



EUROBANK CYPRUS LTD

Condensed Interim Financial Statements

**For the six months ended
30 June 2024**

Eurobank Cyprus Ltd

Condensed interim financial statements for the six months ended 30 June 2024

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the Board of Directors of Eurobank Cyprus Limited

Introduction

We have reviewed the accompanying interim balance sheet of Eurobank Cyprus Limited (the "Bank") as at 30 June 2024, the interim income statement and the interim statements of comprehensive income, changes in equity and cash flow for the six-month period then ended, and notes to the interim financial statements (the condensed interim financial statements). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at 30 June 2024 are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

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Other matter

The comparative information in the interim income statement and the interim statement of comprehensive income, the interim statements of changes in equity and cash flow for the six-month period ended 30 June 2023 and any related notes for the same period included in the accompanied condensed interim financial statements of the Bank were not subject to our review.

A handwritten signature in blue ink that reads 'KPMG Limited' in a cursive, stylized script.

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia, Cyprus

30 July 2024

Eurobank Cyprus Ltd

Interim Income Statement

	Note	Six months ended 30 June	
		2024	2023
		€'000	€'000
Interest income calculated using the effective interest method	5	190.635	157.163
Other interest income	5	29.630	16.874
Interest expense calculated using the effective interest method	5	(53.493)	(36.561)
Other interest expense	5	(26.731)	(10.969)
Net interest income		140.041	126.507
Banking fee and commission income	6	22.475	21.223
Banking fee and commission expense	6	(2.553)	(3.333)
Net banking fee and commission income		19.922	17.890
Net trading loss	7	(118)	(119)
Net gains from other financial instruments	8	39	44
Other income		17	4
Net other operating loss		(62)	(71)
Operating income		159.901	144.326
Operating expenses	9	(26.539)	(27.326)
Profit from operations before impairments and provisions		133.362	117.000
Impairment allowance on loans and advances to customers	10	(5.480)	(9.311)
(Reversal of other impairment allowances)/other impairment allowances and risk provisions	11	(98)	79
Profit before income tax and government levies		127.784	107.768
Government levy on customer deposits	23	(5.337)	(2.702)
Income tax expense	12	(16.757)	(14.232)
Net profit		105.690	90.834

The notes on pages 8 to 54 form an integral part of these interim financial statements.

Eurobank Cyprus Ltd

Interim Statement of Comprehensive Income

	Six months ended 30 June	
	2024 €'000	2023 €'000
Net profit	<u>105.690</u>	<u>90.834</u>
Other comprehensive income:		
Items that are or may be subsequently reclassified to profit or loss:		
Debt securities at FVOCI		
- net changes in fair value, net of tax	4.078	6.147
- reclassified to income statement, net of tax	<u>(126)</u>	<u>(159)</u>
Other comprehensive income	<u>3.952</u>	<u>5.988</u>
Total comprehensive income	<u>109.642</u>	<u>96.822</u>

The notes on pages 8 to 54 form an integral part of these interim financial statements.

Eurobank Cyprus Ltd

Interim Balance Sheet

		30 June 2024 €'000	31 December 2023 €'000
	Note		
Assets			
Cash and balances with central banks	13	3.369.961	2.728.283
Due from credit institutions	14	1.212.331	1.184.606
Derivative financial instruments	15	12.569	11.938
Loans and advances to customers	16	2.845.749	2.844.345
Investment securities	17	1.739.416	1.424.253
Investments in subsidiaries	18	15.011	15.011
Property and equipment	19	22.209	23.899
Intangible assets	20	32.652	33.464
Deferred tax assets	12	2.064	2.152
Other assets	21	10.063	4.192
Total assets		9.262.025	8.272.143
Liabilities			
Due to credit institutions	22	695.124	184.222
Derivative financial instruments	15	1.658	10.108
Due to customers	23	7.469.576	7.098.945
Current tax liabilities	12	22.393	7.084
Deferred tax liabilities	12	2.982	3.058
Other liabilities	24	106.439	114.515
Total liabilities		8.298.172	7.417.932
Equity			
Share capital	25	12.010	12.010
Share premium	25	245.384	245.384
Other reserves		(7.210)	(11.162)
Retained earnings		713.669	607.979
Total equity		963.853	854.211
Total equity and liabilities		9.262.025	8.272.143

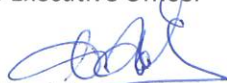
On 30 July 2024 the Board of Directors of Eurobank Cyprus Ltd authorised the issuance of these interim financial statements.



Michael Redferne, Chair of the Board of Directors



Michalis Louis, Chief Executive Officer



Demetris Shacallis, Chief Financial Officer

The notes on pages 8 to 54 form an integral part of these interim financial statements.

Eurobank Cyprus Ltd

Interim Statement of Changes in Equity

	Share capital €'000	Share premium €'000	Fair value reserve €'000	Retained earnings €'000	Total equity €'000
Balance at 1 January 2024	12.010	245.384	(11.162)	607.979	854.211
Net profit	-	-	-	105.690	105.690
Other comprehensive income	-	-	3.952	-	3.952
Total comprehensive income for the six months ended 30 June 2024	-	-	3.952	105.690	109.642
Balance at 30 June 2024	12.010	245.384	(7.210)	713.669	963.853
Balance at 1 January 2023	12.010	245.384	(29.619)	408.541	636.316
Net profit	-	-	-	90.834	90.834
Other comprehensive income	-	-	5.988	-	5.988
Total comprehensive income for the six months ended 30 June 2023	-	-	5.988	90.834	96.822
Balance at 30 June 2023	12.010	245.384	(23.631)	499.375	733.138

The notes on pages 8 to 54 form an integral part of these interim financial statements.

Eurobank Cyprus Ltd

Interim Cash Flow Statement

		Six months ended 30 June	
		2024	2023
	Note	€'000	€'000
Cash flows from operating activities			
Profit before income tax and government levies		127.784	107.768
Adjustments for:			
Depreciation of property and equipment	9	2.131	2.122
Amortisation of intangible assets	9	1.540	1.624
Impairment allowance on loans and advances to customers	10	6.358	7.526
(Reversal of impairment allowance)/impairment allowance on credit related commitments and contingent liabilities	10	(878)	1.785
Foreign exchange differences on impairment allowance on loans and advances to customers	10	32	(122)
Other income on investment securities	29	(46.000)	(10.848)
		<u>90.967</u>	<u>109.855</u>
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks	13	(2.421)	2.001
Net increase in derivative financial instruments	15	(9.081)	(20.199)
Net increase in loans and advances to customers	16	(7.794)	(40.182)
Disposals, write-offs and adjustments to right-of-use assets	19	(209)	(4)
Net increase in other assets	21	(5.871)	(6.505)
Net decrease in due to central banks		-	(605.322)
Net increase/(decrease) in due to credit institutions	22	510.902	(42.992)
Net increase in due to customers	23	370.631	58.293
Net (decrease)/increase in other liabilities	24	(5.909)	23.928
		<u>850.248</u>	<u>(630.982)</u>
Government levy on customer deposits paid	23	(5.337)	(2.702)
Income tax paid	12	(1.436)	(422)
Net cash flows from/(used in) operating activities		<u>934.442</u>	<u>(524.251)</u>
Cash flows from investing activities			
Purchases of property and equipment	19	(232)	(196)
Purchases of intangible assets	19	(728)	(4.521)
Proceeds from disposals, maturities and redemptions of investment securities	17	158.839	69.410
Payments for acquisition of investment securities	17	(445.929)	(170.269)
Interest received on investment securities	17	21.879	9.978
Investments in subsidiaries	18	-	(3)
Net cash flows used in investing activities		<u>(266.171)</u>	<u>(95.601)</u>
Cash flows from financing activities			
Payment of lease liabilities	29	(1.289)	(1.272)
Net cash flows used in financing activities		<u>(1.289)</u>	<u>(1.272)</u>
Net increase/(decrease) in cash and cash equivalents		<u>666.982</u>	<u>(621.124)</u>
Cash and cash equivalents at beginning of period	29	3.841.977	4.720.595
Cash and cash equivalents at end of period	29	<u>4.508.959</u>	<u>4.099.471</u>

The notes on pages 8 to 54 form an integral part of these interim financial statements.

Eurobank Cyprus Ltd

Notes to the interim financial statements

1 General information

Eurobank Cyprus Ltd ("the Bank") is a company domiciled and incorporated in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 41 Arch. Makariou III Avenue, 1065 Nicosia, Cyprus.

The principal activity of the Bank, which is unchanged from last year, is the provision of banking and financial services.

These interim financial statements were approved by the Board of Directors on 30 July 2024.

2 Basis of preparation and material accounting policies

2.1 Basis of preparation

These interim condensed financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed by the European Union (EU). The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2023. Where necessary, comparative figures have been adjusted to conform to changes in the presentation in the current period.

The accounting policies and methods of computation in these interim condensed financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2023, except as described below (note 2.2).

These separate financial statements contain information about Eurobank Cyprus Ltd as an individual company and do not contain consolidated financial information as the parent of a group.

The Bank is not required by the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements because the ultimate parent company, Eurobank Ergasias Services and Holdings S.A., publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in Greece and the Bank does not intend to issue consolidated financial statements for the six months ended 30 June 2024.

The European Commission has concluded that since parent companies are required by the EU Accounting (2013/34/EU) Directive to prepare separate financial statements and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IFRS 10 "Consolidated Financial Statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply. The consolidated financial statements of Eurobank Ergasias Services and Holdings S.A. are available at its website (www.eurobankholdings.gr).

The Bank's presentation currency is the Euro (€) being its functional currency. Unless indicated otherwise, financial information presented in Euro has been rounded to the nearest thousand.

Eurobank Cyprus Ltd

Notes to the interim financial statements

2 Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern considerations

The interim financial statements have been prepared on a going concern basis, as the Board of Directors considered as appropriate, taking into consideration the following:

a) *Position of the Group*

Despite the fragile international environment, the economies of Greece, Bulgaria and Cyprus are expected to remain in expansionary territory in 2024, overperforming their European Union (EU) peers. More specifically for the Greek economy, the International Monetary Fund (IMF), according to its April 2024 World Economic Outlook, expects real GDP growth rates of 2% in 2024 and 1,9% in 2025 (2023: 2%), while the projections included in the 2024 Stability Program submitted to the European Commission in April 2024 are 2,5% and 2,6% respectively.

The inflation rate, as measured by the annual change in the Harmonized Index of Consumer Prices (HICP), despite accelerating to 3,4% in March 2024 from 3,1% in February 2024, was significantly lower compared to March 2023 (5,4%), according to ELSTAT. The IMF forecasts a further de-escalation of the inflation rate to 2,7% in 2024 and to 2,1% in 2025. The monthly unemployment rate in March 2024 declined to 10,2% from 11,4% in March 2023, with the IMF forecasts for 2024 and 2025 standing at 9,4% and 8,7% respectively. On the fiscal front, according to the 2024 Stability Program, the general government balance is expected to post primary surpluses of 2,1% of GDP in 2024 and 2025 from 1,9% of GDP in 2023, while the gross public debt-to-GDP ratio is expected to decline further to 152,7% in 2024 and 146,3% in 2025 (2023: 161,9%).

Growth in Greece as well as in Bulgaria and Cyprus is expected to receive a significant boost from EU-funded investment projects and reforms.

In the first four months of 2024, the Greek government through the Public Debt Management Agency (PDMA) raised an additional €8,1 billion, in total, from the international financial markets through 5-, 10- and 30-year bonds.

