



Annual Report 2023

Annual Report

2023



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2023 Annual Report

Within its own remit and under the terms of Article 172 of the Legal Framework of Credit Institutions and Financial Companies (Regime Geral das Instituições de Crédito e Sociedades Financeiras – RGICSF), approved by Decree-Law No 298/92 of 31 December 1992, the Management Committee submitted, within the prescribed deadline (by 31 March 2024), the Fund's annual report and accounts for the 2023 fiscal year to the member of Government responsible for Finance, together with the opinion of the Board of Auditors of the Banco de Portugal (supervisory body).

The Annual Report of the Fundo de Garantia de Depósitos was approved by Decision No 34/2024/MEF-XXIV, of 22 May 2024, drawn up by the Minister of State and Finance.

Management Committee

The Fund is operated by a Management Committee established in accordance with the provisions laid down in Article 158 of the RGICSF.

Composition of the Management Committee as at 31 December 2023

Chairman

Luís Augusto Máximo dos Santos¹

Members

Carlos Manuel Durães da Conceição²

Norberto Emílio Sequeira da Rosa³

The Management Committee is assisted by the Secretary-General.

Secretary-General

João Filipe Soares da Silva Freitas⁴

1. Appointed by the Board of Directors of the Banco de Portugal, he took up his post in July 2016 and is currently serving his third term, which began in July 2022.

2. Appointed by the Secretary of State for the Treasury and Finance, in the exercise of delegated powers. He took up his post in April 2008 and is currently serving his fourth term, which began in April 2017.

3. Appointed by the Associação Portuguesa de Bancos (Portuguese Banking Association), which is the Portuguese association representing member credit institutions that, as a whole, hold the largest volume of deposits covered by the guarantee. He took up his post in February 2022.

4. Appointed by the Fund's Management Committee in October 2010.

Board of auditors of the Banco de Portugal

Under Article 171 of the RGICSF on the auditing of the Fundo de Garantia de Depósitos, the Board of Auditors of the Banco de Portugal oversees the Fund's activities and the observance of the applicable laws and regulations and issues its opinion on the Fund's annual accounts.

In accordance with Article 41(1) of the Statute of Banco de Portugal, approved by Law No 5/98 of 31 January 1998, the Board of Auditors of the Banco de Portugal consists of three members, appointed by the Minister of State and Finance.

The composition of the Board of Auditors of the Banco de Portugal as at 31 December 2023 was as follows:¹

Chairman

Óscar Manuel Machado Figueiredo

Members

Maria Albertina Barreiro Rodrigues

Alexandre Jaime Boa-Nova e Moreira dos Santos

1. By Decision No 11174/2023 of 27 October 2023 of the Secretary of State for Finance, published in the Official Gazette No 212, Series II, of 2 November 2023, the term of office of Óscar Manuel Machado de Figueiredo as member of the Board of Auditors was renewed and he was appointed Chair of this Board with effect from 1 November 2023, and Maria Albertina Barreiro Rodrigues and Alexandre Jaime Boa-Nova e Moreira dos Santos were appointed members of this Board with effect from 1 November 2023.



I Activity in 2023

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1 Message from the Chairman of the Management Committee

2023 was a very positive year for the Fundo de Garantia de Depósitos (hereinafter referred to as the 'Fund').

Indeed, in a complex global economic environment, characterised by worsening geopolitical tensions, tighter monetary policy and a slowdown in economic activity, the Fund strengthened its financial position and reinforced its capacity to protect depositors in Portugal.

The Fund's own funds increased by €45.3 million (+2.7%), due to a return to profitability in the management of the Fund's assets.

Gains on the Fund's investments totalled €37.1 million, more than offsetting, in just one year, the losses accumulated during the six-year period in which the Fund's profitability was inevitably affected by the negative interest rate environment.

Adding to these gains obtained from asset management are fines levied by the Banco de Portugal on institutions, constituting revenue for the Fund under the terms of the law (€5.7 million) and the receipt of contributions paid by the Fund's member institutions (€2.7 million).

The Fund's financial situation was also strengthened by the measures adopted by its Management Committee to settle the irrevocable payment commitments undertaken by member institutions.

Indeed, following an invitation to the main Portuguese banking groups to consider paying the irrevocable payment commitments to the Fund undertaken between 1997 and 2011, it received €250.4 million. As such, the stock of irrevocable payment commitments was significantly reduced.

This initiative had a substantial impact on the Fund's financial and operational soundness. On the one hand, it improved the quality of its balance sheet and increased its income-generating capacity. On the other, it strengthened the Fund's responsiveness to potential crisis situations, thereby also decreasing the adverse effects that might arise from the settlement of commitments at an adverse moment.

The process of settling irrevocable payment commitments should therefore continue in 2024 and 2025, if circumstances continue to advise it.

Against this background, the ratio of the Fund's own funds to covered deposits increased to 0.98%, countering the downward trend observed in this ratio in recent years, mainly as a result of a rise in the deposits covered by the guarantee.

Consequently, the ratio remains above the 0.8% target level set out in Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 and in the Legal Framework of Credit Institutions and Financial Companies.

2023 was also a year of operational strengthening for the Fund. We carried out a comprehensive test on the quality of the information that member institutions must keep and which is needed in the event of a call on the Fund's guarantee, as well as their capacity to report said information within very short deadlines. Such exercises are key to ensuring that the Fund is prepared to effectively respond to any future needs, ensuring the integrity and preparedness of its processes.

The economic context in Portugal, Europe and the world continues to present major challenges.

The persistence of the military conflicts in Ukraine and the Middle East and the inherent geopolitical tension pose material risks to economic activity. Proximity to major elections in countries with a

relevant weight in the world economy may also create uncertainty, and the impacts on economic activity that may arise from a possible continued tightening of monetary policy also remain to be determined.

In contrast, the effects of monetary policy on containing inflation can already be observed, and inflation is expected to remain on a downward path. The Portuguese economy, in turn, has shown resilience and the financial sector has strengthened its capital, liquidity, profitability and loss-absorbing capacity levels.

To sum up, in a global environment of great uncertainty, permanent vigilance and preparedness are essential to act when needed.

In this context, the Fund must continue to strengthen its financial and operational capacity, continuing to be a pillar for preserving confidence in banking and thereby safeguarding financial stability.

This work is carried out by the Banco de Portugal's teams which, as laid down by law, provide the Fund's services. On behalf of the Management Committee, I would therefore like to thank them for their continued professionalism and dedication, which had tangible results in 2023 in fulfilling the Fund's mission.



Luís Máximo dos Santos
Chairman of the Management Committee
Vice-Governor of the Banco de Portugal

2 The Fundo de Garantia de Depósitos in 2023: highlights

2023 was marked by a significant improvement in the financial soundness of the Fundo de Garantia de Depósitos as well as a strengthening of its capacity to respond to a call on the deposit guarantee in case of need.

2.1 Improvement in the Fund's financial situation in 2023

In 2023 the Fund's financial situation was strengthened substantially both by an increase in its own funds and an improvement in the quality of its balance sheet.

Indeed, own funds grew by €45.3 million (+2.7%), largely due to the profit obtained from investing the Fund's financial resources, which amounted to €37.1 million.

As explained in more detail in Chapter 4, this marks a return to profitability in the management of the Fund's assets, after a period of negative rates of return due to an environment of very low, and even negative, interest rates, in particular for the financial assets that are part of the Fund's investment opportunities.

The return to profitability was such that the profit obtained in the management of the Fund's assets is the highest in terms of amount since the Fund was set up, having already – in the first year of positive interest rates – more than offset the losses caused by the negative interest rate environment in the Fund's portfolio between 2016 and 2022.

The return obtained from managing the Fund's assets net of taxes and management costs was 2.96%.

The expectation already announced in the Fund's 2022 Annual Report that 2023 would mark the return to profitability in the management of the Fund's assets was therefore confirmed.¹

Added to the profit on the Fund's investments are the proceeds from fines levied by the Banco de Portugal on credit institutions, which constitute revenue for the Fund (€5.7 million). Consequently, net profit for the year totalled €42.7 million.

The receipt of contributions paid by the Fund's member institutions also contributed to the €45.3 million increase in own funds, although much more residually. These contributions amounted to €2.7 million and thus remained at a relatively stable level compared to 2022 (€2.6 million).

At the end of the year, the Fund's own funds totalled €1,725.3 million.

The increase in the Fund's own funds, together with the fact that the amount of deposits covered by the Fund's guarantee declined in 2023, allowed the ratio used to measure the Fund's capitalisation level (the ratio of its own funds to the amount of deposits covered by the Fund's guarantee) to rise

1. As explained in the 2022 Annual Report (see Chapter 5), the change in the interest rate environment in the euro area – as a consequence of the start of a process of monetary policy normalisation by the European Central Bank in response to the inflation hike – had already begun in 2022; consequently, the positive effects of this change were already felt towards the end of that year. Indeed, the same Annual Report (Chapter 7.3) already stated that “while the return had stood at -0.69% as at September 2022 (...), in the last quarter the return amounted to +0.27%” and that “as at 31 December 2022, the expected yield to maturity of the Fund's portfolio was +1.89% after taxes. After the initial valuation adjustment shock on government debt securities, due to interest rate hikes, and after an extended period in which profitability remained negative owing to the negative interest rate environment, positive returns are expected again in 2023”.

to 0.98% at the end of 2023 (from 0.94% in 2022), thus interrupting the downward trend observed in this ratio in recent years.

As regards the capitalisation of deposit guarantee schemes in the European Union, the target level established in Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (DGSD) is 0.8%, which is to be reached by July 2024. The Fund's capitalisation level therefore remains above target.

In addition to the increase in the Fund's own funds, 2023 saw a substantial financial strengthening of the Fund, also owing to a material change in its balance sheet.

This change was the result of the payment by six member institutions of their irrevocable payment commitments to the Fund, totalling €250.4 million.

As explained in Box 1, this amount is now at the Fund's full disposal in the event of a call on the deposit guarantee (which is not expected but must be safeguarded) and may be used in favour of the Fund, thus strengthening its own funds.

As a result of these payments, triggered on the Fund's initiative and accepted by the institutions concerned, the share of own funds corresponding to irrevocable payment commitments fell from 26% to 11%.

2.2 The Fund's operational strengthening initiatives

As mentioned above, in addition to the Fund's financial strengthening, its capacity to respond to a call on the deposit guarantee was also strengthened at operational level.

At the end of the year, in compliance with Article 167(12) of the RGICSF, a test was carried out on the quality of the information that member institutions have in their databases on deposit accounts, their depositors and on their capacity to produce a full list of depositor claims within two working days. The test included a request without notice to all credit institutions that take deposits to send — based on a simulation of a call on the Fund — a full list of depositor claims and the data template on which it is based within two working days. This was the first time that such a request had been made simultaneously to all institutions without notice. This exercise is part of a process of continuous improvement in the quality of the deposit databases available at each credit institution and their information and reporting mechanisms.

2.3 The Fund's regular activity

The Fund also pursued all the activities inherent to a deposit guarantee fund with an ex ante contributory scheme, including:

- collecting the periodic contribution due to the Fund from each member credit institution;
- managing the Fund's own funds, in observance of the criteria set by the Management Committee for financial investments and according to the guidelines and management rules defined in the investment plan agreed between the Fund and the Banco de Portugal;
- collaborating with the Banco de Portugal in determining the contribution levels applicable the following year;
- complying with reporting requirements due to the Fund's integration in the general government sector;

- reporting to resolution authorities, including the Single Resolution Board, the amounts of deposits covered by the Fund's guarantee, in order to determine the target level of the resolution financing mechanisms and the annual base contribution of each institution to these mechanisms;
- providing information and clarifications on how the deposit guarantee operates.

In addition to these activities, particular focus should be given to a cooperation initiative with Angola's Deposit Guarantee Fund, which took place at the end of 2023, with the aim of promoting knowledge sharing and strengthening the good institutional relationship between the two Funds.

3 Member credit institutions

Participation in the Fund by credit institutions with their head office in Portugal and authorised to take deposits is mandatory, in compliance with Article 156 of the RGICSF.

The same article provides that credit institutions with their head office in non-EU Member States must also be members of the Fund, in relation to deposits taken by their branches in Portugal, unless those deposits are covered by a guarantee scheme of the home country under terms that the Banco de Portugal deems equivalent to those provided by the Fund.

As at 31 December 2023, 102 credit institutions were members of the Fund, consisting of 25 banks, three caixas económicas (savings banks), five mutual agricultural credit banks not belonging to the Integrated Mutual Agricultural Credit Scheme (*Sistema Integrado do Crédito Agrícola Mútuo – SICAM*) and 69 mutual agricultural credit banks belonging to SICAM, including the Central Mutual Agricultural Credit Bank (Table I.3.1).

In 2023 the following institutions ceased to be members of the Fund:

- FCE Bank, PLC, which is no longer authorised and registered with the Banco de Portugal to carry out the business of taking deposits or other repayable funds through its branch in Portugal;
- Banco Efisa, S. A. — Under liquidation, due to the end of its liquidation and subsequent withdrawal of its authorisation with the Banco de Portugal;
- Caixa de Crédito Agrícola Mútuo de Oliveira do Hospital, CRL, following a merger by incorporation into Caixa de Crédito Agrícola Mútuo da Serra da Estrela, CRL, with the latter's name remaining the same;
- Caixa de Crédito Agrícola Mútuo de Serras de Ansião, CRL, following a merger by incorporation into Caixa de Crédito Agrícola Mútuo de Pombal, CRL, resulting in a change of the latter's name to Caixa de Crédito Agrícola Mútuo do Centro Litoral, CRL;
- Caixa de Crédito Agrícola Mútuo de Arruda dos Vinhos, CRL, following a merger by incorporation into Caixa de Crédito Agrícola Mútuo de Vila Franca de Xira, CRL, resulting in a change of the latter's name to Caixa de Crédito Agrícola Mútuo de Vila Franca de Xira e Arruda dos Vinhos, CRL.

