EUROBANK CYPRUS LTD

Condensed Interim Financial Statements

For the nine months ended 30 September 2023

Eurobank Cyprus Ltd

Condensed interim financial statements
for the nine months ended 30 September 2023

Contents

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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 as at 30 September 2023, the interim income statement and the interim statement of comprehensive income for the three-month and nine-month period then ended, the interim statements of changes in equity and cash flows for the nine-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 and for the nine-month ended 30 September 2023 are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

KPMG Limited

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

06 November 2023

Eurobank Cyprus Ltd

Interim Income Statement

	Note	Nine months ended 30 September 2023 €'000	2022 €'000
Interest income calculated using the effective interest method	5	**251.142**	83.528
Other interest income	5	**31.044**	10.225
Interest expense calculated using the effective interest method	5	**(57.495)**	(8.997)
Other interest expense	5	**(23.081)**	(3.309)
Net interest income		**201.610**	81.447
Banking fee and commission income	6	**31.559**	31.476
Banking fee and commission expense	6	**(5.194)**	(5.346)
Net banking fee and commission income		**26.365**	26.130
Net trading (loss)/income	7	**(331)**	253
Net gains from other financial instruments	8	**58**	8
Other income		**19**	7
Net other operating (loss)/income		**(254)**	268
Operating income		**227.721**	107.845
Operating expenses	9	**(41.675)**	(34.522)
Profit from operations before impairments and provisions		**186.046**	73.323
Impairment allowance on loans and advances	10	**(14.251)**	(3.162)
(Other impairment allowances and provisions)/reversal of other impairment allowances and provisions	11	**(73)**	371
Profit before income tax and government levies		**171.722**	70.532
Government levy on customer deposits	24	**(5.100)**	(4.258)
Income tax expense	12	**(22.647)**	(8.970)
Net profit		**143.975**	57.304

The notes on pages 11 to 56 form an integral part of these interim financial statements.

Eurobank Cyprus Ltd

Interim Income Statement

	Three months ended 30 September	
	2023	2022
	€'000	€'000
Interest income calculated using the effective interest method	**93.979**	33.371
Other interest income	**14.170**	4.350
Interest expense calculated using the effective interest method	**(20.934)**	(4.804)
Other interest expense	**(12.112)**	(1.571)
Net interest income	**75.103**	31.346
Banking fee and commission income	**10.408**	10.200
Banking fee and commission expense	**(1.861)**	(1.717)
Net banking fee and commission income	**8.547**	8.483
Net trading loss	**(323)**	(631)
Net gains/(losses) from other financial instruments	**52**	(13)
Other income	**15**	2
Net other operating loss	**(256)**	(642)
Operating income	**83.394**	39.187
Operating expenses	**(14.349)**	(12.511)
Profit from operations before impairments and provisions	**69.045**	26.676
Impairment allowance on loans and advances	**(4.940)**	(1.402)
Other impairment allowances and provisions	**(152)**	(39)
Profit before income tax and government levies	**63.953**	25.235
Government levy on customer deposits	**(2.398)**	(1.783)
Income tax expense	**(8.415)**	(3.354)
Net profit	**53.140**	20.098

The notes on pages 11 to 56 form an integral part of these interim financial statements.

Interim Statement of Comprehensive Income

	Nine months ended 30 September			
	2023		2022	
	€'000		€'000	
Net profit		**143.975**		57.304
Other comprehensive income/(loss):				
Items that are or may be subsequently reclassified to income statement:				
Debt securities at FVOCI				
- net changes in fair value, net of tax	**9.523**		(33.768)	
- reclassified to income statement, net of tax	**(131)**		(129)	
		9.392		(33.897)
Other comprehensive income/(loss) for the period, net of tax		**9.392**		(33.897)
Total comprehensive income for the period		**153.367**		23.407

	Three months ended 30 September			
	2023		2022	
	€'000		€'000	
Net profit		**53.140**		20.098
Other comprehensive income/(loss):				
Items that are or may be subsequently reclassified to income statement:				
Debt securities at FVOCI				
- net changes in fair value, net of tax	**3.376**		(3.532)	
- reclassified to income statement, net of tax	**28**		25	
		3.404		(3.507)
Other comprehensive income/(loss) for the period, net of tax		**3.404**		(3.507)
Total comprehensive income for the period		**56.544**		15.591

The notes on pages 11 to 56 form an integral part of these interim financial statements.

Eurobank Cyprus Ltd

Interim Balance Sheet

	Note	30 September 2023 €'000	31 December 2022 €'000
Assets			
Cash and balances with central banks	13	**2.911.725**	3.266.706
Due from credit institutions	14	**1.163.897**	1.526.920
Derivative financial instruments	15	**17.829**	23.938
Loans and advances to customers	16	**2.839.794**	2.729.918
Investment securities	17	**1.405.324**	1.324.683
Investments in subsidiaries	18	**13**	10
Property and equipment	19	**24.031**	27.029
Intangible assets	20	**30.658**	27.595
Deferred tax assets	12	**1.963**	2.171
Other assets	21	**6.757**	1.945
Total assets		**8.401.991**	8.930.915
Liabilities			
Due to central banks	22	**-**	605.322
Due to credit institutions	23	**323.018**	361.643
Derivative financial instruments	15	**5.690**	26.887
Due to customers	24	**7.162.566**	7.202.822
Current tax liabilities		**10.594**	1.225
Deferred tax liabilities	12	**2.690**	2.046
Other liabilities	25	**107.750**	94.654
Total liabilities		**7.612.308**	8.294.599
Equity			
Share capital	26	**12.010**	12.010
Share premium	26	**245.384**	245.384
Other reserves		**(20.227)**	(29.619)
Retained earnings		**552.516**	408.541
Total equity		**789.683**	636.316
Total equity and liabilities		**8.401.991**	8.930.915

On 6 November 2023 the Board of Directors of Eurobank Cyprus Ltd authorised the issuance of these financial statements.

Mike Redferne, Chair of the Board of Directors

Michalis Louis, Chief Executive Officer

Demetris Shacallis, Chief Financial Officer

The notes on pages 11 to 56 form an integral part of these interim financial statements.

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 2023	**12.010**	**245.384**	**(29.619)**	**408.541**	**636.316**
Net profit	-	-	**-**	**143.975**	**143.975**
Other comprehensive income	-	-	**9.392**	**-**	**9.392**
Total comprehensive income for the period	**-**	**-**	**9.392**	**552.516**	**153.367**
Balance at 30 September 2023	**12.010**	**245.384**	**(20.227)**	**552.516**	**789.683**
Balance at 1 January 2022	12.010	245.384	(126)	314.205	571.473
Net profit	-	-	-	57.304	57.304
Other comprehensive loss	-	-	(33.897)	-	(33.897)
Total comprehensive income for the period	-	-	(33.897)	57.304	23.407
Balance at 30 September 2022	12.010	245.384	(34.023)	371.509	594.880

The notes on pages 11 to 56 form an integral part of these interim financial statements.

Eurobank Cyprus Ltd

Interim Cash Flow Statement

	Note	Nine months ended 30 September 2023 €'000	2022 €'000
Cash flows from operating activities			
Profit before income tax and government levies		**171.722**	70.532
Adjustments for:			
Amortisation of intangible assets	9	**2.476**	705
Depreciation of property and equipment and right-of-use assets	9	**3.246**	3.209
Loss on write offs of intangible assets		**11**	-
Impairment allowance on loans and advances to customers	10	**17.422**	1.728
(Reversal of impairment allowance)/impairment allowance on credit related commitments and contingent liabilities	10	**(3.171)**	1.434
Reversal of impairment allowance on balances with central banks	11	**-**	(9)
Reversal of impairment allowance on due from credit institutions	11	**(1)**	(30)
Foreign exchange differences on impairment allowance on loans and advances to customers	10	**(4)**	55
Foreign exchange differences on right-of-use assets		**(1)**	(14)
Other loss on investment securities	31	**(24.618)**	(108.303)
		167.082	(30.693)
Changes in operating assets and liabilities			
Net decrease/(increase) in cash and balances with central banks	13	**1.415**	(8.137)
Net decrease on due from credit institutions	14	**1**	30
Net increase in derivative financial instruments	15	**(15.088)**	(19.519)
Net increase in loans and advances to customers	16	**(127.294)**	(127.278)
Disposals, write-offs and adjustments to right-of-use assets		**18**	24
Net (increase)/decrease in other assets	21	**(4.812)**	289
Net decrease in due to central banks	22	**(605.322)**	(4.467)
Net (decrease)/increase in due to credit institutions	23	**(38.625)**	154.886
Net (decrease)/increase in due to customers	24	**(40.256)**	661.839
Net increase in other liabilities	25	**18.160**	2.085
		(811.803)	659.752
Government levy on customer deposits paid	24	**(5.100)**	(2.475)
Income tax paid	12	**(12.426)**	(5.908)
Net cash flows (used in)/from operating activities		**(662.247)**	620.676
Cash flows from investing activities			
Investments in subsidiaries	18	**(3)**	-
Purchases of intangible assets		**(5.550)**	(3.903)
Purchases of property and equipment		**(265)**	(732)
Proceeds from disposals, maturities and redemptions of investment securities		**156.243**	187.310
Payments for acquisition of investment securities		**(221.958)**	(481.762)
Interest received on investment securities		**19.084**	16.982
Net cash flows used in investing activities		**(52.449)**	(282.105)
Cash flows from financing activities			
Payment of lease liabilities		**(1.893)**	(1.850)
Net cash flows used in financing activities		**(1.893)**	(1.850)
Net (decrease)/increase in cash and cash equivalents		**(716.589)**	336.721
Cash and cash equivalents at beginning of the period	31	**4.720.595**	4.408.819
Cash and cash equivalents at end of the period	31	**4.004.006**	4.745.540

The notes on pages 11 to 56 form an integral part of these interim financial statements.

