056	248	**69,640**
Other remaining assets	-	-	-	-	-	20,247	**20,247**
TOTAL ASSETS	**581,538**	**433,012**	**29,057**	**73,707**	**13,155**	**21,399**	**1,151,870**
LIABILITIES							
Due to customers	681,356	217,491	64,448	6,415	-	4,959	**974,669**
Finance lease liabilities	21	42	144	228	-	-	**435**
Other remaining liabilities	-	-	-	-	-	11,214	**11,214**
TOTAL LIABILITIES	**681,377**	**217,532**	**64,592**	**6,643**	**-**	**16,173**	**986,318**
Total interest sensitivity gap	**(99,839)**	**215,480**	**(35,535)**	**67,064**	**13,155**	**5,226**	**165,552**

The Bank and the Group performs a sensitivity analysis to assess the impact on net interest income (NII) to a hypothetical change in the market interest rates. The measurement of Interest Rate Risk sensitivity of the Group's and the Bank's Statements of Financial Position items in respect to a parallel shift of 100bp in interest rates showed no material effect (see table below). Fixed rate assets cover the 34.9% of the total assets and the 100% of total liabilities of the Group and the Bank consist of fixed rate liabilities.

2024(€' 000)

Interest Rate variation scenario (parallel fall or rise in yield curves, bp)	**Sensitivity for Net Interest Income**	**Sensitivity of Equity**
(100)	(4.6)	(4)
100	4.5	3.8

Group's Interest Rate Risk as at 31.12.2023 (€' 000)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS							
Cash and balances with Central Bank	196,043	-	-	-	-	1,564	**197,607**
Due from banks	16,787	66,196	-	-	-	528	**83,511**
Loans and advances to customers	233,509	238,543	34,641	733	-	(954)	**506,473**
Investment securities – FVTOCI	118,779	16,869	39,484	7,470	11,405	325	**194,332**
Debt securities at amortized cost	1,499	-	25,731	34,925	6,066	253	**68,474**
Other remaining assets	-	-	-	-	-	26,675	**26,675**
TOTAL ASSETS	**566,617**	**321,607**	**99,856**	**43,128**	**17,471**	**28,392**	**1,077,072**
LIABILITIES							
Due to customers	617,623	233,653	61,217	1,034	-	3,616	**917,143**
Finance lease liabilities	9	37	166	294	-	-	**506**
Other remaining liabilities	-	-	-	-	-	13,514	**13,514**
TOTAL LIABILITIES	**617,631**	**233,691**	**61,383**	**1,329**	**-**	**17,130**	**931,163**
Total interest sensitivity gap	**(51,014)**	**87,917**	**38,473**	**41,799**	**17,471**	**11,262**	**145,909**

Bank's Interest Rate Risk as at 31.12.2023 (€' 000)	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS							
Cash and balances with Central Bank	196,043	-	-	-	-	1,564	**197,607**
Due from banks	16,787	66,196	-	-	-	528	**83,511**
Loans and advances to customers	233,509	238,543	34,641	733	-	(954)	**506,473**
Investment securities – FVTOCI	118,779	16,869	39,484	7,470	11,404	325	**194,332**
Debt securities at amortized cost	1,499	-	25,731	34,925	6,065	253	**68,474**
Other remaining assets	-	-	-	-	-	25,256	**25,256**
TOTAL ASSETS	**566,617**	**321,607**	**99,856**	**43,129**	**17,470**	**26,973**	**1,075,653**
LIABILITIES							
Due to customers	618,564	233,653	61,217	1,034	-	3,615	**918,083**
Finance lease liabilities	9	37	166	294	-	-	**506**
Other remaining liabilities	-	-	-	-	-	12,985	**12,985**
TOTAL LIABILITIES	**618,573**	**233,690**	**61,383**	**1,328**	**-**	**16,600**	**931,574**
Total interest sensitivity gap	**(51,954)**	**87,918**	**38,473**	**41,801**	**17,470**	**10,373**	**144,079**

2023(€' 000)

Interest Rate variation scenario (parallel fall or rise in yield curves, bp)	**Sensitivity for Net Interest Income**	**Sensitivity of Equity**
(100)	(5,9)	(4,6)
100	4,4	3,4

4.4.2 Foreign exchange risk

The Management of the Group has set low limits for foreign exchange exposure, which are monitored daily. The Group's and the Bank's open foreign exchange position is mainly in US Dollars because of its specialized activity. The Group and the Banks file standard foreign exchange position reports on a regular basis enabling the Central Bank to monitor its foreign exchange risk.

The foreign exchange position of the Group and the Bank as at 31 December 2024 and 31 December 2023 respectively is as follows:

Group's Foreign exchange position as at 31.12.2024

(€' 000)	USD	EURO	OTHER	TOTAL
ASSETS				
Cash and balances with Central Bank	386	261,893	84	262,363
Due from banks	113,910	8,751	4,989	127,650
Loans and advances to customers	392,815	133,418	-	526,233
Investment securities – FVTOCI	114,719	31,018	-	145,737
Debt securities at amortized cost	-	69,640	-	69,640
Derivatives assets	-	8	-	8
Other remaining assets	16	19,395	-	19,411
TOTAL ASSETS	**621,846**	**524,123**	**5,073**	**1,151,042**
LIABILITIES				
Due to customers	683,007	286,730	4,105	973,842
Derivatives liabilities	-	3	-	3
Other remaining liabilities	542	11,104		11,646
TOTAL LIABILITIES	683,548	297,837	4,105	985,491
Net balance sheet position	(61,702)	226,287	968	165,551
Derivative forward/spot fx position (nominal value)	61,746	(61,746)	-	-
Total FX position	**44**	**164,541**	**968**	**165,551**

Bank's Foreign exchange position as at 31.12.2024

(€' 000)	USD	EURO	OTHER	TOTAL
ASSETS				
Cash and balances with Central Bank	386	261,893	85	262,363
Due from banks	113,910	8,751	4,988	127,650
Loans and advances to customers	392,815	133,418	-	526,233
Investment securities – FVTOCI	114,719	31,018	-	145,737
Debt securities at amortized cost	-	69,640	-	69,640
Derivatives assets	-	8	-	8
Other remaining assets	16	20,222	-	20,239
TOTAL ASSETS	**621,846**	**524,950**	**5,073**	**1,151,870**
LIABILITIES				
Due to customers	683,007	287,557	4,105	974,669
Derivatives liabilities	-	3	-	3
Other remaining liabilities	542	11,105		11,646
TOTAL LIABILITIES	683,548	298,666	4,105	986,318
Net balance sheet position	(61,702)	226,285	968	165,552
Derivative forward/spot fx position (nominal value)	61,746	(61,746)	-	-
Total FX position	**44**	**164,539**	**968**	**165,552**

The measurement of foreign exchange risk sensitivity of the Group's and the Bank's Statement of Financial Position items in respect to a parallel shift of 5% and 10% in foreign currency rates showed no material effect on the net position of the Group and the Bank, please see table below.

2024 (€' 000)

Foreign currency rates variation scenario (parallel fall or rise in foreign currency rates)	Sensitivity for Net Position
(5%)	(2,2)
5%	2,2
(10%)	(4,6)
10%	4,6

Group's Foreign exchange position as at 31.12.2023

(€' 000)	USD	EURO	OTHER	TOTAL
ASSETS				
Cash and balances with Central Bank	275	197,208	124	197,607
Due from banks	41,593	36,373	5,546	83,511
Loans and advances to customers	370,274	136,199	-	506,473
Investment securities – FVTOCI	103,737	90,595	-	194,332
Debt securities at amortized cost	-	68,474	-	68,474
Derivative Assets	-	6	-	6
Other remaining assets	13	26,656	-	26,670
TOTAL ASSETS	**515,892**	**555,511**	**5,670**	**1,077,073**
LIABILITIES				
Due to customers	611,678	301,211	4,254	917,143
Derivative Liabilities	-	23	-	23
Other remaining liabilities	318	13,679	-	13,996
TOTAL LIABILITIES	**611,996**	**314,913**	**4,254**	**931,162**
Net balance sheet position	**(96,104)**	**240,596**	**1,415**	**145,909**
Derivative forward/spot fx position (nominal value)	96,249	(95,760)	(489)	-
Total FX position	**145**	**144,836**	**926**	**145,909**

Bank's Foreign exchange position as at 31.12.2023

(€' 000)	USD	EURO	OTHER	TOTAL
ASSETS				
Cash and balances with Central Bank	275	197,208	124	197,607
Due from banks	41,593	36,373	5,546	83,512
Loans and advances to customers	370,274	136,199	-	506,473
Investment securities – FVTOCI	103,737	90,596	-	194,333
Debt securities at amortized cost	-	68,474	-	68,474
Derivative Assets	-	6	-	6
Other remaining assets	13	25,237	-	25,250
TOTAL ASSETS	**515,892**	**554,093**	**5,670**	**1,075,655**
LIABILITIES				
Due to customers	611,678	302,151	4,253	918,082
Derivative Liabilities	-	23	-	23
Other remaining liabilities	318	13,151	-	13,469
TOTAL LIABILITIES	**611,996**	**315,325**	**4,253**	**931,574**
Net balance sheet position	**(96,104)**	**238,768**	**1,415**	**144,079**
Derivative forward/spot fx position (nominal value)	96,249	(95,760)	(489)	-
Total FX position	**145**	**143,008**	**926**	**144,079**

2023(€' 000)

Foreign currency rates variation scenario (parallel fall or rise in foreign currency rates)	**Sensitivity for Net Position**
(5%)	(8,1)
5%	8,1

4.5 Operational Risk

Operational risk involves the possibility of generating losses as a result of implementing inadequate or unsuccessful internal procedures and systems, of external events and/or the human factor. The Group and the Bank have established a policy framework for the management of operational risk which includes the procedure of self-assessment of operational risks and the related area of control, the procedure of loss data collection and the development and update of action plans for the mitigation of operational risks. For the calculation of the capital requirements for operational risk, the Group and the Bank follow the Basic Indicator approach.

4.6 Climate-related and Environmental (CR&E) Risk

The Group and the Bank are exposed to risks stemming from the consequences of climate change, the regulatory changes and the transition towards a low carbon economy. The Group and the Bank have conducted a comprehensive analysis (Business Environment Report) to identify and manage Climate-related and Environmental Risks (CR&E), as well as a Qualitative Materiality Assessment to evaluate and prioritize the CR&E risks which are pertinent to the Group's and the Bank's activities and portfolios, as well as the magnitude and time horizon of their impact on the Group's and the Bank's existing prudential risk categories.

By analyzing the macroeconomic factors which influence the world and the Greek economy, the direct and indirect impacts on the Group's and the Bank's activities and portfolios are evaluated, focusing particularly on the shipping sector which constitutes the largest part of the Bank's loans portfolio. Climate-related and environmental risks are commonly understood to comprise two main risk drivers:

• **Physical risk**, which refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation; and

• **Transition risk**, which refers to an institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy.

The figures below summarize the estimated impact, significance rating and time horizon of impact for the Transition and the Physical Risk on the Group's and the Bank's prudential risk categories.

More specifically, in the summary view of the Figures below, a prudent approach has been adopted and therefore the highest significance rating across the transition and physical risk sub-categories has been reported as the overall rating for each prudential risk area. Moreover, the time horizon of impact has been defined as short-term (0-1 year), medium-term (1-5 years) and long-term (>5 years) and the impact identified might manifest in any, or a combination of these, horizons. The assessment also considers how CR&E risks might manifest from both a physical and transition risk perspective across extreme scenarios. Generally, if physical risk is higher, transition risk may be lower (as policy and regulation is insufficient to reduce physical risk) and conversely, if physical risk is lower, it is likely that transition risk is higher as policy and regulatory changes are more extreme such that they are successful in reducing the effects of climate change.