Table I.3.1 • Member credit institutions of the Fundo de Garantia de Depósitos

| Member credit institutions | As at 31 Dec 2022 | Changes in 2023 | | As at 31 Dec 2023 |
|--|-------------------------|-----------------|---------------------|----------------------|
| | | New members | Outgoing members | |
| Banks | 26 | - | 1 | 25 |
| Savings banks | 3 | - | - | 3 |
| Mutual agricultural credit banks not belonging to SICAM | 5 | - | - | 5 |
| Central and mutual agricultural credit banks belonging to SICAM | 72 | - | 3 | 69 |
| Credit institutions with their head office in non-EU Member States | 1 | - | 1 | - |
| Total | 107 | - | 5 | 102 |

Source: FGD.

In compliance with Article 22(c) of the Fundo de Garantia de Depósitos Regulation, approved by Executive Order No 285-B/95 (Series II) of 15 September 1995, the list of member credit institutions is published on the Fund's website (www.fgd.pt/en), where it is kept up-to-date.

A list of the 102 member credit institutions as at 31 December 2023 is included in an annex to this Annual Report.

4 Eligible deposits²

On the basis of information reported to the Fund by member credit institutions, as at 31 December 2023, the total amount of deposits covered by the Fund's repayment guarantee³ — i.e. deposits of eligible holders, only up to €100,000 — was approximately €176,168 million.

Table I.4.1 • Eligible deposits, amounts covered and coverage ratio

| | Deposits (EUR millions) | Eligible depositors (thousands) |
|-------------------|----------------------------|------------------------------------|
| Eligible deposits | 253,768 | 18,079 ⁴ |
| Amounts covered | 176,168 | |
| Coverage ratio | 69% | |

Source: Data reported by member credit institutions as at 31 December 2023.

The coverage ratio of deposits held by depositors eligible for the Fund's guarantee (i.e. the ratio of the value of deposits up to the coverage limit to their total value) was 69%, broadly unchanged from the level observed in the previous year.

2. The analysis presented in this chapter does not include deposits that are excluded from the Fund's repayment guarantee in accordance with Article 165(1) of the RGICSF. The main categories of deposits excluded from the guarantee include those deposits held by and made on behalf of credit institutions, investment firms, financial institutions, insurance and reinsurance undertakings, collective investment undertakings, pension funds, entities of national and foreign administrative public sectors and supranational or international organisations.

3. The amount of covered deposits herein does not take into account temporary high balances, covered by the Fund's guarantee under Article 166(2) of the RGICSF.

4. Naturally, this figure does not correspond to 18 million different holders, given that one holder may hold deposits with different institutions.

Therefore, the share of deposits that are not covered by the Fund as they exceed the coverage limit – despite being held by eligible depositors – was 31%.

Conversely, for approximately 98% of depositors eligible for the purposes of the Fund's guarantee, the coverage provided by the Fund encompassed 100% of their deposits, given that their balances were equal to or below €100,000 (attributable to each depositor per institution) (Table I.4.2).

Table I.4.2 • Breakdown of eligible deposits by ranges of amounts deposited

| Ranges in EUR according to the balance by depositor (D) | Depositors | Eligible deposits |
|---|------------|-------------------|
| D ≤< 10 000 | 77% | 10.4% |
| 10 000 < D ≤< 25 000 | 12% | 13.4% |
| 25 000 < D ≤< 50 000 | 6% | 14.9% |
| 50 000 < D ≤< 100 000 | 3% | 16.1% |
| D > 100 000 | 2% | 45.2% |

Source: Data reported by member credit institutions as at 31 December 2023.

5 Fund's financial resources

As at 31 December 2023 the Fund's own funds⁵ totalled €1,725.3 million. Compared with the end of 2022, there was a €45.3 million increase in own funds (+2.7%), as shown in Table I.5.1.

The rise in the Fund's own funds chiefly reflects profits for the year – €42.7 million – and €2.7 million in contributions paid by member credit institutions.

Table I.5.1 • Changes in the Fund's own funds and profit/loss | EUR thousands

| Nature of the funds | Balance as at 31 Dec 2023 | Balance as at 31 Dec 2022 | Changes in balances |
|---|---------------------------|---------------------------|---------------------|
| Contributions paid to the Fund | 1,523,024 | 1,520,354 | 2,670 |
| <i>of which:</i> | | | |
| Single initial contribution paid by the Banco de Portugal | 97,824 | 97,824 | 0 |
| Initial contributions paid by member credit institutions | 98,700 | 98,700 | 0 |
| Transfer of FGCAM's funds | 132,998 | 132,998 | 0 |
| Periodic (annual) contributions ^(a) | 1,192,917 | 1,190,247 | 2,670 |
| Transfers from/to other deposit guarantee schemes | 585 | 585 | 0 |
| Triggering of the deposit guarantee | -105,022 | -105,009 | -13 |
| Reserves ^(b) | 264,630 | 259,485 | 5,145 |
| Profit/loss for the year | 42,691 | 5,145 | 37,546 |
| Total own funds and profit/loss | 1,725,323 | 1,679,975 | 45,348 |

Source: FGD. | Notes: (a) Includes contributions paid in cash and the share corresponding to irrevocable payment commitments to the Fund by member credit institutions. (b) Reserves are formed by the accumulation of annual profit obtained by the Fund.

Net earnings for the year totalled €42.7 million, compared with €5.1 million and -€2.2 million in 2022 and 2021 respectively.

5. The Fund's "own funds" mainly consist of the single initial contribution of the Banco de Portugal, the initial and periodic contributions of its member credit institutions, income from investment of the Fund's resources and proceeds from fines imposed on credit institutions by the Banco de Portugal. Own funds also comprise the amount transferred by the Fundo de Garantia do Crédito Agrícola Mútuo – FGCAM (Mutual Agricultural Credit Guarantee Fund), which was wound-up, pursuant to the provisions of Decree-Law No 106/2019 of 12 August 2019.

The profit recorded in 2023 mostly stemmed from gains on the Fund's investments — totalling €37.1 million — and, to a much lesser extent, fines levied by the Banco de Portugal on credit institutions, constituting revenue for the Fund, totalling €5.7 million in 2023. In turn, the costs related to the Fund's operation amounted to €133.5 thousand.⁶

In terms of amount, the €42.7 million profit obtained in 2023 is the highest since the Fund was set up.

This profit marks a return to profitability in the management of the Fund's assets,⁷ after a period in which returns remained negative due to an environment of very low, and even negative, interest rates, which particularly affected the Fund's investment opportunities given that it invests its resources in assets of high credit quality and relatively short maturities.

As mentioned in the Fund's Annual Reports, even during the period when interest rates remained negative, the return on the portfolio was protected from more adverse impacts due to the high degree of prudence guiding the Fund's investments.

Thus, in 2023 the gains obtained from the management of the Fund's assets more than offset the losses recorded during the entire period from 2016 to 2022, due to a negative interest rate environment: the losses accumulated during this six-year period totalled €25.1 million, while the gains recorded in 2023 in the portfolio's management totalled €37.1 million.⁸ The effect of the negative interest rate environment on the Fund's portfolio between 2016 and 2022 was therefore more than offset in the first year in which interest rates returned to positive territory.

The increase in the Fund's own funds, coupled with an interruption in the trend observed in previous years of a rise in the deposits covered by the Fund's guarantee,^{9,10} led to a slight increase, in 2023, in the ratio used to measure the Fund's capitalisation level.

Therefore, in 2023 the ratio of the Fund's own funds to deposits covered by its guarantee stood at 0.98%, compared to 0.94% at the end of 2022.

The Fund's capitalisation level thus continues to exceed that set out in the DGSD, which establishes that deposit guarantee schemes must have own funds corresponding to 0.8% of the total amount of covered deposits.¹¹ Under the Directive, transposed by Law No 23-A/2015 of 26 March 2015, this capitalisation level must be reached by July 2024, which has already been achieved by the Fund.

In addition to the increase in the Fund's own funds, in 2023 there was a substantial financial strengthening of the Fund also owing to a material change in its balance sheet.

This change was the result of the payment by six member institutions of their irrevocable payment commitments to the Fund for periodic contributions relating to previous years (Box 1).

6. Corresponding to Staff costs (with no costs recorded), Supplies and services from third parties (€94.8 thousand) and Other expenses (€38.7 thousand).

7. The Fund recorded a profit in 2022 (+€5.14 million), after a period of six years of net losses.

However, as explained in the Fund's 2022 Annual Report (see Chapter 5), this profit mostly stemmed from fines levied by the Banco de Portugal on credit institutions, constituting revenue for the Fund (+€10.23 million), given that, in 2022, return on asset management remained negative (-€4.98 million). As such, 2023 effectively marks a return to profitability in the management of the Fund's assets.

8. These figures refer only to profit and loss on the investment of resources and do not even take into account other factors contributing to profit and loss, namely proceeds from fines constituting revenue for the Fund.

9. Covered deposits mean deposits covered by the Fund's guarantee up to a limit of €100,000 per depositor and per credit institution. The calculation of covered deposits used to establish this ratio does not take into account temporary high balances, covered by the Fund's guarantee under Article 166(2) of the RGICSF.

10. The amount of deposits covered by the Fund's guarantee totalled €176,168 million (see previous chapter) as at 31 December 2023, a 1.3% decline from the amount recorded at the end of 2022, on the basis of the reports sent to the Fund by member institutions.

11. The capitalisation level may be lower than 0.8% but not lower than 0.5%, provided that certain conditions are met and upon approval by the European Commission.

The amount settled totalled €250.4 million, which, in addition to now being at the Fund's full disposal in the event of a call on the deposit guarantee (which is not expected but must be safeguarded), may be used in its favour.

Consequently, the balance of irrevocable payment commitments declined from €443.8 million to €193.4 million, corresponding to 11% of the Fund's total own funds (compared to 26% in 2022).

As explained in Box 1, this change in the Fund's balance sheet structure is a significant improvement in its financial soundness, not only because it increases the liquidity of the Fund's assets and consequently the amount of resources at its immediate disposal, but also because it substantially reduces the share of the Fund's assets that is not remunerated and may now be invested in its favour.

Box 1 • Irrevocable payment commitments by member institutions to the Fondo de Garantia de Depósitos and payments made in 2023

In 2023 there was a material change in the balance sheet structure of the Fondo de Garantia de Depósitos, following the settlement by six member institutions of their irrevocable payment commitments to the Fund.

The amount settled totalled €250.4 million. Consequently, the balance of irrevocable payment commitments declined from €443.8 million to €193.4 million, corresponding to 11% of the Fund's total own funds (compared to 26% in 2022).

What are “irrevocable payment commitments”?

Irrevocable payment commitments (or “commitments”) are essentially a means of partial compliance with the obligation of payment to the Fund of the periodic contributions due by member institutions, set out in Article 161 of the RGICSF.

In accordance with Article 161(8) of this Article (which has seen different versions over time), the Fund's member institutions may be exempt from making full payment of the periodic contribution within the time limit established (by 30 April of the year to which the contribution relates) provided they commit themselves to paying to the Fund — at any time as required by the latter — in whole or in part, the amount of the contribution that is not paid immediately.

Pursuant to the same Article, this commitment is irrevocable and backed by financial assets.

Thus, irrevocable commitments are a payment obligation to the Fund of contributions due in previous years.

This is a perpetual and irrevocable obligation, as it does not cease to apply or decrease under any circumstance, save where such obligation to the Fund is settled.

Irrevocable payment commitments are thus an asset of the Fondo de Garantia de Depósitos, which has the right to decide on the immediate settlement of the commitment at any given moment, without need to fulfil a given set of conditions and without notice. Upon being notified by the Fund that they must pay, institutions have up to three days to settle the contribution due.

Given that the Fund's claim is backed by securities (specifically, the securities pledged as collateral for the irrevocable commitments have consisted of euro area — most notably Portuguese — public debt), in the event that a member institution fails to settle the commitment upon notification by the Fund, the latter has the option of seizing the securities pledged as collateral.

Article 161 of the RGICSF also stipulates that replacing immediate payment of the periodic contribution with an irrevocable payment commitment is subject to a limit of 30% of the periodic contribution due each year (this limit has reached 75% in the past).

Thus, each year, the Banco de Portugal is responsible for setting the maximum level of the periodic contribution, the immediate payment of which may be replaced by irrevocable payment commitments in that year.

Between 1996 and 2011, the Banco de Portugal set limits on irrevocable payment commitments that ranged from 10% to 75% of the contribution due in each year by member institutions.

Since 2012, the Banco de Portugal has determined on an annual basis that member institutions cannot replace payment of their annual contribution with irrevocable payment commitments. Consequently, since then the periodic contribution due by each institution to the Fund is fully settled by 30 April of the year to which it relates and no new irrevocable payment commitments have been made.

What is the current situation with regard to irrevocable payment commitments and what changes occurred in 2023?

As already mentioned, at the end of 2022, the value of irrevocable payment commitments by member institutions to the Fund totalled €443.8 million.