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 and business address is at 41 Arch. Makariou III Avenue, 5th floor, 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 6 November 2023.

2 Basis of preparation and principal 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 2022. Where necessary, comparative figures have been adjusted to conform to changes in the presentation in the current period or to reflect changes in the accounting policies that were applied in the year ended 31 December 2022 (note 2.2 of the financial statements for the year ended 31 December 2022). Unless indicated otherwise, financial information presented in Euro has been rounded to the nearest thousand.

The accounting policies and methods of computation in these interim financial statements are consistent with those in the financial statements for the year ended 31 December 2022, except as described below (note 2.2).

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.

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. Except as indicated, financial information presented in Euro has been rounded to the nearest thousand.

2 Basis of preparation and principal 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

In the period ended 30 September 2023, the global and European economy is showing signs of deceleration amid sustained, albeit abated, inflation pressures, financial volatility and geopolitical uncertainty. More specifically, in Greece, amid strong negative base effects and easing fuel prices, the annual inflation rate based on the Harmonized Index of Consumer Prices ("HICP") receded to 2,4% in September 2023, from 3,5% in August 2023, and its 12,1% peak in September 2022, according to the Hellenic Statistical Authority ("ELSTAT"). The seasonally adjusted unemployment rate in August 2023 remained flat at its 12-year low of 10,9%, significantly lower than the 12,3% recorded in August 2022. According to 2024 draft State Budget submitted to the Parliament in early October 2023, the Greek government forecasts GDP growth rates of 2,3% in 2023 and 3% in 2024 (2022: 5,6%). The HICP growth rate is expected to decelerate to 4% and 2,4% (from 9,3% in 2022), and the unemployment rate to drop to 11,2% and 10,6% of the labour force in 2023 and 2024 respectively, from 12,4% in 2022. On the fiscal front, the general government primary balance posted a surplus of 0,1% of GDP in 2022 and is expected to post surpluses of 1,1% and 2,1% of GDP in 2023 and 2024 respectively. The gross public debt-to-GDP ratio is expected to decline further to 159,3% and 152,2% in 2023 and 2024 respectively, from 172,6% in 2022.

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 by the ongoing Russia - Ukraine war, the rising conflict in the Middle East, and their ramifications on regional and global stability and security, as well as the European and Greek economy, (b) a potential prolongation or exacerbation of the ongoing inflationary wave and its impact on economic growth, employment, public finances, household budgets, firms' production costs, external trade and banks' asset quality, as well as any potential social and/or political ramifications these may entail, (c) the time period that central bank will retain policy rates at their current twenty-year highs, exerting upwards pressures on sovereign and private borrowing costs and discouraging investment, (d) the prospect of Greece's and Bulgaria's major trade partners, primarily the Euro Area, facing a severe economic slowdown or even a temporary downturn, (e) the persistently large current account deficits that have started to become again a structural feature of the Greek economy, (f) the effective 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 eventual impact of the recent Thessaly floods on Greek GDP, employment, inflation, public finances, and demographics, as well as the possibility of similar disasters becoming prevalent in the near future due to the climate change.

2 Basis of preparation and principal accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern considerations (continued)

a) Position of the Group (continued)

Materialization 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 is continuously monitoring the developments on the macroeconomic, financial and geopolitical fronts as well as the evolution of the 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 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 2023-2025.

b) The Cyprus economy

The Cypriot economy remains in a sustained growth trajectory in 2023, albeit at a slower pace compared to the last two years. Economic activity is mainly supported by increased revenues from tourism, resilient private consumption, and robust 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 more credit rating upgrades, despite the numerous challenges stemming from the uncertain international economic and geopolitical setting and the restrictive monetary environment around the world as the battle against inflation is ongoing.

According to the Statistical Service of Cyprus ("CYSTAT"), GDP in the second quarter is estimated at €6.156,8 million; the seasonally adjusted GDP growth rate in real terms for the second quarter 2023 is estimated at 2,3%, compared to 3,4% in the first quarter of 2023.

High interest rates and weaker purchasing power due to inflation are negatively affecting consumption, corporate investments, and construction. In its latest macroeconomic forecasts, published September 2023, the Central Bank of Cyprus ("CBC") projects that the economy will grow by 2,4% in 2023 (revised down by -0,2% from previous forecasts in June 2023). For 2024 and 2025, the expectation is for the Cyprus' GDP to increase by 2,7% and 3,1% respectively. In its World Economic Outlook published in October 2023 the IMF forecasts that the Cypriot economy will grow by 2,2% in 2023 and 2,7% in 2024, amid a global muted recovery held back from several factors, such as the war in Ukraine, increasing geoeconomic fragmentation and the effects of monetary policy tightening.

The outperformance of the tourism sector is supporting economic activity. For the eight-month period of January – August 2023, arrivals of tourists totaled 2,65 million compared to 2,13 million in the corresponding period of 2022, an increase of 24,5%. For the period of January – July 2023, revenue from tourism is estimated at €1,54 billion compared to €1,22 billion in the corresponding period of 2022, recording a remarkable increase of 26,9%.

Notes to the interim financial statements

2 Basis of preparation and principal accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern considerations (continued)

b) The Cyprus economy (continued)

Inflation normalised to a large extend but continues to be high. The Harmonized Index of Consumer Prices ("HICP") in August 2023 rose by 3,1% YoY, and by 1,1% MoM. For the period January – August 2023, the HICP rose by 4,4% compared to the corresponding period of the previous year.

In September 2023, the Consumer Price Index ("CPI") inflation stood at 4,0%, rising in the last months following several months of declines. For the period January – September 2023, the CPI increased by 4,0% compared to the corresponding period of the previous year. According to the CBC forecasts, inflation is expected to drop to 3,9% this year from 8,1% last year, declining further to 2,7% and 2% in 2024 and 2025 respectively.

According to Eurostat, in August 2023 the seasonally adjusted unemployment rate in Cyprus stood at 6,6% compared to 6,6% in July 2023 and 6,8% in August 2022. According to the CBC, the unemployment rate is expected to decline to 6,3% in 2023 (from 6,8% in 2022), 5,9% in 2024 and 5,6% in 2025.

Cyprus' fiscal performance remains strong, supported by the robust economic performance and increased revenues. According to CYSTAT's preliminary fiscal results, the General Government fiscal balance presented a surplus of €882 million (3,1% of GDP) for the period of January – August 2023, as compared to a surplus of €328 million (1,2% of GDP) that was recorded during the same period of 2022. The strong performance for 2023, was a result of robust revenues, which increased by 16,8% to €8,15 billion and a slower increase in expenditure, which rose by 9,3% to €7,27 billion.

In its Fiscal Monitor Report published in October 2023 the IMF forecasts that Cyprus' general government overall balance will present a surplus of 1,9% of GDP in 2023 and 1,7% of GDP in 2024. Primary balance is expected to be in surplus of 3,2% of GDP this year, from 3,5% of GDP in 2022, while an average primary surplus of around 2,5% of GDP per year is expected for the period of 2024 – 2028. General Government Debt amounted to €23,5 billion in August 2023 recording a 3,9% decrease compared to August 2022. The debt as a percentage of GDP is seen at 81% as of August 2023, significantly improved from the 91% in August 2022 and the 104% recorded in 2021, on the back of stronger than expected fiscal performance and high reserves. In April 2023, the Republic of Cyprus issued its first sustainable 10-year bond for a total amount of €1 billion and a coupon of 4,125%. The new issue replaced €1 billion of debt which matured in July 2023 and was carrying a coupon of 3,75%. According to the IMF, Cyprus' public debt to GDP ratio is anticipated to fall to 78,6% by the end of this year, declining further to 55,1% by 2028.

2 Basis of preparation and principal accounting policies (continued)

2.1 Basis of preparation (continued)

Going concern considerations (continued)

b) The Cyprus economy (continued)

The credit outlook of Cyprus was further boosted in the last months, amid continued robust fiscal performance and a strengthening banking sector. In September, Cyprus was upgraded to investment grade by Moody's after 11 years. The Agency upgraded Cyprus by two notches to Baa2 from Ba1 with stable outlook, due to sustained improvements in the country's credit profile because of past and ongoing economic, fiscal, and banking reforms. Cyprus was also upgraded by DBRS from BBB to BBB (high), stable trend. The upgrade was driven by the recent decline in government debt and the Agency's expectation that public debt metrics will continue to improve over the next years. Earlier, S&P revised Cyprus' outlook to positive from stable and affirmed its rating at BBB, reflecting the ongoing macroeconomic normalisation in Cyprus since the country's financial crisis in 2012-2013 and the pronounced progress made in cleaning up banking sector NPLs. The Agency said that the Cypriot economy is normalising a decade on from its financial crisis. Recognising that vulnerabilities still exist on the economic, fiscal, and external front, S&P noted that the government is back to achieving fiscal surpluses, NPLs have fallen significantly from their crisis-era peak, and the economy's external sector deleveraging continues. Earlier in 2023, Fitch upgraded Cyprus to BBB from BBB-, with a stable outlook.