In the assessment, the following scenarios of Network for Greening the Financial System (NGFS) have been combined, at a high level, in order to identify the impacts of both high transition risk and high physical risk:

- "Disorderly", which includes high transition risk and low physical risk, and
- "Hot House World", which includes low transition risk and high physical risk,

This approach has been followed to ensure that all potential impacts, both transitional and physical, have been considered in the qualitative assessment.

Estimated impact, significance rating and time horizon of impact of CR&E risks							
CR&E risk category	**CR&E risk sub-category**	**Strategic risk**	**Market risk**	**Credit risk**	**Liquidity risk**	**Operational risk**	**Reputational risk**
Transition risk	Policy and regulation	Medium	Low	High	Low	Medium	Medium
	Market sentiment	Low	Low	Medium	Low/Medium	Low	Low
	Technology	Low	Low	Low/Medium	Low	Medium	Low
Physical risk	Floods/sea level rise	Low	Low	Low/Medium	Low	Low	Low
	Droughts/extreme heat	Low	Low	Low/Medium	Low	Low	Low
	Storms/hurricanes	Low	Low	Low/Medium	Low	Low	Low
	Water stress	Low	Low	Low/Medium	Low	Low	Low
	Biodiversity loss and land usage	Low	Low	Low/Medium	Low	Low	Low

Among the transition risk sub-categories, Credit Risk is the most important, with a significance rating of high, as it is largely impacted by changes in the regulatory policies, compliance requirements and the transition to lower carbon emissions. Such impacts span the short-term, medium-term and long-term horizons, affecting both the repayment capacity and the creditworthiness of obligors.

The Operational and Reputational risks have a significant rating of medium, as the need to comply with the new standards, the collection and management of ESG data, as well as potential negative publicity or loss of trust in the market in case of delayed adaptation, constitute important challenges. These risks are mainly observed in the medium and long-term horizon.

Strategic risk also has a significant rating of medium, as the Bank is required to constantly reassess its business model and targeted markets, so as to ensure its sustainability within an environment of ever-changing requirements.

Conversely, Market risk has a low significance rating, with limited direct impact from the Transition risk sub-categories, while Liquidity risk has a low/medium significance rating.

Transition risk			
Risks assessed	**Significance rating**	**Rank**	**Time Horizon of Impact**
Credit Risk	**High**	5	S / M / L
Reputational Risk	**Medium**	3	M / L
Operational Risk	**Medium**	3	M / L
Strategic Risk	**Medium**	3	S / M / L
Liquidity Risk	**Low/Medium**	2	M / L
Market Risk	**Low**	1	M / L

As regards the Physical risk sub-categories, most prudential banking risks – such as operational, strategic, reputational, market and liquidity – are assessed as low significance, given the indirect and lower impact that physical risks can have on them, in comparison with the transition risks. Credit risk constitutes the sole exception but nevertheless has a significance rating of low/medium, since extreme physical events, such as floods, storms or droughts, may affect the collateral and/or the financial standing of obligors within specific industries or geographical regions. In all sub-categories, the time horizon of impact also spans from short to long-term.

Physical risk			
Risks assessed	**Significance rating**	**Rank**	**Time Horizon of Impact**
Strategic Risk	**Low**	1	S / M / L
Credit Risk	**Low/Medium**	2	S / M / L
Operational Risk	**Low**	1	M / L
Reputational Risk	**Low**	1	M / L
Market Risk	**Low**	1	M / L
Liquidity Risk	**Low**	1	M / L

4.7 Fair value of financial assets and liabilities not measured at fair value

The following methods and assumptions were used to estimate the fair values of the Group's and the Bank's financial instruments at 31 December 2024 and 2023:

Loans and advances to customers: According to IFRSs, the fair value of loans is estimated using discounted cash flow models. The discount rates are based on current market interest rates offered for loans with similar terms to borrowers of similar credit quality. This category is carried at amortized cost. Substantially all the loans and advances of the Group and the Bank are at floating rates of interest, which re-price at frequent intervals. Therefore, the Group and the Bank has no significant exposure to fair value fluctuations and the carrying value of the loans and advances to customers approximates its fair value.

Debt Securities measured at amortized cost: The fair values of financial investments are determined using prices quoted in an active market when these are available. In other cases, fair values are determined using quoted market prices for securities with similar credit risk, maturity yield, quoted market prices in non-active markets for identical or similar financial instruments, or by using the discounted cash flows method.

For other financial instruments, which are short-term or re-price at frequent intervals (cash and balances with Central Bank, due from and due to banks and due to customers), the carrying amounts represent reasonable approximations of fair values.

The fair value hierarchy categorization of financial assets not measured at fair value on the balance sheet at 31 December 2024 and 2023 is presented in the following table:

31 December 2024
Group

(€' 000)	Level-1	Level-2	Level-3	**Fair value**	**Carrying value**
ASSETS					
Debt Securities measured at amortized cost	68,502	-	-	**68,502**	**69,640**
Total assets not measured at fair value	**68,502**	-	-	**68,502**	**69,640**

31 December 2024
Bank

(€' 000)	Level-1	Level-2	Level-3	**Fair value**	**Carrying value**
ASSETS					
Debt Securities measured at amortized cost	68,502	-	-	**68,502**	**69,640**
Total assets not measured at fair value	**68,502**	-	-	**68,502**	**69,640**

Fair value of loans and advances to customers is not significantly different from their carrying value, for the Group and the Bank. Loans and advances to customers are categorized within Level 3 of the fair value hierarchy.

31 December 2023

Group

(€' 000)	Level-1	Level-2	Level-3	Fair value	Carrying value
ASSETS					
Debt Securities measured at amortized cost	68,474	-	-	**65,758**	**68,474**
Total assets not measured at fair value	**68,474**	**-**	**-**	**65,758**	**68,474**

31 December 2023

Bank

(€' 000)	Level-1	Level-2	Level-3	Fair value	Carrying value
ASSETS					
Debt Securities measured at amortized cost	68,474	-	-	**65,758**	**68,474**
Total assets not measured at fair value	**68,474**	**-**	**-**	**65,758**	**68,474**

The fair value of the remaining financial assets and liabilities which are measured at amortized cost and include mainly due from banks and central banks as well as due to banks, are reasonable approximation of their respective carrying amount .

4.8 Financial assets and liabilities measured at fair value on a recurring basis

Determining the fair value of financial instruments

The Group and the Bank measure the fair value of its financial instruments based on the framework for measuring fair value that categorizes financial instruments based on a three-level hierarchy of the inputs to the valuation technique, as described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market. An active market is a market in which transactions for assets or liabilities take place with sufficient frequency and volume, provide pricing information on an ongoing basis and are characterized with low bid/ask spreads.

Level 2: Observable inputs other than Level 1 quoted prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data (for example derived from prices) for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments, as well as debt securities without quoted prices and certain derivative contracts whose values are determined using pricing models, discounted cash flow methodologies.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

31 December 2024

Group

(€' 000)	Level-1	Level-2	Level-3	Total
ASSETS				
Investment securities – FVTOCI	145,737	-	-	145,737
Derivatives	-	8	-	8
Total assets measured at fair value	**145,737**	**8**	**-**	**145,745**
LIABILITIES				
Derivatives	-	3	-	**3**
Total liabilities measured at fair value	**-**	**3**	**-**	**3**

31 December 2024
Bank

(€' 000)	Level-1	Level-2	Level-3	Total
ASSETS				
Investment securities – FVTOCI	145,737	-	-	145,737
Derivatives	-	8	-	8
Total assets measured at fair value	**145,737**	**8**	**-**	**145,745**
LIABILITIES				
Derivatives	-	3	-	**3**
Total liabilities measured at fair value	**-**	**3**	**-**	**3**

There were no transfers between Level 1 and Level 2 for the Group and the Bank in the year ended 31 December 2024.

31 December 2023
Group

(€' 000)	Level-1	Level-2	Level-3	Total
ASSETS				
Investment securities – FVTOCI	194,332	-	-	194,332
Derivatives	-	6	-	6
Total assets measured at fair value	**194,332**	**6**	**-**	**194,338**
LIABILITIES				
Derivatives	-	23	-	**23**
Total liabilities measured at fair value	**-**	**23**	**-**	**23**

31 December 2023
Bank

(€' 000)	Level-1	Level-2	Level-3	Total
ASSETS				
Investment securities – FVTOCI	194,332	-	-	194,332
Derivatives	-	6	-	6
Total assets measured at fair value	**194,332**	**6**	**-**	**194,338**
LIABILITIES				
Derivatives	-	23	-	**23**
Total liabilities measured at fair value	**-**	**23**	**-**	**23**

There were no transfers between Level 1 and Level 2 for the Group and the Bank in the year ended 31 December 2023.

4.9 Capital Adequacy

The Group and the Bank have implemented the new regulatory framework CRDIV (Basel III implementation under EU rules), which came into force with Directive 2013/36/EU and Regulation (EU) No. 575/2013.
The new regulatory framework requires financial institutions to maintain a minimum level of regulatory capital related to the undertaken risks. 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%

Based on Council Regulation 1024/2013, the Central Bank conducts annually a Supervisory Review and Evaluation Process (SREP), in order to define the prudential requirements of the institutions under its supervision, by delimiting an overall SREP capital requirement (OCR) under Pillar 2 of the regulatory framework. Following the conclusion of the SREP for year 2024, the Group of Greece advised ABBank that as of March 7th, 2025 that it has to maintain and OCR of at least 10.37% (2022: 11.08%), consisting of
(a) CAD Ratio of 8%,
(b) additional capital requirements under Pillar 2 of 2.37%, and
(c) the Capital Conservation Buffer of 2.5%
(2022: 8%, 3.08% and 2.5%, respectively).

The Bank actively manages its capital base by taking advantage of the contemporary means for raising capital, with the objective to sustain its capital adequacy ratios well above the minimum regulatory levels and, at the same time, to improve the weighted average cost of capital to the benefit of its shareholders. In this framework, both the calculation of the capital requirements and the dynamic management of the capital base are embedded in the business plan and the annual budgeting processes. The risk-weighted assets arise from the credit risk of the investment book and the market risk of the trading book as well as the operational risk.

The current capital ratios (Tier I ratio and capital adequacy ratio) are greater than the regulatory limits set by the relevant directive and the capital base is capable of supporting the business growth of the Group in all areas for the next years. For the calculation of regulatory capital, own share capital must undergo some regulatory adjustments, such as the deduction of intangible assets. The regulatory capital of the Group, as defined by the Bank of Greece is comprised of two tiers, Tier I and Tier II capital. AB Bank has only Tier I capital.

Presented below, are the year-end capital adequacy ratios of 2024 and 2023 for the Group and the Bank. The figures have been calculated using CRD IV rules.

	2024 '(000) Group		2024 '(000) Bank	
	Including Current Year's Profit	Excluding Current Year's Profit	Including Current Year's Profit	Excluding Current Year's Profit
Tier I capital				
Share capital	37,980	37,980	37,980	37,980
Share premium	50,207	50,207	50,207	50,207
Retained earnings	68,449	68,449	68,543	68,543
Statutory reserve	4,441	4,441	4,346	4,346
Revaluation Reserve Land & Building (Net of Tax)	5,770	5,770	5,770	5,770
FVTOCI Reserve	(1,294)	(1,294)	(1,294)	(1,294)
	165,552	**165,552**	**165,552**	**165,552**
Regulatory adjustments on Tier I capital				
Less: intangible assets	(1,801)	(1,801)	(1,801)	(1,801)
Less: Adjustment for Retained earnings not yet recognized	-	(18,692)	-	(20,521)
Less : other adjustments	(146)	(146)	(146)	(146)
Total regulatory adjustments on Tier I capital	**(1,946)**	**(20,638)**	**(1,946)**	**(22,468)**
Total Core Tier I capital	**163,606**	**144,914**	**163,606**	**143,084**
Risk weighted assets				
Risk weighted assets (credit risk)	507,858	507,858	513,097	513,097
Risk weighted assets (market risk)	-	-	-	-
Risk weighted assets (operational risk)	83,985	83,985	86,718	86,718
Total Risk Weighted Assets	**591,843**	**591,843**	**599,815**	**599,815**
Common Equity Tier 1 Ratio (CET1)	**27.64%**	**24.49%**	**27.28%**	**23.85%**
Tier 1 Ratio (T1)	**27.64%**	**24.49%**	**27.28%**	**23.85%**
CAD Ratio	**27.64%**	**24.49%**	**27.28%**	**23.85%**

It should be noted that the disclosure as regulatory requirement regarding capital adequacy and risk management information imposed by Bank of Greece Directive 2655/16.3.2012 in relation to Pillar III, will be upload on the web site www.aegeanbalticbank.com upon its issuance.