Regarding the outlook for the next 12 months, the major macroeconomic risks and uncertainties in Greece and our region are associated with: (a) the geopolitical tensions caused mainly by the open war fronts in Ukraine and the Middle East which could potentially escalate, their implications regarding regional and global stability and security, and their repercussions on the global and the European economy, including the disruption in global trade caused by the recent attacks on trading vessels in the Red Sea, (b) the timeline of the anticipated interest rate cuts by the ECB and the Federal Reserve Bank, as persistence on high rates for longer may keep exerting pressure on sovereign and private borrowing costs and certain financial institutions' balance sheets, but early rate cuts entail the risk of a rebound in inflation, (c) the persistently large current account deficits that have started to become once again a structural feature of the Greek economy, (d) the absorption capacity of the NGEU and MFF funds and the attraction of new investments in the countries of presence, especially in Greece, (f) the effective

Eurobank Cyprus Ltd

Notes to the interim financial statements

2 Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern considerations (continued)

a) *Position of the Group (continued)*

and timely implementation of the reform agenda required to meet the RRF milestones and targets and to boost productivity, competitiveness, and resilience and (g) the exacerbation of natural disasters due to the climate change and their effect on GDP, employment, fiscal balance and sustainable development in the long run.

Materialisation of the above risks would have potentially adverse effects on the fiscal planning of the Greek government, as it could decelerate the pace of expected growth and on the liquidity, asset quality, solvency and profitability of the Greek banking sector. In this context, the Group's Management and Board are continuously monitoring the developments on the macroeconomic, financial and geopolitical fronts as well as the evolution of the Group's asset quality and liquidity KPIs and have increased their level of readiness, so as to accommodate decisions, initiatives and policies to protect the Group's capital, asset quality and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals in accordance with the business plan for 2024 - 2026.

b) *The Cyprus economy*

The performance of the Cyprus economy continues strong in the first months of 2024, recording among the highest growth rates between Eurozone states. Final data released by Cystat, showed that Cyprus' GDP growth rate in the first quarter of 2024 was 3,5% YoY; or 3,4% YoY when adjusted for seasonality and working days. The real growth rate for the year 2023 was estimated to be 2,5%.

Economic activity is supported by increased revenues from tourism, resilient domestic demand on the back of increasing employment and disposable incomes in an environment of decreasing inflation, and private investment on the back of the implementation of the Recovery and Resilience Plan ('RRP'). The strong fiscal performance and the continued improvement in the country's banking sector have led to continuous credit rating upgrades, despite the numerous headwinds stemming from the uncertain international economic and geopolitical setting and the high interest rates.

According to the EU Commission's Spring 2024 Economic Forecast published in May 2024, economic activity in Cyprus is expected to grow robustly in 2024 (2,8%) and 2025 (2,9%) on the back of persistently strong domestic demand and improving exports. In its latest economic bulletin, published February 2024, the Central Bank of Cyprus (CBC) projects that the economy will grow by 2,6% in 2024 and then by 3,1% and 3,2% in 2025 and 2026 respectively.

Despite numerous challenges, the recovery of the tourism sector continued to support the economic performance in 2023 and in the first months of 2024. In a recent interview, the Deputy Minister of Tourism, expressed his optimism for the sector in 2024, stating that the losses in tourist arrivals from countries like Russia, Ukraine, and Israel are expected to be offset by the rise of other markets. For the period of January to May 2024, arrivals of tourists totaled 1,17 million compared to 1,16 million in the corresponding period of 2023, recording an increase of 1,2%. This followed the strong increase in tourist arrivals of 2023. For the period of January to April 2024, revenue from tourism is estimated at

Eurobank Cyprus Ltd

Notes to the interim financial statements

2 Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern considerations (continued)

b) The Cyprus economy (continued)

€440,7 million compared to €417,6 million in the corresponding period of 2023, recording an increase of 5,5%.

Following years of heightened price increases, inflation in Cyprus continues to gradually normalize close to the 2% inflation target as energy and food prices moderate. Harmonised Index of Consumer Prices (HICP) inflation slowed down 3,0% between June 2023 and June 2024, from the 3,9% recorded in 2023 and the 8,1% recorded in 2022. In its economic bulletin, CBC projects inflation to stand at 2,4% in 2024, 2,0% in 2025 and 1,9% in 2026. In its Spring 2024 Economic Forecast, the EU Commission projects an inflation of 2,4% in 2024 and 2,1% in 2025.

Supported by the positive economic momentum, employment conditions improved, and are set to improve further as labor-intensive sectors such as Tourism and ICT are forecasted to grow. According to the Cystat, unemployment decreased to 6,0% in the first quarter of 2024, from 6,4% in 2023 and 6,7% in 2022. According to the CBC forecasts, the unemployment rate is expected to stand at 6,0% and 5,6% in 2024 and 2025 respectively. EU Commission projects unemployment to reach 5,6% in 2024 and further drop to 5,4% in 2025.

Cyprus' fiscal performance continues strong, supported by the robust economic performance and the government's prudent fiscal policy stance. According to CySTAT's preliminary fiscal results, the General Government fiscal balance presented a surplus of €590,6 million (1,9% of GDP) for the period of January to May 2024, as compared to a surplus of €322,7 million (1,1% of GDP) that was recorded during the period of January to May 2023. For the year 2023, the General Government fiscal balance recorded a surplus of €876,3 million (2,9% of GDP) compared to a surplus of €676,3 million (2,4% of GDP) for 2022. Cyprus posted the highest consolidated fiscal surplus in the Eurozone in 2023. The strong performance in the first five months of 2024 is a result of robust revenues, which increased by 14,9% to €5.394,5 million and a slower increase in expenditure, which rose by 9,9% to €4.803,9 million. According to European Commission economic forecasts for Cyprus, strong fiscal performance is set to continue and the budget surplus is expected to stand at 2,9% of GDP in 2024 and 2025.

According to the Finance Ministry's Public Debt Management Office, Cyprus Central Government debt stood at €22,4 billion at the end of the first quarter of 2024. In June 2024, taking advantage of recent credit rating upgrades, the Republic of Cyprus issued a new 7Y note with a total amount of €1 billion and a yield close to 3,31%. At the same time Cyprus Government invited holders of its EUR 1,5bn 2.375% notes due 25/09/2028, to tender them for purchase in cash.

According to Cyprus' Strategic Framework for Fiscal Policy 2025-28, debt-to-GDP ratio is anticipated to continue its downward trend, declining to 50,4% by the end of 2028, from 77,3% in 2023 and 88,2% in 2022, on the back of positive expected nominal GDP growth and primary surpluses. The EU Commission expects the ratio to reach 70,6% by the end of 2024, and further decline to 65,4% in 2025.

Eurobank Cyprus Ltd

Notes to the interim financial statements

2 Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern considerations (continued)

b) *The Cyprus economy (continued)*

Cyprus credit ratings continue to improve markedly in 2024, amid sustained robust fiscal performance and a strengthening banking sector. In June 2024 S&P upgraded Cyprus to BBB+ from BBB and assigned a positive outlook, highlighting Cyprus' strong fiscal performance and expecting the country's debt-to-GDP ratio to fall below 60% by 2027, in line with solid growth and fiscal prospects.

Concerning the banking sector, S&P noted that "despite lingering legacy NPLs in the financial system, Cyprus' predominantly foreign-owned banks have turned a corner in terms of profitability and capitalization, reducing their contingent liability risk to the government". In the same month, Cyprus was also upgraded to BBB+ from BBB by Fitch, maintaining a positive outlook. The upgrade and positive outlook reflect, among other issues, improved credit metrics, reduced banking sector risks, private sector deleveraging, strong fiscal performance, declining public debt, and resilient economic growth. Earlier in May 2024, Moody's changed the outlook of Cyprus to positive from stable and affirmed rating at Baa2. Moody's decision to change the outlook to positive reflected the possibility of strong fiscal and debt outcomes in the next few years, on the back of continued prudent fiscal policy stance in combination with prospects of strong medium-term economic growth and a stronger banking sector. The agency expects Cyprus to continue to run sizeable fiscal surpluses, around 2,3-2,4% of GDP in 2024 – 2025.

The reduction in the total NPEs in the Cyprus banking sector continued in the first months of 2024. Data published by the CBC showed that in March 2024 the NPEs in Cyprus decreased by €129 million MoM to €1.766 million (NPE ratio at 7,3%) from €1.895 million (NPE ratio at 7,86%) in February 2024.

Despite the robust performance in the last years, the Global as well as the Cypriot economy faces many headwinds in the coming years. The outlook remains uncertain with risks from a volatile geopolitical environment, high inflation and restrictive monetary policy clouding the outlook and threatening to push the global economy to recession. The effects from the ongoing war in Ukraine continue to spill over in the global economy, while the recently heightened conflict in the Middle-East add to the uncertainty.

Eurobank Cyprus continues to monitor closely the different risks and the shifts in the macroeconomic and geopolitical outlook so that they are effectively and timely managed. In addition, the Bank complies with the coordinated sanctions imposed by the USA, EU, UK and other countries against Russia, Belarus and to specific legal entities and physical persons.

c) *Going concern assessment*

Taking into consideration the factors mentioned earlier on, as well as the Bank's financial, capital and liquidity position as reflected by its strong financial indicators, the Board of Directors has been satisfied that the interim financial statements of the Bank can be prepared on a going concern basis.

Eurobank Cyprus Ltd

Notes to the interim financial statements

2 Basis of preparation and material accounting policies (continued)

2.2 New and amended standards and interpretations adopted by the Bank

The following amendments to existing standards as issued by the International Accounting Standards Board (IASB) and endorsed by the EU that are relevant to the Bank's activities apply from 1 January 2024:

IAS 1, Amendments, Classification of Liabilities as Current or Non-Current

The amendments, published in January 2020, introduce a definition of settlement of a liability, while they make clear that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. In addition, it is clarified that the assessment for liabilities classification made at the end of the reporting period is not affected by the expectations about whether an entity will exercise its right to defer settlement of a liability. The Board also clarified that when classifying liabilities as current or non-current, an entity can ignore only those conversion options that are classified as equity.

In October 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) with respect to liabilities for which an entity's right to defer settlement for at least 12 months after the reporting date, is subject to the entity complying with conditions after the reporting period ("future covenants"). The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. However, the amendments require a company to disclose information about these covenants in the notes to the financial statements.

The adoption of the amendments had no impact on the interim financial statements.

IFRS 16, Amendment, Lease Liability in a Sale and Leaseback

The amendment requires a seller-lessee to subsequently measure lease liabilities arising in a sale and leaseback transaction in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. Any gains and losses relating to the full or partial termination of a lease continue to be recognised when they occur. The amendment does not change the accounting for leases unrelated to sale and leaseback transactions.

The adoption of the amendment had no impact on the interim financial statements.

Eurobank Cyprus Ltd

Notes to the interim financial statements

3 Significant accounting estimates and judgments in applying accounting policies

In preparing these interim condensed financial statements, the significant estimates, judgments and assumptions made by Management in applying the Bank's accounting policies and the key sources of estimation uncertainty are the same as those applied in the financial statements for the year ended 31 December 2023, except for those related to the expected credit losses (ECL) on loans and advances to customers, as described below.

Impairment losses on loans and advances to customers

Despite the fragile international environment, the economies in which the Bank operates are expected to remain in expansionary territory in 2024. In the period ended 30 June 2024, the Bank's asset quality continued its solid performance, as demonstrated by the level of its credit quality indicators in terms of NPE ratio and NPE coverage (note 2).

Considering the prevailing macroeconomic conditions, the Bank, as at 30 June 2024, revised the weight allocation between the macroeconomic scenarios applied in the context of IFRS 9 ECL measurement, incorporating appropriately Management's current sentiment regarding future economic conditions in the form of macroeconomic, market and other factors as embodied in each of the three scenarios. More specifically, scenario weights were revised as follows: adverse: 30%- base: 50%- optimistic: 20% (31 December 2023: 25%-50%-25%) resulting in an insignificant impact on impairment allowance for loans and advances to customers.

The Bank remains cautious for any developments in the macroeconomic trends and geopolitical front and closely monitors all loan portfolios, so as to revise, if needed, the respective estimates and assumptions.