The reduction in the total NPEs in the banking industry continued in the first months of 2023. Data published by the CBC showed that as of June 2023 the non-performing loans in Cyprus stood at €2,11 billion (NPL ratio at 8,7%) reduced by €0,2 billion when compared to December 2022 and the €2,31 billion (NPL ratio at 9,5%) of non-performing loans. NPEs stood at €2,96 billion (NPL ratio at 10,99%) as at the end of 2021 and at €5,11 billion (NPL ratio at 17,70%) as at the end of 2020.

Despite the robust performance in the last years, the global as well as the Cypriot economy face many headwinds in the coming years. The outlook remains fragile 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 financial statements of the Bank can be prepared on a going concern basis.

2 Basis of preparation and principal accounting policies (continued)

2.2 New and amended standards and interpretations

The following amendments to standards as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU") that are relevant to Bank's activities apply from 1 January 2023:

IAS 8, Amendments, Definition of Accounting Estimates
The amendments in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" introduced the definition of accounting estimates and include other amendments to IAS 8 which are intended to help entities distinguish changes in accounting estimates from changes in accounting policies.

The amendments clarify how accounting policies and accounting estimates relate to each other by (i) explaining that accounting estimates are developed if the application of accounting policies requires items in the financial statements to be measured in a way that involves a measurement uncertainty and (ii) replacing the definition of a change in accounting estimates with the definition of accounting estimates, where accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". In addition, the amendments clarify that selecting an estimation or valuation technique and choosing the inputs to be used constitutes development of an accounting estimate and that the effects of a change in an input or technique used to develop an accounting estimate are changes in accounting estimates, if they do not result from the correction of prior period errors.

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

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
IASB issued amendments to IAS 1 "Presentation of Financial Statements" that require entities to disclose their material accounting policies rather than their significant accounting policies.

According to IASB, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Furthermore, the amendments clarify how an entity can identify material accounting policy information and provide examples of when accounting policy information is likely to be material. The amendments to IAS 1 also clarify that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support the IAS 1amendments, the Board has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process", as described in IFRS Practice Statement 2 "Making Materiality Judgements", to accounting policy disclosures.

The adoption of the amendments had no impact on the interim financial statements, but it may affect the level of information provided in the disclosure of the accounting policies in the annual financial statements.

2 Basis of preparation and principal accounting policies (continued)

2.2 New and amended standards and interpretations (continued)

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure IAS 12, Amendments, Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendments clarify that the exemption on initial recognition set out in IAS 12 'Income Taxes' does not apply for transactions such as leases and decommissioning obligations that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Accordingly, for such transactions an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented.

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

3 Critical accounting estimates and judgments in applying accounting policies

In preparing these interim 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 2022.

Further information about the key assumptions and sources of estimation uncertainty are set out in notes 12, 27 and 29.

Impairment losses on loans and advances to customers
The Cyprus economy exhibits resiliency and a positive outlook despite the significant challenges. On the back of foreign investment and tourist inflows, growth is expected to exceed 2% for the year and to accelerate further in 2024. This performance is taking place despite the demand-dampening effects of high interest rates, rising energy costs, and inflation. The RRF funding and new investments linked with the gradual transition to a green economy are expected to provide additional support.

The Bank's performance remained strong supported by its cautious credit risk assessment and the focus on specific corporate and private banking markets. Given the economic outlook, no major deviations from its projected figures are expected. It is noted that the recent outburst of violence in the Middle East adds another element of uncertainty however at this point it is difficult to assess potential downside and upside risks. In any case the Bank is closely monitoring the developments and remains vigilant in order to take appropriate actions. Based on the performance of the economy which remains in line with the Bank projections, the IFRS 9 model assumptions remained the same as in the previous quarters. However, the Bank will update in case of any observed deviation.

Notes to the interim financial statements

4 Capital management

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

	30 September 2023 €'000	31 December 2022 €'000
Ordinary shareholders' equity	**789.683**	636.316
Less: other regulatory adjustments	**(4.911)**	(27.657)
Total Tier 1 capital	**784.772**	608.659
Total regulatory capital	**784.772**	608.659
Risk Weighted Assets	**2.306.310**	2.232.749
Ratios:	**%**	%
Core Tier 1	**34,0**	27,3
Tier 1	**34,0**	27,3
Capital Adequacy Ratio	**34,0**	27,3

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 (EU) 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). Furthermore, the CRR as amended by the Regulation 2020/873 (CRR quick fix) provides, among others, for the extension by two years of the ability of the banks to add back to their regulatory capital any increase in provisions for (stage 1 and stage 2) expected losses compared to those that they have recognized on 1 January 2020 for their financial assets, which have not been defaulted. The relief which is applicable for 2023 and for 2024 is 50% and 25%, respectively.

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.

4 Capital management (continued)

According to the 2022 SREP decision, from January 2023 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 the 9-months of 2023, the Bank was required to meet a Common Equity Tier 1 Ratio of at least 9,285% and a Total Capital Adequacy Ratio of at least 13,769% (Overall Capital Requirement or "OCR") including Combined Buffer Requirement of 3,519%, which is covered with CET1 capital and sits on top of the Total SREP Capital Requirement ("TSCR").

Moreover, based on the SREP decision, the ECB expects the Bank to adhere to a Pillar 2 guidance ("P2G") of 1,5%, which is over and above the OCR, bringing the total OCR and Pillar 2 guidance to 15,27%. We note that based on the draft SREP decision received during October 2023, the Bank's Pillar 2 Guidance will decrease to 1,25% from 1 January 2024 onwards.

The breakdown of the Bank's CET1 and Total Capital requirements inclusive of P2G as at 30 September 2023 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)	0,269%	0,269%
Other systemic institutions buffer (O-SII)	0,75%	0,75%
Overall Capital Requirement (OCR)	**9,285%**	**13,769%**
Pillar 2 Guidance (P2G)	**1,5%**	**1,5%**
Overall Capital Requirement and Pillar 2 Guidance	**10,785%**	**15,27%**

The Bank's Overall Capital Requirement is projected to rise to 14,07% from November 2023 (due to the 0,5% countercyclical buffer imposed by the Central Bank of Cyprus from November onwards), in terms of total capital (or projected at 9,586% in terms of CET1 capital). The countercyclical capital buffer is calculated on a quarterly basis in accordance with the countercyclical capital buffer rates applicable in each country to which the Bank has exposures.

Notes to the interim financial statements

4 Capital management (continued)

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 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 official SRB's decision in February 2023, the fully calibrated MREL (final target) to be met by the Bank by 1 January 2024 is set at 26,55% of its total risk weighted assets ("RWAs"), including a fully-loaded combined buffer requirement ("CBR") of 3,820% (using a projected Countercyclical buffer of 0,57%). The final MREL target is updated by the SRB on an annual basis.

The interim binding MREL target, which is applicable on 30 September 2023, stands at 25,93% of RWAs, including a CBR of 3,52%. As at 30 September 2023, the Bank's MREL ratio stands at 35,33% of RWAs including profit for the period ended 30 September 2023 (31 December 2022: 28,60%), which is above the aforementioned interim binding MREL target.

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 September 2023 amounts to 9,7% (31 December 2022: 7,2%), according to the transitional definition of Tier 1 capital, which is significantly over the 3% minimum threshold applied by the competent authorities.

The Pillar III Disclosures Report (unaudited) of the Bank for the year ended 31 December 2022 with respect to the requirements of the Capital Requirements Regulation (EU) No 575/2013 as amended by CRR II applicable as at the reporting date, is published on the Bank's website www.eurobank.com.cy.

Notes to the interim financial statements

5 Net interest income

	Nine months ended 30 September	
	2023	2022
	€'000	€'000
Interest income		
Interest income calculated using the effective interest method		
Interest from amounts due from credit institutions - *measured at amortised Cost*	**107.659**	5.999
Interest from loans and advances to customers - *measured at amortised cost*	**118.536**	62.604
Interest from investment securities		
- *measured at amortised cost*	**20.356**	11.023
- *measured at FVOCI*	**4.591**	3.902
Total interest income calculated using the effective interest method	**251.142**	83.528
Other interest income		
Interest from derivative financial instruments - *measured at FVTPL*	**31.044**	10.224
Other interest income	**-**	1
Total other interest income	**31.044**	10.225
Interest expense		
Interest expense calculated using the effective interest method		
Interest on due to credit institutions - *measured at amortised cost*[1]	**(9.599)**	1.928
Interest on due to customers - *measured at amortised cost*	**(47.681)**	(4.254)
Negative interest on financial assets	**-**	(6.443)
Interest on lease liabilities	**(215)**	(196)
Other interest expense	**-**	(32)
Total interest expense calculated using the effective interest method	**(57.495)**	(8.997)
Other interest expense		
Interest on derivative financial instruments - *measured at FVTPL*	**(23.081)**	(3.309)
Total other interest expense	**(23.081)**	(3.309)
Net interest income	**201.610**	81.447

[1]Includes the benefit attached to the TLTRO III program (note 22).