	2023 '(000) **Group**		**2023** '(000) **Bank**	
	Including Current Year's Profit	Excluding Current Year's Profit	Including Current Year's Profit	Excluding Current Year's Profit
Tier I capital				
Share capital	37,980	37,980	37,980	37,980
Share premium	50,207	50,207	50,207	50,207
Retained earnings	51,161	51,161	49,425	49,425
Statutory reserve	3,415	3,415	3,320	3,320
Revaluation Reserve Land & Building (Net of Tax)	5,265	5,265	5,265	5,265
Reserve from remeasurement of the defined benefit obligations	(316)	(316)	(316)	(316)
OCI reserve	(1,803)	(1,803)	(1,803)	(1,803)
	145,909	**145,909**	**144,079**	**144,079**
Regulatory adjustments on Tier I capital				
Less: intangible assets	(1,452)	(1,452)	(1,452)	(1,452)
Less: Adjustment for Retained earnings not yet recognized *(less statutory reserve)*	-	(27,042)	-	(27,100)
Less : other adjustments	(194)	(194)	(194)	(194)
Total regulatory adjustments on Tier I capital	**(1,646)**	**(28,688)**	**(1,646)**	**(28,746)**
Total Core Tier I capital	**144,263**	**117,221**	**142,433**	**115,333**
Risk weighted assets				
Risk weighted assets (credit risk)	528,727	528,727	538,558	538,558
Risk weighted assets (market risk)	-	-	-	-
Risk weighted assets (operational risk)	72,390	72,390	70,861	70,861
Total Risk Weighted Assets	**601,117**	**601,117**	**609,419**	**609,419**
Common Equity Tier 1 Ratio (CET1)	**24.00%**	**19.50%**	**23.37%**	**18.93%**
Tier 1 Ratio (T1)	**24.00%**	**19.50%**	**23.37%**	**18.93%**
CAD Ratio	**24.00%**	**19.50%**	**23.37%**	**18.93%**

Note 5: Net interest income

	2024 '(000)		2023 '(000)	
	Group	Bank	Group	Bank
Interest and similar income *(using the EIR)*				
Interest from debt securities measured at FVTOCI	6,592	6,592	7,653	7,653
Interest from debt securities at amortized cost	486	486	482	482
Interest due from banks	19,778	19,778	15,268	15,268
Interest from loans and advances to customers	40,962	40,962	40,962	40,962
Interest from deposits to GDGIF	43	43	56	56
Total Interest and similar income	**67,861**	**67,861**	**64,421**	**64,421**
Interest expense and similar charges				
Interest due to customers	(26,840)	(26,840)	(20,160)	(20,160)
Interest due to banks	(90)	(90)	(375)	(375)
Interest expense from lease liability	(15)	(15)	(15)	(15)
Total Interest expense and similar charges	**(26,945)**	**(26,945)**	**(20,550)**	**(20,550)**
Net interest income	**40,916**	**40,916**	**43,871**	**43,871**

The €4.5m increase in Interest due from banks mainly derives from the higher placements to banks during the year and slightly higher interest rates.

The commissions received by the Group and the Bank from loans and advances to customers at amortized cost are capitalized, then amortized over the life of the loan with the effective interest rate method and included in the interest from loans and advances to customers. The commissions received by the Group and the Bank and amortized over the life of the financial instrument with the effective interest rate method are for the year 2024 € 892 thousands (€ 965 thousands for 2023).

Note 6: Net fee and commission income

The following table includes net fees and commission income from contracts with customers in the scope of IFRS 15, disaggregated by major type of industries.

Group		**2024 €' 000**		
	Shipping Corporations	Corporate Sector	Other sectors	Total
Fees and commission income				
Lending related activities	387	134	13	**534**
Funds transfers	2,493	83	108	**2,684**
Handling of Receivables	416	165	1	**583**
LGs	79	351	9	**439**
Other	155	19	47	**222**
Total Fees and commission income	**3,531**	**753**	**178**	**4,461**
Fees and commission expense				
Correspondents Changes	-	-	(215)	**(215)**
Other	-	-	(174)	**(174)**
Total Fees and commission expense	**-**	**-**	**(389)**	**(389)**
Net fee and commission income	**3,531**	**753**	**(211)**	**4,072**

Bank		**2024 €' 000**		
	Shipping Corporations	Corporate Sector	Other sectors	Total
Fees and commission income				
Lending related activities	387	134	13	**534**
Funds transfers	2,493	83	108	**2,684**
Handling of Receivables	416	165	1	**583**
LGs	79	351	9	**439**
Other	155	19	47	**222**
Total Fees and commission income	**3,531**	**753**	**178**	**4,461**
Fees and commission expense				
Correspondents Changes	-	-	(215)	**(215)**
Other	-	-	(174)	**(174)**
Total Fees and commission expense	**-**	**-**	**(389)**	**(389)**
Net fee and commission income	**3,531**	**753**	**(211)**	**4,072**

Group	2023 € ' 000			
	Shipping Corporations	Corporate Sector	Other sectors	Total
Fees and commission income				
Lending related activities	663	290	2	**956**
Funds transfers	2,630	91	107	**2,827**
Handling of Receivables	418	189	-	**607**
LGs	138	523	8	**668**
Other	187	15	27	**230**
Total Fees and commission income	**4,037**	**1,108**	**144**	**5,289**
Fees and commission expense				
Correspondents Charges	-	-	(224)	**(225)**
Other	-	-	(84)	**(84)**
Total Fees and commission expense	**-**	**-**	**(309)**	**(309)**
Net fee and commission income	**4,036**	**1,108**	**(165)**	**4,980**

Bank	2023 € ' 000			
	Shipping Corporations	Corporate Sector	Other sectors	Total
Fees and commission income				
Lending related activities	663	290	2	**956**
Funds transfers	2,630	91	107	**2,827**
Handling of Receivables	418	189	-	**607**
LGs	138	523	8	**668**
Other	187	15	27	**230**
Total Fees and commission income	**4,037**	**1,108**	**144**	**5,289**
Fees and commission expense				
Correspondents Charges	-	-	(224)	**(225)**
Other	-	-	(84)	**(84)**
Total Fees and commission expense	**-**	**-**	**(309)**	**(309)**
Net fee and commission income	**4,036**	**1,108**	**(165)**	**4,980**

For the year 2023, fee and commission income from Other Sectors has been reallocated in Shipping Corporation for comparability and presentation reasons.

The main portion of commission income relates to commission charged by the Bank on fund transfers. The FT commission received by the Group and the Bank are recognized in the income statement when a transaction takes place.

Note 7: Net income from other financial transactions

	2024 '(000)		2023 '(000)	
	Group	Bank	Group	Bank
Foreign exchange contracts and derivatives	2,746	2,746	2,447	2,447
Net income from other financial transactions	**2,746**	**2,746**	**2,447**	**2,447**

Included within the Net income from other financial transactions are gains and losses from derivative contracts (FX swap) and futures committed for economic hedge purposes.

Note 8: Gains / (losses) from derecognition of financial assets

	2024 '(000)		2023 '(000)	
	Group	Bank	Group	Bank
Gain/(losses) from derecognition of financial assets measured at AC	1,005	1,005	1,364	1,364
Gain/(losses) from derecognition of financial assets measured at FVTOCI	13	13	-	-
Gain/(losses) from derecognition of financial assets	**1,018**	**1,018**	**1,364**	**1,364**

Gain/(losses) from derecognition of financial assets measured at AC includes gain/(losses) deriving from the transfer of unamortized balance of capitalized commissions and expenses of loans that have been early repaid.

Gain/(losses) from derecognition of financial assets measured at FVTOCI includes gain/(losses) derived from bond called by the issuer during the year.

Note 9: Gains / (losses) from fair value measurement of Investment Property

	2024 '(000)		2023 '(000)	
	Group	Bank	Group	Bank
Gains / (losses) from fair value measurement of Investment Property	(6,820)	-	-	-
Gains / (losses) from fair value measurement of Investment Property	**(6,820)**	-	-	-

Includes gains / (losses) from the remeasurement of the fair value of Investment Property as of 31.12.24. The fair value measurement is carried out by certified independent valuers, on a recurring basis, with appropriate professional qualifications and experience related to the locations and types of the property under assessment on an annual basis. For more details about the remeasurement of the fair value of Investment Property, please refer to note 24.

Note 10: Impairment losses on subsidiaries

	2024 '(000)		2023 '(000)	
	Group	Bank	Group	Bank
Impairment losses on subsidiaries	-	(4,560)	-	-
Impairment losses on subsidiaries	**-**	**(4,560)**	**-**	**-**

As a result of the estimation for significant reduction in the fair value of the investment property owned by the subsidiary (see note 23), an impairment loss provision performed in the bank's solo financial statements by reducing the amount of the relevant asset "Investments in subsidiaries" by EUR 4.6 million, debiting the year's profit and loss account accordingly.

Note 11: Personnel expenses

	2024 '(000)		2023 '(000)	
	Group	Bank	Group	Bank
Wages and salaries	(8,752)	(8,752)	(7,768)	(7,768)
Social security contributions	(1,599)	(1,599)	(1,394)	(1,394)
Defined contribution plans	(238)	(238)	(220)	(220)
Other staff related provisions	(1,250)	(1,250)	-	-
Defined benefit plans (see Note 32)	(216)	(216)	(156)	(156)
Other	(614)	(614)	(529)	(529)
Personnel expenses	**(12,669)**	**(12,669)**	**(10,067)**	**(10,067)**

The number of employees of the Group and the Bank at 31 December 2024 was 128 (112 as at 31 December 2023 for the Group and the Bank). The average number of employees for the period 1 January 2024 to 31 December 2024 was 123 (108 for the year 2023 for the Group and the Bank).