This involved irrevocable commitments made between 1997 and 2011 in respect of contributions due, but not paid, by 20 member institutions during that period (considering the ownership of the commitment at present, which does not necessarily correspond to ownership at the time the commitment was made, as multiple changes of ownership have occurred since then, for example as a result of corporate changes, acquisitions or mergers).

This amount accounted for 26.4% of the Fund's total own funds as at 31 December 2022.

In the course of 2023, six member institutions settled their irrevocable payment commitments to the Fund, namely Banco BPI, S. A., BEST – Banco Eletrónico de Serviço Total, S. A., Caixa — Banco de Investimento, S. A., Caixa Geral de Depósitos, S. A., Novo Banco, S. A., and Novo Banco dos Açores, S. A.

The value settled in 2023 amounted to €250.4 million, corresponding to 56% of the balance of irrevocable commitments observed at the end of 2022.

The irrevocable commitments were settled by transferring the amounts in question to the Fund, whereby the latter released the assets pledged as collateral and extinguished the commitments.

The receipt of €250.4 million entailed a material change in the Fund's asset structure.

Indeed, as at 31 December 2023, the value of irrevocable payment commitments undertaken by member institutions totalled €193.4 million, accounting for 11.2% of the Fund's total own funds.

As mentioned above, this amount was already recognised in the Fund's balance sheet and included its own funds, since there was an irrevocable claim to receive the value of the commitments at any time as required by the Fund. Thus, from an asset point of view, the settlement transformed that claim (classified as "non-current assets" in its accounts) into cash actually held by the Fundo de Garantia de Depósitos ("current assets"), which it now owns and may invest and use in its favour.

Settlement of the irrevocable commitments in 2023 was triggered on the Fund's initiative, which invited the institutions that belong to the five main Portuguese banking groups to consider payment of their commitments. Subsequently, the six institutions indicated their willingness, having settled their commitments in the course of 2023.

What are the benefits of settling irrevocable payment commitments?

Recourse to irrevocable payment commitments as a means of partially fulfilling an obligation to pay the periodic obligations due by member institutions to the Fund played an important role in the process of capitalising the Fundo de Garantia de Depósitos, in particular in its initial stage, when the contribution effort required from member institutions was more significant.

Recourse to these commitments from 1997 to 2011 led to a very large balance of irrevocable payment commitments being accumulated. As mentioned above, for the banking sector as a whole, this balance totalled €443.8 million at the end of 2022 and accounted for 26% of the Fund's resources.

From the perspective of the member institutions, the commitment represents a contingency requiring them to pay the amount due at any time.

From the Fund's perspective, settlement of irrevocable payment commitments makes it possible, as mentioned above, to transform the right to claim from the institutions payment of the outstanding amount as liquidity actually held by the Fundo de Garantia de Depósitos.

This receipt improves the quality of the FGD's balance sheet both in terms of its liquidity and income-generating capacity.

On the one hand, the Fund becomes the owner and may use the funds corresponding to irrevocable payment commitments and has the capacity to mobilise them without any restrictions, as opposed to irrevocable commitments, where the Fund does not hold the cash and access to the funds entails a procedure notifying the member institution for payment. When the commitments are settled, barriers to the use of these funds are thus removed in the event of a call on the guarantee provided by the Fund (which is not expected but must be safeguarded).

On the other, with the settlement of irrevocable commitments not out of necessity and in a controlled context — as is the case at present — the pro-cyclicality effect inherent to these commitments is eliminated: the risk that their payment, if required in the hypothetical framework of a call on the guarantee, might contaminate the member institutions at a time when the sector may be more fragile.

Moreover, irrevocable payment commitments do not constitute any remuneration for the Fund, which implies that, until the Fund's recent initiative, 26% of its funds were not remunerated. With the settlement of irrevocable commitments, the Fund is able to use the corresponding funds to increase its own funds.

Thus, the change in the Fund's assets in 2023 is a significant improvement in its soundness not only because it increases its liquidity and consequently the amount of funds that are at its immediate disposal, but also because it substantially reduces the share of the Fund's assets that is not remunerated and may be invested in its favour.

When will the remaining irrevocable commitments be settled?

For member institutions, payment of irrevocable commitments may have varying implications both for their liquidity and for accounting and prudential treatment.

In 2023 the Fundo de Garantia de Depósitos therefore opted to invite the institutions belonging to the five main Portuguese banking groups to consider paying their commitments. This payment was made where the institutions expressed their willingness at the initiative of the Fund.

As explained above, the payments received in 2023 have already given rise to a significant improvement in the Fund's soundness.

With a remaining balance of irrevocable payment commitments of €193.4 million, and given the benefits associated with the settlement of the commitments set out above, the Fund is assessing the appropriateness and method for settling the remaining irrevocable payment commitments with the intention of concluding the process leading to the settlement of the irrevocable commitments by the end of 2025 if circumstances so permit.

6 Contributions of member credit institutions to the Fund

In 2023 all member credit institutions paid the respective periodic (annual) contribution, as laid down in Article 161(1) of the RGICSF.

Under Article 161(2) of the RGICSF, the amount of the periodic contribution of each member credit institution is based on: (i) the deposits held with each institution which are covered by the Fund, up to a limit of €100,000 per depositor (expressed as the average amount of monthly credit balances of deposits over the previous year) and ii) the credit institution's risk profile (expressed by its Common Equity Tier 1 — CET1 ratio).

The contribution rate applicable when calculating the value of contributions by each member credit institution is the result of an adjustment factor applied to a base contribution rate, set on an annual basis by an Instruction of the Banco de Portugal and determined by 15 December of the previous year.

Thus, in accordance with Instruction of the Banco de Portugal No 18/2022, the base contribution rate for 2023 (after consulting the Fund's Management Committee and the Associação Portuguesa de Bancos (Portuguese Banking Association) was set at 0.0018% (the same rate as in 2022).

The adjustment factor is the result of a ratio of 11.5% to the average value of the CET1 ratio of each member credit institution.

The minimum contribution to the Fund paid by member credit institutions for 2023 remained at €1,200, in accordance with Instruction of the Banco de Portugal No 18/2022.

As a result of the application of the parameters set by the Banco de Portugal, in 2023 the total amount of periodic contributions to the Fund amounted to €2,670.9 thousand, a €63.7 thousand increase (approximately 2.4%) compared to the amount received in 2022.

The amount of contributions was fully settled by member credit institutions, given that they were not allowed to replace the immediate payment of this amount with an irrevocable commitment to make the payment at a future date, as set out in Instruction of the Banco de Portugal No 18/2022.

Table I.6.1 presents a breakdown of total contributions in 2023 by type of member credit institution, with contributions paid by banks accounting for around 85.1% of total contributions. The share of contributions paid by the central and mutual agricultural credit banks belonging to SICAM totalled around 8.6%, while the share of contributions paid by savings banks and mutual agricultural credit banks not belonging to SICAM was around 5.6% and 0.7% respectively.

The adjusted, or effective, contribution rate¹² ranged from 0.00144% to 0.00175%, given that the adjustment factor (to be applied to the 0.0018% base contribution rate) is subject to a floor of 0.8 and a ceiling of 2.0.

The minimum contribution was applied to 20 credit institutions.

Table I.6.1 • Contributions in 2023 by type of member credit institution | EUR thousands

| | Contributions calculated and paid in 2023 |
|---|--|
| Banks | 2,272.7 |
| Central and mutual agricultural credit banks belonging to SICAM | 229.5 |
| Savings banks | 149.1 |
| Mutual agricultural credit banks not belonging to SICAM | 19.6 |
| Total | 2,670.9 |

Source: FGD.

7 Financial management of the Fund

7.1 Macroeconomic environment and financial market developments

Background

The markets that are part of the investment opportunities of the Fundo de Garantia de Depósitos were affected by an ongoing strong upward adjustment of the key interest rates of major central banks, a significant decline in inflation and a slowdown in global economic activity, in a geopolitical context marked by the persistence of the war in Ukraine and the worsening conflict in the Middle East.

March and April saw an increase in the degree of risk aversion due to instability in the banking sectors of the United States and Switzerland, which led to the intervention by the United States

12. The adjusted, or effective, contribution rate is obtained by applying a multiplying adjustment factor to the base contribution rate set by the Banco de Portugal, according to the CET1 ratio corresponding to the average of ratios as at 30 June and 31 December of the year prior to that to which the contribution relates. The ratio to be used is that of the group to which each institution belongs, calculated on a consolidated basis, under part II of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, except for institutions that are not in a group relationship with any financial group subject to consolidated supervision by the Banco de Portugal (paragraphs 6 and 6-A of Notice of the Banco de Portugal No 11/94).

authorities in a number of small and medium-sized banks and, in Switzerland, to the acquisition of Credit Suisse by UBS.

Uncertainty as to the effectiveness of measures to lower inflation, the rise in geopolitical tensions in October following the sharp worsening of the Israel-Hamas conflict, and the military deadlock in Ukraine were also factors that affected risk aversion.

Nevertheless, the progress made in containing inflation and prospects of an end to the interest rate hike cycle, reinforced in the last months of the year, contributed to a broadly positive market sentiment having prevailed in 2023, which was visible in a favourable performance of the medium and long-term segment of bond markets and major stock market indices in the year as a whole.

The short-term segment of bond markets, particularly relevant for the Fund's financial investments, given the need to preserve its capacity to act in the event of a call on the guarantee, was affected by the adjustment to the central banks' key interest rates, in particular those of the European Central Bank (ECB).

Economic activity

Amid tighter monetary policies, economic growth in 2023 fell short of that observed in 2022. According to the estimate of the International Monetary Fund (IMF), the world economy grew by 3.1% in 2023, 0.4 p.p. less than in 2022.

The gross domestic product (GDP) of the aggregate comprised of the advanced economies grew by 1.6% in 2023, well below the level recorded in 2022 (2.6%).

In the euro area, GDP grew by 0.5% in 2023 according to IMF estimates,¹³ following growth of 3.4% in the previous year.

The United Kingdom economy moved from a growth rate of 4.3% in 2022 to 0.5% in 2023.

The US economy was the exception among advanced economies, growing by 2.5%, up from 2022 (1.9%).

The pace of growth of emerging market economies as a whole was 4.1% in 2023, the same as in 2022. In particular, the pace of growth of the Chinese economy increased from 3.0% in 2022 to 5.2% in 2023, benefiting from the end of the zero-COVID policy and from measures to support the real estate sector.

According to Statistics Portugal, the Portuguese economy grew by 2.3% in 2023,¹⁴ following a 6.8% growth in 2022.

Inflation

Over the course of the year, there was a sharp decline in global inflation, likely helped by the strong adjustment in central bank monetary policies, which began in 2022, the normalisation of distribution chains that had been severely affected by the COVID-19 pandemic, and the fall in energy prices, in particular the price of gas.

13. Eurostat published the same estimate on 14 February (euro area growth of 0.5%).

14. Data published on 30 January by Statistics Portugal, the latest information available at the time of approval of this Report, as the March 2024 issue of the Banco de Portugal's *Economic Bulletin* is not yet available. In its December 2023 issue of the *Economic Bulletin*, the Banco de Portugal projected a 2.1% growth rate for 2023.

The year-on-year rates of change in the euro area Harmonised Index of Consumer Prices (HICP) and the HICP excluding energy, alcohol, tobacco and food declined from 9.2% and 5.2%, in December 2022, to 2.9% and 3.4% in December 2023 respectively. In the United States, the year-on-year rates of change in the consumer price index and the consumer price index excluding energy and food decreased from 6.4% and 5.7%, in December 2022, to 3.3% and 3.9% in December 2023 respectively. In Portugal, the year-on-year rates of change in the HICP and the HICP excluding energy, alcohol, tobacco and food declined from 9.8% and 5.5%, in December 2022, to 1.9% and 3.3% in December 2023 respectively.

Monetary policy developments

Risks of inflation persistently above target led major central banks to continue the increase in key interest rates that had started in 2022.

Over the first three quarters of 2023, the ECB increased its key interest rates by a total of 2.00 p.p. As a result, the interest rates on the deposit facility, the main refinancing operations and the marginal lending facility reached 4.00%, 4.50% and 4.75% respectively.

In October the ECB interrupted the cycle of interest rate hikes that had started in July 2022 and decided to keep the key interest rates unchanged on the grounds that the level then reached, if maintained for a sufficiently long duration, would ensure a timely return of inflation to the medium-term target (2%).

Over the first seven months of the year, the United States Federal Reserve increased the level of the federal funds target rate by a total of 1.00 p.p. to a range from 5.25% to 5.50%.

The Bank of England also raised the key rates over the course of 2023, from 3.50% to 5.25%, with the latest rate increase, of 0.25%, occurring at the August meeting. At its September meeting, the Bank of England decided to gradually reduce the stock of government bonds in its balance sheet by £100 billion over the ensuing 12 months.

The Bank of Japan preserved its accommodative monetary policy stance throughout the year, keeping the key interest rate at -0.1% and introducing more flexibility to the fluctuation band of ten-year government debt interest rates.

In turn, the People's Bank of China, in a context of absence of inflationary pressures and lower than desired economic growth, introduced monetary stimulus throughout 2023, reducing the levels of several of its key interest rates by a total of between 0.10 p.p. and 0.25 p.p. and reducing the reserves required from Chinese banks by a total of 0.50 p.p.

Developments in government debt markets

Over the course of 2023, the rating/outlook for developments in the debt of several States was revised by the main rating agencies.