6 Net banking fee and commission income

	Nine months ended 30 September	
	2023	2022
	€'000	€'000
Banking fee and commission income		
Bank transfer commissions	**8.578**	7.948
Other fees and commissions	**22.981**	23.528
Total banking fee and commission income	**31.559**	31.476
Banking fee and commission expense		
Fees on lien agreements (note 32)	**(1.513)**	(2.020)
Other fees and commissions	**(3.681)**	(3.326)
Total banking fee and commission expense	**(5.194)**	(5.346)
Net banking fee and commission income	**26.365**	26.130

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:

	Nine months ended 30 September	
	2023	2022
	€'000	€'000
Lending related activities	**1.603**	1.745
Wealth management	**6.082**	4.994
Network and other transactional activities	**23.874**	24.737
Total banking fee and commission income	**31.559**	31.476
Fee and commission expense	**(5.194)**	(5.346)
Net banking fee and commission income	**26.365**	26.130

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.

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 for the nine months ended 30 September 2023 amount to €1.802 thousand (nine months ended 30 September 2022: €1.200 thousand).

7 Net trading (loss)/income

	Nine months ended 30 September	
	2023	2022
	€'000	€'000
Net (loss)/gain from the ineffective portion of derivatives in qualifying hedging relationships	**(65)**	220
Net loss on derivative financial instruments (no hedge accounting)	**(266)**	(124)
Gain from fair value hedging discontinuance of investment securities at FVOCI	**-**	157
	(331)	253

8 Net gains from other financial instruments

	Nine months ended 30 September	
	2023	2022
	€'000	€'000
Net (losses)/gains on disposal of investment securities at FVOCI:		
– Debt securities, credit institutions	**-**	34
– Debt securities, government bonds	**(6)**	88
Net gains/(losses) on revaluation of investment securities mandatorily at FVTPL:		
– UCIT funds	**64**	(114)
Net gains from investment securities	**58**	8

9 Operating expenses

	Nine months ended 30 September 2023 €'000	2022 €'000
Staff costs	**22.385**	18.762
Depreciation of property and equipment	**1.260**	1.254
Depreciation of right-of-use assets	**1.986**	1.955
Amortisation of intangible assets	**2.476**	705
Administrative expenses	**13.568**	11.846
	41.675	34.522

The average number of employees of the Bank during the period was 464 (nine months ended 30 September 2022: 436).

10 Impairment allowance on loans and advances

The following tables present the movement of the impairment allowances for loans and advances to customers by product line and stage during the nine months ended 30 September 2023 and 2022:

	30 September 2023						
	Wholesale lending			Retail lending			
	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	Total €'000
Balance at 1 January	**3.892**	**3.446**	**37.835**	**349**	**13**	**95**	**45.630**
New financial assets originated or purchased	551	-	-	42	-	-	**593**
Transfers:							
- To 12-month ECL	846	(846)	-	6	(1)	(5)	**-**
- To lifetime ECL not credit-impaired	(131)	289	(158)	(37)	37	-	**-**
- To lifetime ECL credit- impaired	(81)	(133)	214	-	-	-	**-**
Impact of ECL net remeasurement	(691)	1.273	16.207	(19)	53	6	**16.829**
Amounts written off	-	-	(11.533)	-	-	-	**(11.533)**
Recoveries from written off loans	-	-	1.621	-	-	-	**1.621**
Foreign exchange difference and other movements	-	(1)	(513)	(3)	1	520	**4**
Balance at 30 September	**4.386**	**4.028**	**43.673**	**338**	**103**	**616**	**53.144**

Notes to the interim financial statements

10 Impairment allowance on loans and advances (continued)

	30 September 2022						
	Wholesale lending			Retail lending			
	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	Total €'000
Balance at 1 January	4.743	3.916	37.560	234	17	194	46.664
New financial assets originated or purchased	2.514	-	-	46	-	-	2.560
Transfers:							
- To 12-month ECL	427	(413)	(14)	117	(3)	(114)	-
- To lifetime ECL not credit-impaired	(207)	253	(46)	-	-	-	-
- To lifetime ECL credit- impaired	(590)	(207)	797	-	(2)	2	-
Impact of ECL net remeasurement	(966)	1.706	(1.493)	(141)	(4)	66	(832)
Amounts written off	-	-	(48)	-	-	-	(48)
Recoveries from written off loans	-	-	705	-	-	-	705
Foreign exchange difference and other movements	(3)	-	(55)	1	2	-	(55)
Balance at 30 September	5.918	5.255	37.406	257	10	148	48.994

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 nine months ended 30 September 2023 and 2022:

	30 September 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**	**Total €'000**
Balance at 1 January	**1.474**	**3.761**	**-**	**2.374**	**343**	**302**	**8.254**
Net increase/(decrease)	1.127	(76)	-	(91)	(65)	(83)	**812**
Transfers:							
- To 12-month ECL	15	(15)	-	1	(1)	-	**-**
- To lifetime ECL not credit-impaired	(621)	621	-	(48)	48	-	**-**
- To lifetime ECL credit-impaired	-	-	-	(7)	-	7	**-**
Impact of ECL net remeasurement	(64)	(3.197)	-	(554)	(145)	(23)	**(3.983)**
Balance at 30 September	**1.931**	**1.094**	**-**	**1.675**	**180**	**203**	**5.083**

Notes to the interim financial statements

10 Impairment allowance on loans and advances (continued)

	30 September 2022						
	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	Total €'000
Balance at 1 January	1.307	2.290	-	1.114	390	283	5.384
Net increase/(decrease)	186	(80)	-	862	(81)	35	922
Transfers:							
- To 12-month ECL	3	(3)	-	1	(1)	-	-
- To lifetime ECL not credit-impaired	(624)	624	-	(12)	12	-	-
Impact of ECL net remeasurement	580	300	-	(297)	(69)	(2)	512
Balance at 30 September	1.452	3.131	-	1.668	251	316	6.818

The impairment losses relating to loans and advances to customers recognised in the Bank's income statement for the nine months ended 30 September 2023 are analysed as follows:

	Nine months ended 30 September	
	2023	2022
	€'000	€'000
Impairment allowance on loans and advances to customers	**17.422**	1.728
(Reversal of impairment allowance)/impairment allowance on loan commitments	**(2.210)**	987
(Reversal of impairment allowance)/impairment allowance on financial guarantee contracts and other credit related commitments	**(961)**	447
Total	**14.251**	3.162

11 Other impairment allowances and provisions

	Nine months ended 30 September	
	2023	2022
	€'000	€'000
Provisions/(reversal of provisions) on operational risk events	**30**	(370)
Reversal of impairment allowance on investment securities at FVOCI	**(131)**	(33)
Impairment allowance on investment securities at AC	**175**	71
Reversal of impairment allowance on due from credit institutions	**(1)**	(30)
Reversal of impairment allowance on balances with central banks	**-**	(9)
	73	(371)

Notes to the interim financial statements

12 Income tax expense

	Nine months ended 30 September 2023 €'000	2022 €'000
Current tax:		
- Corporation tax	**21.019**	7.956
- Withholding tax	**777**	412
Total current tax	**21.796**	8.368
Deferred tax charge/(credit)	**851**	602
Total income tax expense	**22.647**	8.970

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

	Nine months ended 30 September 2023 €'000	2022 €'000
Profit before income tax and government levies	**171.722**	70.532
Tax calculated at the applicable corporation tax rate of 12,5%	**21.465**	8.816
Tax effect of expenses not deductible for tax purposes	**957**	1.155
Tax effect of allowances and income not subject to tax	**(1.403)**	(2.015)
Withholding tax	**777**	412
Deferred tax charge	**851**	602
Income tax expense	**22.647**	8.970

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.

12 Income tax expense (continued)

There is no income tax effect relating to components of other comprehensive income.

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.

Deferred tax:

Deferred tax is calculated on all 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 nine months ended 30 September 2023 is as follows:

	Net balance at 1 January €'000	**Recognised in profit or loss €'000**	**Net balance at 30 September €'000**
Allowance for expected credit losses	1.956	(239)	1.717
Property and equipment and intangible assets	(1.831)	(613)	(2.444)
Tax assets/(liabilities)	**125**	**(852)**	**(727)**

13 Cash and balances with central banks

	30 September 2023 €'000	31 December 2022 €'000
Cash in hand	**8.822**	7.784
Balances with central banks	**2.902.903**	3.258.922
Total	**2.911.725**	3.266.706
of which:		
Mandatory deposits with central banks	**71.616**	73.031

As at 30 September 2023 and 31 December 2022, the impairment allowance on balances with central banks within the scope of IFRS 9 impairment requirements was nil.

Cash and balances with central banks are classified as current.

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 September 2023 €'000	31 December 2022 €'000
Due from credit institutions at amortised cost:		
Reverse repurchase agreements receivables[1]	**1.118.918**	1.490.836
Placements with credit institutions[2]	**15.758**	7.048
Settlement balances with credit institutions	**29.221**	29.036
Total	**1.163.897**	1.526.920

[1]The majority of the reverse repurchase agreements receivables as at 30 September 2023, approximately €1.093.783 thousand (31 December 2022: €1.245.373 thousand), are rated as Investment grade.