4 Capital management

The Bank's capital adequacy position is presented in the following table:

	30 June 2024 €'000	31 December 2023 €'000
Ordinary shareholders' equity	963.853	854.211
Less: other regulatory adjustments	(12.208)	(7.430)
Total Tier 1 capital	951.645	846.781
Total Regulatory Capital	951.645	846.781
 Risk Weighted Assets	 2.640.482	 2.485.254
 Ratios:	 %	 %
Core Tier 1	36,0	34,1
Tier 1	36,0	34,1
Capital Adequacy Ratio	36,0	34,1

Eurobank Cyprus Ltd

Notes to the interim financial statements

4 Capital management (continued)

The Bank has sought to maintain an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) which have been incorporated in the European Union legislation through the Directive 2013/36/EU (known as CRD IV) along with the Regulation No 575/2013/EU (known as CRR), as they are in force. The above Directive has been transposed into Cyprus legislation by (i) Business of Credit Institutions Law of 1997 (L66(I)/1997) (as amended and applied), (ii) Directive on Internal Governance of Credit Institutions of 2021 (as amended and applied), and (iii) The Macroprudential Oversight of Institutions Law 2015 (L6(I)/2015) (as amended and applied).

Supplementary to the above, in the context of Internal Capital Adequacy Assessment Process (ICAAP), the Bank considers a broader range of risk types and the Bank's risk management capabilities. ICAAP aims ultimately to ensure that the Bank has sufficient capital to cover all material risks that it is exposed to, over a three-year horizon.

Based on Council Regulation No 1024/2013, the European Central Bank (ECB) conducts annually a Supervisory Review and Evaluation Process (SREP) in order to define the prudential requirements of the institutions under its supervision. The key purpose of the SREP is to ensure that institutions have adequate arrangements, strategies, processes and mechanisms as well as capital and liquidity to ensure a sound management and coverage of their risks, to which they are or might be exposed, including those revealed by stress testing and risks the institution may pose to the financial system.

According to the 2023 SREP decision, from 1 January 2024 the P2R for the Bank stands at 2,25% in terms of total capital (or at 1,27% in terms of CET1 capital), reflecting the improved Bank's financial position particularly in terms of asset quality. Thus, for June 2024, the Bank was required to meet a Common Equity Tier 1 Ratio of at least 9,96% and a Total Capital Adequacy Ratio of at least 14,45% (Overall Capital Requirement or OCR) including Combined Buffer Requirement of 4,19%, which is covered with CET1 capital and sits on top of the Total SREP Capital Requirement (TSCR).

From 1 January 2024, the O-SII buffer for the Bank was set to be at 0,75% (remained the same from 2023), in accordance with the policy adopted by the Central Bank of Cyprus for the methodology applied for the determination of the O-SII buffer rate.

The countercyclical capital buffer is updated on a monthly basis in accordance with the countercyclical capital buffer rates applicable in each country to which the Bank has exposures.

In addition, the 2023 SREP decision has revised the Bank's P2G to 1,25% (effective from January 2024) compared to 1,50% applied until December 2023.

Eurobank Cyprus Ltd

Notes to the interim financial statements

4 Capital management (continued)

The breakdown of the Bank's CET1 and Total Capital requirements inclusive of P2G as at 30 June 2024 is presented below:

	CET1 Capital Requirements	Total Capital Requirements
Minimum regulatory requirement	4,50%	8,00%
Pillar 2 Requirement (P2R)	1,27%	2,25%
Total SREP Capital Requirement (TSCR)	5,77%	10,25%
Combined Buffer Requirement (CBR)		
Capital conservation buffer (CCoB)	2,50%	2,50%
Countercyclical capital buffer (CCyB)	0,95%	0,95%
Other systemic institutions buffer (O-SII)	0,75%	0,75%
Overall Capital Requirement (OCR)	9,97%	14,45%
Pillar 2 Guidance (P2G)	1,25%	1,25%
Overall Capital Requirement and Pillar 2 Guidance	11,22%	15,70%

The Bank's Overall Capital Requirement including P2G is projected to rise to 15,82% from January 2025 (due to the change of 0,125% of the O-SII buffer), in terms of total capital (or projected at 9,95% in terms of CET1 capital).

Minimum Requirements for Eligible Own Funds and Eligible Liabilities (MREL)

Under the Directive 2014/59 (Bank Recovery and Resolution Directive) as in force, which was transposed into the Cyprus legislation pursuant to Business of Credit Institutions Laws of 1997 (as amended from time to time thereafter) and the Resolution of Credit Institutions and Investment Firms Law of 2016 (22(I)/2016) (as amended from time to time thereafter), European banks are required to meet the minimum requirement for own funds and eligible liabilities. The Single Resolution Board (SRB) has determined Eurobank S.A. as the Group's resolution entity and a Single Point of Entry (SPE) strategy for resolution purposes. The Bank is assessed by the SRB as a Material Legal Entity of the resolution group. Based on the latest SRB's decision, the fully calibrated MREL-TREA (final target) to be met by the Bank until the end of 2025 is set at 27,62% of its total risk weighted assets (RWAs), including a fully-loaded combined buffer requirement (CBR) of 4,45%. The SRB's decision also included an MREL-LRE minimum requirement of 5,91% of the Bank's total leverage exposure measure. The final MREL target is updated by the SRB on an annual basis.

The June 2024 binding MREL target stands at 27,37% of RWAs, including a CBR of 4,2%. As at 30 June 2024, the Bank's MREL ratio stands at 36,0% of RWAs including profit for the period ended 30 June 2024 (31 December 2023: 35,28%), which is higher than the aforementioned binding MREL target of 27,37%.

Leverage

The regulatory framework has introduced the leverage ratio as a non-risk based measure which is intended to restrict the build-up of excessive leverage from on and off balance sheet items in the banking sector. The leverage ratio is defined as Tier 1 capital divided by the total exposure measure and is a binding requirement at the beginning of 2018. The Bank submits to the regulatory authorities the leverage ratio on quarterly basis and monitors the level and the factors that affect the ratio.

The level of the leverage ratio with reference date 30 June 2024 amounts to 10,4% (31 December 2023: 10,6%), according to the transitional definition of Tier 1 capital, which is significantly over the 3% minimum threshold applied by the competent authorities.

Eurobank Cyprus Ltd

Notes to the interim financial statements

5 Net interest income

	Six months ended 30 June	
	2024	2023
	€'000	€'000
Interest income		
Interest income calculated using the effective interest method		
Interest from amounts due from credit institutions - <i>measured at amortised cost</i>	84.578	66.686
Interest from loans and advances to customers - <i>measured at amortised cost</i>	81.879	74.830
Interest from investment securities		
- <i>measured at amortised cost</i>	19.358	12.660
- <i>measured at FVOCI</i>	4.820	2.987
Total interest income calculated using the effective interest method	190.635	157.163
Other interest income		
Interest from derivative financial instruments - <i>measured at FVTPL</i>	29.630	16.874
Total other interest income	29.630	16.874
Interest expense		
Interest expense calculated using the effective interest method		
Interest on due to credit institutions - <i>measured at amortised cost</i>	(4.252)	(7.904)
Interest on due to customers - <i>measured at amortised cost</i>	(49.132)	(28.514)
Interest on lease liabilities	(109)	(143)
Total interest expense calculated using the effective interest method	(53.493)	(36.561)
Other interest expense		
Interest on derivative financial instruments - <i>measured at FVTPL</i>	(26.731)	(10.969)
Total other interest expense	(26.731)	(10.969)
Net interest income	140.041	126.507

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Notes to the interim financial statements

6 Net banking fee and commission income

	Six months ended 30 June	
	2024	2023
	€'000	€'000
Banking fee and commission income		
Bank transfer commissions	5.406	5.772
Other fees and commissions	17.069	15.451
Total banking fee and commission income	22.475	21.223
Banking fee and commission expense		
Fees on lien agreements (note 30)	(239)	(1.037)
Other fees and commissions	(2.314)	(2.296)
Total banking fee and commission expense	(2.553)	(3.333)
Net banking fee and commission income	19.922	17.890

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

	Six months ended 30 June	
	2024	2023
	€'000	€'000
Lending related activities	1.412	1.370
Wealth management	4.682	3.770
Network and other transactional activities	16.381	16.083
Total banking fee and commission income	22.475	21.223
Fee and commission expense	(2.553)	(3.333)
Net banking fee and commission income	19.922	17.890

The Bank recognises revenue when it transfers control over a service to a customer.

The Bank earns fee income from a range of services it provides to its clients. The major categories are the below:

- *Banking services including account management, granting of credit facilities, foreign currency transactions, credit card and other service fees*
Revenue from account and servicing fees is recognised over time as the services are provided (i.e. charged on a monthly basis to the customer's account). Servicing fees are based on fixed rates reviewed annually by the Bank.
Revenues from transaction-based fees (e.g. foreign currency transactions, overdraft facilities, etc.) are recognised (i.e. charged to the customer's account) at the point in time when the transaction takes place.
- *Execution of client transactions*
Revenue from transaction-based fees is recognised at the point in time when the transaction takes place.

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Notes to the interim financial statements

6 Net banking fee and commission income (continued)

- *Wealth management services, including safekeeping of assets and asset management services*
Fees from these services are calculated based on a fixed percentage of the value of assets managed / held and deducted from the customer's account balance on a monthly basis. The respective revenue is recognised over time as the services are provided. Fees from wealth management services, including safekeeping of assets and asset management services amount to €1.223 thousand (2023: €938 thousand).

7 Net trading loss

	Six months ended 30 June	
	2024	2023
	€'000	€'000
Net (loss)/gain from the ineffective portion of derivatives in qualifying hedging relationships	(17)	48
Net loss on derivative financial instruments (no hedge accounting)	(101)	(167)
Net trading loss	(118)	(119)

8 Net gains from other financial instruments

	Six months ended 30 June	
	2024	2023
	€'000	€'000
Net gains on revaluation of investment securities mandatorily at FVTPL:		
– UCIT funds	39	44
Net gains from investment securities	39	44

During the six months ended 30 June 2024 and 2023 the Bank did not sell any financial assets measured at amortised cost.

9 Operating expenses

	Six months ended 30 June	
	2024	2023
	€'000	€'000
Staff costs	15.165	14.973
Depreciation of property and equipment	859	799
Depreciation of right-of-use assets	1.272	1.323
Amortisation of intangible assets	1.540	1.624
Administrative expenses	7.703	8.607
	26.539	27.326

The average number of employees of the Bank during the period was 483 (six months ended 30 June 2023: 453).