DBRS and Fitch raised the rating of Portuguese government debt from "A (low)" to "A" and from "BBB+" to "A-", respectively, keeping the outlook stable. Moody's upgraded the rating of Portuguese government debt by two levels, from "Baa2" to "A3", placing the credit quality of Portuguese debt at a higher level than Spanish debt. Standard and Poor's maintained the "BBB+" rating of Portuguese government debt and revised its outlook from stable to positive.

Fitch downgraded the rating of French government debt from "AA" to "AA-" and changed its outlook from negative to stable.

Moody's and Standard and Poor's upgraded the ratings of Irish government debt from "A1" to "Aa3" and from "AA-" to "AA", respectively, both changing their outlook from positive to stable.

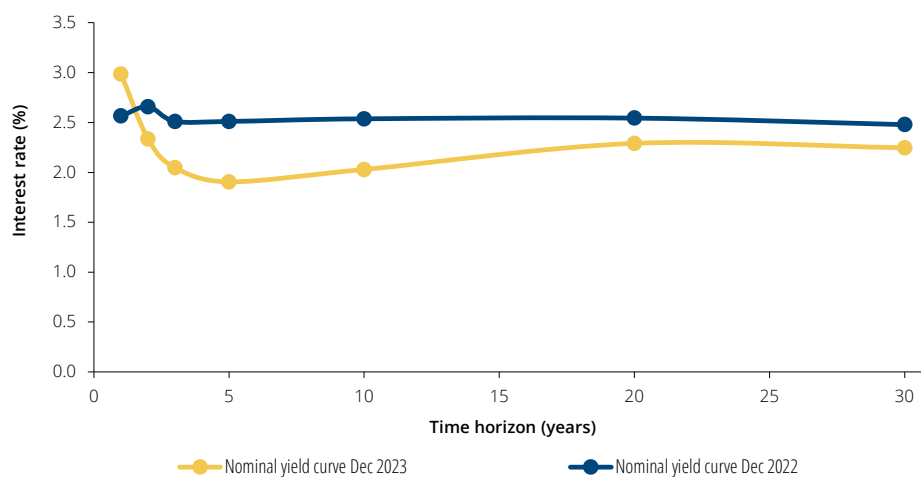
Standard & Poor's upgraded the rating of Greek government debt from "BB+" to "BBB-", the first investment grade level, and changed its outlook from positive to stable.

Fitch downgraded the US government debt rating from "AAA" to "AA+" and changed its outlook from negative to stable. Moody's maintained the US government debt rating at "AAA" and changed its outlook from stable to negative.

Interest rates on public and private debt described an upward trend until the end of October, having declined markedly in the last two months of the year in view of the heightened expectation that the cycle of interest rate hikes by central banks would come to an end.

In the euro area, nominal interest rates on short-term government debt increased and maturities of over one year declined in the year as a whole (Chart I.7.1).

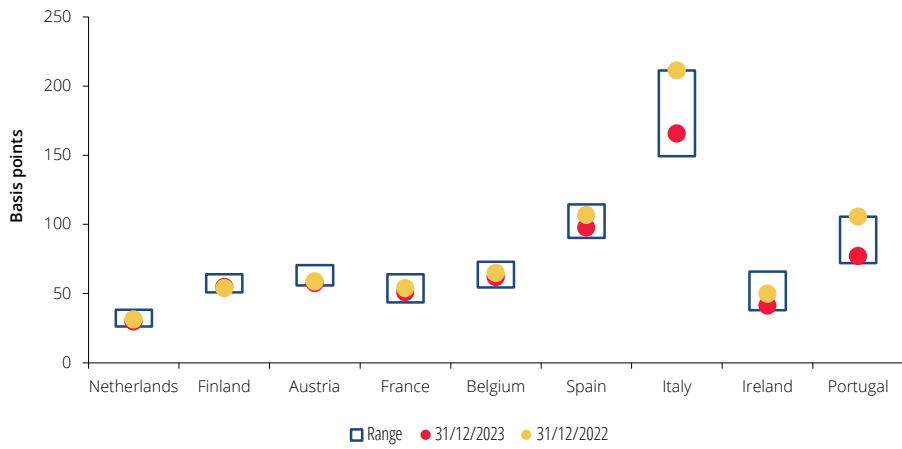
Chart I.7.1 • Nominal yield curves of German government bonds



Source: Bloomberg.

Most government bond yield spreads of euro area countries also narrowed vis-à-vis their German counterparts, more markedly in government debt with higher initial yield levels (Chart I.7.2).

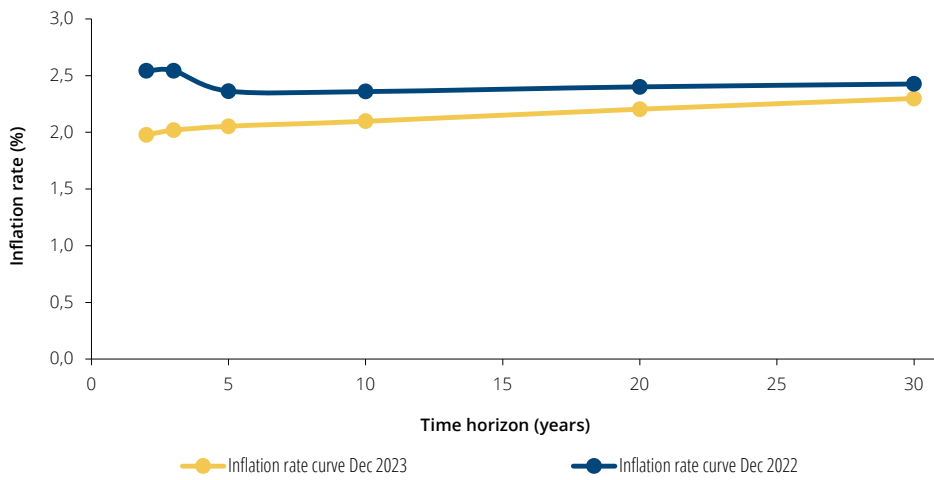
Chart I.7.2 • Yield spreads on (ten-year) government bonds of euro area issuers and German counterparts



Source: Bloomberg.

Inflation expectations measured from break-even inflation rates, implied in the German government debt market, declined significantly in 2023 (Chart I.7.3).

Chart I.7.3 • Euro area inflation rate curves implied in German government debt



Source: Bloomberg.

7.2 Fund's portfolio structure and risk control

The Fund continued to follow a very prudent investment policy, embodied in the "Investment plan for the Fund's financial resources" — agreed with the Banco de Portugal — which determines the structure of the benchmark portfolio selected by the Management Committee.

The investment strategy continued to be geared towards limiting portfolio exposure to credit, market and liquidity risks as a means of preserving the Fund's ability to act in the event of a call on the deposit guarantee.

As at 31 December 2023, the market value of the Fund's asset portfolio stood at €1,529.3 million, i.e. a 23.80% increase from 31 December 2022 (€1,235.4 million). This change reflects the combined effect of:

- a number of factors exogenous to asset management, which had a positive net impact of 20.84%, namely:
 - the payment of irrevocable payment commitments by a set of institutions, amounting to €250.4 million (Box 1);
 - the receipt of contributions paid by the Fund's member credit institutions (amounting to €2.7 million);
 - the receipt of fines (to the amount of €4.4 million).
- return on assets, which had an impact of +2.96% (€37.0 million).

The rise in short-term yields on euro area sovereign debt resulted in increased investment opportunities with a positive expected return at maturities in line with the degree of prudence required from the Fund.

This environment made it possible to strengthen investments in government debt and increase portfolio diversification by issuer. Therefore, as at 31 December 2023, the Fund's portfolio consisted of euro area short-term government debt, supranational debt and short-term special debt certificates issued by the Agência de Gestão da Tesouraria e da Dívida Pública — IGCP, E.P.E (IGCP) (Table I.7.2).

Table I.7.2 • Breakdown of the portfolio structure by issuer as at 31 December 2023 | EUR thousands de euros

| | Amount | Share |
|--------------------------|-------------|-------|
| Spain | 503,028,841 | 32.9% |
| Finland | 56,654,076 | 3.7% |
| France | 87,834,078 | 5.7% |
| Italy | 377,502,850 | 24.7% |
| Portugal ^(a) | 432,074,017 | 28.3% |
| Supranational | 72,126,406 | 4.7% |
| Liquidity ^(b) | 54,081 | 0.0% |

Values calculated on a settlement basis. | Notes: (a) Exposure consisting of government debt (16.2%) and short-term special debt certificates (12.0%). (b) Consisting of demand deposits with the Banco de Portugal, the IGCP and the Fund's custodian, plus interest receivable, less taxes payable.

The high level of prudence of the investment policy, adjusted to its mission to guarantee deposits, resulted in low exposure to interest rate risks. At the end of 2023 the modified duration of the portfolio stood at 0.4.

The market risk of the Fund's portfolio, measured by the Value-at-Risk (VaR) over a one-year time horizon, with a 99% confidence level, remained low throughout the year and reached 0.62% at the end of 2023.

Credit risk was also kept at a very contained level. The six-month average probability of default¹⁵ of the debt issuers represented in the Fund's portfolio¹⁶ stood at 0.09% at the end of the year. The credit VaR over a one-year time horizon, with a 99% confidence level, was 0.05% at the end of 2023.

7.3 Profitability

2023 confirmed the expectations already announced in the Fund's 2022 Annual Report that, after a period in which the Fund's portfolio had recorded marginally negative levels of return due to the interest rate environment, this year would mark a return to positive levels of return.

The positive interest rate environment observed throughout 2023 for euro area short-term sovereign debt and the Fund's management led to a return of +2.96% net of taxes and management costs in 2023.

By way of reference, in 2023 net return on 'minimum risk' assets (one-month German government bonds) was +2.21% and investment in German government bonds with a one-year constant maturity generated a net return of +2.22%.

As at 31 December 2023, the expected yield to maturity of the Fund's portfolio was +3.36% after taxes.

8 Legislative and regulatory changes

In 2023 there were no major changes.

Through Instruction No 27/2023, the Banco de Portugal set the base contribution rate for 2024 at 0.0009% (down from 2023, with a base contribution rate of 0.0018%) and the minimum contribution at €600 (also down from 2023, with a minimum contribution of €1,200).

This Instruction also determined that member credit institutions could not replace their periodic contribution to the Fund relating to 2024 with irrevocable payment commitments to make such payment at any time as required by the Fund.

9 Auditing of the Fundo de Garantia de Depósitos

The Board of Auditors of the Banco de Portugal is the entity responsible for auditing the Fund's activities under Article 171 of the RGICSF and Article 25 of the Fundo de Garantia de Depósitos Regulation.

15. Probability of default taken from credit default swap prices, with loss given default of the issuer/counterparty assumed to be 60%.

16. Excluding deposits with the Banco de Portugal.

The Fund's financial statements for the 2023 fiscal year were also audited by BDO e Associados, SROC, Lda.

All the documentation pertaining to the Fund's asset position was sent to the Court of Auditors within the legal deadlines.

10 Support provided by the Banco de Portugal and cooperation from member credit institutions

Under Article 168 of the RGICSF, the Banco de Portugal provides the technical and administrative services required for the Fund's smooth operation.

The support of the Banco de Portugal essentially involves providing staff members to ensure support to the Management Committee's activity and implementation of its decisions and guidelines, the Fund's technical and administrative secretariat, the accounting treatment of operations and preparation of financial statements, the management of the Fund's financial resources, participation in the procedures for collecting the contributions and legal support whenever required, particularly with regard to litigation.

The Fund's Management Committee would again like to express its gratitude to all the teams of the Banco de Portugal that have provided continuous technical and administrative support to the Fund.

The Management Committee would also like to reiterate its appreciation to the member credit institutions and the Associação Portuguesa de Bancos for their excellent cooperation.