Note 12: General administrative expenses

	2024 '(000)		2023 '(000)	
	Group	Bank	Group	Bank
Third party fees	(1,186)	(1,160)	(1,175)	(1,163)
IT expense	(1,855)	(1,855)	(1,468)	(1,468)
Telecommunication – mail expense	(178)	(178)	(167)	(167)
Promotion and advertising expense	(27)	(27)	(38)	(38)
Office material	(33)	(33)	(29)	(29)
Utilities	(144)	(144)	(130)	(130)
Taxes and duties	(924)	(875)	(708)	(659)
Maintenance and other related expenses	(145)	(122)	(135)	(135)
Subscription expenses	(275)	(275)	(218)	(218)
Donations	(9)	(9)	(19)	(19)
Contributions	(47)	(47)	(359)	(359)
Officers' and directors' insurance	(199)	(199)	(228)	(228)
Other general administrative expenses	(281)	(280)	(404)	(404)
General and administrative expenses	**(5,303)**	**(5,204)**	**(5,078)**	**(5,017)**

Note 13: Depreciation and amortization

	2024 '(000)		2023 '(000)	
	Group	Bank	Group	Bank
Property and equipment	(974)	(974)	(765)	(765)
Intangible assets	(380)	(380)	(372)	(372)
Depreciation and amortization	**(1,354)**	**(1,354)**	**(1,137)**	**(1,137)**

Note 14: Impairment losses on loans and advances to customers

The following table presents the impairment losses on loans and advances to customers, on letters of guarantee and undrawn loan commitments as well as recoveries:

	2024 '(000)		2023 '(000)	
	Group	Bank	Group	Bank
Impairment losses on loans and advances for the year (on BS) (a)	(1,133)	(1,133)	(2,672)	(2,672)
Amounts recovered (b)	1,939	1,939	917	917
Effect of foreign currency movements (c)	(183)	(183)	90	90
Subsequent recoveries of loans written-off	885	885	-	-
Impairment (charges)/releases on loan commitments and financial guarantee contracts (off BS)	66	66	(38)	(38)
Impairment losses/gains on loans and advances charged in IS	**1,574**	**1,574**	**(1,703)**	**(1,703)**

Movement of Impairment losses on loans and advances to customers	2024 '(000)		2023 '(000)	
	Group	Bank	Group	Bank
ECL of Loans and advances to customers 01.01	**(6,786)**	**(6,786)**	**(9,596)**	**(9,596)**
Impairment losses on loans and advances for the year (on BS) (a+b+c above)	623	623	(1,665)	(1,665)
Write off	-	-	4,475	4,475
ECL of Loans and advances to customers 31.12	**(6,163)**	**(6,163)**	**(6,786)**	**(6,786)**

Note 15: Income tax

	2024 '(000)		2023 '(000)	
	Group	**Bank**	**Group**	**Bank**
Income tax for the year	(6,136)	(6,136)	(6,967)	(6,967)
Deferred income tax	593	63	(987)	(990)
Income tax	**(5,543)**	**(6,073)**	**(7,954)**	**(7,957)**
The calculation of the income tax expense is as follows:				
Profit / (Loss) before tax	**24,235**	**26,594**	**34,996**	**35,057**
Tax calculation at 22%	(5,332)	(5,851)	(7,699)	(7,713)
Non tax deductible expenses	(211)	(222)	(255)	(244)
Income tax	**(5,543)**	**(6,073)**	**(7,954)**	**(7,957)**

The corporate tax rate is 22% for the year 2024 & 2023. Further information concerning the income tax contingent liabilities is presented in Note 39.

According to Greek tax legislation, losses can be carried forward and off-set against future gains over the next 5 years.

There was no tax loss carried forward by the Group or the Bank at 31.12.2024.

Further information concerning deferred tax is presented in Note 28.

Note 16: Classification of financial assets and financial liabilities

31 December 2024
Group

(€' 000)	Notes	Mandatorily at FVTPL	FVOCI – debt instruments	Amortized Cost	Total Carrying Amount
Assets					
Cash and balances with Central Bank	17	-	-	262,363	**262,363**
Due from banks	19	-	-	127,650	**127,650**
Loans and advances to customers	20	-	-	526,233	**526,233**
Investment securities FVTOCI	21	-	145,737	-	**145,737**
Debt securities at amortized cost	22	-	-	69,640	**69,640**
Derivative financial instruments	23	8	-	-	**8**
Total Assets		**8**	**145,737**	**985,886**	**1,131,631**
Liabilities					
Due to customers	30	-	-	973,842	**973,842**
Derivative financial instruments	23	3	-	-	**3**
Total Liabilities		**3**	**-**	**973,842**	**973,845**

31 December 2024
Bank

(€' 000)	Notes	Mandatorily at FVTPL	FVOCI – debt instruments	Amortized Cost	Total Carrying Amount
Assets					
Cash and balances with Central Bank	17	-	-	262,363	**262,363**
Due from banks	19	-	-	127,650	**127,650**
Loans and advances to customers	20	-	-	526,233	**526,233**
Investment securities FVTOCI	21	-	145,737	-	**145,737**
Debt securities at amortized cost	22	-	-	69,640	**69,640**
Derivative financial instruments	23	8	-	-	**8**
Total Assets		**8**	**145,737**	**985,886**	**1,131,631**
Liabilities					
Due to customers	30	-	-	974,669	**974,669**
Derivative financial instruments	23	3	-	-	**3**
Total Liabilities		**3**	**-**	**974,669**	**974,672**

31 December 2023
Group

(€' 000)	Notes	Mandatorily at FVTPL	FVOCI – debt instruments	Amortized Cost	Total Carrying Amount
Assets					
Cash and balances with Central Bank	17	-	-	197,607	**197,607**
Due from banks	19	-	-	83,511	**83,511**
Loans and advances to customers	20	-	-	506,473	**506,473**
Investment securities FVTOCI	21	-	194,332	-	**194,332**
Debt securities at amortized cost	22	-	-	68,474	**68,474**
Derivative financial instruments	23	6	-	-	**6**
Total Assets		**6**	**194,332**	**856,065**	**1,050,403**
Liabilities					
Due to customers	30	-	-	917,143	**917,143**
Derivative financial instruments	23	23	-	-	**23**
Total Liabilities		**23**	**-**	**917,143**	**917,166**

31 December 2023
Bank

(€' 000)	Notes	Mandatorily at FVTPL	FVOCI – debt instruments	Amortized Cost	Total Carrying Amount
Assets					
Cash and balances with Central Bank	17	-	-	197,607	**197,607**
Due from banks	19	-	-	83,511	**83,511**
Loans and advances to customers	20	-	-	506,473	**506,473**
Investment securities FVTOCI	21	-	194,332	-	**194,332**
Debt securities at amortized cost	22	-	-	68,474	**68,474**
Derivative financial instruments	23	6	-	-	**6**
Total Assets		**6**	**194,332**	**856,065**	**1,050,403**
Liabilities					
Due to customers	30	-	-	918,083	**918,083**
Derivative financial instruments	23	23	-	-	**23**
Total Liabilities		**23**	**-**	**918,083**	**918,106**

Note 17: Cash and balances with Central Bank

	31.12.2024 '(000)		**31.12.2023** '(000)	
	Group	**Bank**	**Group**	**Bank**
Cash on hand	1,580	1,580	1,499	1,499
Balance with Central Bank	260,783	260,783	196,108	196,108
Cash and balances with Central Bank	**262,363**	**262,363**	**197,607**	**197,607**

The Group and the Bank are required to maintain a current account with the Central Bank of Greece (BoG) to facilitate interbank transactions with the BoG, its member banks, and other financial institutions through the TARGET system (Trans-European Automated Real-Time Gross Settlement Express Transfer).
BoG requires all banks established in Greece to maintain deposits with BoG equal to 1% of total customer deposits as these are defined by the European Central Bank. From 1 January 2001 these deposits bear interest at the refinancing rate as set by the ECB (0.00% at 31.12.2023). As at 31.12.2024 the minimum required amount of the Group and the Bank amounts to € 8,792 thousands (At 31.12.2023, € 9,640 thousands).

Note 18: Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents comprise the following outstanding balances as at 31.12.2024 and 31.12.2023:

	31.12.2024 '(000)		**31.12.2023** '(000)	
	Group	**Bank**	**Group**	**Bank**
			As restated	
Cash on hand	1,580	1,580	1,499	1,499
Non-restricted placements with Central Bank.	251,143	251,143	186,468	186,468
Short-term balances due from banks	123,550	123,550	79,411	79,411
Cash and cash equivalents (excluding mandatory and guarantee deposits with banks and central banks)	**376,273**	**376,273**	**267,378**	**267,378**

All Short-term balances due from banks are classified as stage 1. The ECL is below €1 thousand.

Note 19: Due from banks

	31.12.2024 '(000)		**31.12.2023** '(000)	
	Group	**Bank**	**Group**	**Bank**
Current accounts	15,556	15,556	13,339	13,339
Money Market Placements	112,094	112,094	70,172	70,172
Due from banks	**127,650**	**127,650**	**83,511**	**83,511**

Included within Current accounts is restricted amount €4,100 thousand as of 31.12.2024 (31.12.2023: €4,100 thousand) related to guarantees provided to credit institutions for swaps.

Note 20: Loans and advances to customers at amortized cost

	31.12.2024 '(000)		31.12.2023 '(000)	
	Group	Bank	Group	Bank
Loans and Advances to shipping corporations at amortized cost	402,406	402,406	389,845	389,845
Loans and advances to corporate sector at amortized cost	123,129	123,129	115,883	115,883
Other Loans and staff loans	698	698	745	745
Total Loans and advances to customers at amortized cost	**526,233**	**526,233**	**506,473**	**506,473**

There are no loans and advances to customers that have been pledged as collateral.

Loans and advances to customers at amortized cost are analyzed:

	31.12.2024 €' 000		
Group	Gross amount	Impairment amount	Net amount
Loans and Advances to shipping corporations	404,986	(2,580)	402,406
Loans and advances to corporate sector	126,711	(3,583)	123,129
Other Loans and staff loans	698	-	698
Total Loans and advances to customers at amortized cost	**532,395**	**(6,163)**	**526,233**

	31.12.2024 €' 000		
Bank	Gross amount	Impairment amount	Net amount
Loans and Advances to shipping corporations	404,986	(2,580)	402,406
Loans and advances to corporate sector	126,711	(3,583)	123,129
Other Loans and staff loans	698	-	698
Total Loans and advances to customers at amortized cost	**532,395**	**(6,163)**	**526,233**

	31.12.2023 €' 000		
Group	Gross amount	Impairment amount	Net amount
Loans and Advances to shipping corporations	393,374	(3,529)	389,845
Loans and advances to corporate sector	119,140	(3,257)	115,883
Other Loans and staff loans	745	-	745
Total Loans and advances to customers at amortized cost	**513,259**	**(6,786)**	**506,473**

	31.12.2023 €' 000		
Bank	Gross amount	Impairment amount	Net amount
Loans and Advances to shipping corporations	393,374	(3,529)	389,845
Loans and advances to corporate sector	119,140	(3,257)	115,883
Other Loans and staff loans	745	-	745
Total Loans and advances to customers at amortized cost	**513,259**	**(6,786)**	**506,473**

Note 21: Investment securities at fair value through other comprehensive income (FVTOCI)

Group's Analysis per Issuer for the year ended 31.12.2024

	31.12.2024 €'000			
Investment securities at FVTOCI	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Government Bonds	141,582	-	-	141,582
Corporate Entities Bonds	4,155	-	-	4,155
Total Investment securities at FVTOCI	**145,737**	**-**	**-**	**145,737**

Movement in Gross Carrying amount of investment securities

Investment securities at FVTOCI	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2024	**194,332**	**-**	**-**	**194,332**
Additions	487,040	-	-	487,040
Maturities	(541,300)	-	-	(541,300)
Gains / (losses) from derecognition	13	-	-	13
Gains / (losses) from changes in fair value	692	-	-	692
FX differences	4,960	-	-	4,960
Closing Balance 31.12.2024	**145,737**	**-**	**-**	**145,737**

Movement in ECL allowance for the year ended 31.12.2024

Impairment (losses)/releases on investment securities at FVTOCI	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2024	**70**	**-**	**-**	**70**
Corporate Entities Bonds	(6)	-	-	(6)
Government Bonds	(36)	-	-	(36)
Impairment (losses)/releases for the year	**(42)**	**-**	**-**	**(42)**
Impairment (losses)/releases 31.12.2024	**28**	**-**	**-**	**28**

Bank's Analysis per Issuer for the year ended 31.12.2024

	31.12.2024 €'000			
Investment securities at FVTOCI	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Government Bonds	141,582	-	-	141,582
Corporate Entities Bonds	4,155	-	-	4,155
Total Investment securities at FVTOCI	**145,737**	**-**	**-**	**145,737**

Movement in Gross Carrying amount of investment securities

Investment securities at FVTOCI	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2024	**194,332**	**-**	**-**	**194,332**
Additions	487,040	-	-	487,040
Maturities	(541,300)	-	-	(541,300)
Gains / (losses) from derecognition	13	-	-	13
Gains / (losses) from changes in fair value	692	-	-	692
FX differences	4,960	-	-	4,960
Closing Balance 31.12.2024	**145,737**	**-**	**-**	**145,737**