Eurobank Cyprus Ltd

Notes to the interim financial statements

10 Impairment allowance on loans and advances to customers

The following tables present the movement of the impairment allowances for loans and advances to customers by product line and stage during the six months ended 30 June 2024 and 2023, respectively:

30 June 2024							
	Wholesale lending			Retail lending			Total
	12-month	Lifetime	Lifetime	12-month	Lifetime	Lifetime	
	ECL	ECL not credit-impaired	ECL credit-impaired	ECL	ECL not credit-impaired	ECL credit-impaired	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	5.685	5.226	39.466	224	41	572	51.214
New financial assets originated or purchased	3.758	-	-	43	-	-	3.801
Transfers:							
- To 12-month ECL	758	(758)	-	5	(5)	-	-
- To lifetime ECL not credit-impaired	(612)	3.798	(3.186)	(1)	1	-	-
- To lifetime ECL credit-impaired	(8)	(30)	38	-	-	-	-
Impact of ECL net remeasurement	(4.240)	(2.361)	9.325	(31)	3	(139)	2.557
Amounts written off	-	-	(1.777)	-	-	-	(1.777)
Recoveries from written off loans	-	-	2.142	-	-	-	2.142
Foreign exchange difference and other movements	(1)	-	(31)	-	-	-	(32)
Balance at 30 June	5.340	5.875	45.977	240	40	433	57.905

30 June 2023							
	Wholesale lending			Retail lending			Total
	12-month	Lifetime	Lifetime	12-month	Lifetime	Lifetime	
	ECL	ECL not credit-impaired	ECL credit-impaired	ECL	ECL not credit-impaired	ECL credit-impaired	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	3.892	3.446	37.835	349	13	95	45.630
New financial assets originated or purchased	612	-	-	5	-	-	617
Transfers:							
- To 12-month ECL	507	(507)	-	16	(10)	(6)	-
- To lifetime ECL not credit-impaired	(138)	296	(158)	(5)	6	(1)	-
- To lifetime ECL credit-impaired	(92)	(131)	223	-	-	-	-
Impact of ECL net remeasurement	(576)	1.274	6.436	(155)	(8)	(62)	6.909
Amounts written off	-	-	(1.471)	-	-	-	(1.471)
Recoveries from written off loans	-	-	1.616	-	-	-	1.616
Foreign exchange difference and other movements	2	(1)	(395)	(2)	1	517	122
Balance at 30 June	4.207	4.377	44.086	208	2	543	53.423

Eurobank Cyprus Ltd

Notes to the interim financial statements

10 Impairment allowance on loans and advances to customers (continued)

The following tables present the movement of the impairment allowances on financial guarantee contracts and other credit related commitments, and loan commitments by stage during the six months ended 30 June 2024 and 2023, respectively:

	30 June 2024						
	Loan commitments			Financial guarantee contracts and other credit related commitments			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	1.035	2.336	-	118	177	219	3.885
Net increase/(decrease)	96	(646)	-	16	(34)	35	(533)
Transfers:							
- To 12-month ECL	16	(16)	-	-	-	-	-
- To lifetime ECL not credit-impaired	(27)	27	-	(55)	55	-	-
- To lifetime ECL credit- impaired	-	-	-	-	-	-	-
Impact of ECL net remeasurement	58	(338)	-	61	(32)	(94)	(345)
Balance at 30 June	1.178	1.363	-	140	166	160	3.007

	30 June 2023						
	Loan commitments			Financial guarantee contracts and other credit related commitments			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	1.474	3.761	-	2.374	343	302	8.254
Net increase/(decrease)	2.553	(111)	-	(44)	(6)	-	2.392
Transfers:							
- To 12-month ECL	11	(11)	-	5	(5)	-	-
- To lifetime ECL not credit-impaired	(513)	513	-	(47)	47	-	-
- To lifetime ECL credit- impaired	-	-	-	(30)	(41)	71	-
Impact of ECL net remeasurement	1.314	(2.509)	-	327	176	85	(607)
Balance at 30 June	4.839	1.643	-	2.585	514	458	10.039

Impairment allowances on financial guarantee contracts and other credit related commitments and loan commitments is presented within "Other liabilities" (note 24).

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Notes to the interim financial statements

10 Impairment allowance on loans and advances to customers (continued)

The impairment losses relating to loans and advances to customers recognised in the Bank's income statement for the six months ended 30 June 2024 amounted to €5.480 thousand (six months ended 30 June 2023: €9.311 thousand) and are analysed as follows:

	Six months ended 30 June	
	2024	2023
	€'000	€'000
Impairment allowance on loans and advances to customers	6.358	7.526
(Reversal of impairment allowance)/impairment allowance on loan commitments	(830)	1.247
(Reversal of impairment allowance)/impairment allowance on financial guarantee contracts and other credit related commitments	(48)	538
Total	5.480	9.311

11 Other impairment allowances and risk provisions

	Six months ended 30 June	
	2024	2023
	€'000	€'000
Provisions on operational risk events	20	20
Reversal of impairment allowance on investment securities at FVOCI	(130)	(156)
Impairment allowance on investment securities at AC	209	57
Reversal of impairment allowance on due from credit institutions	(1)	-
	98	(79)

12 Income tax expense

	Six months ended 30 June	
	2024	2023
	€'000	€'000
Current tax:		
- Corporation tax	16.327	13.665
- Withholding tax	418	521
Total current tax	16.745	14.186
Deferred tax charge	12	46
Total income tax expense	16.757	14.232

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Notes to the interim financial statements

12 Income tax expense (continued)

The tax on the Bank's profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	Six months ended 30 June	
	2024	2023
	€'000	€'000
Profit before income tax and government levies	127.784	107.768
Tax calculated at the applicable corporation tax rate of 12,5%	15.973	13.471
Tax effect of expenses not deductible for tax purposes	996	1.112
Tax effect of allowances and income not subject to tax	(642)	(918)
Withholding tax	418	521
Deferred tax charge	12	46
Income tax expense	16.757	14.232

The Bank is subject to income tax on taxable profits at the rate of 12,5%.

Tax losses may be carried forward for five years. Tax losses of group companies in Cyprus, other than companies affected by article 13(8)(d)(i) of the Income Tax Law, can be offset against taxable profits of other group companies in Cyprus and any tax losses not utilised can be carried forward and offset against the same entity's taxable profits of the next five years. Article 13(8)(d)(i) of the Income Tax Law provides that in the case where the disposal of shares held by one company in another company member of the same group is taxed as a trading transaction then the two companies are not considered group companies for loss relief purposes.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax.

In certain cases, dividends received from abroad may be subject to special defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc.) are exempt from Cyprus income tax.

There is no income tax effect relating to components of other comprehensive income (six months ended 30 June 2023: €nil).

The Management believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

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Notes to the interim financial statements

12 Income tax expense (continued)

Other taxation related matters

Loan Restructuring Exemption – An exemption from Capital gains tax (CGT)/Income Tax/Corporate Tax/Land Registry Fees/Stamp Duties is available on all transfers of immovable property (IP) or shares of companies owning IP as a result of loan restructuring arrangements concluded between Credit Institutions and borrowers. Following an amendment to the Laws this exception has been extended and will be available until 31 December 2019. With an amendment to the Tax Laws, published in the Official Gazette on 17 July 2018, the definition of restructuring has been broadened as to include transfers/disposals of property to third persons, non-related with the borrower, following the consent of the Credit Institution. These restructuring arrangements however, will be restricted to facilities which were rendered non-performing on or prior to 31 December 2015. The restriction however was included in the general definition of restructurings and subsequently as from 17 July 2018 and until a new amendment to the provisions of the relevant Laws is effected, the tax exemptions will be applicable only to restructuring arrangements the facilities of which were rendered non-performing on or prior to 31 December 2015. With an additional amendment to the Laws the definition of Creditor has been broadened so as to include companies which acquire credit facilities pursuant to the Sale of Loans Law. Through this amendment the tax exemptions for loan restructurings will also be available for loan restructurings effected by these companies. Another amendment to the Law provisions with effect from 15 March 2019 broadens the term borrower so as to include 3rd degree related persons to the borrower. Through this amendment debt to asset restructurings may be now concluded with immovable property which is not mortgaged however is owned by the related to the borrower persons.

Deferred tax

Deferred tax is calculated on all deductible temporary differences under the liability method at the rate in effect at the time the reversal is expected to take place.

The movement in deferred tax assets and liabilities (non-current) during the six months ended 30 June 2024 and 2023 is as follows:

Six months ended 30 June 2024			
	Balance at 1 January €'000	Recognised in profit or loss €'000	Balance at 30 June €'000
Allowance for expected credit losses	1.896	(104)	1.792
Other temporary differences	(2.802)	92	(2.710)
Net tax liabilities	(906)	(12)	(918)

Six months ended 30 June 2023			
	Balance at 1 January €'000	Recognised in profit or loss €'000	Balance at 30 June €'000
Allowance for expected credit losses	2.171	126	2.297
Other temporary differences	(2.046)	(172)	(2.218)
Net tax assets	125	(46)	79

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12 Income tax expense (continued)

Pillar II income taxes

On 20 December 2021, the OECD/G20 Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) released the Model Global Anti-Base Erosion (GloBE) rules (Model Rules) under Pillar Two aiming to ensure that income is taxed at an appropriate rate. These Model Rules set forth the “common approach” for a Global Minimum Tax at 15% for multinational enterprises with consolidated revenues of more than €750 million. The Eurobank Group has identified potential exposure to Pillar Two income taxes in respect of profits earned in Cyprus as the Pillar Two effective tax rate is lower than 15% in Cyprus mainly due to its nominal corporate tax rate (CIT) applying on profits (the current CIT in Cyprus is 12,5%).

13 Cash and balances with central banks

	30 June 2024 €'000	31 December 2023 €'000
Cash in hand	9.105	9.515
Balances with central banks	3.360.856	2.718.768
Total	3.369.961	2.728.283
of which:		
Mandatory deposits with central banks	73.333	70.912

Cash and balances with central banks are classified as current.

As at 30 June 2024 and 31 December 2023, the impairment allowance on balances with central banks within the scope of IFRS 9 impairment requirements amounted to €nil.

Mandatory deposits with central banks represent the minimum level of average monthly deposits which the Bank is required to maintain. Mandatory balances with central banks can be withdrawn at any time provided the average monthly minimum deposits are maintained.

14 Due from credit institutions

	30 June 2024 €'000	31 December 2023 €'000
Due from credit institutions at amortised cost:		
Reverse repurchase agreements receivables ¹	1.072.747	1.098.322
Placements with credit institutions ²	75.170	40.317
Settlement balances with credit institutions	64.414	45.967
Total	1.212.331	1.184.606

¹The majority of the reverse repurchase agreements receivables as at 30 June 2024, approximately €1.040.006 thousand (31 December 2023: €1.072.906 thousand), have underlying securities which are rated as Investment grade.

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14 Due from credit institutions (continued)

²Placements with credit institutions bear interest which is based on the interbank rate of the relevant term and currency.

As at 30 June 2024, the impairment allowance on amounts due from credit institutions at amortised cost within the scope of IFRS 9 impairment requirements amounted to €1 thousand (31 December 2023: €1 thousand).

15 Derivative financial instruments

The fair values of derivative instruments held by product type and hedge relationship along with their notional amounts are set out in the following tables:

	30 June 2024			
	Assets		Liabilities	
	Contract/ notional amount € '000	Fair values € '000	Contract/ notional amount € '000	Fair values € '000
Derivatives for which hedge accounting is not applied/held for trading				
- Currency options	200	1	3.923	10
- Currency forward and spot deals	21.277	51	22.384	42
- Interest rate and currency interest rate swaps	41.485	876	41.485	876
- Currency swaps	861.351	6.080	855.061	238
- Cap and floor swaps	13.839	5	13.839	5
		7.013		1.171
Derivatives designated as fair value hedges				
- Interest rate swaps	465.213	5.556	465.213	487
		5.556		487
Total derivatives assets/liabilities		12.569		1.658

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15 Derivative financial instruments (continued)

	31 December 2023			
	Assets		Liabilities	
	Contract/ notional amount € '000	Fair values € '000	Contract/ notional amount € '000	Fair values € '000
Derivatives for which hedge accounting is not applied/held for trading				
- Currency options	2.201	10	2.215	10
- Currency forward and spot deals	24.452	196	22.889	26
- Interest rate and currency interest rate swaps	61.346	728	61.346	1.238
- Currency swaps	665.034	2.870	665.034	8.199
- Cap and floor swaps	27.446	140	27.446	130
		<u>3.944</u>		<u>9.603</u>
Derivatives designated as fair value hedges				
- Interest rate swaps	292.661	7.994	292.661	505
		<u>7.994</u>		<u>505</u>
Total derivatives assets/liabilities		<u>11.938</u>		<u>10.108</u>

16 Loans and advances to customers

	30 June 2024 €'000	31 December 2023 €'000
Loans and advances to customers at amortised cost:		
- Gross carrying amount	2.903.654	2.895.559
- Impairment allowance	(57.905)	(51.214)
Carrying amount	<u>2.845.749</u>	<u>2.844.345</u>

The following tables present the total gross carrying amount, representing the maximum exposure to credit risk before the impairment allowance, of loans and advances that are classified as not credit-impaired (Stage 1 and Stage 2) and those classified as credit-impaired (Stage 3). They also present the total impairment allowance recognised in respect of all loans and advances, based on how the respective impairment allowance has been calculated, the carrying amount of loans and advances, as well as the value of collateral held to mitigate credit risk. In addition, the value of collateral presented in the tables below is capped to the respective gross carrying amount.