Lisbon, 15 March 2024

MANAGEMENT COMMITTEE

Chairman

Luís Augusto Máximo dos Santos

Members

Carlos Manuel Durães da Conceição

Norberto Emílio Sequeira da Rosa

II Financial statements and notes

1 Financial Statements

2 Notes on the financial statements

1 Financial Statements

Table II.1.1 • Balance Sheet | EUR thousands

| | Notes | 31/12/2023 | 31/12/2022 |
|---|-------|--------------------|--------------------|
| ASSETS | | | |
| Current Assets | | | |
| Financial investments | | | |
| Financial assets held for trading | 3 | 1,345,479.6 | 657,400.3 |
| Other financial assets | 4 | 184,000.0 | – |
| Cash and bank deposits | 5 | 414.8 | 577,468.0 |
| Other accounts receivable and deferrals | 6 | 4,243.4 | 3,396.6 |
| | | 1,534,137.8 | 1,238,264.8 |
| Non-current assets | | | |
| Member institutions | | | |
| Contributions – irrevocable payment commitments | 7 | 193,368.6 | 443,782.3 |
| | | 193,368.6 | 443,782.3 |
| Total assets | | 1,727,506.4 | 1,682,047.1 |
| OWN FUNDS | | | |
| | 9 | 1,725,322.9 | 1,679,975.0 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Claimants of deposits to be repaid | 10 | 525.6 | 625.6 |
| State and other public entities | 11 | 237.0 | 6.6 |
| Other accounts payable and deferrals | 12 | 47.1 | 73.6 |
| | | 809.6 | 705.8 |
| Non-current liabilities | | | |
| Provisions | 13 | 1,193.1 | 1,182.5 |
| Deferred tax liabilities | 14 | 180.7 | 183.9 |
| | | 1,373.9 | 1,366.4 |
| Total liabilities | | 2,183.4 | 2,072.2 |
| Total own funds and liabilities | | 1,727,506.4 | 1,682,047.1 |

The certified accountant
José Pedro Pinheiro Lopes da Silva Ferreira

Table II.1.2 • Profit and loss account by nature | EUR thousands

| | Notes | 31/12/2023 | 31/12/2022 |
|---|-------|-----------------|-----------------|
| Interest and similar income and expenses | 15 | 1,778.1 | 138.5 |
| Gains/losses on financial investments | 16 | 35,870.2 | -4,636.1 |
| Income tax | 17 | 538.8 | 483.2 |
| INCOME FROM THE ALLOCATION OF AVAILABLE RESOURCES | | 37,109.5 | -4,980.8 |
| Staff costs | 18 | - | 1.8 |
| Supplies and services from third parties | 19 | 94.8 | 60.4 |
| Other income and gains | 20 | 5,714.9 | 10,232.2 |
| Other expenses | 21 | 38.7 | 44.4 |
| NET PROFIT/LOSS | | 42,691.0 | 5,144.8 |

The certified accountant
José Pedro Pinheiro Lopes da Silva Ferreira

Table II.1.3 • Statement of Changes in Own Funds | EUR thousands

| | Contributions | | | | | | | |
|---|------------------|--------------------|--------------------------------|-------------------|------------------|-----------------|-------------------------------------|-----------|
| | Initial | Periodic | | | | Reserves | Net profit/loss | Own funds |
| | | Made | Irrevocable payment commitment | Deposits repaid | | | | |
| As at 31 December 2021 | 196,523.9 | 876,854.0 | 443,782.3 | -104,516.7 | 261,686.3 | -2,201.3 | 1,672,128.5 | |
| Contributions | | | | | | | | |
| Contributions from member institutions | - | 2,607.2 | - | - | - | - | 2,607.2 | |
| Transfers to other deposit guarantee schemes | - | 586.8 | - | - | - | - | 586.8 | |
| Triggering of deposit guarantee | | | | | | | | |
| Recognition of the right to repayment of deposits | - | - | - | -151.5 | - | - | -151.5 | |
| Increase in the provision for deposit guaranteees | - | - | - | -340.9 | - | - | -340.9 | |
| Profit distribution | | | | | | | | |
| | - | - | - | - | -2,201.3 | 2,201.3 | - | |
| | - | 3,194.0 | - | -492.4 | -2,201.3 | 2,201.3 | 2,701.7 | |
| | | | | | | 5,144.8 | 5,144.8 | |
| | | | | | | | Net profit/loss for the year | |
| As at 31 December 2022 | 196,523.9 | 880,048.0 | 443,782.3 | -105,009.1 | 259,485.0 | 5144.8 | 1,679,975.0 | |
| Contributions | | | | | | | | |
| Contributions from member institutions | - | 2,670.9 | - | - | - | - | 2,670.9 | |
| Return of contributions | - | -1.2 | - | - | - | - | -1.2 | |
| Settlement of irrevocable payment commitments | - | 250,413.7 | -250,413.7 | - | - | - | - | |
| Triggering of deposit guarantee | | | | | | | | |
| Recognition of the right to repayment of deposits | - | - | - | -2.0 | - | - | -2.0 | |
| Increase in the provision for deposit guaranteees | - | - | - | -10.7 | - | - | -10.7 | |
| Profit distribution | | | | | | | | |
| | - | - | - | - | 5,144.8 | -5,144.8 | - | |
| | - | 253,083.4 | -250,413.5 | -12.7 | 5,144.8 | -5,144.8 | 2,657.0 | |
| | | | | | | 42,691.0 | 42,691.0 | |
| | | | | | | | Net profit/loss for the year | |
| As at 31 December 2023 | 196,523.9 | 1,133,131.4 | 193,368.6 | -105,021.8 | 264,629.8 | 42,691.0 | 1,725,322.9 | |

The certified accountant
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Table II.1.4 • Cash flow statement and cash equivalents | EUR thousands

| | 31/12/2023 | 31/12/2022 |
|---|-------------------|------------------|
| Cash flows from operating activities | | |
| Contributions received | 2,427.4 | 3,194.0 |
| Fines imposed by the Banco de Portugal and paid to the Fund | 4,433.8 | 7,709.8 |
| Settlement of irrevocable commitments | 250,657.2 | - |
| Repayment of deposits covered by the guarantee | -100.0 | -100.0 |
| Income tax payment | -1.8 | -5.7 |
| Other receivables/payables | -103.8 | -95.3 |
| Cash flows from operating activities | 257,312.8 | 10,702.8 |
| Cash flows from investing activities | | |
| Payables from: | | |
| Purchase of securities for the trading portfolio | -2,993,352.6 | -1,289,656.4 |
| Investment in new/existing short-term special debt certificates | -184,000.0 | - |
| Negative interest on demand deposits | - | -2454.1 |
| Interest on arrears on the repayment of deposits with BPP | -52.6 | - |
| Receivables from: | | |
| Maturity/sale of securities in the trading portfolio | 2,340,827.8 | 1,114,268.3 |
| Maturity/redemption of short-term special debt certificates | - | 166,200.0 |
| Interest and similar income | | |
| Short-term special debt certificates | - | 69.7 |
| Positive interest on demand deposits | 2,160.8 | 1,057.8 |
| Securities in the trading portfolio | 50.6 | 23.5 |
| Cash flows from investing activities | -834,366.0 | -10,491.1 |
| Change in cash and cash equivalents | -577,053.2 | 211.6 |
| Cash and cash equivalents at the start of the period | 577,468.0 | 577,256.3 |
| Cash and cash equivalents at the end of the period | 414.8 | 577,468.0 |

Note: The aggregate Cash and cash equivalents covers the amount of cash and demand deposits recorded in Note 5.

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2 Notes on the financial statements

(Amounts in eur thousands, unless otherwise indicated)

NOTE 1 • ACTIVITY OF THE FUND

The Fundo de Garantia de Depósitos (Deposit Guarantee Fund) (hereinafter referred to as the 'Fund') was established in 1992 by the *Regime Geral das Instituições de Crédito e Sociedades Financeiras* (Legal Framework of Credit Institutions and Financial Companies – hereinafter referred to as RGICSF), approved by Decree-Law No 298/92 of 31 December 1992. The Fund is a public-law legal person with administrative and financial autonomy and has its head office in Lisbon, at the premises of the Banco de Portugal (Article 154 of the RGICSF), which provides the technical and administrative services required for the Fund's smooth operation (Article 168 of the RGICSF).

The purpose of the Fund is to guarantee the repayment of deposits with its member credit institutions, up to a limit of €100,000 of the overall value of the cash credit balances of each deposit holder, per credit institution, except for the situations provided for in Article 166(2) of the RGICSF, to which such limits do not apply. The Fund may also intervene in the implementation of resolution action under the terms laid down in Article 167-B of the RGICSF.

Considering the very short periods provided for in law for repayments by the Fund, its investment of financial resources must be made under conditions that maintain a very high level of liquidity.

As of 1 January 2020 the Fundo de Garantia de Depósitos became the only deposit guarantee scheme in Portugal, pursuant to Decree-Law No 106/2019 of 12 August 2019. On that date, the deposit guarantee function was transferred from the Fundo de Garantia do Crédito Agrícola Mútuo (Mutual Agricultural Credit Guarantee Fund) to the Fund, and the Caixa Central de Crédito Agrícola Mútuo (Central Mutual Agricultural Credit Bank – CCCAM) and its associates, the Caixas de Crédito Agrícola Mútuo (Mutual Agricultural Credit Banks), became members of the Fund.

NOTE 2 • BASES OF PRESENTATION AND MAIN ACCOUNTING POLICIES

2.1 Bases of presentation

The bases of presentation and the accounting principles followed while drawing up the Fund's financial statements are set out in its own Chart of Accounts (Article 170 of the RGICSF). This Chart establishes the financial statement models and the minimum content of disclosures in the Notes. The Chart of Accounts is based on the International Financial Reporting Standards (IFRS), approved by Regulation (EC) No 1606/2002, with the amendments introduced up to 1 January 2010, where these do not conflict with specific provisions expressly set out in the above Chart of Accounts. These specific provisions are duly explained in Note 2.2.

2.2 Summary of the main accounting policies

The main accounting policies and valuation criteria used in the preparation of the financial statements for 2023 are the following:

a) Accounting assumptions and qualitative characteristics of the financial statements

The Fund's financial statements reflect the economic reality of its assets and liabilities and are prepared in accordance with the accounting assumptions of an accrual basis (in relation to most financial statement items, namely with regard to interest income and interest expense, which are recognised in the accounting period in which they are generated and not according to the moment in time in which they are paid or received) and a going concern basis. The financial statements' qualitative characteristics are understandability, relevance, reliability and comparability.

b) Recognition of assets and liabilities

Assets are resources controlled by the Fund as a result of past events, from which future economic benefits are expected. Liabilities are obligations arising from past events and their settlement is expected to result in an outflow or allocation of resources embodying economic benefits. Assets and liabilities are usually recognised on the trade date.

c) Recognition of gains and losses

Realised gains and losses are recognised in the profit and loss account in the period in which they are earned or incurred.

Realised gains and losses in financial operations resulting from the sale of financial assets held for trading are recognised on their trade date in the Fund's profit and loss account, under Gains and losses on financial investments.

d) Measuring balance sheet items

Financial assets held for trading are valued at the end of the period at market prices as at the reporting date.

Assets related to contributions receivable, accounts receivable, third-party deposits and other claims are recognised at nominal value, net of impairment losses. Financing obtained, other accounts payable and other liabilities are recognised at nominal value.

e) Own funds: contributions and irrevocable payment commitments

The recognition in accounts of contributions settled by member institutions and irrevocable payment commitments is specifically provided for in the Fund's Chart of Accounts.

The contributions paid to the Fund are one of the components of its own funds, being recognised as such on the dates set out in Articles 160 and 161 of the RGICSF. Member institutions pay an initial contribution to the Fund upon registration for the commencement of their activity and, subsequently, an annual contribution, the value of which is defined on the basis of the average amount of monthly credit balances of deposits over the previous year, covered by the Fund within the limit of the guarantee, and the risk profile of the credit institution.

Article 161(7) of the RGICSF sets forth that up to a limit of 30% of the periodic contributions set by the Banco de Portugal on an annual basis, member institutions may be partly exempt from

making the relative payment in cash provided they commit to paying to the Fund irrevocably, in whole or in part, the amount of the contribution that was not paid in cash, backed by collateral of low-risk assets unencumbered by any third-party rights, at the free disposal and earmarked for the exclusive use of the Fund, at any time as required by the latter. The share corresponding to irrevocable payment commitments is recognised against an asset item, measured at nominal cost less potential impairment losses.

Pursuant to Instruction of the Banco de Portugal No 18/2022, in 2023 member institutions were not allowed to assume irrevocable payment commitments over paying the annual contribution, having therefore paid this year's contributions in full. This rule will remain in force for contributions for 2024, in accordance with Instruction of the Banco de Portugal No 27/2023.

In exceptional cases, member institutions may also pay special contributions, as provided for in Article 162 of the RGICSF.

f) Financial assets held for trading

Financial assets are classified as held for trading on the acquisition date, when they are acquired with the main purpose of being traded in the short term.

Acquisition and disposal of financial assets held for trading are recognised on their trade date, i.e. the date on which the Fund undertakes to purchase or sell the asset. These financial assets are recognised at fair value, and the transaction costs are directly recognised in profit/loss. After their initial recognition, changes to the fair value are recognised in profit/loss.

g) Repayment of deposits covered by the guarantee

The recognition in accounts of the repayment of deposits covered by the guarantee is specifically provided for in the Fund's Chart of Accounts.

In the course of its activity, the Fund may be called upon to repay deposits made with a member institution. In this case, a liability is recognised against a decrease in the Fund's own funds. This liability item is measured at the nominal value of the amount to be repaid and decreases as depositors are repaid. Where, under certain circumstances, there is no right to repayment or in the event of the Fund not being able to make repayments for reasons beyond its control, the remaining liabilities are offset against a corresponding increase in own funds.

Pursuant to Article 167 of the RGICSF, the Fund shall be subrogated to the rights of depositors for an amount equal to the repayments made. Should the Fund receive compensation for the repayment of deposits covered by the guarantee, this amount is recognised on the assets side of the balance sheet against an increase in own funds, but only when the Fund is given a legal guarantee that it will be repaid and the amount to be entered is known. This asset is valued at nominal value less impairment losses.

h) Provision for deposits covered by the guarantee, contingent liabilities and contingent assets

The accounting policy used regarding the provision for deposits covered by the guarantee is specifically provided for in the Fund's Chart of Accounts.

Triggering a deposit guarantee may lead to situations that raise legal doubts as to the eligibility of deposit repayment rights. These situations are subject to an assessment to check whether (i) there is a current legal obligation deriving from a past event, (ii) an outflow of funds is likely to

occur in order to meet that obligation, and (iii) it is possible to make a reliable estimate of the amount in question. Where these conditions are cumulatively met, a provision is made for deposits covered by the guarantee, offset against a reduction in the Fund's own funds, in accordance with the accounting policy described in (g) above.

Where it is deemed that, as regards the second condition referred to above, the outflow of funds to meet the said obligation is possible (but not likely), a contingent liability is recognised to the detriment of making a provision.