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

As at 30 September 2023, 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 2022: €2 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 September 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	1.614	7	1.614	7
- Currency forward and spot deals	23.425	36	25.350	50
- Interest rate and currency interest rate swaps	63.453	1.565	63.147	1.242
- Cap and floor swaps	28.114	244	28.114	223
- Derivative bonds	941	-	941	-
- Currency swaps	679.850	8.645	672.365	1.461
		10.497		**2.983**
Derivatives designated as fair value hedges				
- Interest rate swaps	564.695	7.332	564.695	2.707
		7.332		**2.707**
Total derivatives assets/liabilities		**17.829**		**5.690**

Notes to the interim financial statements

15 Derivative financial instruments (continued)

	31 December 2022			
	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	497	1	500	1
- Currency forward and spot deals	22.467	51	21.888	30
- Interest rate and currency interest rate swaps	66.896	1.219	68.302	1.634
- Cap and floor swaps	29.678	434	29.678	383
- Currency swaps	751.789	779	751.789	24.746
		2.484		26.794
Derivatives designated as fair value hedges				
- Interest rate swaps	261.364	21.454	261.364	93
		21.454		93
Total derivatives assets/liabilities		23.938		26.887

16 Loans and advances to customers

	30 September 2023 €'000	31 December 2022 €'000
Loans and advances to customers at amortised cost:		
- Gross carrying amount	**2.892.938**	2.775.548
- Impairment allowance	**(53.144)**	(45.630)
Total carrying amount	**2.839.794**	2.729.918

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.

16 Loans and advances to customers (continued)

	30 September 2023								
	Non-impaired		Credit-impaired		Impairment allowance				
	12-month ECL	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	Carrying amount	Value of collateral
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Loans and advances to customers at amortised cost:									
Retail lending:									
- Mortgage	13.630	-	98	13.728	5	-	98	**13.625**	
Value of collateral	*13.054*	-	*98*						***13.152***
- Consumer	18.424	2.713	465	21.602	172	84	465	**20.881**	
Value of collateral	*1.276*	*8*	*441*						***1.725***
- Affluent banking	103.148	1.199	25	104.372	155	18	18	**104.181**	
Value of collateral	*96.181*	*1.052*	*7*						***97.240***
- Credit card	854	31	39	924	6	1	35	**882**	
Value of collateral	*48*	*1*	*5*						***54***
Wholesale lending:									
- Large corporate	1.311.481	222.223	54.505	1.588.209	3.834	3.763	32.213	**1.548.399**	
Value of collateral	*1.062.013*	*196.844*	*52.027*						***1.310.884***
- Wealth management	392.277	25.100	17.425	434.802	528	265	10.661	**423.348**	
Value of collateral	*370.138*	*24.928*	*16.356*						***411.422***
-International business banking	485.099	22	25	485.146	-	-	22	**485.124**	
Value of collateral	*484.418*	*22*	*19*						***484.459***
- Shipping	243.378	-	777	244.155	24	-	777	**243.354**	
Value of collateral	*236.212*	-	-						***236.212***
Total	**2.568.291**	**251.288**	**73.359**	**2.892.938**	**4.724**	**4.131**	**44.289**	**2.839.794**	***2.555.148***
Value of collateral	***2.263.340***	***222.855***	***68.953***	***2.555.148***					

16 Loans and advances to customers (continued)

	31 December 2022								
	Non-impaired		Credit-impaired		Impairment allowance				
	12-month ECL	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	Carrying amount	Value of collateral
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Loans and advances to customers at amortised cost:									
<u>Retail lending:</u>									
- Mortgage	13.881	82	97	14.060	1	-	-	14.059	
Value of collateral	*13.340*	*82*	*97*						*13.519*
- Consumer	20.582	1	42	20.625	200	-	42	20.383	
Value of collateral	*1.310*	-	-						*1.310*
- Affluent banking	84.983	995	30	86.008	142	12	12	85.842	
Value of collateral	*79.769*	*847*	*18*						*80.634*
- Credit card	823	25	47	895	6	1	41	847	
Value of collateral	*58*	-	*6*						*64*
<u>Wholesale lending:</u>									
- Large corporate	1.284.316	212.005	52.898	1.549.219	3.171	3.197	26.810	1.516.041	
Value of collateral	*1.020.024*	*189.208*	*50.120*						*1.259.352*
- Wealth management	373.405	16.270	15.009	404.684	615	249	9.186	394.634	
Value of collateral	*344.599*	*15.781*	*14.225*						*374.605*
-International business banking	471.742	59	43	471.844	-	-	6	471.838	
Value of collateral	*471.219*	*55*	*37*						*471.311*
- Shipping	226.380	-	1.833	228.213	106	-	1.833	226.274	
Value of collateral	*226.339*	-	-						*226.339*
Total	2.476.112	229.437	69.999	2.775.548	4.241	3.459	37.930	2.729.918	*2.427.134*
Value of collateral	*2.156.658*	*205.973*	*64.503*	*2.427.134*					

During the nine months ended 30 September 2023, loans of €2.431 thousand that were written off in prior years were recovered (nine months ended 30 September 2022: €786 thousand).

Interest income on impaired loans and advances to customers accrued during the period amounted to €1.686 thousand (nine months ended 30 September 2022: €1.216 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.

16 Loans and advances to customers (continued)

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 September 2023			
	Non-impaired		Credit-impaired	
	12-month ECL €'000	Lifetime ECL not credit-impaired €'000	Lifetime ECL credit-impaired €'000	Total gross carrying amount €'000
Retail lending:				
- Mortgage				
Strong	13.083	-	-	**13.083**
Satisfactory	547	-	-	**547**
Impaired	-	-	98	**98**
- Consumer				
Strong	18.316	2.713	-	**21.029**
Satisfactory	108	-	-	**108**
Impaired	-	-	465	**465**
- Affluent banking				
Strong	76.225	274	-	**76.499**
Satisfactory	26.923	925	-	**27.848**
Impaired	-	-	25	**25**
- Credit card				
Strong	630	-	-	**630**
Satisfactory	224	25	-	**249**
Watchlist	-	6	-	**6**
Impaired	-	-	39	**39**
Wholesale lending:				
- Large corporate				
Strong	858.084	14.921	-	**873.005**
Satisfactory	453.397	204.487	-	**657.884**
Watchlist	-	2.815	-	**2.815**
Impaired	-	-	54.505	**54.505**
- Wealth management				
Strong	371.567	1.339	-	**372.906**
Satisfactory	20.710	23.551	-	**44.261**
Watchlist	-	210	-	**210**
Impaired	-	-	17.425	**17.425**
- International business banking				
Strong	482.727	22	-	**482.749**
Satisfactory	2.372	-	-	**2.372**
Impaired	-	-	25	**25**
- Shipping				
Strong	239.883	-	-	**239.883**
Satisfactory	3.495	-	-	**3.495**
Impaired	-	-	777	**777**
	2.568.291	**251.288**	**73.359**	**2.892.938**

Notes to the interim financial statements

16 Loans and advances to customers (continued)

	31 December 2022			
	Non-impaired		Credit-impaired	
	12-month ECL €'000	Lifetime ECL not credit-impaired €'000	Lifetime ECL credit-impaired €'000	Total gross carrying amount €'000
Retail lending:				
- Mortgage				
Strong	13.881	82	-	13.963
Impaired	-	-	97	97
- Consumer				
Strong	20.500	-	-	20.500
Satisfactory	82	1	-	83
Impaired	-	-	42	42
- Affluent banking				
Strong	62.379	210	-	62.589
Satisfactory	22.604	785	-	23.389
Impaired	-	-	30	30
- Credit card				
Strong	542	5	-	547
Satisfactory	281	20	-	301
Impaired	-	-	47	47
Wholesale lending:				
- Large corporate				
Strong	778.435	3.976	-	782.411
Satisfactory	505.881	184.795	-	690.676
Watch list	-	23.234	-	23.234
Impaired	-	-	52.898	52.898
- Wealth management				
Strong	342.951	1.245	-	344.196
Satisfactory	30.454	13.865	-	44.319
Watch list	-	1.160	-	1.160
Impaired	-	-	15.009	15.009
- International business banking				
Strong	469.249	55	-	469.304
Satisfactory	2.493	4	-	2.497
Impaired	-	-	43	43
- Shipping				
Strong	226.352	-	-	226.352
Satisfactory	28	-	-	28
Impaired	-	-	1.833	1.833
	2.476.112	229.437	69.999	2.775.548

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 2023 to 30 September 2023, and from 1 January 2022 to 31 December 2022, respectively:

	30 September 2023						
	Wholesale lending			**Retail lending**			
	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**	**Total €'000**
Gross carrying amount at 1 January	**2.355.843**	**228.334**	**69.783**	**120.269**	**1.103**	**216**	**2.775.548**
New financial assets originated or purchased	467.539	-	-	18.655	-	-	**486.194**
Transfers:							
- To 12-month ECL	24.708	(24.708)	-	137	(131)	(6)	-
- To lifetime ECL not credit-impaired	(91.438)	91.662	(224)	(2.925)	2.925	-	-
- To lifetime ECL credit- impaired	(4.179)	(30.042)	34.221	(15)	-	15	-
Financial assets derecognised	(8.148)	-	-	(920)	-	-	**(9.068)**
Amounts written off	-	-	(11.533)	-	-	-	**(11.533)**
Repayments	(270.986)	(32.504)	(21.299)	(9.913)	(110)	(132)	**(334.944)**
Foreign exchange difference and other movements	(41.104)	14.603	1.784	10.768	156	534	**(13.259)**
Gross carrying amount at 30 September	**2.432.235**	**247.345**	**72.732**	**136.056**	**3.943**	**627**	**2.892.938**
Less impairment allowance	(4.386)	(4.028)	(43.673)	(338)	(103)	(616)	**(53.144)**
Carrying amount at 30 September	**2.427.849**	**243.317**	**29.059**	**135.718**	**3.840**	**11**	**2.839.794**

	31 December 2022						
	Wholesale lending			Retail lending			
	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	Total €'000
Gross carrying amount at 1 January	2.283.556	213.439	62.074	86.194	1.409	542	2.647.214
New financial assets originated or purchased	867.075	-	-	31.787	-	-	898.862
Transfers:							
- To 12-month ECL	27.320	(27.152)	(168)	883	(524)	(359)	-
- To lifetime ECL not credit-impaired	(83.948)	86.055	(2.107)	(334)	334	-	-
- To lifetime ECL credit- impaired	(2.580)	(17.520)	20.100	(44)	(9)	53	-
Financial assets derecognised	(2.832)	(1.574)	(2.994)	(1.059)	-	-	(8.459)
Amounts written off	-	-	(49)	-	-	-	(49)
Repayments	(743.919)	(38.426)	(9.461)	(9.840)	(297)	(55)	(801.998)
Foreign exchange difference and other movements	11.171	13.512	2.388	12.682	190	35	39.978
Gross carrying amount at 31 December	2.355.843	228.334	69.783	120.269	1.103	216	2.775.548
Less impairment allowance	(3.892)	(3.446)	(37.835)	(349)	(13)	(95)	(45.630)
Carrying amount at 31 December	2.351.951	224.888	31.948	119.920	1.090	121	2.729.918

The above balances contain €501 million of facilities secured by cash collateral as at 30 September 2023 (31 December 2022: €453 million). For these facilities no ECL is estimated as due to the nature of the security, no credit risk is assumed for these exposures.