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16 Loans and advances to customers (continued)

30 June 2024									
	Non-impaired		Credit-impaired		Total gross carrying amount / nominal exposure	Impairment allowance			Carrying amount
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Lifetime ECL credit-impaired		12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Loans and advances to customers at amortised cost:									
Retail lending:									
- Mortgage	14,028	-	-	-	14,028	9	-	-	14,019
Value of collateral	13,382	-	-	-					13,382
- Consumer	6,294	70	360	360	6,724	30	3	360	6,331
Value of collateral	1,272	4	350	350					1,626
- Affluent banking	113,493	1,099	185	185	114,777	195	33	35	114,514
Value of collateral	107,329	990	169	169					108,488
- Credit card	843	36	45	45	924	6	4	38	876
Value of collateral	39	1	8	8					48
Wholesale lending:									
- Large corporate	1,473,367	231,866	43,501	43,501	1,748,734	4,759	5,177	32,256	1,706,542
Value of collateral	1,149,862	206,504	40,875	40,875					1,397,241
- Wealth management	399,926	20,180	23,063	23,063	443,169	555	697	13,678	428,239
Value of collateral	383,444	20,034	22,573	22,573					426,051
-International business banking	356,892	6	59	59	356,957	-	-	44	356,913
Value of collateral	356,513	5	32	32					356,550
- Shipping	218,341	-	-	-	218,341	26	-	-	218,315
Value of collateral	218,306	-	-	-					218,306
Total	2,583,184	253,257	67,213	67,213	2,903,654	5,580	5,914	46,411	2,845,749
Value of collateral	2,230,147	227,538	64,007	64,007	2,521,692				2,521,692

	31 December 2023						
	Non-impaired		Credit- impaired	Impairment allowance			
	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total gross carrying amount / nominal exposure	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
	€'000	€'000	€'000	€'000	€'000	€'000	
Loans and advances to customers at amortised cost:							
Retail lending:							
- Mortgage	14,026	-	98	9	-	98	
Value of collateral	13,425	-	98				13,523
- Consumer	3,939	7	429	6	-	429	
Value of collateral	1,314	7	411				1,732
- Affluent banking	107,581	1,334	21	203	41	17	108,675
Value of collateral	100,916	1,198	4				102,118
- Credit card	927	21	41	6	-	28	955
Value of collateral	45	1	13				59
Wholesale lending:							
- Large corporate	1,352,954	216,210	44,939	5,033	4,746	28,429	1,575,895
Value of collateral	1,055,086	191,472	42,452				1,289,010
- Wealth management	401,842	19,446	23,004	635	480	11,011	432,166
Value of collateral	383,811	19,171	21,921				424,903
-International business banking	488,945	28	48	-	-	26	488,995
Value of collateral	488,365	17	39				488,421
- Shipping	219,719	-	-	17	-	-	219,702
Value of collateral	219,682	-	-				219,682
Total	2,589,933	237,046	68,580	5,909	5,267	40,038	2,844,345
Value of collateral	2,262,644	211,866	64,938				2,539,448

Eurobank Cyprus Ltd

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16 Loans and advances to customers (continued)

During the six months ended 30 June 2024, loans of €2.130 thousand that were written off in prior years were recovered (six months ended 30 June 2023: €1.616 thousand).

Interest income on impaired loans and advances to customers accrued during the period amounted to €1.240 thousand (six months ended 30 June 2023: €1.053 thousand).

The Bank assesses the credit quality of its loans and advances to customers and credit related commitments that are subject to ECL using internal credit rating systems for its portfolio which are based on a variety of quantitative and qualitative factors.

The following tables present the distribution of the gross carrying amount of loans and advances to customers based on the credit quality classification categories and stage allocations used:

		30 June 2024			Total gross carrying amount €'000
		Non-impaired		Credit-impaired	
		12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	
		€'000	€'000	€'000	
<u>Retail lending:</u>					
- Mortgage	Strong	13.477	-	-	13.477
	Satisfactory	551	-	-	551
- Consumer	Strong	6.141	10	-	6.151
	Satisfactory	153	60	-	213
	Impaired	-	-	360	360
- Affluent banking	Strong	91.822	219	-	92.041
	Satisfactory	21.671	880	-	22.551
	Impaired	-	-	185	185
- Credit card	Strong	575	6	-	581
	Satisfactory	268	29	-	297
	Watch list	-	1	-	1
	Impaired	-	-	45	45
<u>Wholesale lending:</u>					
- Large corporate	Strong	911.666	15.922	-	927.588
	Satisfactory	561.700	197.996	-	759.696
	Watch list	-	17.948	-	17.948
	Impaired	-	-	43.502	43.502
- Wealth management	Strong	365.534	1.636	-	367.170
	Satisfactory	34.393	17.376	-	51.769
	Watch list	-	1.168	-	1.168
	Impaired	-	-	23.062	23.062
- International business banking	Strong	354.688	5	-	354.693
	Satisfactory	2.204	1	59	2.264
- Shipping	Strong	218.311	-	-	218.311
	Satisfactory	30	-	-	30
		2.583.184	253.257	67.213	2.903.654

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Notes to the interim financial statements

16 Loans and advances to customers (continued)

		31 December 2023			Total gross carrying amount €'000
		Non-impaired		Credit- impaired	
		12-month ECL €'000	Lifetime ECL not credit- impaired €'000	Lifetime ECL credit-impaired €'000	
<u>Retail lending:</u>					
- Mortgage	Strong	13.484	-	-	13.484
	Satisfactory	542	-	-	542
	Impaired	-	-	98	98
- Consumer	Strong	3.906	7	-	3.913
	Satisfactory	33	-	-	33
	Impaired	-	-	429	429
- Affluent banking	Strong	81.405	410	-	81.815
	Satisfactory	26.176	924	-	27.100
	Impaired	-	-	21	21
- Credit card	Strong	667	1	-	668
	Satisfactory	260	19	-	279
	Watch list	-	1	-	1
	Impaired	-	-	41	41
<u>Wholesale lending:</u>					
- Large corporate	Strong	900.334	16.730	-	917.064
	Satisfactory	452.620	187.808	-	640.428
	Watch list	-	11.672	-	11.672
	Impaired	-	-	44.939	44.939
- Wealth management	Strong	370.715	1.215	-	371.930
	Satisfactory	31.127	17.001	-	48.128
	Watch list	-	1.230	-	1.230
	Impaired	-	-	23.004	23.004
- International business banking	Strong	486.636	18	-	486.654
	Satisfactory	2.309	10	-	2.319
	Impaired	-	-	48	48
- Shipping	Strong	219.686	-	-	219.686
	Satisfactory	33	-	-	33
		2.589.933	237.046	68.580	2.895.559

Eurobank Cyprus Ltd

Notes to the interim financial statements

16 Loans and advances to customers (continued)

The following tables present the movement of the gross carrying amounts for loans and advances to customers by product line and stage and is calculated by reference to the opening and closing balances for the reporting period from 1 January 2024 to 30 June 2024, and from 1 January 2023 to 31 December 2023, respectively:

	30 June 2024					
	Wholesale lending		Retail lending		Total	
	12-month ECL €'000	Lifetime ECL not credit- impaired €'000	12-month ECL €'000	Lifetime ECL not credit- impaired €'000	Lifetime ECL credit- impaired €'000	€'000
Gross carrying amount at 1 January	2,463,460	235,684	126,473	1,362	589	2,895,559
New financial assets originated or purchased	295,752	-	17,161	-	-	312,913
Transfers:						
- To 12-month ECL	17,185	(17,185)	227	(227)	-	-
- To lifetime ECL not credit-impaired	(30,343)	35,130	(108)	108	-	-
- To lifetime ECL credit-impaired	(4,984)	(1,195)	(178)	-	178	-
Financial assets derecognised	-	-	(146)	-	-	(146)
Amounts written off	-	-	-	-	(1,777)	(1,777)
Repayments	(361,882)	(34,969)	(8,732)	(74)	(198)	(408,612)
Foreign exchange difference and other movements	69,338	34,587	(39)	36	21	105,717
Gross carrying amount at 30 June	2,448,526	252,052	134,658	1,205	590	2,903,654
Less impairment allowance	(5,340)	(5,874)	(240)	(40)	(433)	(57,905)
Carrying amount at 30 June	2,443,186	246,178	134,418	1,165	157	2,845,749

Eurobank Cyprus Ltd

Notes to the interim financial statements

16 Loans and advances to customers (continued)

	31 December 2023				
	Wholesale lending		Retail lending		Total €'000
	12-month ECL €'000	Lifetime ECL not credit- impaired €'000	Lifetime ECL credit- impaired €'000	12-month ECL €'000	
Gross carrying amount at 1 January	2,355,843	228,334	69,783	120,269	2,775,548
New financial assets originated or purchased	727,380	-	-	26,631	754,011
Transfers:					
- To 12-month ECL	54,186	(40,934)	(13,252)	240	-
- To lifetime ECL not credit-impaired	(98,249)	103,804	(5,555)	(557)	-
- To lifetime ECL credit- impaired	(11,341)	(27,417)	38,758	(15)	-
Financial assets derecognised	(8,148)	-	-	(1,019)	(9,167)
Amounts written off	-	-	(16,834)	-	(16,871)
Repayments	(528,273)	(39,884)	(6,961)	(29,416)	(604,804)
Foreign exchange difference and other movements	(27,938)	11,781	2,052	10,340	(3,158)
Gross carrying amount at 31 December	2,463,460	235,684	67,991	126,473	2,895,559
Less impairment allowance	(5,685)	(5,226)	(39,466)	(224)	(51,214)
Carrying amount at 31 December	2,457,775	230,458	28,525	126,249	2,844,345

The above balances contain €370 million of facilities secured by cash collateral as at 30 June 2024 (31 December 2023: €434 million). For these facilities no ECL is estimated as due to the nature of the security, no credit risk is assumed for these exposures.

The contractual amount outstanding on lending exposures that were written off during the six months ended 30 June 2024 and that are still subject to enforcement activity is €2,851 thousand (six months ended 30 June 2023: €182 thousand).