Triggering the deposit guarantee grants the Fund the right of subrogation to the rights over the credit institution in question for an amount equal to the repayments made, pursuant to Article 167(16) of the RGICSF. Only where there is a legal guarantee that the Fund will be compensated for the repayment of deposits and the final amount to be received is known, will the corresponding asset be recognised in the balance sheet against own funds. However, where there is uncertainty as to the amount to be received and the moment of repayment, but the inflow of future economic benefits is likely, the existence of a contingent asset is disclosed.

i) Cash and cash equivalents

As regards cash flows, the aggregate Cash and cash equivalents covers short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to a negligible risk of changes in value. In this context, it includes cash and demand deposits.

j) Income tax

The Fund, as a public-law legal person, is exempt from Corporate Income Tax under Article 9 of the Corporate Income Tax Code (CIRC), apart from capital income as defined for the purposes of Personal Income Tax in Article 5 of the Personal Income Tax Code (CIRS) – Category E.

Pursuant to Article 3(1)(b) of the CIRC, corporate income tax on the total income, corresponding to the sum of incomes in the various categories considered for personal income tax purposes as well as asset increases obtained free of charge, shall be applied to taxable persons who do not primarily carry out an activity of a commercial, industrial or agricultural nature.

Pursuant to Article 87(5) of the CIRC, for the total income of entities with head office or place of effective management in Portuguese territory that do not primarily carry out activities of a commercial, industrial or agricultural nature, the corporate income tax rate is 21%.

Capital income earned in Portugal is subject to tax being withheld at source at the withholding rate in force. Tax withholding at source of income from debt securities issued by resident entities must be done in accordance with the provisions laid down in Decree-Law No 193/2005 of 7 November 2005.

Capital income earned abroad is taxed when the specific income tax statement (Form 22) is submitted to the Portuguese Tax and Customs Authority. Such income may be subject to tax being withheld at source in the country of origin of income and, where applicable, international double taxation will be eliminated if such a convention with Portugal is in place or by using the international double taxation credit mechanism.

Income tax recognised in the Fund's profit/loss comprises current taxes and deferred taxes, which correspond to the amount of tax payable in future periods, stemming from temporary differences between the accounting values of assets and their tax base. The calculation of deferred taxes is based on the best estimate of the tax amount payable in the future.

The tax base specifically applicable to debt securities is calculated according to the provisions of Article 5(5) of the CIRS, which states that capital income includes the quantum of interest counted from the date of the last payment or issue, or of first placement or endorsement, if payment has not yet been made, up to the date when the transfer of some of the securities takes place, as well as the difference in the part that corresponds to those periods between the amount of repayment and the issue price where the return on the securities consists, in whole or in part, of that difference.

k) Fines levied by the Banco de Portugal constituting revenue for the Fund

Fines on institutions that are members of the Fund as a result of administrative sanctioning proceedings imposed by the Banco de Portugal in the exercise of its supervisory functions, where they constitute revenue for the Fund, are recognised as the Fund's profits. This recognition is deemed to only occur at the time the offender pays the respective payment note.

l) Post-balance-sheet events

In compliance with the IFRS, the Fund's assets, liabilities and earnings are adjusted for those favourable and unfavourable events that occur between the balance sheet date and the date when the financial statements are approved, for which there is evidence as at the balance sheet date.

NOTE 3 • FINANCIAL ASSETS HELD FOR TRADING

The item Financial assets held for trading includes debt securities acquired by the Fund within the scope of its investment policy. Their accounting treatment is described in Note 2.2(f).

| Financial assets held for trading | 31/12/2023 | 31/12/2022 |
|---|--------------------|------------------|
| Government debt | | |
| Treasury bonds (coupon) | 1,025,346.2 | 102,976.7 |
| Treasury bills | 247,983.9 | 554,423.5 |
| Securities issued by supranational entities | 72,149.5 | - |
| | 1,345,479.6 | 657,400.3 |

As at 31 December 2023 the Fund's securities portfolio was composed of Portuguese government debt securities and of other European countries, as well as securities issued by supranational entities. Chapter 6 of the Fund's Activity Report provides a detailed description of the portfolio structure and its risk management policy.

NOTE 4 • OTHER FINANCIAL ASSETS

In 2023 the item Other financial assets includes the investment in two short-term special debt certificates with the IGCP: one for €129,000 thousand and the other for €55,000 thousand, both maturing on 10 January 2024.

NOTE 5 • CASH AND BANK DEPOSITS

The item Cash and bank deposits is broken down as follows:

| Cash and bank deposits | 31/12/2023 | 31/12/2022 |
|------------------------|--------------|------------------|
| Cash | 0.4 | 0.4 |
| Demand deposits | 414.4 | 577,467.6 |
| | 414.8 | 577,468.0 |

The Fund is subject to the application of the principle of using a treasury single account, in accordance with the Budget Execution Decree-Law in effect in 2023 (Article 91 of Decree-Law No 10/2023 of 8 February 2023), having obtained a partial waiver in 2022 and 2023 under the terms of the law.

As at 31 December 2023 bank deposits comprise demand deposits with:

- a) the Banco de Portugal, to the amount of €0.2 thousand (31 December 2022: €577,322.4 thousand);
- b) the Agência de Gestão da Tesouraria e da Dívida Pública – IGCP, E.P.E. (IGCP), to the amount of €40.2 thousand (31 December 2022: €122.1 thousand);
- c) the Bank of New York Mellon, to the amount of €373.9 thousand (31 December 2022: €23 thousand).

In the Cash Flow Statement, Cash and cash equivalents details the entries recorded under cash and demand deposits.

NOTE 6 • OTHER ACCOUNTS RECEIVABLE AND DEFERRALS

The item Other accounts receivable and deferrals is broken down as follows:

| Other accounts receivable and deferrals | 31/12/2023 | 31/12/2022 |
|---|----------------|----------------|
| Fines paid to the Fund | 3,840.3 | 2,564.1 |
| Impairment losses | -10.0 | -10.0 |
| | 3,830.3 | 2,554.1 |
| Interest receivable on demand deposits | 242.6 | 842.5 |
| Interest receivable on short-term special debt certificates | 170.4 | - |
| | 4,243.4 | 3,396.6 |

Fines paid to the Fund are recorded according to the accounting policy described in Note 2.2(k) and correspond to the amount receivable, as a result of the administrative sanctioning proceedings initiated by the Banco de Portugal against credit institutions, constituting revenue for the Fund pursuant to Article 159(e) of the RGICSF (Note 20). The total amount receivable as at the end of 2023

(€3,830.3 thousand; 2022: €2,554.1 thousand) corresponds to fines already paid by the offender via a payment to the State, but the amount of which has not yet been delivered to the Fund by the Tax and Customs Authority, the authority responsible for its collection and delivery for regular proceedings, or by the Institute for Financial and Estate Management of Judicial Services, when the amount of the fine is decided by a court of law. The impairment loss (€10 thousand) recorded is linked to a fine from an administrative sanctioning proceeding against a credit institution that is undergoing judicial liquidation, as the payment of such fine is unlikely.

The item Interest receivable on demand deposits refers to income from outstanding interest as at December of each year on the balance of the current account with the Banco de Portugal (Note 15) and the item Interest receivable on short-term special debt certificates refers to income from outstanding interest on short-term special debt certificates (Note 4).

NOTE 7 • CONTRIBUTIONS — IRREVOCABLE PAYMENT COMMITMENTS

The item Contributions – irrevocable payment commitments, on the assets side of the balance sheet, recognises the nominal value of irrevocable payment commitments undertaken by member institutions in favour of the Fund regarding annual periodic contributions, in accordance with the accounting policy described in Note 2.2(e). In 2023 pursuant to Instruction of the Banco de Portugal No 18/2022, member institutions were not allowed to assume irrevocable payment commitments over paying the annual contribution.

The €250,413.7 thousand decrease in 2023 results from the settlement of irrevocable payment commitments by a number of member institutions. The context of this set of operations is detailed in Box 1 of the Activity Report.

NOTE 8 • TANGIBLE FIXED ASSETS

The item Tangible fixed assets is broken down as follows:

| Tangible fixed assets | 31/12/2023 | 31/12/2022 |
|---------------------------------|------------|------------|
| Gross assets | | |
| Office equipment | 5.7 | 5.7 |
| Accumulated depreciation | | |
| Office equipment | 5.7 | 5.7 |
| | - | - |

Tangible fixed assets in the balance sheet are still being used although they have been fully depreciated.

NOTE 9 • OWN FUNDS

The Fund's Own funds comprise the initial contributions of the Banco de Portugal, initial and periodic contributions as well as irrevocable payment commitments of member credit institutions, liabilities recognised for repayment of deposits, reserves and profit/loss for the period.¹

The €45,347.9 thousand increase recorded in 2023 incorporates the following:

- Net profit/loss for the year (+€42,691 thousand);
- Annual periodic contributions paid in full in cash by the Fund's member institutions (+€2,670.9 thousand) and return by the Fund of an amount paid in 2022 by an institution that is no longer a member of the Fund (-€1.2 thousand), in accordance with the accounting policy described in Note 2.2(e);
- An adjustment relating to the counting of days of arrears concerning two cases included in the repayment procedure for deposits made with Banco Privado Português, S. A., currently under liquidation, which was recognised as likely to be repaid in 2022 (-€12.7 thousand);

The composition and changes in this item are in the Statement of Changes in Own Funds.

With regard to the repayment of deposits, in April 2010 the guarantee on deposits placed with Banco Privado Português, S. A. (BPP) was activated following the Banco de Portugal's withdrawal of this member's authorisation to operate, and the deposits made with this credit institution became unavailable.

Between 2010 and 31 December 2023 the Fund recognised a decrease in its own funds given its responsibility to repay BPP's depositors a cumulative amount of €105,021.8 thousand, broken down into the following amounts:

- payment orders in favour of BPP depositors (€103,311.2 thousand), including a share of €8.1 thousand that could not be settled for operational reasons not attributable to the Fund, recorded under Creditors of refundable deposits (Note 10);
- deposits that can be repaid by the Fund, in respect of which no payment order has yet been made also for operational reasons not attributable to the Fund (€517.5 thousand), recorded under Creditors of refundable deposits (Note 10);
- provision for deposits covered by the guarantee (€1,193.1 thousand) set up to cover the right of third parties to the reimbursement of deposits which, although not covered by any other ground of exclusion or doubt, (i) were pledged, namely in favour of BPP, to guarantee loans taken out with that bank, or (ii) correspond to deposits whose holders have debts fallen due and payable with BPP, or (iii) have been the object of a court ruling on the repayment of deposits, even if that ruling can be reversed (Note 13).

NOTE 10 • CREDITORS OF REFUNDABLE DEPOSITS

This item records the amount of €525.6 thousand (31 December 2022: €625.6 thousand) relating to claims of depositors of Banco Privado Português, S. A. (BPP), currently under liquidation. These claims are detailed in Note 9(i) and (ii). The change in 2023 reflects a repayment of €100.0 thousand by the Fund.

1. Own funds also comprise the amount transferred by the FGCAM, which was wound-up, pursuant to the provisions of Decree-Law No 106/2019 of 12 August 2019.

NOTE 11 • STATE AND OTHER PUBLIC ENTITIES

The item State and other public entities, under liabilities, mainly comprises the estimated amount of taxes to be paid in 2023 on capital income obtained in the period under review associated with demand deposits with non-resident entities (€10.6 thousand) and the trading securities portfolio (€226.3 thousand), in line with the accounting policy described in Note 2.2(j).

NOTE 12 • OTHER ACCOUNTS PAYABLE AND DEFERRALS

The item Other accounts payable and deferrals is broken down as follows:

| Other accounts payable and deferrals | 31/12/2023 | 31/12/2022 |
|--------------------------------------|-------------|-------------|
| Arrears from legal proceedings | – | 50.6 |
| Suppliers and other accounts payable | 47.1 | 23.0 |
| | 47.1 | 73.6 |

As at 31 December 2023 and 2022 the amount for suppliers and other accounts payable relates to financial audit services for these years' accounts (€23.8 thousand and €16.6 thousand respectively) and to fees related to the securities settlement system (€23.3 thousand and €6.4 thousand respectively).

NOTE 13 • PROVISIONS

The necessary arrangements were made to review the Fund's contingent liabilities arising solely from the repayment procedure for deposits made with Banco Privado Português, S. A. (BPP) — under liquidation, as mentioned in Note 9.

In this context, not all the amounts included in the list supplied by BPP of deposits covered by the Fund's guarantee were repaid, where the effective right to their repayment raised doubts or where questions arose as to who should receive the said repayment, even when it was considered that there was such a right.

As at 31 December 2023 the future payment of deposits covered by a pledge, which are not excluded from the guarantee for any other reason or doubt, was considered likely. These deposits have not yet been repaid owing to doubts as to the holder of the right of repayment by the Fund (i.e. whether repayment should be to the depositor or the pledgee).

The payment of deposits whose holder also had debts to BPP fallen due and payable was also seen as likely, along with other situations not previously recognised regarding which operational doubts arose related to the information on the list of depositor claims supplied by BPP to the Fund.