16 Loans and advances to customers (continued)

The contractual amount outstanding on lending exposures that were written off during the nine months ended 30 September 2023 and that are still subject to enforcement activity is €5.379 thousand (nine months ended 30 September 2022: €4.962 thousand).

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

	30 September 2023			
	12-month ECL €'000	**Lifetime ECL not credit-impaired €'000**	**Lifetime ECL credit-impaired €'000**	**Total €'000**
0+ up to 30 days	2.568.291	238.344	50.636	2.857.271
30+ up to 60 days	-	11.683	5.432	17.115
60+ up to 90 days	-	1.261	1	1.262
90 days+	-	-	17.290	17.290
Gross carrying amount	**2.568.291**	**251.288**	**73.359**	**2.892.938**
Less impairment allowance	(4.724)	(4.131)	(44.289)	(53.144)
Carrying amount	**2.563.567**	**247.157**	**29.070**	**2.839.794**

	31 December 2022			
	12-month ECL €'000	Lifetime ECL not credit-impaired €'000	Lifetime ECL credit-impaired €'000	Total €'000
0+ up to 30 days	2.476.112	225.851	46.513	2.748.476
30+ up to 60 days	-	3.526	14	3.540
60+ up to 90 days	-	60	574	634
90 days+	-	-	22.898	22.898
Gross carrying amount	2.476.112	229.437	69.999	2.775.548
Less impairment allowance	(4.241)	(3.459)	(37.930)	(45.630)
Carrying amount	2.471.871	225.978	32.069	2.729.918

Notes to the interim financial statements

16 Loans and advances to customers (continued)

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

	30 September 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	2.568.291	-	-
Lifetime ECL not credit-impaired	251.288	101.953	40,6
Lifetime ECL credit-impaired	73.359	54.437	74,2
Total gross carrying amount	**2.892.938**	**156.390**	**5,4**
Impairment allowance:			
12-month ECL	4.724	-	-
Lifetime ECL not credit-impaired	4.131	644	15,6
Lifetime ECL credit-impaired	44.289	32.035	72,3
Total impairment allowance	**53.144**	**32.679**	
Carrying amount	**2.839.794**	**123.711**	**4,4**
Collateral received	**2.555.148**	**153.682**	

	31 December 2022		
	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	2.476.112	-	-
Lifetime ECL not credit-impaired	229.437	91.911	40,1
Lifetime ECL credit-impaired	69.999	42.233	60,3
Total gross carrying amount	2.775.548	134.144	4,8
Impairment allowance:			
12-month ECL	4.241	-	-
Lifetime ECL not credit-impaired	3.459	959	27,7
Lifetime ECL credit-impaired	37.930	19.556	51,6
Total impairment allowance	45.630	20.515	45,0
Carrying amount	2.729.918	113.629	4,2
Collateral received	2.427.134	129.593	

Notes to the interim financial statements

16 Loans and advances to customers (continued)

Collaterals held and other credit enhancements

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

	30 September 2023 Value of collateral received				
	Real Estate €'000	**Financial €'000**	**Other Collateral €'000**	**Total €'000**	**Guarantees received €'000**
Retail lending	100.172	12.000	-	112.172	-
Wholesale lending	1.473.125	729.901	229.286	2.432.312	10.664
Total	**1.573.297**	**741.901**	**229.286**	**2.544.484**	**10.664**

	31 December 2022 Value of collateral received				
	Real Estate €'000	Financial €'000	Other Collateral €'000	Total €'000	Guarantees received €'000
Retail lending	85.251	10.276	-	95.527	-
Wholesale lending	1.429.747	660.539	232.250	2.322.537	9.071
Total	1.514.998	670.815	232.250	2.418.064	9.071

17 Investment securities

	30 September 2023 €'000	31 December 2022 €'000
Investment securities at FVOCI	**474.909**	494.490
Investment securities at amortised cost	**928.385**	828.234
Investment securities mandatorily at FVTPL	**2.030**	1.959
	1.405.324	1.324.683

Notes to the interim financial statements

17 Investment securities (continued)

The tables below disclose the gross carrying amount, impairment allowance and carrying amount per stage of investment securities as at 30 September 2023 and 31 December 2022:

	30 September 2023			31 December 2022		
	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	**471.007**	**3.902**	**474.909**	490.870	3.620	494.490
Debt securities at amortised cost:						
- Gross carrying amount	**928.904**	**-**	**928.904**	828.578	-	828.578
- Impairment allowance	**(519)**	**-**	**(519)**	(344)	-	(344)
Carrying amount	**928.385**	**-**	**928.385**	828.234	-	828.234
Total of debt securities	**1.399.392**	**3.902**	**1.403.294**	1.319.104	3.620	1.322.724
Other investment securities mandatorily at FVTPL:						
Carrying amount			**2.030**			1.959
Total of investment securities			**1.405.324**			1.324.683

The investment securities per category are analysed as follows:

	30 September 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	45.575	287.734	-	**333.309**
- Other government bonds	301.656	331.005	-	**632.661**
- Multilateral development banks	4.741	24.711	-	**29.452**
- Banks and financial institutions	80.750	90.603	-	**171.353**
- Other issuers	42.187	194.332	-	**236.519**
Total debt securities	**474.909**	**928.385**	-	**1.403.294**
Other investment securities:				
UCIT funds	-	-	2.030	**2.030**
Total other investment securities	**-**	**-**	**2.030**	**2.030**
Total of investment securities	**474.909**	**928.385**	**2.030**	**1.405.324**

17 Investment securities (continued)

	31 December 2022			
	Investment securities at FVOCI €'000	Investment securities at amortised cost €'000	Investment securities mandatorily at FVTPL €'000	Total €'000
Debt securities:				
- Cyprus government bonds	64.526	298.042	-	362.568
- Other government bonds	296.143	316.263	-	612.406
- Multilateral development banks	4.625	25.076	-	29.701
- Banks and financial institutions	85.507	16.426	-	101.933
- Other issuers	43.689	172.427	-	216.116
Total debt securities	494.490	828.234	-	1.322.724
Other investment securities:				
UCIT funds	-	-	1.959	1.959
Total other investment securities	-	-	1.959	1.959
Total of investment securities	494.490	828.234	1.959	1.324.683

All investment securities, with the exception of UCIT funds, are listed.

18 Investments in subsidiaries

The following is a listing of the Company's subsidiaries as at 30 September 2023 and December 2022:

Name	*Percentage holding*	**30 September 2023 €'000**	31 December 2022 €'000
Foramonio Ltd	100%	**1**	1
Lenevino Holdings Ltd	100%	**1**	1
Neviko Ventures Ltd	100%	**1**	1
Rano Investments Ltd	100%	**1**	1
Amvanero Ltd	100%	**1**	1
Revasono Holdings Ltd	100%	**1**	1
Volki Investments Ltd	100%	**1**	1
Zivar Investments Ltd	100%	**1**	1
Elerovio Holdings Limited	100%	**1**	1
Adariano Investments Limited	100%	**1**	1
Afinopio Investments Limited	100%	**1**	-
Ovedrio Holdings Limited	100%	**1**	-
Primoxia Holdings Limited	100%	**1**	-
		13	10

During the nine months ended 30 September 2023, Afinopio Investments Limited, Ovedrio Holdings Limited and Primoxia Holdings Limited were set up with a share capital of €1 thousand each.

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

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19 Property and equipment

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

	30 September 2023 €'000	31 December 2022 €'000
Leasehold improvements	**5.789**	6.460
Motor vehicles and motor cycles	**6**	11
Equipment	**2.150**	2.469
Right-of-use assets[1]	**16.086**	18.089
Total	**24.031**	27.029

[1]The respective lease liabilities are presented in "Other liabilities" (note 25).

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

As at 30 September 2023, the right-of-use assets refer to leased office and branch premises of €15.984 thousand (31 December 2022: €17.914 thousand) and motor vehicles of €102 thousand (31 December 2022: €175 thousand).

20 Intangible assets

The carrying amount of intangible assets of €30.658 thousand as at 30 September 2023 (31 December 2022: €27.595 thousand) comprises of computer software.