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Notes to the interim financial statements

16 Loans and advances to customers (continued)

The following table sets out information about the overdue status of loans and advances to customers in Stages 1 and 2:

	30 June 2024			31 December 2023		
	Stage 1 €'000	Stage 2 €'000	Total €'000	Stage 1 €'000	Stage 2 €'000	Total €'000
Current	2.583.184	247.340	2.830.524	2.567.118	235.912	2.803.030
Overdue less than 30 days	-	3.145	3.145	22.815	152	22.967
Overdue more than 30 days	-	2.772	2.772	-	982	982
Gross carrying amount	2.583.184	253.257	2.836.441	2.589.933	237.046	2.826.979
Impairment allowance	(5.580)	(5.914)	(11.494)	(5.909)	(5.267)	(11.176)
Carrying amount	2.577.604	247.343	2.824.947	2.584.024	231.779	2.815.803

The following tables present a summary of the credit quality of forborne loans and advances to customers:

	Total loans & advances at amortised cost €'000	30 June 2024 Forborne loans & advances €'000	% of forborne loans & advances to total loans & advances
Gross carrying amount:			
12-month ECL	2.583.180	-	-
Lifetime ECL not credit-impaired	253.259	76.209	30,1
Lifetime ECL credit-impaired	67.215	36.450	54,2
Total gross carrying amount	2.903.654	112.659	3,9
Impairment allowance:			
12-month ECL	5.580	-	-
Lifetime ECL not credit-impaired	5.914	1.701	28,8
Lifetime ECL credit-impaired	46.411	26.622	57,4
Total impairment allowance	57.905	28.323	48,9
Carrying amount	2.845.749	84.336	3,0
Collateral received	2.521.692	111.616	

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16 Loans and advances to customers (continued)

	31 December 2023		
	Total loans & advances at amortised cost €'000	Forborne loans & advances €'000	% of forborne loans & advances to total loans & advances
Gross carrying amount:			
12-month ECL	2.589.933	-	-
Lifetime ECL not credit-impaired	237.046	101.180	42,7
Lifetime ECL credit-impaired	68.580	46.375	67,6
Total gross carrying amount	<u>2.895.559</u>	<u>147.555</u>	5,1
Impairment allowance:			
12-month ECL	5.909	-	-
Lifetime ECL not credit-impaired	5.267	1.630	30,9
Lifetime ECL credit-impaired	40.038	28.140	70,3
Total impairment allowance	<u>51.214</u>	<u>29.770</u>	58,1
Carrying amount	<u>2.844.345</u>	<u>117.785</u>	4,1
Collateral received	<u>2.539.448</u>	<u>146.508</u>	

The breakdown of collateral and guarantees for loans and advances to customers at amortised cost is presented below:

	30 June 2024				
	Value of collateral received				Guarantees received
	Real Estate €'000	Financial €'000	Other Collateral €'000	Total €'000	€'000
Retail lending	107.873	15.670	2	123.545	-
Wholesale lending	1.651.297	530.258	209.119	2.390.674	7.473
Total	<u>1.759.170</u>	<u>545.928</u>	<u>209.121</u>	<u>2.514.219</u>	<u>7.473</u>

	31 December 2023				
	Value of collateral received				Guarantees received
	Real Estate €'000	Financial €'000	Other Collateral €'000	Total €'000	€'000
Retail lending	105.004	12.427	2	117.433	-
Wholesale lending	1.535.854	669.062	203.918	2.408.834	13.181
Total	<u>1.640.858</u>	<u>681.489</u>	<u>203.920</u>	<u>2.526.267</u>	<u>13.181</u>

Eurobank Cyprus Ltd

Notes to the interim financial statements

17 Investment securities

	30 June 2024 €'000	31 December 2023 €'000
Investment securities at FVOCI	486.056	458.252
Investment securities at amortised cost	1.251.248	963.959
Investment securities mandatorily at FVTPL	2.112	2.042
	<u>1.739.416</u>	<u>1.424.253</u>

The tables below disclose the gross carrying amount, impairment allowance and carrying amount per stage of investment securities as at 30 June 2024 and 31 December 2023:

	30 June 2024			31 December 2023		
	12-month ECL €'000	Lifetime ECL not credit- impaired €'000	Total €'000	12-month ECL €'000	Lifetime ECL not credit- impaired €'000	Total €'000
Debt securities at FVOCI:						
Carrying amount	486.056	-	486.056	458.252	-	458.252
Debt securities at amortised cost:						
-Gross carrying amount	1.252.085	-	1.252.085	964.583	-	964.583
-Impairment allowance	(837)	-	(837)	(624)	-	(624)
Carrying amount	1.251.248	-	1.251.248	963.959	-	963.959
Total of debt securities	<u>1.737.304</u>	<u>-</u>	<u>1.737.304</u>	<u>1.422.211</u>	<u>-</u>	<u>1.422.211</u>
Other investment securities mandatorily at FVTPL:						
UCIT funds			2.112			2.042
Carrying amount			<u>2.112</u>			<u>2.042</u>
Total of investment securities			<u>1.739.416</u>			<u>1.424.253</u>

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Notes to the interim financial statements

17 Investment securities (continued)

The investment securities per category are analysed as follows:

	30 June 2024			
	Investment securities at FVOCI €'000	Investment securities at amortised cost €'000	Investment securities mandatorily at FVTPL €'000	Total €'000
Debt securities:				
- Cyprus government bonds	47.249	384.532	-	431.781
- Other government bonds	330.523	480.370	-	810.893
- Multilateral development banks	-	54.290	-	54.290
- Banks and financial institutions	70.872	160.753	-	231.625
- Other issuers	37.412	171.303	-	208.715
Total debt securities	486.056	1.251.248	-	1.737.304
Other investment securities:				
UCIT funds	-	-	2.112	2.112
Total other investment securities	-	-	2.112	2.112
Total investment securities	486.056	1.251.248	2.112	1.739.416

	31 December 2023			
	Investment securities at FVOCI €'000	Investment securities at amortised cost €'000	Investment securities mandatorily at FVTPL €'000	Total €'000
Debt securities:				
- Cyprus government bonds	47.305	303.032	-	350.337
- Other government bonds	295.269	342.062	-	637.331
- Multilateral development banks	-	24.514	-	24.514
- Banks and financial institutions	77.646	107.921	-	185.567
- Other issuers	38.032	186.430	-	224.462
Total debt securities	458.252	963.959	-	1.422.211
Other investment securities:				
UCIT funds	-	-	2.042	2.042
Total other investment securities	-	-	2.042	2.042
Total investment securities	458.252	963.959	2.042	1.424.253

As at 30 June 2024 and 31 December 2023, all investment securities, with the exception of UCIT funds, are listed.

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18 Investments in subsidiaries

The following is a listing of the Bank's subsidiaries as at 30 June 2024:

Company name

Foramonio Ltd
Lenevino Holdings Ltd
Neviko Ventures Ltd
Rano Investments Ltd
Amvanero Ltd
Revasono Holdings Ltd
Volki Investments Ltd
Zivar Investments Ltd
Elerovio Holdings Limited
Adariano Investments Limited
Afinopio Investments Limited
Ovedrio Holdings Limited
Primoxia Holdings Limited

All companies are registered and operate in Cyprus, are 100% owned by the Bank and have been set up to acquire properties from customers in settlement of their obligations with the Bank.

Acquisitions of subsidiaries

During the six months ended 30 June 2024 there were no acquisitions of subsidiaries. During the year ended 31 December 2023, Afinopio Investments Limited, Ovedrio Holdings Limited and Primoxia Holdings Limited were set up with a share capital of €1 thousand each.

Dissolution and disposal of subsidiaries

During the six months ended 30 June 2024 and 2023 there were no dissolutions or disposals of subsidiaries.

19 Property and equipment

The carrying amounts of property and equipment are analysed as follows:

	30 June 2024 €'000	31 December 2023 €'000
Leasehold improvements	5.234	5.630
Motor vehicles and motorcycles	2	5
Equipment	2.250	2.477
Right-of-use assets	14.723	15.787
Total	22.209	23.899

Leasehold improvements relate to premises occupied by the Bank for its own activities.

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Notes to the interim financial statements

19 Property and equipment (continued)

As at 30 June 2024, the right-of-use assets amounting to €14.723 thousand (31 December 2023: €15.787 thousand) refer to leased offices and banking centre premises of €14.623 thousand (31 December 2023: €15.701 thousand) and motor vehicles of €100 thousand (31 December 2023: €86 thousand).

20 Intangible assets

The carrying amount of intangible assets of €32.652 thousand as at 30 June 2024 (31 December 2023: €33.464 thousand) comprises of computer software.

21 Other assets

	30 June 2024 €'000	31 December 2023 €'000
Prepaid expenses	2.290	1.302
Other assets	7.773	2.890
	10.063	4.192

None of these financial assets are either past due or credit-impaired.

22 Due to credit institutions

	30 June 2024 €'000	31 December 2023 €'000
Deposits due to credit institutions	561.760	138.341
Settlement balances with credit institutions	133.364	45.881
	695.124	184.222

On 31 May 2022, Eurobank S.A. extended to the Bank a €30 million 3-year non-callable in 2, senior non-preferred loan to cover MREL requirement. The interest rate was fixed for 3 years at 3,86%. The loan was repaid in full following the approval of the SRB for an early redemption without replacement nor the issuance of a new MREL-eligible instrument on 31 May 2024. The balance of the loan as at 31 December 2023 amounted to €30.103 thousand and was included in "Deposits due to credit institutions".

Amounts due to credit institutions are categorised as financial liabilities measured at amortised cost.

Eurobank Cyprus Ltd

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23 Due to customers

	30 June 2024 €'000	31 December 2023 €'000
Current accounts	3.967.567	4.110.119
Notice accounts	3.118	4.041
Term deposits	3.498.891	2.984.785
	7.469.576	7.098.945

Total client deposits pledged as collateral for credit facilities granted to clients as at 30 June 2024 amounted to €545.928 thousand (31 December 2023: €681.489 thousand).

Amounts due to customers are categorised as financial liabilities measured at amortised cost.

Special levy on total deposits is imposed by legislation to all Banks and Credit Institutions operating in Cyprus. The special levy is calculated on the level of deposits at previous quarter-end at the rate of 0,0375% per quarter and is payable in quarterly instalments. The government levy on customer deposits for the six months ended 30 June 2024 amounted to €5.337 thousand (six months ended 30 June 2023: €2.702 thousand). Following an amendment of the Imposition of Special Credit Institution Tax Law in 2017, the Single Resolution Fund contribution which is charged annually by the Single Resolution Board, is offset by the special levy up to the level of the total annual special levy charge. No contribution was paid to the Single Resolution Fund during the six months ended 30 June 2024 (six months ended 30 June 2023: €2.986 thousand).

24 Other liabilities

	30 June 2024 €'000	31 December 2023 €'000
Impairment allowance on financial guarantees and credit related commitments	3.007	3.885
Lease liabilities	15.800	16.773
Balances under settlement ⁽¹⁾	37.382	48.970
Duties and other taxes	1.998	3.020
Suppliers and creditors	590	1.520
Other liabilities and accruals	47.662	40.347
	106.439	114.515

⁽¹⁾ Includes settlement balances relating to bank cheques and remittances, credit card transactions, other banking and brokerage activities.

As at 30 June 2024 and 31 December 2023, other liabilities and accruals mainly consist of staff related and trading balances.

As at 30 June 2024, they also include provisions for operational risk events of €658 thousand (31 December 2023: €638 thousand).

Eurobank Cyprus Ltd

Notes to the interim financial statements

25 Share capital

The par value of the Bank's shares is €10 thousand per share. All shares are fully paid.

The movement of share capital and share premium is as follows:

	No. of shares	Ordinary shares €'000	Share premium €'000	Total €'000
Authorised				
At 30 June 2024 & 31 December 2023	1.500	15.000	-	15.000
Issued				
At 30 June 2024 & 31 December 2023	1.201	12.010	245.384	257.394

There were no changes in the Bank's share capital during the six months ended 30 June 2024 and year ended 31 December 2023.

All the shares have the same rights.

There are no restrictions on the transfer of ordinary shares and no restrictions on the exercise of voting rights other than the restrictions imposed by the Business of Credit Institutions Law of Cyprus which provides that the approval of the Central Bank of Cyprus is required before the acquisition of shares in the Company, exceeding certain thresholds.

There are no restrictions on the payment of dividends other than those imposed by the Business of Credit Institutions Law of Cyprus under certain circumstances.

26 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price). When a quoted price for an identical asset or liability is not observable, fair value is measured using another valuation technique that is appropriate in the circumstances, and maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect assumptions that market participants would use when pricing financial instruments, such as quoted prices in active markets for similar instruments, interest rates and yield curves, implied volatilities and credit spreads.