Movement in ECL allowance for the year ended 31.12.2024

Impairment (losses)/releases on investment securities at FVTOCI	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2024	**70**	**-**	**-**	**70**
Corporate Entities Bonds	(6)	-	-	(6)
Government Bonds	(36)	-	-	(36)
Impairment (losses)/releases for the year	**(42)**	**-**	**-**	**(42)**
Impairment (losses)/releases 31.12.2024	**28**	**-**	**-**	**28**

Group's Analysis per Issuer for the year ended 31.12.2023

	31.12.2023 €'000			
Investment securities at FVTOCI	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Government Bonds	188,393	-	-	188,393
Corporate Entities Bonds	5,939	-	-	5,939
Total Investment securities at FVTOCI	**194,332**	**-**	**-**	**194,332**

Movement in Gross Carrying amount of investment securities

Investment securities at FVTOCI	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2023	**186,064**	**-**	**-**	**186,064**
Additions	519,613	-	-	519,613
Maturities	(512,959)	-	-	(512,959)
Gains / (losses) from changes in fair value	1,938	-	-	1,938
FX differences	(324)	-	-	(324)
Closing Balance 31.12.2023	**194,332**	**-**	**-**	**194,332**

Movement in ECL allowance for the year ended 31.12.2023

Impairment (losses)/releases on investment securities at FVTOCI	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2023	**376**	**-**	**-**	**376**
Corporate Entities Bonds	(1)	-	-	(1)
Government Bonds	(305)	-	-	(305)
Impairment (losses)/releases for the year	**(306)**	**-**	**-**	**(306)**
Impairment (losses)/releases 31.12.2023	**70**	**-**	**-**	**70**

Bank's Analysis per Issuer for the year ended 31.12.2023

	31.12.2023 €'000			
Investment securities at FVTOCI	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Government Bonds	188,393	-	-	188,393
Corporate Entities Bonds	5,939	-	-	5,939
Total Investment securities at FVTOCI	**194,332**	**-**	**-**	**194,332**

Movement in Gross Carrying amount of investment securities

Investment securities at FVTOCI	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2023	**186,064**	**-**	**-**	**186,064**
Additions	519,613	-	-	519,613
Maturities	(512,959)	-	-	(512,959)
Gains / (losses) from changes in fair value	1,938	-	-	1,938
FX differences	(324)	-	-	(324)
Closing Balance 31.12.2023	**194,332**	**-**	**-**	**194,332**

Movement in ECL allowance for the year ended 31.12.2023

Impairment (losses)/releases on investment securities at FVTOCI	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2023	**376**	**-**	**-**	**376**
Corporate Entities Bonds	(1)	-	-	(1)
Government Bonds	(305)	-	-	(305)
Impairment (losses)/releases for the year	**(306)**	**-**	**-**	**(306)**
Impairment (losses)/releases 31.12.2023	**70**	**-**	**-**	**70**

All the debt securities in the FVTOCI portfolio are traded in public markets. The ECB eligible securities included in the Group's and the Bank's portfolios (FVTOCI) amounted to €27,8 million as at 31.12.2024 versus €85,5 million the end of previous year.

Note 22: Debt Securities at amortized cost

	31.12.2024 '(000)		31.12.2023 '(000)	
Acquisition cost:	**Group**	**Bank**	**Group**	**Bank**
European Governments	39,469	39,469	38,302	38,302
European Financial Institutions	30,171	30,171	30,171	30,171
Total debt securities at amortized cost	**69,640**	**69,640**	**68,474**	**68,474**

During the year, the Group and the Bank proceeded with new investments in marketable Bonds categorized in Debt securities at amortized cost (mainly European Government Bonds) in order to place a part of the excess of liquidity created from new deposits from customers and Banks in liquid interest earning assets.

Group analysis per Issuer for the year ended 31.12.2024				**2024 €'000**
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2024	**68,474**	**-**	**-**	**68,474**
European Governments	1,166	-	-	**1,166**
Total amount Debt Securities at AC 31.12.24	**69,640**	**-**	**-**	**69,640**

Group's Movement in Gross Carrying amount of debt securities				
Debt securities at AC	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2024	**68,474**	**-**	**-**	**68,474**
Additions	28,330	-	-	**28,330**
Maturities	(27,168)	-	-	**(27,168)**
Impairment (losses)/releases for the year	4	-	-	**4**
Closing Balance 31.12.2024	**69,640**	**-**	**-**	**69,640**

Group's Movement of ECL for debt securities at AC	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2024	**11**	**-**	**-**	**11**
Impairment (losses)/releases for the year- European Governments	**(4)**	-	-	**(4)**
Impairment (losses)/releases on investment securities at AC as at 31.12.2024	**7**	**-**	**-**	**7**

Bank analysis per Issuer for the year ended 31.12.2024				**2024 €'000**
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2024	**68,474**	**-**	**-**	**68,474**
European Governments	1,166	-	-	**1,166**
Total amount Debt Securities at AC 31.12.24	**69,640**	**-**	**-**	**69,640**

Bank's Movement in Gross Carrying amount of debt securities				
Debt securities at AC	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2024	**68,474**	**-**	**-**	**68,474**
Additions	28,330	-	-	**28,330**
Maturities	(27,168)	-	-	**(27,168)**
Impairment (losses)/releases for the year	4	-	-	**4**
Closing Balance 31.12.2024	**69,640**	**-**	**-**	**69,640**

Bank's Movement of ECL for debt securities at AC	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2024	**11**	**-**	**-**	**11**
Impairment (losses)/releases for the year- European Governments	**(4)**	-	-	**(4)**
Impairment (losses)/releases on investment securities at AC as at 31.12.2024	**7**	**-**	**-**	**7**

Group analysis per Issuer for the year ended 31.12.2023

	2023 €'000			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**67,380**	**-**	**-**	**67,380**
European Governments	1,094	-	-	1,094
Total amount Debt Securities at AC 31.12.2023	**68,474**	**-**	**-**	**68,474**

Group's Movement in Gross Carrying amount of debt securities

Debt securities at AC	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**67,380**	**-**	**-**	**67,380**
Additions	8,133	-	-	**8,133**
Maturities	(7,033)	-	-	**(7,033)**
Impairment (losses)/releases for the year	(6)	-	-	**(6)**
Closing Balance 31.12.2023	**68,474**	**-**	**-**	**68,474**

Group's Movement of ECL for debt securities at AC	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**5**	**-**	**-**	**5**
Impairment (losses)/releases for the year- European Governments	**6**	-	-	**6**
Impairment (losses)/releases on investment securities at AC as at 31.12.2023	**11**	**-**	**-**	**11**

Bank analysis per Issuer for the year ended 31.12.2023

	2023 €'000			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**67,380**	**-**	**-**	**67,380**
European Governments	1,094	-	-	1,094
Total amount Debt Securities at AC 31.12.2023	**68,474**	**-**	**-**	**68,474**

Bank's Movement in Gross Carrying amount of debt securities

Debt securities at AC	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**67,380**	**-**	**-**	**67,380**
Additions	8,133	-	-	**8,133**
Maturities	(7,033)	-	-	**(7,033)**
Impairment (losses)/releases for the year	(6)	-	-	**(6)**
Closing Balance 31.12.2023	**68,474**	**-**	**-**	**68,474**

Bank's Movement of ECL for debt securities at AC	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**5**	**-**	**-**	**5**
Impairment (losses)/releases for the year- European Governments	**6**	-	-	**6**
Impairment (losses)/releases on investment securities at AC as at 31.12.2023	**11**	**-**	**-**	**11**

The ECB eligible securities included in the Group's and the Bank's portfolio (amortized cost) amounted to €69,6 million as at 31.12.2024 and €68 million as at 31.12.2023.

During 2024 one debt security with nominal value €27 million matured. During 2023 one debt security with nominal value €7 million matured.

Note 23: Derivative financial instruments

	Group 31.12.2024 (€' 000)			Bank 31.12.2024 (€' 000)		
		Fair value			Fair value	
	Nominal value	Assets	Liabilities	Nominal value	Assets	Liabilities
FX swaps / forwards	65,510	(8)	3	65,510	(8)	3
Derivative financial instruments	**65,510**	**(8)**	**3**	**65,510**	**(8)**	**3**

	Group 31.12.2023 (€' 000)			Bank 31.12.2023 (€' 000)		
		Fair value			Fair value	
	Nominal value	Assets	Liabilities	Nominal value	Assets	Liabilities
FX swaps / forwards	98,000	6	23	98,000	6	23
Derivative financial instruments	**98,000**	**6**	**23**	**98,000**	**6**	**23**

The Group and the Bank does not apply hedge accounting and therefore the gains and losses from derivative financial instruments are recognized in the Net income from other financial transactions. The FX swaps and FX futures referred above are effective economic hedges.

Note 24: Investment Property

	2024 €' 000		2023 €' 000	
	Group	**Bank**	**Group**	**Bank**
Opening Balance 01.01	**8,900**	-	**8,900**	**-**
Adjustments to FV (note 9)	(6,820)	-	-	-
Closing Balance 31.12	**2,080**	**-**	**8,900**	**-**

The Group owns an investment property through its subsidiary Acqua Blue Properties S.A.. The fair value of the Investment property is adjusted at the end of each financial year. As of December 31, 2024, an independent valuator reassessed, in relation to the previous year, the optimal development and utilization of the property considering the new trends and developments in the wider local market where the property is located. This reassessment emerged that the optimal use of the investment property in accordance with the new market trends, considering its special characteristics, is the development of an independent hotel unit without additional luxury residences and accommodations that was foreseen in the previous development plan. This change in the estimate for the development of the property along with the consequent change in the estimated assumptions is considered reasonable and reflects the new trends and the dynamics of the wider local market.

Based on the above, the independent external valuator determined the fair value of the property as of December 31, 2024 at Euro 2.08 million.

Changes in the fair value of investment property for the years 2024 and 2023 are presented within “Gains / (losses) from fair value measurement of Investment Property” in the Income Statement in Note 9.

The tables below present the sensitivity analysis of the discount rate and cost, as also the exit yield and discount rate respectively.

Sensitivity Analysis 2024

2024 €' 000

	Discount Rate & Cost € 2,080	Change in Development Cost				
		€ 103 (-2%)	€ 104 (-1%)	€ 105	€ 106 (1%)	€ 107 (2%)
Change in Discount Rate	10.50%	6,480	5,690	4,910	4,120	3,340
	10.75%	5,030	4,250	3,470	2,690	1,910
	11.00%	3,630	2,860	2,080	1,300	530
	11.05%	3,630	2,580	1,810	1,030	260
	11.10%	3,110	2,340	1,560	790	20

Sensitivity Analysis 2024

2024 €' 000

	Exit Yield & Disc Rate € 2,080	Change in Discount Rate				
		0.20%	0.10%	0.00%	-0.25%	-0.50%
Change in Exit Yield	0.20%	110	640	1,170	2,350	3,940
	0.10%	550	1,080	1,620	3,000	4,420
	0.00%	1,000	1,540	2,080	3,470	4,910
	-0.25%	2,180	2,730	3,280	4,710	6,180
	-0.50%	3,430	3,990	4,560	6,030	7,540

Note 25: Investment in Subsidiaries

The consolidated financial statements include the financial statements of Aegean Baltic Bank SA and its subsidiary. Aegean Baltic Bank does not have any joint ventures or associates. For the years 2024 and 2023 the only subsidiary of the Bank is Acqua Blue Properties Single Member S.A. as stated bellow and therefore no non-controlling interest exists.

Bank

Company name Acqua Blue Properties Single Member S.A.	**Country of incorporation**	**Number of shares**	**Ownership interest %**	**Equity**	**Carrying Amount**
Opening balance 01.01.24	Greece	750,000	100%	**7,500**	**7,500**
Impairment (charge) / reversal					(4,560)
Closing Balance 31.12.24	Greece	750,000	100%	**2,940**	**2,940**

As a result of the estimation for significant reduction in the fair value of the investment property owned by the subsidiary (see note 24), the subsidiary's equity amounted to EUR 2.9 million. Therefore, an impairment loss provision performed in the bank's solo financial statements by reducing the amount of the relevant asset "Investments in subsidiaries" by EUR 4.6 million, debiting the year's profit and loss account accordingly.