Changes in this item in 2023 were due to the adjustment relating to the counting of days of arrears concerning the two cases included in the repayment procedure for deposits made with Banco Privado Português, S. A., currently under liquidation, which was recognised as likely to be repaid in 2022 (Note 9):

| Provisions | 31/12/2023 | 31/12/2022 |
|------------------------|----------------|----------------|
| Opening balance | 1,182.5 | 841.6 |
| Additional provisions | 10.7 | 340.9 |
| Final balance | 1,193.1 | 1,182.5 |

NOTE 14 • DEFERRED TAX LIABILITIES

As at 31 December 2023 the item Deferred tax liabilities reflected the taxation of income already recognised in the Fund's accounts, relating to financial assets held for trading, demand deposits and other financial investments, whose tax only becomes due in 2024, in accordance with the accounting policy described in Note 2.2(j) – Note 17.

NOTE 15 • INTEREST AND SIMILAR INCOME AND EXPENSES

The item Interest and similar income and expenses is broken down as follows:

| Interest and similar income and expenses | 31/12/2023 | 31/12/2023 |
|--|----------------|----------------|
| Interest received | | |
| Demand deposits | 909.8 | 2,171.5 |
| Short-term special debt certificates | 170.4 | 88.3 |
| Securities in the trading portfolio | 697.8 | 20.9 |
| Total interest received | 1,778.1 | 2,280.7 |
| Interest paid | | |
| Demand deposits | - | 2,142.2 |
| Total interest paid | - | 2,142.2 |
| | 1,778.1 | 138.5 |

Interest earned on demand deposits is primarily explained by interest received on demand deposits held with the Banco de Portugal. Up to 30 April 2023 these deposits were remunerated in accordance with Decision ECB/2022/30 of 12 September 2022 and, as of 1 May 2023, in accordance with Guideline ECB/2023/8 of 5 April 2023.

Interest received on securities in the trading portfolio is from investments in coupon bonds issued by sovereign states in the euro area and European supranational entities.

In 2023 no interest was paid on demand deposits as a result of interest rates rising to positive levels. The amount deposited throughout the year in the account with the Banco de Portugal was lower than in 2022 as a result of the interest rate hike, which made investments in debt securities more attractive.

NOTE 16 • GAINS/LOSSES ON FINANCIAL INVESTMENTS

The item Gains/losses on financial investments reflects fair value changes and gains realised from financial assets held for trading, in accordance with the accounting policy described in Note 2.2(c). This item is broken down as follows:

| Gains/losses on financial investments | 31/12/2023 | | | 31/12/2022 | | |
|---------------------------------------|-----------------|-----------------|-----------------|----------------|---------------|----------------|
| | Realised | Potential | Total | Realised | Potential | Total |
| Government debt | | | | | | |
| Treasury bonds | 3,897.0 | 2,563.8 | 6,550.8 | -3,905.2 | -1,174.5 | -5,079.7 |
| Treasury bonds (zero coupon) | 10,724.6 | 10,776.5 | 21,501.2 | -259.1 | - | -259.1 |
| Treasury bills | 5,886.6 | 429.6 | 6,296.3 | -301.9 | 1,004.6 | 702.7 |
| Supranational entities | | | | | | |
| Bonds | 194.1 | 1,327.9 | 1,522.0 | - | - | - |
| Discount securities | - | - | - | - | - | - |
| | 20,682.4 | 15,187.8 | 35,870.2 | -4466.2 | -170.0 | -4636.1 |

Profits in this item are explained by investments in securities issued by sovereign states in the euro area and European supranational entities. Chapter 6 of the Fund's Activity Report provides more detailed information on the portfolio structure and the return obtained.

NOTE 17 • INCOME TAX

The income tax recognised in the Profit and Loss Account in 2023 and 2022 is broken down as follows:

| Income tax | 31/12/2023 | 31/12/2022 |
|--------------|--------------|--------------|
| Current tax | 542.0 | 299.3 |
| Deferred tax | -3.2 | 183.9 |
| | 538.8 | 483.2 |

The current tax amount reflects the sum of taxes paid in 2023 (under the taxation regime set forth in Decree-Law No 193/2005 of 7 November 2005) with values payable in 2024 via an income tax statement (Form 22), both relating to capital income from financial assets held for trading, demand deposits and other financial investments, in accordance with the description presented in Note 11.

The amount recognised in 2023 in profit/loss regarding deferred taxes corresponds to the difference between the amounts calculated on 31 December 2023 and 31 December 2022 as deferred tax liabilities relating to portfolio securities (Note 14).

NOTE 18 • STAFF COSTS

As at 31 December 2022 the item Staff costs records payment of wages of one remunerated member of the Fund's Management Committee, who received the remuneration provided for by law until leaving office on 31 January 2022, as well as the corresponding Social Security costs.

NOTE 19 • SUPPLIES AND SERVICES FROM THIRD PARTIES

This item is broken down as follows:

| Supplies and services from third parties | 31/12/2023 | 31/12/2022 |
|--|-------------|-------------|
| Securities settlement system fees | 85.3 | 30.4 |
| Renting and leasing | - | 20.4 |
| Specialised services | 7.2 | 8.3 |
| Communication | 0.4 | 0.4 |
| Litigation and notary | 1.8 | - |
| Representation costs | - | 0.9 |
| | 94.8 | 60.4 |

The change in Renting and leasing refers to the lease of the real estate property corresponding to the Fund's head office expiring on 31 December 2022.

The item Specialised services corresponds to the external audit services for each period.

NOTE 20 • OTHER INCOME AND GAINS

As at 31 December 2023 and 2022 the item Other income and gains includes the amount of €5,710.1 thousand (31 December 2022: €10,229.5 thousand) corresponding to fines in favour of the Fund as a result of administrative sanctioning proceedings initiated by the Banco de Portugal against credit institutions, constituting revenue for the Fund. This amount is recorded in accordance with the accounting policy described in Note 2.2(k).

As at 31 December 2023 this item also includes an adjustment relating to an overestimation of tax for 2022 (€4.9 thousand).

NOTE 21 • OTHER EXPENSES

As at 31 December 2023 the item Other expenses essentially consists of the Fund's annual contribution as member of the European Forum of Deposit Insurers (EFDI) in the amount of €8.0 thousand (31 December 2022: €8.0 thousand) and of the IADI – International Association of Deposit Issuers, in the amount of €30.6 thousand (31 December 2022: €36.1 thousand).

NOTE 22 • LEGAL PROCEEDINGS

As at 31 December 2023 the Fund was a defendant in eight legal proceedings (one of which was merely a judicial notice). These proceedings essentially relate to the withdrawal of the authorisation given to Banco Privado Português, S. A., currently under liquidation, to exercise its activity – with the exception of two proceedings relating to Banco Espírito Santo, S. A. and BANIF — Banco Internacional do Funchal, S. A.'s resolutions), both under liquidation. As it is not possible to anticipate any pending court decisions, or determine a reliable estimate of their contingent financial effect for the Fund, the Management Committee, which has been monitoring the evolution of the legal proceedings, duly grounded by the opinion of the lawyers representing the Fund in these proceedings and in view of the legal and procedural information available at present, considers that there is no evidence to refute the belief that there is a higher likelihood of a decision in favour of the Fund.

From the point of view of the proceedings against the Fund and included in that calculation, there were no significant developments in 2023 in terms of court decisions.

NOTE 23 • CONTINGENT ASSETS

As at 31 December 2023 the Fund's contingent assets were the rights emerging from the repayments made by the Fund following the triggering of the deposit guarantee with Banco Privado Português, S. A. (BPP), under liquidation since 2010. In accordance with the provisions laid down in Article 167(16) of the RGICSF, the Fund has the right of subrogation to the rights of depositors for an amount equal to the repayments made in favour of BPP depositors (minus the amounts returned to the Fund). Only when the Fund is given a legal guarantee that it will receive compensation for the repayment of deposits and is aware of the final amount to be received, will the corresponding amount be recognised on the assets side through an increase in own funds, as described in Note 2.2(g). Given the uncertainty, it is not possible to reliably estimate the value of this contingent asset.

NOTE 24 • CONTINGENT LIABILITIES

Within the repayment process of depositors of Banco Privado Português, S. A. (BPP), referred to in Note 9, certain amounts included in the list of deposits covered by the Fund's guarantee that was provided by BPP were not repaid, as questions were raised regarding the right to repayment. Hence, based on the accounting policy set out in Note 2.2(g), contingent liabilities amounted to €36.5 thousand as at 31 December 2023 and 2022, considering that a potential contingent liability may arise in respect of deposits with the following characteristics, which are being analysed on a case-by-case basis:

- deposits to which new co-holders were added after the date on which BPP made public its inability to meet payment obligations and on which the Banco de Portugal adopted extraordinary reorganisation measures (€36.4 thousand);
- deposits regarding which there are reasonable doubts as to the grounds for exclusion from the guarantee, as provided for by law, or whether they fall within the Fund's scope of coverage (€0.1 thousand).

NOTE 25 • SECURITIES PLEDGED AS COLLATERAL

As at 31 December 2023 the Fund recorded in off-balance-sheet accounts securities pledged as collateral received as a guarantee of the irrevocable payment commitments undertaken by member institutions in favour of the Fund (Notes 7 and 9), amounting to €207,367.9 thousand (31 December 2022: €460,358.3 thousand). The measurement of this entry is calculated as 90% of the minimum price for the securities pledged as collateral in the 30 days prior to the reference date of the financial statements. In accordance with the contractual terms, this represents an amount greater than the nominal amount presented in the balance sheet according to the accounting policy described in Note 2.2(e).

NOTE 26 • RELATED PARTIES

The RGICSF, which regulates the functioning of the Fund, states in Article 158 that the Fund is operated by a Management Committee, responsible for the management of the Fund's activity. This committee is comprised of three members: a member of the Board of Directors of the Banco de Portugal, appointed by the latter and who chairs the committee, another member appointed by the Minister of Finance, and a third member appointed by the association representing in Portugal the member credit institutions which, as a whole, hold the largest volume of deposits covered by the guarantee.

Transactions and Balances with related parties in the Fund's ordinary course of business, the terms of which reflect normal market conditions, are as follows:

| Transactions with related parties | 31/12/2023 | 31/12/2022 |
|---|-------------------|-------------------|
| Banco de Portugal – Interest received on demand deposits | 1,147.4 | 1,031.4 |
| Banco de Portugal – Interest paid on demand deposits | - | -2,383.9 |
| Balances with related parties | 31/12/2023 | 31/12/2022 |
| Assets – Cash and bank deposits | | |
| Banco de Portugal – Demand deposits | 0.2 | 577,322.4 |
| Assets – Other accounts receivable and deferrals | | |
| Banco de Portugal – Interest income on demand deposits | 242.6 | 842.5 |
| Liabilities – Other accounts payable and deferrals | | |
| Banco de Portugal – Securities settlement system fees | 16.2 | 6.3 |
| | 226.7 | 577,316.1 |

Lisbon, 15 March 2024

THE MANAGEMENT COMMITTEE

Chairman

Luís Augusto Máximo dos Santos

Members

Carlos Manuel Durães da Conceição

Norberto Emílio Sequeira da Rosa

III Opinion of the board of auditors of Banco de Portugal



BANCO DE PORTUGAL
EUROSISTEMA

FUNDO DE GARANTIA DE DEPÓSITOS

EXERCÍCIO DE 2023

PARECER DO CONSELHO DE AUDITORIA DO BANCO DE PORTUGAL

1. ENQUADRAMENTO

Nos termos do Artigos 171.º do Regime Geral das Instituições de Crédito e Sociedades Financeiras (RGICSF), aprovado pelo Decreto-Lei n.º 298/92, de 31 de dezembro, na sua redação atual, o Conselho de Auditoria do Banco de Portugal acompanha a atividade do Fundo de Garantia de Depósitos (doravante FGD ou Fundo), zela pelo cumprimento das leis e regulamentos que lhe são aplicáveis, e emite parecer acerca das contas anuais apresentadas pela Comissão Diretiva.

2. ATIVIDADE DESENVOLVIDA

Durante o ano de 2023, o Conselho de Auditoria acompanhou as atividades e a gestão do Fundo através de contactos regulares com o Presidente e o Secretário-Geral da Comissão Diretiva, com os serviços de apoio que funcionam junto do Banco de Portugal, e ainda através da análise das atas das reuniões da Comissão Diretiva, da informação financeira e de gestão, e de outra documentação que é regularmente disponibilizada e/ou solicitada.

3. APRECIÇÃO DO RELATÓRIO E CONTAS

Na referida atividade de acompanhamento regular, o Conselho de Auditoria deu especial atenção às políticas e processos de gestão das disponibilidades financeiras do FGD e à análise da evolução da respetiva rentabilidade. Por força dos princípios de prudência e de preservação de liquidez que orientam a atividade do FGD de forma a garantir a sua missão



BANCO DE PORTUGAL
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de garantia de depósitos, o Fundo aplica os seus recursos em ativos com elevada qualidade creditícia e maturidades relativamente curtas, o que, no contexto de taxas de juro baixas, ou mesmo negativas, que vigoraram até ao início de 2022, inevitavelmente conduziu a rentabilidades reduzidas e, conseqüentemente, ao registo de resultados negativos. Porém, as acentuadas subidas das taxas de juro durante a segunda metade do exercício de 2022 e durante 2023, promoveram a recuperação progressiva da rentabilidade das aplicações financeiras do Fundo, circunstância que conduziu a que o FGD tivesse alcançado em 2023 o seu melhor resultado de sempre, de cerca de 42,7 milhões de euros, reforçando os seus recursos próprios que, em 31 de dezembro de 2023, totalizavam cerca de 1 725,3 milhões de euros.