21 Other assets

	30 September 2023 €'000	31 December 2022 €'000
Prepaid expenses	**1.104**	1.293
Other assets	**5.653**	652
	6.757	1.945

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

22 Due to central banks

	30 September 2023 €'000	31 December 2022 €'000
Secured borrowing from credit institutions	**-**	605.322

During the nine months ended 30 September 2023, the Bank repaid €615 million of its borrowing from the TLTRO III- refinancing program and recognised a benefit of €2.173 thousand.

23 Due to credit institutions

	30 September 2023 €'000	31 December 2022 €'000
Deposits due to credit institutions	**200.077**	220.981
Settlement balances with credit institutions	**122.941**	140.662
	323.018	361.643

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 is fixed for 3 years at 3,86%. The balance of the loan as at 30 September 2023 amounted to €30.100 thousand (31 December 2022: €30.103 thousand) and is included in "Deposits due to credit institutions".

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

24 Due to customers

	30 September 2023 €'000	31 December 2022 €'000
Current accounts	**4.354.338**	5.139.998
Notice accounts	**4.053**	4.778
Term deposits	**2.804.175**	2.058.046
	7.162.566	7.202.822

Total client deposits pledged as collateral for credit facilities granted to clients as at 30 September 2023 amounted to €741.901 thousand (31 December 2022: €670.815 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 total government levy on customer deposits for the nine months ended 30 September 2023 amounted to €5.100 thousand (30 September 2022: €4.258 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. The 2023 government levy is net of €2.986 thousand (2022: €3.347 thousand) relating to the contribution to the Single Resolution Fund.

25 Other liabilities

	30 September 2023 €'000	31 December 2022 €'000
Impairment allowance on financial guarantees and credit related commitments	**5.083**	8.254
Lease liabilities	**17.182**	18.884
Balances under settlement relating to bank cheques	**19.159**	23.505
Duties and other taxes	**1.370**	2.288
Suppliers and creditors	**477**	4.003
Other liabilities and accruals	**64.479**	37.720
	107.750	94.654

Other liabilities and accruals mainly consist of staff related and trading balances. As at 30 September 2023, they also include provisions for operational risk events of €645 thousand (31 December 2022: €619 thousand).

26 Share capital

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

There were no changes to the authorised or issued share capital during the nine months ended 30 September 2023 and the year ended 31 December 2022.

	No. of shares	Ordinary shares €'000	Share premium €'000	Total €'000
Authorised				
At 30 September 2023 & 31 December 2022	**1.500**	**15.000**	**-**	**15.000**
Issued				
At 30 September 2023 & 31 December 2022	**1.201**	**12.010**	**245.384**	**257.394**

All the shares have the same rights.

27 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.

The values derived using these techniques are affected by underlying assumptions concerning both the amounts and timing of future cash flows and the discount rate used.

The Bank's financial instruments carried at fair value or at amortised cost for which fair value is disclosed are categorised into the three fair value hierarchy levels based on whether the inputs to their fair values are observable or non-observable, 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 must be 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 where 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.

27 Fair value of financial assets and liabilities (continued)

Financial instruments carried at fair value

The fair value hierarchy categorisation of the financial assets and liabilities carried at fair value as at 30 September 2023 and 31 December 2022 is presented in the following tables:

	At 30 September 2023		
	Level 1	**Level 2**	**Total**
	€'000	**€'000**	**€'000**
Financial assets measured at fair value on a recurring basis:			
Derivative financial instruments designated as fair value hedges	-	7.332	**7.332**
Derivatives for which hedge accounting is not applied/held for trading	-	10.497	**10.497**
Investment securities at FVOCI	391.735	83.174	**474.909**
Investment securities mandatorily at FVTPL	2.030	-	**2.030**
Total financial assets measured at fair value on a recurring basis	**393.765**	**101.003**	**494.768**
Financial liabilities measured at fair value on a recurring basis:			
Derivative financial instruments designated as fair value hedges	-	2.707	**2.707**
Derivatives for which hedge accounting is not applied/held for trading	-	2.983	**2.983**
Total financial liabilities measured at fair value on a recurring basis	-	**5.690**	**5.690**

	At 31 December 2022		
	Level 1	Level 2	Total
	€'000	€'000	€'000
Financial assets measured at fair value on a recurring basis:			
Derivative financial instruments designated as fair value hedges	-	21.454	21.454
Derivatives for which hedge accounting is not applied/held for trading	-	2.484	2.484
Investment securities at FVOCI	393.041	101.449	494.490
Investment securities mandatorily at FVTPL	1.959	-	1.959
Total financial assets measured at fair value on a recurring basis	395.000	125.387	520.387
Financial liabilities measured at fair value on a recurring basis:			
Derivative financial instruments designated as fair value hedges	-	93	93
Derivatives for which hedge accounting is not applied/held for trading	-	26.794	26.794
Total financial liabilities measured at fair value on a recurring basis	-	26.887	26.887

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.

27 Fair value of financial assets and liabilities (continued)

Valuation processes and techniques (continued)

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 entity and the counterparty, where appropriate.

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.

OTC derivative financial instruments are fair valued 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 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 are estimated mainly (i) using 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 which contractual cash flows 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.

27 Fair value of financial assets and liabilities (continued)

Valuation processes and techniques (continued)

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. 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.

Financial instruments not carried at fair value

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

	At 30 September 2023				
	Level 1 €'000	Level 2 €'000	Level 3 €000	Fair Value €000	Carrying amount €'000
Financial assets not carried at fair value:					
Balances with central banks	-	2.902.903	-	**2.902.903**	**2.902.903**
Due from credit institutions	-	1.163.897	-	**1.163.897**	**1.163.897**
Loans and advances to customers	-	-	2.923.907	**2.923.907**	**2.839.794**
Investment securities at AC	540.706	362.481	-	**903.187**	**928.385**
Other assets	-	5.653	-	**5.653**	**5.653**
	540.706	**4.434.934**	**2.923.907**	**7.899.547**	**7.840.632**
Financial liabilities not carried at fair value:					
Due to credit institutions	-	323.018	**-**	**323.018**	**323.018**
Due to customers	-	7.162.566	**-**	**7.162.566**	**7.162.566**
Other liabilities	-	102.667	**-**	**102.667**	**102.667**
	-	**7.588.251**	**-**	**7.588.251**	**7.588.251**

	At 31 December 2022				
	Level 1 €'000	Level 2 €'000	Level 3 €000	Fair Value €000	Carrying amount €'000
Financial assets not carried at fair value:					
Balances with central banks	-	3.258.922	-	3.258.922	3.258.922
Due from credit institutions	-	1.526.920	-	1.526.920	1.526.920
Loans and advances to customers	-	-	2.755.580	2.755.580	2.729.918
Investment securities at AC	457.759	348.283	-	806.042	828.234
Other assets	-	652	-	652	652
	457.759	5.134.777	2.755.580	8.348.116	8.344.646
Financial liabilities not carried at fair value:					
Due to credit institutions	-	361.643	-	361.643	361.643
Due to customers	-	7.202.822	-	7.202.822	7.202.822
Other liabilities	-	86.400	-	86.400	86.400
	-	7.650.865	-	7.650.865	7.650.865

27 Fair value of financial assets and liabilities (continued)

Financial instruments not carried at fair value (continued)

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

- Loans and advances to customers: for 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. Loans are grouped into homogenous assets with similar characteristics, as monitored by Management, such as product, borrower type and delinquency status, in order to improve the accuracy of the estimated valuation outputs. In estimating future cash flows, the Bank makes assumptions on expected prepayments, product spreads and timing of collateral realisation. The discount rates incorporate inputs for expected credit losses and interest rates, as appropriate;

- Investment securities carried 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.

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 periods ended 30 September 2023 and 2022, the Bank did not make any transfers into and out of the fair value hierarchy levels.

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.

28 Interest Rate Benchmark reform – IBOR reform

The Bank completed the transition of transactions linked to USD LIBOR rates that is ceased after 30 June 2023. The Bank had exposures only in loans to customers referencing USD LIBOR that was substituted successfully. The Bank did not have any exposure to USD LIBOR in derivatives and/or other types of transactions.

29 Contingencies and commitments

Credit related 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 September 2023 €'000	31 December 2022 €'000
Contingent liabilities:		
Financial guarantee contracts	**202.076**	201.082
Credit related commitments	**4.376**	5.892
	206.452	206.974
Commitments:		
Loan commitments	**602.789**	445.897

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 September 2023						
	Non-impaired		**Credit-impaired**		**Impairment allowance**		
	12-month ECL €'000	**Lifetime ECL not credit-impaired €'000**	**Lifetime ECL credit-impaired €'000**	**Total gross carrying amount / nominal exposure €'000**	**12-month ECL €'000**	**Lifetime ECL not credit-impaired €'000**	**Lifetime ECL credit-impaired €'000**
Financial guarantee contracts and other credit related commitments	201.017	4.968	467	206.452	1.675	180	203
Loan commitments	549.862	43.989	8.938	602.789	1.931	1.094	-
	750.879	**48.957**	**9.405**	**809.241**	**3.606**	**1.274**	**203**
Value of collateral	***265.212***	***26.936***	***1.351***	***293.499***			

29 Contingencies and commitments (continued)

Credit related commitments (continued)

	31 December 2022						
	Non-impaired		Credit-impaired		Impairment allowance		
	12-month ECL	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	€'000
Financial guarantee contracts and other credit related commitments	188.193	18.374	407	206.974	2.374	343	302
Loan commitments	411.963	32.709	1.225	445.897	1.474	3.761	-
	600.156	51.083	1.632	652.871	3.848	4.104	302
Value of collateral	*159.044*	*20.160*	*1.005*	*180.209*			

Impairment allowance on contingent liabilities and commitments is presented within "Other liabilities" (note 25).