Note 26: Intangible assets

	2024 ′(000)		**2023** ′(000)	
Acquisition cost:	**Group**	**Bank**	**Group**	**Bank**
Opening balance as at 1 January	6,021	6,021	5,544	5,544
Additions	729	729	477	477
Closing balance as at 31 December	**6,750**	**6,750**	**6,021**	**6,021**
Accumulated amortization:				
Opening balance as at 1 January	4,569	4,569	4,196	4,196
Amortization charge for the year	380	380	372	372
Closing balance as at 31 December	**4,949**	**4,949**	**4,569**	**4,569**
Net book value:				
Opening net book value as at 1 January	**1,452**	**1,452**	**1,347**	**1,347**
Closing net book value as at 31 December	**1,801**	**1,801**	**1,452**	**1,452**

Intangible assets include only software.

Note 27: Property and equipment

Group's Property and equipment as at 31.12.2024:

(€' 000)	Land	Building	Leasehold improvements	Motor vehicles	Furniture and other equipment	IT equipment	Right of use assets	Total
Opening balance as at 01.01.2024:	**2,890**	**7,660**	**341**	**-**	**1,318**	**1,635**	**1,332**	**15,176**
Additions	-	-	-	-	64	160	141	365
Elimination of accumulated depreciation on revaluation	-	(548)	-	-	-	-	-	(548)
Revaluation surplus	210	437	-	-	-	-	-	647
Closing balance at FV	**3,100**	**7,549**	**-**	**-**	**-**	**-**	**-**	**10,650**
Closing balance at cost	**-**	**-**	**341**	**-**	**1,382**	**1,795**	**1,473**	**4,991**
Closing balance PPE as at 31.12.2024	**3,100**	**7,549**	**341**	**-**	**1,382**	**1,795**	**1,473**	**15,641**
Accumulated depreciation: Opening balance as at 01.01.2024	**-**	**-**	**268**	**-**	**962**	**1,373**	**851**	**3,454**
Depreciation	-	548	23	-	77	100	226	974
Disposals and write offs	-	(548)	-	-	-	-	-	(548)
Closing balance as at 31.12.2024	**-**	**-**	**291**	**-**	**1,039**	**1,473**	**1,077**	**3,880**
Closing net book value as at 31.12.2024	**3,100**	**7,549**	**50**	**-**	**343**	**322**	**396**	**11,761**

Bank's Property and equipment as at 31.12.2024:

(€' 000)	Land	Building	Leasehold improvements	Motor vehicles	Furniture and other equipment	IT equipment	Right of use assets	Total
Opening balance as at 01.01.2024:	**2,890**	**7,660**	**341**	**-**	**1,318**	**1,635**	**1,332**	**15,176**
Additions	-	-	-	-	64	160	141	365
Elimination of accumulated depreciation on revaluation	-	(548)	-	-	-	-	-	(548)
Revaluation surplus	210	437	-	-	-	-	-	647
Closing balance at FV	**3,100**	**7,549**	**-**	**-**	**-**	**-**	**-**	**10,650**
Closing balance at cost	**-**	**-**	**341**	**-**	**1,382**	**1,795**	**1,473**	**4,991**
Closing balance PPE as at 31.12.2024	**3,100**	**7,549**	**341**	**-**	**1,382**	**1,795**	**1,473**	**15,641**
Accumulated depreciation: Opening balance as at 01.01.2024	**-**	**-**	**268**	**-**	**962**	**1,373**	**851**	**3,454**
Depreciation	-	548	23	-	77	100	226	974
Disposals and write offs	-	(548)	-	-	-	-	-	(548)
Closing balance as at 31.12.2024	**-**	**-**	**291**	**-**	**1,039**	**1,473**	**1,077**	**3,880**
Closing net book value as at 31.12.2024	**3,100**	**7,549**	**50**	**-**	**343**	**322**	**396**	**11,761**

Group's Property and equipment as at 31.12.2023:

(€' 000)	Land	Building	Leasehold improvements	Motor vehicles	Furniture and other equipment	IT equipment	Right of use assets	Total
Opening balance as at 01.01.2023:	**2,160**	**5,740**	**341**	**-**	**1,178**	**1,505**	**1,152**	**12,076**
Additions	-	-	-	-	140	130	181	451
Elimination of accumulated depreciation on revaluation	-	(383)	-	-	-	-	-	(383)
Revaluation surplus	730	2,303	-	-	-	-	-	3,033
Closing balance at FV	**2,890**	**7,660**	-	-	-	-	**-**	**10,550**
Closing balance at cost	**-**	**-**	**341**	**-**	**1,318**	**1,635**	**1,332**	**4,626**
Closing balance PPE as at 31.12.2023	**2,890**	**7,660**	**341**	**-**	**1,318**	**1,635**	**1,332**	**15,176**
Accumulated depreciation:								
Opening balance as at 01.01.2023	**-**	**-**	**245**	**-**	**891**	**1,282**	**655**	**3,072**
Depreciation	-	383	23	-	71	91	197	765
Disposals and write offs	-	(383)	-	-	-	-	-	(383)
Closing balance as at 31.12.2023	**-**	**-**	**268**	**-**	**962**	**1,373**	**851**	**3,454**
Closing net book value as at 31.12.2023	**2,890**	**7,660**	**73**	**-**	**356**	**262**	**481**	**11,722**

Bank's Property and equipment as at 31.12.2023:

(€' 000)	Land	Building	Leasehold improvements	Motor vehicles	Furniture and other equipment	IT equipment	Right of use assets	Total
Opening balance as at 01.01.2023:	**2,160**	**5,740**	**341**	**-**	**1,178**	**1,505**	**1,152**	**12,076**
Additions	-	-	-	-	140	130	181	451
Elimination of accumulated depreciation on revaluation	-	(383)	-	-	-	-	-	(383)
Revaluation surplus	730	2,303	-	-	-	-	-	3,033
Closing balance at FV	**2,890**	**7,660**	-	-	-	-	-	**10,550**
Closing balance at cost	**-**	**-**	**341**	**-**	**1,318**	**1,635**	**1,332**	**4,626**
Closing balance PPE as at 31.12.2023	**2,890**	**5,740**	**341**	**-**	**1,318**	**1,635**	**1,332**	**15,176**
Accumulated depreciation:								
Opening balance as at 01.01.2023	**-**	**-**	**245**	**-**	**891**	**1,282**	**655**	**3,072**
Depreciation	-	383	23	-	71	91	197	765
Disposals and write offs	-	(383)	-	-	-	-	-	(383)
Closing balance as at 31.12.2023	**-**	**-**	**268**	**-**	**962**	**1,373**	**851**	**3,454**
Closing net book value as at 31.12.2023	**2,890**	**7,660**	**73**	**-**	**356**	**262**	**481**	**11,722**

No property and equipment has been pledged as collateral.

The value of property and equipment is adjusted based on appraisals carried out by certified independent valuers with appropriate professional qualifications and experience. For the calculation of the Fair Value of the property the independent valuators have used a combination of the Market Approach (Comparative Method) and Income Approach (Income approach through direct capitalization method), the weighted average of the two methods with 50% weight for each method which ensures an equitable representation of their influence. For the calculation of the Fair Value of the Land the valuators have used the residual method of valuation. Regarding the hierarchy of fair value property and equipment valuation is classified as level 3.

Sensitivity Analysis 2024

		2024 €' 000		
		Discountable		
		-0.5% (6.50%)	**0.0% (7.00%)**	**+0.5% (7.50%)**
Rental value (relative change)	-5.0%	10,780 1.22%	10,390 (2.44%)	10,060 (5.54%)
	0.0%	11,070 3.94%	10,650 0.00%	10,300 (3.29%)
	+5.0%	11,350 6.57%	10,923 2.56%	10,550 (0.94%)

The table above illustrates a sensitivity analysis assessing the impact of variations in rental value and discount rate on the capital value of the asset.

- The base case scenario assumes no change in rental value and a discount rate of 7.00%, resulting in a capital value of €10,650.
- When the rental value increases by 5%, the capital value rises accordingly across all discount rates, with a maximum value of €11,350 under a 6.50% discount rate (a +6,50% change from base).
- Conversely, a 5% decrease in rental value leads to significant reductions in capital value, especially under a higher discount rate (7.50%), where the value drops to €10,060 (a -5,54% change)
- In terms of discount rate sensitivity, increasing the rate by 0.5% (to 7.50%) results in a 3.29% to 5.54% decrease in capital value depending on rental value assumptions. Reducing the discount rate by 0.5% (to 6.50%) increases capital values across the board, highlighting the inverse relationship between the discount rate and capital value.

Overall, the asset appears to be more sensitive to changes in the discount rate than to rental value, particularly under downside scenarios.

Note 28: Deferred tax assets / liabilities

	2024 ’(000)		2023 ’(000)	
Deferred tax assets	**Group**	**Bank**	**Group**	**Bank**
Loans and advances to customers	26	26	52	52
Defined benefits obligations	473	473	416	416
Derivatives and financial instruments	373	373	526	526
Greek Government Bonds (PSI)	833	833	882	882
Other temporary differences	1,487	484	119	116
Investment in subsidiaries	-	1,003	-	-
Total Deferred tax assets	**3,192**	**3,192**	**1,995**	**1,992**
Deferred tax liabilities				
Loans and advances to customers	5,514	5,514	4,267	4,267
Revaluation of land & building	1,627	1,627	1,468	1,468
Investment Property	-	-	533	-
Total Deferred tax Liabilities	**7,141**	**7,141**	**6,268**	**5,735**
Net Deferred tax (Liabilities) / Assets	**(3,949)**	**(3,949)**	**(4,273)**	**(3,743)**

The decrease in Group’s and the Bank’s net deferred tax liabilities balances amounting €3,949 thousands (Group) and € 3,949 thousands (Bank) as of 31.12.2024 compared to a net deferred tax liability balance of €4,273 thousands (Group) and €3,743 thousands (Bank) as of 31.12.2023 arising from fair value remeasurement of investment property, revaluation of property and equipment as well as movements in loans and advances to customers deferred tax balance. The bank maintains a strong taxable profit position and, according to its tax strategy, anticipates sustaining a sufficient level of taxable profits moving forward. As of 31.12.2024, the €833 thousands refer to losses resulted from the Group's participation in PSI+ which are subject to amortization for tax purposes over a thirty-year period.