Eurobank Cyprus Ltd

Notes to the interim financial statements

26 Fair value of financial assets and liabilities (continued)

The Bank's financial instruments measured at fair value or at amortised cost for which fair value is disclosed are categorised into the three levels of the fair value hierarchy based on whether the inputs to the fair values are observable or unobservable, as follows:

- a) Level 1 – Financial instruments measured based on quoted prices (unadjusted) in active markets for identical financial instruments that the Bank can access at the measurement date. A market is considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and represent actually and regularly occurring transactions. Level 1 financial instruments include actively quoted debt instruments, equity and derivative instruments traded on exchanges, as well as mutual funds that have regularly and frequently published quotes.
- b) Level 2 - Financial instruments measured using valuation techniques with inputs, other than level 1 quoted prices, that are observable either directly or indirectly, such as: i) quoted prices for similar financial instruments in active markets, ii) quoted prices for identical or similar financial instruments in markets that are not active, iii) inputs other than quoted prices that are directly or indirectly observable, mainly interest rates and yield curves observable at commonly quoted intervals, forward exchange rates, equity prices, credit spreads and implied volatilities obtained from internationally recognised market data providers and iv) other unobservable inputs which are insignificant to the entire fair value measurement. Level 2 financial instruments include over-the-counter (OTC) derivatives, equity instruments and less liquid debt instruments.
- c) Level 3 - Financial instruments measured using valuation techniques with significant unobservable inputs. When developing unobservable inputs, best information available is used, including own data, while at the same time market participants' assumptions are reflected (e.g. assumptions about risk). Level 3 financial instruments include unquoted equities or equities traded in markets that are not considered active, certain OTC derivatives and loans and advances to customers.

Financial instruments measured at fair value

The fair value hierarchy categorisation of the Bank's financial assets and liabilities measured at fair value is presented in the following tables:

	30 June 2024		
	Level 1 €'000	Level 2 €'000	Total €'000
Financial assets measured at fair value on a recurring basis:			
Derivative financial instruments designated as fair value hedges	-	5.556	5.556
Derivatives for which hedge accounting is not applied/held for trading	-	7.013	7.013
Investment securities at FVOCI	429.621	56.435	486.056
Investment securities mandatorily at FVTPL	2.112	-	2.112
Total financial assets measured at fair value on a recurring basis	431.733	69.004	500.737
Financial liabilities measured at fair value on a recurring basis:			
Derivative financial instruments designated as fair value hedges	-	487	487
Derivatives for which hedge accounting is not applied/held for trading	-	1.171	1.171
Total financial liabilities measured at fair value on a recurring basis	-	1.658	1.658

Eurobank Cyprus Ltd

Notes to the interim financial statements

26 Fair value of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

	31 December 2023		
	Level 1 €'000	Level 2 €'000	Total €'000
Financial assets measured at fair value on a recurring basis:			
Derivative financial instruments designated as fair value hedges	-	7.994	7.994
Derivatives for which hedge accounting is not applied/held for trading	-	3.944	3.944
Investment securities at FVOCI	400.774	57.478	458.252
Investment securities mandatorily at FVTPL	2.042	-	2.042
Total financial assets measured at fair value on a recurring basis	402.816	69.416	472.232
Financial liabilities measured at fair value on a recurring basis:			
Derivative financial instruments designated as fair value hedges	-	505	505
Derivatives for which hedge accounting is not applied/held for trading	-	9.603	9.603
Total financial liabilities measured at fair value on a recurring basis	-	10.108	10.108

The Bank recognises transfers into and out of the fair value hierarchy levels at the beginning of the quarter in which a financial instrument's transfer was effected. During the six months ended 30 June 2024 and 2023, the Bank did not make any transfers into and out of the fair value hierarchy levels.

Valuation processes and techniques

The Bank's processes and procedures governing the fair valuations are established by the Group Market Counterparty Risk Sector in line with the Group's accounting policies. The Bank uses widely recognised valuation models for determining the fair value of common financial instruments that are not quoted in an active market, such as interest and cross currency swaps, that use only observable market data and require little management estimation and judgment. Specifically, observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded and simple over-the-counter derivatives. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values.

Where valuation techniques are used to determine the fair values of financial instruments that are not quoted in an active market, they are validated against historical data and, where possible, against current or recent observed transactions in different instruments, and periodically reviewed by qualified personnel independent of the personnel that created them.

All models are certified before they are used and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Fair values' estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that market participants would take them into account in pricing the instrument. Fair values also reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank and the counterparty, where appropriate.

Eurobank Cyprus Ltd

Notes to the interim financial statements

26 Fair value of financial assets and liabilities (continued)

Financial instruments measured at fair value (continued)

Valuation processes and techniques (continued)

Valuation controls applied by the Bank may include verification of observable pricing, re-performance of model valuations, review and approval process for new models and/or changes to models, calibration and back-testing against observable market transactions, where available, analysis of significant valuation movements, etc. Where third parties' valuations are used for fair value measurement, these are reviewed in order to ensure compliance with the requirements of IFRS 13.

The fair values of OTC derivative financial instruments are estimated by discounting expected cash flows using market interest rates at the measurement date. Counterparty credit risk adjustments and own credit risk adjustments are applied to OTC derivatives, where appropriate. Bilateral credit risk adjustments consider the expected cash flows between the Bank and its counterparties under the relevant terms of the derivative instruments and the effect of the credit risk on the valuation of these cash flows. As appropriate in circumstances, the Bank considers also the effect of any credit risk mitigating arrangements, including collateral agreements and master netting agreements on the calculation of credit risk valuation adjustments (CVAs). CVA calculation uses probabilities of default (PDs) based on observable market data such as credit default swaps (CDS) spreads, where appropriate, or based on internal rating models. The Bank applies similar methodology for the calculation of debit-value-adjustments (DVAs), when applicable. Where valuation techniques are based on internal rating models and the relevant CVA is significant to the entire fair value measurement, such derivative instruments are categorised as Level 3 in the fair value hierarchy.

The Bank determines fair values for debt securities held using quoted market prices in active markets for securities with similar credit risk, maturity and yield, quoted market prices in non-active markets for identical or similar financial instruments, or using discounted cash flows method.

Unquoted equity instruments at FVTPL, included in Level 3, are estimated using mainly (i) third parties' valuation reports based on investees' net assets, where management does not perform any further significant adjustments, and (ii) net assets' valuations, adjusted where considered necessary.

Loans and advances to customers with contractual cash flows that do not represent solely payments of principal and interest (SPPI) failures are measured mandatorily at fair value through profit or loss. Quoted market prices are not available as there are no active markets where these instruments are traded. Their fair values are estimated on an individual loan basis by discounting the future expected cash flows over the time period they are expected to be recovered, using an appropriate discount rate or by reference to other comparable assets of the same type that have been transacted during a recent time period. Expected cash flows, which incorporate credit risk, represent significant unobservable input in the valuation and as such, the entire fair value measurement is categorised as Level 3 in the fair value hierarchy.

Eurobank Cyprus Ltd

Notes to the interim financial statements

26 Fair value of financial assets and liabilities (continued)

Financial instruments not measured at fair value

The fair value hierarchy categorisation of the Bank's financial assets and liabilities not measured at fair value on the balance sheet is presented in the following tables:

30 June 2024					Carrying amount €'000
Level 1 €'000	Level 2 €'000	Level 3 €000	Fair Value €000		
Financial assets not measured at fair value:					
Balances with central banks	-	3.360.856	-	3.360.856	3.360.856
Due from credit institutions	-	1.212.331	-	1.212.331	1.212.331
Loans and advances to customers	-	-	2.910.943	2.910.943	2.845.749
Investment securities at AC	804.703	448.393	-	1.253.096	1.251.248
Other assets	-	7.773	-	7.773	7.773
	804.703	5.029.353	2.910.943	8.744.999	8.677.957

Financial liabilities not measured at fair value:

Due to credit institutions	-	695.124	-	695.124	695.124
Due to customers	-	7.469.576	-	7.469.576	7.469.576
Other liabilities	-	103.432	-	103.432	103.432
-	8.268.132	-	8.268.132		8.268.132

31 December 2023					Carrying amount €'000
Level 1 €'000	Level 2 €'000	Level 3 €000	Fair Value €000		
Financial assets not measured at fair value:					
Balances with central banks	-	2.718.768	-	2.718.768	2.718.768
Due from credit institutions	-	1.184.606	-	1.184.606	1.184.606
Loans and advances to customers	-	-	2.899.823	2.899.823	2.844.345
Investment securities at AC	593.513	371.402	-	964.915	963.959
Other assets	-	2.890	-	2.890	2.890
	593.513	4.277.666	2.899.823	7.771.002	7.714.568

Financial liabilities not measured at fair value:

Due to credit institutions	-	184.222	-	184.222	184.222
Due to customers	-	7.098.945	-	7.098.945	7.098.945
Other liabilities	-	110.630	-	110.630	110.630
-	7.393.797	-	7.393.797		7.393.797

The assumptions and methodologies underlying the calculation of fair values of financial instruments not measured at fair value are in line with those used to calculate the fair values for financial instruments measured at fair value.

Eurobank Cyprus Ltd

Notes to the interim financial statements

26 Fair value of financial assets and liabilities (continued)

Financial instruments not measured at fair value (continued)

Particularly:

- Loans and advances to customers: quoted market prices are not available as there are no active markets where these instruments are traded. The fair values are estimated by discounting future expected cash flows over the time period they are expected to be recovered, using appropriate risk-adjusted rates (i.e. discounted expected cash flows technique). More specifically, loans to customers are grouped into homogenous assets with similar characteristics, as monitored by Management, such as lending business unit, products' characteristics, and performing/nonperforming status, in order to improve the accuracy of the estimated valuation outputs. In estimating the future cash flows of lending portfolios, the Bank makes assumptions on expected prepayments, products' spreads over risk-free interest rates, where applicable. The discount rates applied for the discounting of loans' expected cash flows incorporate inputs that would be taken into account by independent market participants, such as risk-free interest rates, expected credit losses, cost of equity requirements and funding. For credit impaired-loans, the timing of collateral realisation is taken into account for the estimation of the future cash flows which are discounted by non-credit risk adjusted rates.
- Investment securities measured at amortised 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 and 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 banks, due from credit institutions, due to central banks, due to credit institutions and due to customers), the carrying amounts represent reasonable approximations of fair values.

27 Contingencies and commitments

The Bank presents the credit related commitments it has undertaken within the context of its lending related activities into the following three categories: a) financial guarantee contracts, which refer to guarantees and standby letters of credit that carry the same credit risk as loans (credit substitutes), b) commitments to extend credit, which comprise firm commitments that are irrevocable over the life of the facility or revocable only in response to a material adverse effect and c) other credit related commitments, which refer to documentary and commercial letters and other guarantees.

	30 June 2024 €'000	31 December 2023 €'000
<i>Contingent liabilities:</i>		
Financial guarantee contracts	197.856	211.133
Credit related commitments	2.998	3.767
	200.854	214.900
<i>Commitments:</i>		
Loan commitments	606.334	609.362

Eurobank Cyprus Ltd

Notes to the interim financial statements

27 Contingencies and commitments (continued)

The following tables present the nominal amount, representing the maximum exposure to credit risk before the impairment allowance, of credit related commitments that are classified as not credit-impaired (Stage 1 and Stage 2) and those classified as credit-impaired (Stage 3). They also present the total impairment allowance recognised in respect of all credit related commitments, based on how the respective impairment allowance has been calculated, as well as the value of collateral held to mitigate credit risk. In addition, the value of collateral presented in the tables below is capped to the respective nominal amount.