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 September 2023			
	Non-impaired		**Credit-impaired**	
	12-month ECL	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Total nominal exposure**
	€'000	**€'000**	**€'000**	**€'000**
Financial guarantee contracts and other credit related commitments:				
Strong	157.714	301	-	**158.015**
Satisfactory	43.303	4.613	-	**47.916**
Watch list	-	54	-	**54**
Impaired	-	-	467	**467**
Loan commitments:				
Strong	416.519	13.734	-	**430.253**
Satisfactory	133.343	29.798	-	**163.141**
Watch list	-	457	-	**457**
Impaired	-	-	8.938	**8.938**
	750.879	**48.957**	**9.405**	**809.241**

Notes to the interim financial statements

29 Contingencies and commitments (continued)

Credit related commitments (continued)

	31 December 2022			
	Non-impaired		Credit-impaired	
	12-month ECL €'000	Lifetime ECL not credit-impaired €'000	Lifetime ECL credit-impaired €'000	Total nominal exposure €'000
Financial guarantee contracts and other credit related commitments:				
Strong	137.588	10.021	-	147.609
Satisfactory	50.605	7.849	-	58.454
Watch list	-	504	-	504
Impaired	-	-	407	407
Loan commitments:				
Strong	296.563	174	-	296.737
Satisfactory	115.400	31.641	-	147.041
Watch list	-	894	-	894
Impaired	-	-	1.225	1.225
	600.156	51.083	1.632	652.871

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 2023 to 30 September 2023, and from 1 January 2022 to 31 December 2022, respectively:

	30 September 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	Total €'000
Nominal amount at 1 January	**411.963**	**32.709**	**1.225**	**188.193**	**18.374**	**407**	**652.871**
Net increase/(decrease)	155.434	2.194	(736)	13.729	(14.232)	(19)	**156.370**
Transfers:							
- To 12-month ECL	10.361	(10.359)	(2)	756	(756)	-	-
- To lifetime ECL not credit-impaired	(20.331)	20.333	(2)	(1.623)	1.623	-	-
- To lifetime ECL credit-impaired	(7.565)	(888)	8.453	(38)	(41)	79	-
Nominal amount at 30 September	**549.862**	**43.989**	**8.938**	**201.017**	**4.968**	**467**	**809.241**

29 Contingencies and commitments (continued)

Credit related commitments (continued)

	31 December 2022						
	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	Total €'000
Nominal amount at 1 January	508.096	31.573	776	152.277	14.148	356	707.226
Net increase/(decrease)	(83.958)	(10.442)	(148)	47.456	(7.297)	34	(54.355)
Transfers:							
- To 12-month ECL	5.163	(5.103)	(60)	1.224	(1.224)	-	-
- To lifetime ECL not credit-impaired	(17.239)	17.280	(41)	(12.757)	12.757	-	-
- To lifetime ECL credit-impaired	(99)	(599)	698	(7)	(10)	17	-
Nominal amount at 31 December	411.963	32.709	1.225	188.193	18.374	407	652.871

Capital commitments

As at 30 September 2023 commitments for contracted capital expenditures for the Bank amounted to €708 thousand (31 December 2022: €2.878 thousand) and related to the acquisition of computer software.

Legal proceedings

As at 30 September 2023 and 31 December 2022 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.

30 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, including fiduciary assets, with fair value amounting to approximately €5.613.850 thousand (31 December 2022: €4.440.453 thousand).

Notes to the interim financial statements

31 Cash and cash equivalents on 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 September 2023 €'000	30 September 2022 €'000
Cash in hand (note 13)	**8.822**	12.808
Balances with central banks, excluding mandatory deposits (note 13)	**2.831.287**	3.183.911
Balances with credit institutions (note 14)	**1.163.897**	1.548.821
	4.004.006	4.745.540

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

	30 September 2023 €'000	30 September 2022 €'000
Reversal of impairment allowance	**44**	10.820
Amortisation of premiums/discounts and accrued interest (note 5)	**(24.947)**	(14.925)
Foreign exchange differences	**(12.836)**	(104.033)
Gain on fair value hedging discontinuance of investment securities at FVOCI	**4.475**	-
Net losses from changes in fair value of investment securities at FVOCI	**(6.117)**	(157)
Net (gains)/losses on revaluation of investment securities at FVTPL (note 8)	**(64)**	114
Net losses/(gains) on disposal of investment securities at FVOCI (note 8)	**6**	(122)
Net gains due to hedging discontinuance	**14.821**	-
	(24.618)	(108.303)

Changes in liabilities arising from financing activities

During the period ended 30 September 2023, changes in the Bank's liabilities arising from financing activities of €1.893 thousand (30 September 2022: €1.850 thousand) are attributable to payments of lease liabilities.

32 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., who is the ultimate parent company, owns 100% of the shares 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 the 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.

As at 30 September 2023, the percentage of Eurobank Ergasias Services and Holdings S.A.'s ordinary shares with voting rights held by the HFSF stood at 1,40%. The HFSF was considered to have significant influence over Eurobank Ergasias Services and Holdings S.A. pursuant to the provisions of the Law 3864/2010, and the Tripartite Relationship Framework Agreement (TRFA) between Eurobank S.A., Eurobank Ergasias Services and Holdings S.A. and the HFSF as was in force.

On 9 October 2023, the acquisition of all Eurobank Ergasias Services and Holdings S.A. shares held by the HFSF was completed. Therefore, as of that date the HFSF is not considered to have significant influence over Eurobank Ergasias Services and Holdings S.A.

Fairfax Group, which holds 32,93% of Eurobank Ergasias Services and Holdings S.A.'s issued share capital as of 30 September 2023 (31 December 2022: 32,99%), is considered to have significant influence over Eurobank Ergasias Services and Holdings S.A.

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.

32 Related party transactions and balances (continued)

The outstanding balances with related parties as at 30 September 2023 and 31 December 2022 were as follows:

	With Eurobank Ergasias Services and Holdings S.A. and Eurobank S.A.		Other related entities		With key management personnel	
	30 September 2023 €'000	31 December 2022 €'000	**30 September 2023 €'000**	31 December 2022 €'000	**30 September 2023 €'000**	31 December 2022 €'000
Due from credit institutions[1]	**1.121.908**	1.496.518	**490**	480	**-**	-
Loans and advances to customers[2]	**-**	-	**26.888**	29.829	**461**	562
Derivative financial instruments – Assets	**17.796**	23.801	**-**	-	**-**	-
Due to credit institutions	**248.518**	289.096	**5**	-	**-**	-
Derivative financial instruments – Liabilities	**4.177**	25.200	**-**	-	**-**	-
Due to customers[3]	**-**	-	**3.579**	17.050	**5.385**	6.792
Other liabilities	**731**	1.625	**324**	367	**-**	-

The transactions with related parties during the nine months ended 30 September 2023 and 2022 were as follows:

	With Eurobank Ergasias Services and Holdings S.A. and Eurobank S.A.		Other related entities		With key management personnel	
	2023 €'000	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000
Interest income[4]	**66.202**	13.904	**1.019**	524	**9**	8
Interest expense	**(27.736)**	(5.749)	**-**	(6)	**(20)**	(4)
Banking fee and commission income	**252**	1.178	**56**	23	**-**	-
Banking fee and commission expense – fees on lien agreement	**(1.513)**	(2.020)	**-**	-	**-**	-
Banking fee and commission expense – other	**(129)**	(300)	**(535)**	(568)	**-**	-
Net trading income	**1.621**	29.862	-	-		-
Net losses from other financial instruments	**-**	(157)	-	-	**-**	-
Staff costs excluding retirement benefit costs	**-**	-	-	-	**1.872**	1.622
Defined contribution plan	**-**	-	-	-	**156**	146
Directors' remuneration	**-**	-	-	-	**918**	865
Other operating expenses	**(591)**	(464)	-	-	**-**	-

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

[1]Amounts due from credit institutions include reverse repurchase agreements with Eurobank S.A. of €1.118.918 thousand (31 December 2022: €1.490.836 thousand) (note 14).

Notes to the interim financial statements

32 Related party transactions and balances (continued)

[2]Loans and advances to customers with other related entities include loans and advances to the Bank's direct subsidiaries of €16.830 thousand (31 December 2022: €16.385 thousand).

[3]Due to customers with other related entities include balances with the Bank's direct subsidiaries of €25 thousand (31 December 2022: €25 thousand). They also include balances with the Bank's Defined Contribution Plan of €869 thousand (31 December 2022: €368 thousand).

[4]Interest income from other related entities includes income from the Bank's direct subsidiaries of €670 thousand (30 September 2022: €298 thousand). Interest income from the Bank's Defined Contribution Plan is nil (30 September 2022: €2 thousand).

Total collaterals in relation to loans and advances to key management personnel amounted to €335 thousand (31 December 2022: €441 thousand).

The Bank has in place lien agreements from Eurobank S.A., which act as guarantees for the purposes of securing loans and advances to customers of €147.793 thousand as of 30 September 2023 (31 December 2022: €154.928 thousand). 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.

33 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 financial statements.