Group's Movement of temporary differences analyzed as follows:

Group's movement for 2023 (€'000)	**Balance as at 1.1.2023**	Recognized through income statement 2023	Recognized through OCI 2023	**Balance as at 31.12.2023**
Revaluation of land & building	**(818)**	-	(667)	**(1,485)**
Loans and advances to customers	**(3,399)**	(816)	-	**(4,215)**
Defined benefits obligations	**348**	34	34	**416**
Derivatives and investment Securities	**951**	(66)	(359)	**526**
Greek Government Bonds (PSI)	**930**	(48)	-	**882**
Investment Property	**(533)**	-	-	**(533)**
Other temporary differences	**227**	(91)	-	**136**
Total	**(2,294)**	**(987)**	**(992)**	**(4,273)**

Group's movement for 2024 (€'000)	**Balance as at 1.1.2024**	Recognized through income statement 2024	Recognized through OCI 2024	**Balance as at 31.12.2024**
Revaluation of land & building	**(1,485)**	-	(142)	**(1,627)**
Loans and advances to customers	**(4,215)**	(1,273)	-	**(5,488)**
Defined benefits obligations	**416**	40	18	**473**
Derivatives and investment Securities	**526**	(10)	(143)	**373**
Greek Government Bonds (PSI)	**882**	(49)	-	**833**
Investment Property	**(533)**	533	-	**-**
Other temporary differences	**136**	1,351	-	**1,487**
Total	**(4,273)**	**593**	**(268)**	**(3,949)**

Bank's Movement of temporary differences analyzed as follows:

Bank's movement for 2023 (€'000)	**Balance as at 1.1.2023**	Recognized through income statement 2023	Recognized through OCI 2023	**Balance as at 31.12.2023**
Revaluation of land & building	**(818)**	-	(667)	**(1,485)**
Loans and advances to customers	**(3,399)**	(816)	-	**(4,215)**
Defined benefits obligations	**348**	34	34	**416**
Derivatives and investment Securities	**951**	(66)	(359)	**526**
Greek Government Bonds (PSI)	**930**	(48)	-	**882**
Other temporary differences	**227**	(94)	-	**133**
Total	**(1,761)**	**(990)**	**(992)**	**(3,743)**

Bank's movement for 2024 (€'000)	**Balance as at 1.1.2024**	Recognized through income statement 2024	Recognized through OCI 2024	**Balance as at 31.12.2024**
Revaluation of land & building	**(1,485)**	-	(142)	**(1,627)**
Loans and advances to customers	**(4,215)**	(1,273)	-	**(5,488)**
Defined benefits obligations	**416**	40	18	**473**
Derivatives and investment Securities	**526**	(10)	(143)	**373**
Greek Government Bonds (PSI)	**882**	(49)	-	**833**
Other temporary differences	**133**	351	-	**484**
Investment in subsidiaries	**-**	1,003	-	**1,003**
Total	**(3,743)**	**63**	**(268)**	**(3,949)**

Note 29: Other assets

Hellenic Deposit and Investment Guarantee Fund included in other assets relate to the Group's and the Bank's participation in assets the investment and deposit cover scheme.

	31.12.2024 '(000)		31.12.2023 '(000)	
	Group	Bank	Group	Bank
Accrued income	75	75	86	86
Prepaid expenses	763	763	757	757
Hellenic Deposit and Investment Guarantee Fund	627	627	2,665	2,665
Tax Prepayments and other recoverable taxes	1,503	1,470	262	244
Other	801	802	825	824
Other assets	**3,769**	**3,737**	**4,595**	**4,576**

Note 30: Due to customers

	31.12.2024 '(000)		31.12.2023 '(000)	
	Group	Bank	Group	Bank
Sight deposits	301,523	302,350	365,053	365,993
Term deposits	671,878	671,878	551,203	551,203
Other	441	441	887	887
Due to customers	**973,842**	**974,669**	**917,143**	**918,083**

The increase in Customer Balances by € 57 million, compared to the prior year, mainly derives from higher balances in Term deposits; shipping has the major part and the rest from corporate sector and other sources.

	31.12.2024 '(000)		31.12.2023 '(000)	
Due to customers include blocked deposits of:	Group	Bank	Group	Bank
Blocked deposits for the issuance of Guarantee Letters	5,660	5,660	7,907	7,907
Blocked deposits for loans granted	74,733	74,733	43,783	43,783
Total	**80,393**	**80,393**	**51,690**	**51,690**

Note 31: Other liabilities

	31.12.2024 ’(000)		31.12.2023 ’(000)	
	Group	Bank	Group	Bank
Amounts due to social security funds	436	436	363	363
Accrued expenses and deferred income	241	241	244	244
Suppliers	446	446	570	570
Lease liabilities	421	421	506	506
Retirement Compensation	1,250	1,250	-	-
Other	1,751	1,751	1,637	1,637
Impairment losses on loan commitments and financial guarantee contracts (off BS)	95	95	160	160
Other liabilities	**4,640**	**4,640**	**3,480**	**3,480**

The movement of the lease liability is summarized as follows (see also note 38):

Lease liabilities movement	31.12.2024 ’(000)		31.12.2023’(000)	
	Group	Bank	Group	Bank
Opening balance, 01/01	**506**	**506**	**520**	**250**
Additions	141	141	197	197
Disposals	-	-	(16)	(16)
Interest Expense	16	16	19	19
Payments during the year	(242)	(242)	(214)	(214)
Closing balance, 31/12	**421**	**421**	**506**	**506**

The movement of movement of Impairment losses loan commitments and financial guarantee contracts (off BS) is summarized as follows:

	2024 ’(000)		2023 ’(000)	
	Group	Bank	Group	Bank
Impairment losses loan commitments and financial guarantee contracts (off BS) 01.01	**(160)**	**(160)**	**(122)**	**(122)**
Impairment (charges)/releases for the year	(15)	(15)	(97)	(97)
Impairment (charges)/releases for the year	80	80	59	59
Impairment losses loan commitments and financial guarantee contracts (off BS) 31.12	**(95)**	**(95)**	**(160)**	**(160)**

Note 32: Liabilities for current income tax and other taxes

	31.12.2024 '(000)		31.12.2023 '(000)	
	Group	Bank	Group	Bank
Income tax liabilities	-	-	3,521	3,521
Other taxes liabilities	905	905	832	833
Liabilities for current income tax and other taxes	**905**	**905**	**4,353**	**4,354**

The €3.5 million decrease in Income Tax Liabilities is attributable to the fact that the income tax prepayment made during the year exceeded the current tax liability for 2024. As a result, the net receivable balance has been reclassified and presented under 'Other Assets' in the financial statements.

Note 33: Retirement benefit obligations

Defined benefit plans

According to Greek labor law 2112/1920 & Law 4093/2012 as amended and currently in force, employees are entitled to receive a lump sum benefit upon their retirement.

The lump sum amount depends on the salary of the employees and the years of service up to the date of retirement. In the event that an employee voluntarily leaves before his retirement date he is not entitled to receive such a retirement benefit. This retirement benefit meets the definition of a defined benefit plan according to provisions of IAS 19 & IFRIC decision and at 31 December 2024 the present value of this liability amounted to €2,152 thousand (in 2023 € 1,891 thousand). The Group's and the Bank's policy for the indemnities aligns with the 2021 IFRIC decision of IAS 19 fact pattern, concerning the method of attributing benefits to period of service .

The retirement benefit obligations of the Group and the Bank have been calculated in compliance with the provisions of Greek Law, however it has decided to maintain the pre L.4093/2012 benefit formula and not decrease the number of salaries entitled.

Retired benefit obligation deriving from benefit plan has been calculated and recognized on the basis of an independent actuarial study using the "Projected Unit Credit Method".

The present value of the defined obligation is determined by the estimated future cash outflows using interest rates of high credit rating company securities, which have terms to maturity approximating the terms of the related liability.

The below table presents the analysis of the defined benefit plan:

	2024 ’(000)		2023 ’(000)	
	Group	Bank	Group	Bank
Amounts recognized in the Statement of Financial Position (SOFP)				
Present value of obligations	2,152	2,152	1,891	1,891
Net Liability in SOFP	**2,152**	**2,152**	**1,891**	**1,891**
Amounts recognized in the Income Statement				
Service cost	138	138	108	108
Net interest on the net defined benefit liability	51	51	48	48
Regular P&L Charge	**189**	**189**	**156**	**156**
Recognition of Past Service Cost	27	27	-	-
Total P&L Charge	**216**	**216**	**156**	**156**
Reconciliation of benefit obligation				
Defined Benefit Obligation “DBO” at start of period	**1,891**	**1,891**	**1,580**	**1,580**
Service cost	138	138	108	108
Interest cost	51	51	48	48
Benefits paid directly by the Company	(35)	(35)	-	-
Past service cost arising over last period	27	27	-	-
Actuarial (gain)/loss - financial assumptions	(48)	(48)	71	71
Actuarial (gain)/loss – demographic assumptions	-	-	16	16
Actuarial (gain)/loss - experience	128	128	68	68
DBO at end of period	**2,152**	**2,152**	**1,891**	**1,891**
Remeasurements				
Liability gain/(loss) due to changes in assumptions	48	48	(87)	(87)
Liability experience gain/(loss) arising during the year	(128)	(128)	(68)	(68)
Total actuarial gain/(loss) recognized in OCI	**(80)**	**(80)**	**(155)**	**(155)**
Other adjustments recognized in OCI	-	-	-	-
Total amount recognized in OCI over the period	**(80)**	**(80)**	**(155)**	**(155)**
Movements in Net Liability in SOFP				
Net Liability in SOFP at the beginning of the period	**1,891**	**1,891**	**1,580**	**1,580**
Benefits paid directly	(35)	(35)	-	-
Total expense recognized in the income statement	216	216	156	156
Total amount recognized in the OCI	80	80	155	155
Net Liability in SOFP	**2,152**	**2,152**	**1,891**	**1,891**
Cash flows				
Expected benefits paid by the plan for next financial year	840	840	731	731
Assumptions:				
Discount rate	3.35%	3.35%	3.27%	3.27%
Price inflation	2.00%	2.00%	2.00%	2.00%
Rate of compensation increase	3.00%	3.00%	3.00%	3.00%
Plan duration	6.72	6.72	6.84	6.84

The amounts recognized in the Statement of Financial Position of the Group and the Bank are determined as follows:

	2024	2023	2022	2021	2020
					As restated
	€’ 000	€’ 000	€’ 000	€’ 000	€’ 000
Present value of obligations	2,152	1,891	1,580	1,762	1,564
Total obligation	**2,152**	**1,891**	**1,580**	**1,762**	**1,564**

Sensitivity analysis for 2024 for the significant assumption (discount rate):
- If the discount rate used were 0.5% higher, (i.e. 3.85% pa rather than 3.35% pa) then the DBO would be lower by 3.14%.
- If the discount rate used were 0.5% lower, (i.e. 2.85% pa rather than 3.35% pa) then the DBO would be higher by 3.37%.

Sensitivity analysis for 2023 for the significant assumption (discount rate):
- If the discount rate used were 0.5% higher, (i.e. 3.77% pa rather than 3.27% pa) then the DBO would be lower by 3.23%.
- If the discount rate used were 0.5% lower, (i.e. 2.77% pa rather than 3.27% pa) then the DBO would be higher by 3.48%.

Note 34: Share capital

Share capital for the year ended at: **(Amounts in €)**

	31.12.2024			**31.12.2023**		
	Number of Shares	Nominal Value	Share Capital	Number of Shares	Nominal Value	Share Capital
Opening balance	2,110,000	18	37,980,000	2,110,000	18	37,980,000
Issue of new shares	-	-	-	-	-	-
Closing balance	2,110,000	18	37,980,000	2,110,000	18	37,980,000

Note 35: Share premium

	2024 '(000)		**2023** '(000)	
	Group	**Bank**	**Group**	**Bank**
Share premium	50,513	50,513	50,513	50,513
Less: Share capital issue related expenses (Net of Tax)	(306)	(306)	(306)	(306)
Share premium	**50,207**	**50,207**	**50,207**	**50,207**

Note 36: Reserves

	31.12.2024 '(000)		31.12.2023 '(000)	
	Group	Bank	Group	Bank
Statutory reserve	4,441	4,346	3,415	3,320
Valuation of FVTOCI portfolio	(1,659)	(1,659)	(2,311)	(2,311)
Deferred tax on valuation of FVTOCI portfolio	365	365	508	508
Revaluation reserve land & building	7,397	7,397	6,751	6,751
Deferred tax on revaluation reserve land & building	(1,627)	(1,627)	(1,485)	(1,485)
Reserves	**8,915**	**8,822**	**6,877**	**6,783**

Movement of Reserves

Opening Balance 01 January	**6,877**	**6,783**	**1,887**	**1,793**
Statutory reserve	**1,026**	**1,026**	**1,352**	**1,352**
Net gain/(losses) from changes in fair value of FVTOCI investments	652	652	1,631	1,631
Deferred tax on valuation of FVTOCI portfolio	(143)	(143)	(359)	(359)
Net change in Fair value	**509**	**509**	**1,272**	**1,272**
Revaluation surplus (gain) from land & building	647	647	3,033	3,033
Deferred tax on revaluation surplus (gain) from land & building	(142)	(142)	(667)	(667)
Net change in Fair value	**505**	**505**	**2,366**	**2,366**
Closing Balance 31 December	**8,915**	**8,822**	**6,877**	**6,783**

Note 37: Retained earnings

	31.12.2024 '(000)		31.12.2023 '(000)	
	Group	Bank	Group	Bank
Opening balance 01 January	**50,845**	**49,109**	**27,276**	**25,482**
Statutory reserve movement	(1,026)	(1,026)	(1,352)	(1,352)
Dividends	-	-	(2,000)	(2,000)
Movement of actuarial gain (Loss) of Retirement Benefit Obligations, net of tax	(62)	(62)	(121)	(121)
Profit / (Loss) for the year	18,692	20,521	27,042	27,100
Closing balance 31 December	**68,449**	**68,543**	**50,845**	**49,109**

Pursuant to article 158 of Law 4548/2018, and as in conjunction with the Group's Articles of Association, a percentage of 5% is deducted from the net profit of the period for the formation of statutory reserve.
According to article 149A par.2 of Law 4261/2014, voted within reference period, by way of derogation from item c) of par.2 of article 160 and par. 2 of article 161 of law 4548/2018, credit institutions are no longer subject to obligation to distribute a minimum dividend.

