



Press Release

AB Bank's strong Capital Adequacy not materially impacted from Greek Bonds "haircut" decisions

Athens, Greece - 25 October 2011 – Pending the finalization of Eurozone's decisions about the size and structure of the haircut of Greek Government Bonds and amidst speculation about the impact a sizeable haircut would have to the capitalization of the Greek banking system and each Greek bank individually, the Managing Director of AB Bank, Theodore Afthonides, stressed the **"minimal impact to AB Bank's capital solidity of any such decision"**.

"AB Bank maintains exemplary Capital Adequacy, consisting exclusively of Core Tier-I capital, whereas its Greek Government Bonds portfolio is quite small. On 30.6.2011 our Capital Adequacy Ratio was 34.0%, the 21% haircut effect of the original PSI program inclusive. A haircut of, say, 50% would lower our Capital Adequacy Ratio to 33% - still an outstanding level of capital strength", Mr. Afthonides said.

Mr. Afthonides explained "The total Face Value of our GGB holdings is only a very small fraction of our capital. Moreover, due to the Bank's specialization in banking for the shipping industry and, particularly, in the financing of the internationally operating deep-sea shipping sector, our exposure to "Greek Assets" is limited. The combination of very strong capital adequacy and limited Greek exposures results in minimal impact to AB Bank's capital solidity from Greek debt haircuts".

Mr. Afthonides finally noted that "AB Bank's capacity to continue its prudent pattern of business development and to honour the trust it enjoys from its customer base and its shareholders alike, is undisputable, despite the adverse developments in the local and the international economic environment. It is not only our strong capital proportions; our shareholding structure, with GE controlling a strategic 48%, also equips AB Bank with the fundamentals necessary to resist any pressures from a deteriorating local environment and to identify business development opportunities now emerging for the Greek shipping industry and beyond".

AB Bank (Aegean Baltic Bank S.A.) is a Greek banking institution, supervised by the Bank of Greece, pursuant to the banking legislation of the Hellenic Republic and the EU, the ECB and the Eurosystem. AB Bank specializes in corporate banking for the Greek and regional shipping industry, including a wide range of ship-financing solutions as well as products and services of customary transactional banking. AB Bank is the largest Greek arranger and agent of syndicated loans to Greek shipping. AB Bank operates from its Head Office in Maroussi, Athens Greece and its Piraeus branch. (www.aegeanbalticbank.com)

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