Outro facto relevante da atividade em 2023 foi a iniciativa da Comissão Diretiva de promover, junto das instituições financeiras participantes, a conversão dos montantes das contribuições devidas cobertas por compromissos irrevogáveis de pagamento, por entregas efetivas de numerário, iniciativa que teve a adesão de algumas instituições financeiras participantes com valores significativos e que, no entender do Conselho de Auditoria, deve ser continuada. Do montante total de cerca de 443,8 milhões de euros de compromissos irrevogáveis por liquidar no início do ano, foi liquidado em 2023 um montante de cerca de 250,4 milhões de euros que reforçou as aplicações financeiras do Fundo, restando liquidar a diferença no montante de cerca de 193,4 milhões de euros.

O Conselho de Auditoria acompanhou o processo de preparação e divulgação da informação financeira contida no Relatório e Contas do exercício findo em 31 de dezembro de 2023, e aprovado pela Comissão Diretiva do Fundo em 15 de março de 2024, o qual compreende o Relatório de Atividades, as Demonstrações Financeiras, e as respetivas notas explicativas.

O Conselho analisou também o Relatório de Auditoria da BDO & Associados, SROC, Lda., cujo parecer, datado de 18 de março de 2024, não contém qualquer reserva ou ênfase.



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EUROSISTEMA

4. PARECER

Com base nos trabalhos efetuados, e tendo presente o Relatório de Auditoria emitido pelo Auditor Externo, o Conselho de Auditoria deliberou emitir parecer favorável à aprovação do Relatório e Contas do Fundo de Garantia de Depósitos referentes ao exercício de 2023.

5. AGRADECIMENTOS

O Conselho de Auditoria manifesta o seu reconhecimento pela cooperação institucional existente com a Comissão Diretiva e o Secretariado do Fundo e agradece aos serviços de apoio do Banco de Portugal a colaboração prestada.

Lisboa, 20 de março de 2024

O Conselho de Auditoria

Óscar Figueiredo

Alexandre Boa-Nova Santos

Maria Albertina Barreiro Rodrigues



IV Auditor's Report

RELATÓRIO DE AUDITORIA

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS

Opinião

Auditámos as demonstrações financeiras anexas do Fundo de Garantia de Depósitos (o Fundo), que compreendem o balanço em 31 de dezembro de 2023 (que evidencia um total de 1 727 506 milhares de euros e um total de recursos próprios de 1 725 323 milhares de euros, incluindo um resultado líquido de 42 691 milhares de euros), a demonstração de resultados, a demonstração de alterações nos recursos próprios e a demonstração de fluxos de caixa relativas ao ano findo naquela data, e as notas explicativas às demonstrações financeiras que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, as demonstrações financeiras anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira do Fundo de Garantia de Depósitos em 31 de dezembro de 2023 e o seu desempenho financeiro e fluxos de caixa relativos ao ano findo naquela data de acordo com os princípios contabilísticos adotados no Plano de Contas do Fundo e detalhadamente descritos na nota explicativa 2 às demonstrações financeiras.

Bases para a opinião

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção “Responsabilidades do auditor pela auditoria das demonstrações financeiras” abaixo. Somos independentes do Fundo nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras

A Comissão Diretiva do Fundo é responsável pela:

- preparação de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa do Fundo de acordo com os princípios contabilísticos adotados no Plano de Contas do Fundo;
- elaboração do relatório de atividades;



- criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras isentas de distorções materiais devido a fraude ou a erro;
- adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- avaliação da capacidade do Fundo de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

O Conselho de Auditoria do Banco de Portugal é responsável por acompanhar a atividade do Fundo, zelar pelo cumprimento das leis e regulamentos aplicáveis e emitir parecer sobre as suas contas anuais.

Responsabilidades do auditor pela auditoria das demonstrações financeiras

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- identificamos e avaliamos os riscos de distorção material das demonstrações financeiras, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Fundo;
- avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- concluímos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Fundo para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou,

caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Fundo descontinue as suas atividades;

- avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e os acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- comunicamos com os encarregados da governação, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificada durante a auditoria.

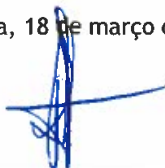
A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do relatório de atividades com as demonstrações financeiras.

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o relatório de atividades

Dando cumprimento aos requisitos legais aplicáveis, somos de parecer que o relatório de atividades foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor e a informação nele constante é coerente com as demonstrações financeiras auditadas e, tendo em conta o conhecimento e a apreciação sobre o Fundo, não identificamos incorreções materiais.

Lisboa, 18 de março de 2024



Rui Carlos Lourenço Helena,
(ROC nº 923, inscrito na CMVM sob o nº 20160541)
em representação de BDO & Associados - SROC



V Annex

List of member credit institutions of the Fundo de Garantia de Depósitos¹

Banks

Banco Activobank, S. A.
Banco Atlântico Europa, S. A.
Banco BAI Europa, S. A.
Banco BIC Português, S. A.
Banco BPI, S. A.
Banco Comercial Português, S. A.
Banco Credibom, S. A.
Banco CTT, S. A.
Banco de Investimento Global, S. A.
Banco Finantia, S. A.
Banco Invest, S. A.
Banco L. J. Carregosa, S. A.
Banco Português de Gestão, S. A.
Banco Primus, S. A.
Banco Santander Totta, S. A.
Best – Banco Electrónico de Serviço Total, S. A.
Bison Bank, S. A.
BNI – Banco de Negócios Internacional (Europa), S. A.
Caixa – Banco de Investimento, S. A.
Caixa Geral de Depósitos, S. A.
Haitong Bank, S. A.
Montepio Investimento, S. A.
Novo Banco dos Açores, S. A.
Novo Banco, S. A.
Itaú BBA Europe, S. A.

Caixas Económicas (Savings Banks)

Caixa Económica da Misericórdia de Angra do Heroísmo, Caixa Económica Bancária, S. A.
Caixa Económica do Porto
Caixa Económica Montepio Geral, Caixa Económica Bancária, S. A.

Mutual Agricultural Credit Banks not belonging to SICAM

Caixa de Crédito Agrícola Mútuo da Chamusca, C.R.L.
Caixa de Crédito Agrícola Mútuo de Leiria, C.R.L.
Caixa de Crédito Agrícola Mútuo de Mafra, C.R.L.
Caixa de Crédito Agrícola Mútuo de Torres Vedras, C.R.L.
Caixa de Crédito Agrícola Mútuo do Bombarral, C.R.L.

1. As at 31 December 2023, according to the Banco de Portugal records.

Central and Mutual Agricultural Credit Banks belonging to SICAM

Caixa Central – Caixa Central de Crédito Agrícola Mútuo, C.R.L.
Caixa de Crédito Agrícola Mútuo Beira Centro, C.R.L.
Caixa de Crédito Agrícola Mútuo Beira Douro e Lafões, C.R.L.
Caixa de Crédito Agrícola Mútuo da Área Metropolitana do Porto, C.R.L.
Caixa de Crédito Agrícola Mútuo da Bairrada e Agueira, C.R.L.
Caixa de Crédito Agrícola Mútuo da Batalha, C.R.L.
Caixa de Crédito Agrícola Mútuo da Beira Baixa (Sul), C.R.L.
Caixa de Crédito Agrícola Mútuo da Costa Azul, C.R.L.
Caixa de Crédito Agrícola Mútuo da Costa Verde, C.R.L.
Caixa de Crédito Agrícola Mútuo da Região do Fundão e Sabugal, C.R.L.
Caixa de Crédito Agrícola Mútuo da Serra da Estrela, C.R.L.
Caixa de Crédito Agrícola Mútuo da Terra Quente, C.R.L.
Caixa de Crédito Agrícola Mútuo da Zona do Pinhal, C.R.L.
Caixa de Crédito Agrícola Mútuo de Albufeira, C.R.L.
Caixa de Crédito Agrícola Mútuo de Alcácer do Sal e Montemor-o-Novo, C.R.L.
Caixa de Crédito Agrícola Mútuo de Alcobaça, Cartaxo, Nazaré, Rio Maior e Santarém, C.R.L.
Caixa de Crédito Agrícola Mútuo de Alenquer, C.R.L.
Caixa de Crédito Agrícola Mútuo de Aljustrel e Almodôvar, C.R.L.
Caixa de Crédito Agrícola Mútuo de Azambuja, C.R.L.
Caixa de Crédito Agrícola Mútuo de Cadaval, C.R.L.
Caixa de Crédito Agrícola Mútuo de Caldas da Rainha, Óbidos e Peniche, C.R.L.
Caixa de Crédito Agrícola Mútuo de Cantanhede e Mira, C.R.L.
Caixa de Crédito Agrícola Mútuo de Coimbra, C.R.L.
Caixa de Crédito Agrícola Mútuo de Coruche, C.R.L.
Caixa de Crédito Agrícola Mútuo de Elvas, Campo Maior e Borba, C.R.L.
Caixa de Crédito Agrícola Mútuo de Entre Tejo e Sado, C.R.L.
Caixa de Crédito Agrícola Mútuo de Estremoz, Monforte e Arronches, C.R.L.
Caixa de Crédito Agrícola Mútuo de Loures, Sintra e Litoral, C.R.L.
Caixa de Crédito Agrícola Mútuo de Lourinhã, C.R.L.
Caixa de Crédito Agrícola Mútuo de Moravis, C.R.L.
Caixa de Crédito Agrícola Mútuo de Oliveira de Azeméis e Estarreja, C.R.L.
Caixa de Crédito Agrícola Mútuo de Oliveira do Bairro, Albergaria e Sever C.R.L.
Caixa de Crédito Agrícola Mútuo de Oliveira do Hospital, C.R.L.
Caixa de Crédito Agrícola Mútuo de Paredes, C.R.L.
Caixa de Crédito Agrícola Mútuo de Pernes e Alcanhões, C.R.L.
Caixa de Crédito Agrícola Mútuo do Centro Litoral, C.R.L.
Caixa de Crédito Agrícola Mútuo de Porto de Mós, C.R.L.
Caixa de Crédito Agrícola Mútuo de Póvoa de Varzim, Vila do Conde e Esposende, C.R.L.
Caixa de Crédito Agrícola Mútuo de Salvaterra de Magos, C.R.L.
Caixa de Crédito Agrícola Mútuo de São Teotónio, C.R.L.
Caixa de Crédito Agrícola Mútuo de Terras do Arade, C.R.L.
Caixa de Crédito Agrícola Mútuo de Sobral de Monte Agraço, C.R.L.
Caixa de Crédito Agrícola Mútuo de Terras de Viriato, C.R.L.

Caixa de Crédito Agrícola Mútuo de Terras do Sousa, Ave, Basto e Tâmega, C.R.L.
Caixa de Crédito Agrícola Mútuo de Trás-os-Montes e Alto Douro, C.R.L.
Caixa de Crédito Agrícola Mútuo de Vagos, C.R.L.
Caixa de Crédito Agrícola Mútuo de Terras de Santa Maria, C.R.L.
Caixa de Crédito Agrícola Mútuo de Vila Franca de Xira, C.R.L.
Caixa de Crédito Agrícola Mútuo de Vila Verde e de Terras do Bouro, C.R.L.
Caixa de Crédito Agrícola Mútuo do Alentejo Central, C.R.L.
Caixa de Crédito Agrícola Mútuo de Alentejo Sul, C.R.L.
Caixa de Crédito Agrícola Mútuo do Algarve, C.R.L.
Caixa de Crédito Agrícola Mútuo do Alto Cávado e Basto, C.R.L.
Caixa de Crédito Agrícola Mútuo do Alto Douro, C.R.L.
Caixa de Crédito Agrícola Mútuo do Baixo Mondego, C.R.L.
Caixa de Crédito Agrícola Mútuo do Baixo Vouga, C.R.L.
Caixa de Crédito Agrícola Mútuo do Douro e Côa, C.R.L.
Caixa de Crédito Agrícola Mútuo do Douro e Sabor, C.R.L.
Caixa de Crédito Agrícola Mútuo do Guadiana Interior, C.R.L.
Caixa de Crédito Agrícola Mútuo do Médio Ave, C.R.L.
Caixa de Crédito Agrícola Mútuo do Nordeste Alentejano, C.R.L.
Caixa de Crédito Agrícola Mútuo do Noroeste, C.R.L.
Caixa de Crédito Agrícola Mútuo do Norte Alentejano, C.R.L.
Caixa de Crédito Agrícola Mútuo do Ribatejo Norte e Tramagal, C.R.L.
Caixa de Crédito Agrícola Mútuo do Ribatejo Sul, C.R.L.
Caixa de Crédito Agrícola Mútuo do Sotavento Algarvio, C.R.L.
Caixa de Crédito Agrícola Mútuo do Vale do Dão e Alto Vouga, C.R.L.
Caixa de Crédito Agrícola Mútuo do Vale do Sousa e Baixo Tâmega, C.R.L.
Caixa de Crédito Agrícola Mútuo do Vale do Távora e Douro, C.R.L.
Caixa de Crédito Agrícola Mútuo dos Açores, C.R.L.

Institutions that ceased to be members of the Fund in 2023

Banks

Banco Efisa, S. A. – Em liquidação

Central and Mutual Agricultural Credit Banks belonging to SICAM

Caixa de Crédito Agrícola Mútuo de Oliveira do Hospital, C.R.L.

Caixa de Crédito Agrícola Mútuo de Serras de Ansião, C.R.L.

Caixa de Crédito Agrícola Mútuo de Arruda dos Vinhos, C.R.L.

Credit institutions with their head office in NON-EU member states

FCE Bank, PLC