Note 38: Lease Liabilities

Leases
The Group and the Bank has liabilities from the lease of its branches in Piraeus and Glyfada and company cars that it uses. The duration of the lease contracts is 12 years for the buildings and 3 to 6 years for the company cars. The rents are usually subject to annual adjustments due to inflation. It is the Group's and the Bank's policy to renew these contracts.

The table below presents the contractual undiscounted cash flows of the Group and the Bank gross lease liabilities as at 31 December 2024 and 31 December 2023. The Group and the Bank have elected to take a recognition exemption for short-term and low-value leases (contracts that were on hold of contract renewal with an annual rental expense of €4 thousands), hence the analysis below does not include any leases with a residual term lower than 12 months and any leases with value less than €5 thousands, as of 31 December 2024 and 31 December 2023. Lease liabilities are included within the line item "Other liabilities".

	31.12.2024 ’(000)		31.12.2023 ’(000)	
	Group	Bank	Group	Bank
No later than 1 year	207	207	222	222
Later than 1 year and no later than 5 years	228	228	294	294
Total undiscounted gross liabilities	**435**	**435**	**516**	**516**
Less discount effect (IFRS 16)	14	14	10	10
Total discounted lease liabilities	**421**	**421**	**506**	**506**

Note 39: Contingent liabilities and commitments

Legal issues

Legal claims against the bank are not material enough to require disclosure.

Tax issues

The Group and the Bank have been audited by the tax authorities for the financial years up to and including 2009 while the financial year 2010 remains unaudited by the tax authorities. For the financial year 2010, it is expected that no additional taxes and penalties can be imposed based on the legislative framework with respect to the expiration of the time limitation period of the Greek State's right to impose additional taxes and penalties as of 31.12.2024.

The financial years 2011, 2012, 2013 and 2014 have been audited by its certified auditors, Deloitte Certified Public Accountants S.A. (the statutory auditor), in accordance with article 82 of Law 2238/1994. The relevant tax compliance reports were issued at 11.07.2012 at 26.09.2013 at 10.07.2014 and at 29.09.2015 respectively.

The years 2011, 2012, 2013 and 2014 are considered statute barred in accordance with the provisions of the circular POL.1208 / 20.12.2017 of the Independent Public Revenue Authority.

The financial years 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 have been audited by the Group's statutory auditor in accordance with article 65A of law 4174/2013. The relevant tax audit certificates were issued with no qualifications at 29.09.2015, 28.09.2016, 23.10.2017, 29.10.2018, 30.10.2019, 29.10.2020, 25.10.2021, 19.10.2022, 29.11.2023 and at 28.11.2024 respectively. For the financial year 2024 the audit from the statutory auditor is in progress and the relevant tax compliance report is expected to be issued after the publication of the financial statements of the year ended. If any additional tax liabilities arise after the completion of the tax audit, we estimate that they will not have significant effect on the financial statements.

Based on Ministerial Decision 1006/05.01.2016, there is no exception from tax audit by the tax authorities to those entities that have been tax audited by the statutory auditor and its tax audit certificate was unqualified. Therefore, the tax authorities may re-audit the tax books.

Consequently, additional taxes and penalties may be imposed as a result of such tax audits. Although the amounts cannot be reliably determined, it is not expected to have a material effect on the statement of financial position of the Group and Bank.

Capital commitments

	31.12.2024 '(000)		**31.12.2023** '(000)	
	Group	**Bank**	**Group**	**Bank**
Undrawn commitment	24,068	24,068	31,747	31,747
Financial guarantees	9,452	9,452	22,633	22,633
Total	**33,520**	**33,520**	**54,380**	**54,380**

Note 40: Related party transactions

Related parties include:
(a) an entity that has control over the Group and entities controlled, jointly controlled or significantly influenced by this entity, as well as members of its key management personnel and their close family members;
(b) members of key management personnel, their close family members and entities controlled or jointly controlled by the abovementioned persons;
(c) associates and joint ventures of the Group; and
(d) fellow subsidiaries.
Transactions of similar nature are disclosed on an aggregate basis. All banking transactions entered into with related parties are in the normal course of business and are conducted in accordance with the Group's approved policies and procedures regarding interest rates, collaterals and repayments.

The Aegean Baltic Bank Group, ("the Group"), besides the parent company includes one 100% subsidiary as at 31.12.2024 under the trade name 'ACQUA BLUE PROPERTIES SINGLE MEMBER S.A.'.

The main shareholders of the Bank as of 31.12.2024 were a Limited Company with a percentage of 47.57% and an individual shareholder with a percentage of 37.1% .

Transactions with subsidiary of Aegean Baltic Bank Group :

	2024 €' 000	2023 €' 000
Liabilities		
Due to customers	828	940
Total liabilities	**828**	**940**

Outstanding balances and results of related transactions with the Group:

	2024 €' 000	2023 €' 000
Assets		
Loans and advances to customers	221	284
Total assets	**221**	**284**
Liabilities		
Due to customers	4,285	4,426
Total liabilities	**4,285**	**4,426**
Income		
Interest and similar income	2	5
Fees and Commission income	4	7
Total income	**6**	**12**
Expenses		
Interest expense and similar charges	143	108
Total expenses	**143**	**108**

Due to customers balance related transaction with the Bank for 2024 amounts to €5,112 thousand and for 2023 €5,367 thousand. The rest of the amounts remain the same with the above table.

The above balances and results relate to transactions of shareholders as well as key management personnel.

Remuneration, short term employee and post-employment benefits of the Board of Directors (BoD) members and General Managers, charged to the Income statement, summarized as follows for the Group and the Bank:

	2024 €' 000	2023 €' 000
Remuneration	2,246	2,157
Short Term employee and post-employment benefits	114	108
Total	**2,360**	**2,265**

There are no other transactions related to the Board of Directors or the General Managers of the Group and the Bank.

Note 41: Independent auditor's fees

On 26 June 2024, the Ordinary General Meeting of the Shareholders appointed KPMG Certified Auditors S.A. as the statutory auditor for the year ended 31 December 2024. On 30 June 2023, the Ordinary General Meeting of the Shareholders appointed Deloitte Certified Public Accountants S.A. as the statutory auditor for the year ended 31 December 2023. The following table presents the total fees for statutory audit, other audit and non-audit related rendered in 2024 and 2023:

	2024 '(000)		**2023** '(000)	
	Group	**Bank**	**Group**	**Bank**
Statutory audit fees	110	105	109	101
Tax audit fees	25	25	21	21
Other audit related fees	31	31	7	7
Total	**166**	**161**	**137**	**129**

Note 42: Events after the reporting period

On 7 February 2025, the Bank announced the successful completion of the acquisition of shares representing 47.9% of its total share capital, as well as additional voting rights corresponding to 20% of its share capital, by the Swiss entity "AEGEAN BALTIC HOLDING AG," controlled by Mr. Aristotelis Mistakidis. The transaction was finalized on February 6, 2025, following the receipt of all necessary approvals from the relevant supervisory authorities. This acquisition follows the share purchase agreement signed on April 11, 2024, between the Bank's principal shareholders and AEGEAN BALTIC HOLDING AG. Upon completion of the transaction, AEGEAN BALTIC HOLDING AG now controls 67.9% of the Bank's voting rights.

Note 43: Restatements for comparative year

The restatements presented in the Cash Flow Statement of the year 2023 are presented in the table below for the Group and the Bank. These restatements will improve the presentation and comparability of the cash flow. Cash and cash equivalents at beginning of period are restated with mandatory and collateral deposits with central banks being excluded.

Cash Flow Statement	31.12.2023 €' 000				
	Group	Bank	Restatement	Group	Bank
	As published			As restated	
Cash flows from operating activities					
Profit before tax	**34,996**	**35,057**	**-**	**34,996**	**35,057**
Adjustments for:					
Depreciation and amortization charges	1,137	1,137	-	1,137	1,137
Credit provisions and other impairment charges	1,402	1,402	-	1,402	1,402
Provisions for retirement benefit obligations	156	156	-	156	156
(Gain)/losses from derecognition of financial assets measured at AC	-	-	(1,364)	(1,364)	(1,364)
Foreign exchange (profit)/loss on financial assets at FVTOCI	324	324	(324)	-	-
Foreign exchange (profit)/loss on cash and cash equivalents	1,346	1,346	-	1,346	1,346
	39,361	**39,422**	**(1,688)**	**37,673**	**37,734**
Net (increase)/decrease in operating assets:					
Loans and advances to customers	11,074	11,074	1,364	12,438	12,438
Derivative financial assets	(6)	(6)	-	(6)	(6)
Other assets	1,674	1,690	-	1,674	1,690
Net increase/(decrease) in operating liabilities:					
Due to banks	(750)	(750)	-	(750)	(750)
Due to customers	(93,459)	(93,524)	-	(93,459)	(93,524)
Derivative financial liabilities	(142)	(142)	-	(142)	(142)
Other liabilities	(906)	(918)	-	(906)	(918)
Cash flow from operating activities before tax payment	(43,154)	(43,154)	(324)	(43,478)	(43,478)
Income Tax paid	(5,534)	(5,534)	-	(5,534)	(5,534)
Net cash flow from operating activities	**(48,688)**	**(48,688)**	**(324)**	**(49,012)**	**(49,012)**
Cash flows from investing activities					
Acquisition of property and equipment	(270)	(270)	-	(270)	(270)
Acquisition of intangible assets	(477)	(477)	-	(477)	(477)
Acquisition of investment securities FVTOCI	(519,613)	(519,613)	-	(519,613)	(519,613)
Acquisition of debt securities at amortized cost	(8,133)	(8,133)	-	(8,133)	(8,133)
Proceeds from maturities of investment securities	520,321	520,321	324	520,645	520,645
Net cash flow from investing activities	**(8,172)**	**(8,172)**	**324**	**(7,848)**	**(7,848)**
Cash flows from financing activities					
Cash payments of lease elements	(214)	(214)	-	(214)	(214)
Dividends paid	(2,000)	(2,000)	-	(2,000)	(2,000)
Net cash flow from financing activities	**(2,214)**	**(2,214)**	**-**	**(2,214)**	**(2,214)**
Net increase / (decrease) in cash and cash equivalents	**(59,074)**	**(59,074)**	**-**	**(59,074)**	**(59,074)**
Cash and cash equivalents at beginning of period	**341,538**	**341,538**	**(13,740)**	**327,798**	**327,798**
Foreign exchange profit /(loss) on cash and cash equivalents	(1,346)	(1,346)	-	(1,346)	(1,346)
Cash and cash equivalents at end of period	**281,118**	**281,118**	**(13,740)**	**267,378**	**267,378**

Athens, 30 July 2025

The Chairman of the BoD	The Managing Director	The Chief Financial Officer
Dimitrios Kapotopoulos	Theodore Afthonidis	George Kalantzis