30 June 2024							
	Non-impaired		Credit-impaired	Total gross carrying amount / nominal exposure	Impairment allowance		
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired		12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
	€'000	€'000	€'000		€'000	€'000	€'000
Financial guarantee contracts and other credit related commitments	195.664	3.718	1.472	200.854	137	166	163
Loan commitments	558.137	42.449	5.748	606.334	1.193	1.348	-
	753.801	46.167	7.220	807.188	1.330	1.514	163
<i>Value of collateral</i>	<i>244.355</i>	<i>23.577</i>	<i>2.689</i>	<i>270.621</i>			

31 December 2023							
	Non-impaired		Credit-impaired	Total gross carrying amount / nominal exposure	Impairment allowance		
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired		12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
	€'000	€'000	€'000		€'000	€'000	€'000
Financial guarantee contracts and other credit related commitments	208.402	5.834	664	214.900	118	177	219
Loan commitments	550.521	53.259	5.582	609.362	1.035	2.336	-
	758.923	59.093	6.246	824.262	1.153	2.513	219
<i>Value of collateral</i>	<i>290.279</i>	<i>29.751</i>	<i>1.669</i>	<i>321.699</i>			

Impairment allowance on contingent liabilities and commitments is presented within "Other liabilities" (note 24).

Eurobank Cyprus Ltd

Notes to the interim financial statements

27 Contingencies and commitments (continued)

The Bank assesses the credit quality of its credit related commitments that are subject to ECL using internal credit rating systems for its portfolio which are based on a variety of quantitative and qualitative factors. The following tables present the distribution of the nominal exposure of credit related commitments based on the credit quality classification categories and stage allocations used.

	30 June 2024			
	Non-impaired		Credit-impaired	Total nominal exposure €'000
	12-month ECL €'000	Lifetime ECL not credit-impaired €'000	Lifetime ECL credit-impaired €'000	
Credit related commitments:				
Financial guarantee contracts and other credit related commitments:				
Strong	440.789	2.649	-	443.438
Satisfactory	117.348	36.595	-	153.943
Watch list	-	3.205	-	3.205
Impaired	-	-	5.748	5.748
Loan commitments:				
Strong	130.411	301	-	130.712
Satisfactory	65.253	3.048	-	68.301
Watch list	-	369	-	369
Impaired	-	-	1.472	1.472
	753.801	46.167	7.220	807.188

	31 December 2023			
	Non-impaired		Credit-impaired	Total nominal exposure €'000
	12-month ECL €'000	Lifetime ECL not credit-impaired €'000	Lifetime ECL credit-impaired €'000	
Credit related commitments:				
Financial guarantee contracts and other credit related commitments:				
Strong	137.241	300	-	137.541
Satisfactory	71.161	5.349	-	76.510
Watch list	-	185	-	185
Impaired	-	-	664	664
Loan commitments:				
Strong	424.291	3.156	-	427.447
Satisfactory	126.230	46.609	-	172.839
Watch list	-	3.494	-	3.494
Impaired	-	-	5.582	5.582
	758.923	59.093	6.246	824.262

Eurobank Cyprus Ltd

Notes to the interim financial statements

27 Contingencies and commitments (continued)

The following tables present the movement of the nominal amounts of financial guarantee contracts and other credit related commitments, and loan commitments by stage and is calculated by reference to the opening and closing balances for the reporting period from 1 January 2024 to 30 June 2024, and from 1 January 2023 to 31 December 2023, respectively:

	30 June 2024					
	Loan commitments			Financial guarantee contracts and other credit related commitments		
	12-month ECL €'000	Lifetime ECL not credit-impaired €'000	Lifetime ECL credit-impaired €'000	12-month ECL €'000	Lifetime ECL not credit-impaired €'000	Lifetime ECL credit-impaired €'000
Nominal amount at 1 January	550.521	53.259	5.582	208.402	5.834	664
Net increase/(decrease)	5.000	(7.627)	(401)	(11.581)	(2.335)	(130)
Transfers:						
- To 12-month ECL	4.050	(4.034)	(16)	15	(15)	-
- To lifetime ECL not credit-impaired	(960)	968	(8)	(1.159)	1.159	-
- To lifetime ECL credit-impaired	(474)	(117)	591	(13)	(925)	938
Nominal amount at 30 June	558.137	42.449	5.748	195.664	3.718	1.472
						807.188
	31 December 2023					
	Loan commitments			Financial guarantee contracts and other credit related commitments		
	12-month ECL €'000	Lifetime ECL not credit-impaired €'000	Lifetime ECL credit-impaired €'000	12-month ECL €'000	Lifetime ECL not credit-impaired €'000	Lifetime ECL credit-impaired €'000
Nominal amount at 1 January	411.963	32.709	1.225	188.193	18.374	407
Net increase/(decrease)	162.039	2.100	(674)	22.251	(14.289)	(36)
Transfers:						
- To 12-month ECL	10.065	(10.065)	-	747	(747)	-
- To lifetime ECL not credit-impaired	(29.095)	29.112	(17)	(2.552)	2.552	-
- To lifetime ECL credit-impaired	(4.451)	(597)	5.048	(237)	(56)	293
Nominal amount at 31 December	550.521	53.259	5.582	208.402	5.834	664
						824.262

Eurobank Cyprus Ltd

Notes to the interim financial statements

27 Contingencies and commitments (continued)

Capital commitments

As at 30 June 2024 commitments for contracted capital expenditures amounted to €722 thousand (31 December 2023: €827 thousand) of which €68 thousand were for leasehold improvements (31 December 2023: €94 thousand) and €654 thousand for the acquisition of computer software (31 December 2023: €733 thousand).

Legal proceedings

As at 30 June 2024 and 31 December 2023 there were no significant pending litigation, claims or assessments against the Bank, the outcome of which would have a material effect on the Bank's financial position or operations.

28 Fiduciary activities

The Bank provides custody, investment management and advisory services to third and related parties which involve the Bank making allocation and purchase and sale decisions in relation to a wide range of financial instruments. Those assets that are held in a fiduciary capacity are not included in these financial statements. At the balance sheet date the Bank had investment custody accounts with fair value amounting to approximately €4.399.817 thousand (31 December 2023: €3.926.000 thousand).

29 Cash and cash equivalents and other information on interim cash flow statement

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with original maturities of three months or less:

	30 June 2024 €'000	30 June 2023 €'000
Cash and balances with central banks, excluding mandatory deposits (note 13)	3.296.628	3.173.894
Balances with credit institutions (note 14)	1.212.331	925.577
	<u>4.508.959</u>	<u>4.099.471</u>

Eurobank Cyprus Ltd

Notes to the interim financial statements

29 Cash and cash equivalents and other information on interim cash flow statement (continued)

Other income on investment securities presented in operating activities is analysed as follows:

	30 June 2024 €'000	30 June 2023 €'000
Impairment allowance/(reversal of impairment allowance)	83	(101)
Amortisation of premiums/discounts and accrued interest (note 5)	(24.178)	(15.647)
Foreign exchange differences and other movements	(19.798)	6.419
Changes in fair value due to hedging discontinuance	(2.068)	(702)
Net changes in fair value of investment securities at FVOCI	-	(773)
Net gains on revaluation of investment securities at FVTPL (note 8)	(39)	(44)
	<u>(46.000)</u>	<u>(10.848)</u>

Changes in liabilities arising from financing activities

During the six months ended 30 June 2024, changes in the Bank's liabilities arising from financing activities of €1.289 thousand are attributable to payments of lease liabilities (six months ended 30 June 2023: €1.272 thousand).

30 Related party transactions and balances

The immediate controlling party of the Bank is Eurobank S.A. registered in Greece. Eurobank Ergasias Services and Holdings S.A. is the parent company of Eurobank S.A. and produces consolidated financial statements available for public use.

The Board of Directors of Eurobank Ergasias Services and Holdings S.A. is the same as the Board of Directors of Eurobank S.A. and part of the key management personnel of Eurobank S.A. provides services to Eurobank Ergasias Services and Holdings S.A. according to the terms of the relevant agreement between the two entities.

Fairfax Group, which holds 32,93% of Eurobank Ergasias Services and Holdings S.A.'s voting rights as of 30 June 2024 and 31 December 2023, is considered to have significant influence over the company. In addition, following the completion of the acquisition of all Eurobank Ergasias Services and Holdings S.A. shares held by the HFSF, on 9 October 2023, the HFSF is no longer considered to have significant influence over the Eurobank Ergasias Services and Holdings S.A.

Eurobank Cyprus Ltd

Notes to the interim financial statements

30 Related party transactions and balances (continued)

(i) Related party transactions and outstanding balances

A number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. These mainly include loans, deposits derivatives, repurchase agreements, lien agreements and guarantees. In addition, as part of its normal course of business in investment banking activities, the Bank at times may hold positions in debt and equity instruments of related parties.

The outstanding balances with related parties are as follows:

	With Eurobank Ergasias Services and Holdings S.A. and Eurobank S.A.		Other related entities		With key management personnel	
	31		30		30	
	30 June	December	June	December	June	December
	2024	2023	2024	2023	2024	2023
	€'000	€'000	€'000	€'000	€'000	€'000
Balances:						
Due from credit institutions ¹	1.078.602	1.118.166	67	68	-	-
Loans and advances to customers ²	-	-	8.725	6.562	186	452
Derivative financial instruments –						
Assets	12.457	11.703	-	-	-	-
Due to credit institutions	600.609	134.752	3	-	-	-
Derivative financial instruments –						
Liabilities	793	9.252	-	-	-	-
Due to customers ³	-	-	4.394	4.138	4.424	4.562
Other liabilities	215	404	167	296	-	-

Eurobank Cyprus Ltd

Notes to the interim financial statements

30 Related party transactions and balances (continued)

(i) Related party transactions and outstanding balances (continued)

The transactions during the six months ended 30 June 2024 and 2023 were as follows:

	With Eurobank Ergasias Services and Holdings S.A. and Eurobank S.A.		Other related entities		With key management personnel	
	2024 €'000	2023 €'000	2024 €'000	2023 €'000	2024 €'000	2023 €'000
Transactions:						
Interest income ⁴	52.806	39.806	202	637	2	2
Interest expense	30.455	14.143	-	-	31	3
Banking fee and commission income	325	154	-	-	-	-
Banking fee and commission expense						
– fees on lien agreement	239	1.037	-	-	-	-
– other	83	119	169	384	-	-
Net trading income/(loss)	(2.684)	(435)	-	-	-	-
Staff costs excluding retirement benefit costs	-	-	-	-	1.553	1.052
Defined contribution plan	-	-	-	-	138	101
Directors' remuneration	-	-	-	-	968	705
Other operating expenses	510	252	265	-	-	-

Key management personnel include directors and key management personnel of the Bank, their close family members and entities controlled or jointly controlled by them.

¹Amounts due from credit institutions include reverse repurchase agreements with Eurobank S.A. of €1.072.747 thousand (31 December 2023: €1.098.322 thousand) (note 14).

²Loans and advances to customers with other related entities include loans and advances to the Bank's direct subsidiaries of €2.186 thousand (31 December 2023: €21 thousand).

³Due to customers with other related entities include balances with the Bank's direct subsidiaries of €267 thousand (31 December 2023: €339 thousand). They also include balances with the Bank's Defined Contribution Plan of €951 thousand (31 December 2023: €468 thousand).

⁴Interest income from other related entities includes income from the Bank's direct subsidiaries of €33 thousand (six months ended 30 June 2023: €421 thousand).

Total collaterals in relation to loans and advances to key management personnel amounted to €37 thousand (31 December 2023: €326 thousand).

Eurobank Cyprus Ltd

Notes to the interim financial statements

30 Related party transactions and balances (continued)

(ii) Lien agreements

As of 30 June 2024 and 31 December 2023, the Bank has in place lien agreements from Eurobank S.A. of €65.614 thousand and €73.854 thousand, respectively, which act as guarantees for the purposes of securing loans and advances to customers and financial guarantees.

Based on the lien agreements, in case of default of any of the issuers of the underlying assets, the Bank can set off the receivable amounts with the equivalent funds placed by Eurobank S.A..

31 Events after the balance sheet date

There were no material events after the balance sheet date, which have a bearing on the understanding of the interim financial statements.