Fond ochrany vkladov

INDEPENDENT AUDITOR'S REPORT
ON THE AUDIT OF THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023

AND

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

This is a translation of the original auditor’s report issued in the Slovak language to the accompanying financial statements translated into the English language.

Annual Report

2023

Deposit Protection Fund

FOREWORD OF THE CHAIRMAN OF THE COUNCIL OF THE DEPOSIT PROTECTION FUND

Dear Ladies and Gentlemen,

Despite the difficult economic situation in the previous years, the period of higher inflation has not had a significant negative impact on the Slovak banking sector, which remains resilient. The health of our banks, in particular their profitability and capital adequacy, will enable them to navigate challenges in the near future.

In 2023, the Deposit Protection Fund saw an increase in both protected deposits and covered deposits at banks.

According to Directive 2014/49/EU of the European Parliament and of the Council on Deposit Guarantee Schemes and Act of the National Council of the Slovak Republic No. 118/1996 Coll. on Deposit Protection, as amended, own funds in deposit guarantee schemes must amount to 0.8% of covered deposits by 3 July 2024. The Deposit Protection Fund met this target in 2022, and its own funds currently amount to 0.82% of covered deposits.

In 2023, 11 banks participated in the Slovak deposit guarantee scheme. The Deposit Protection Fund determined the amount of differentiated payments by banks for 2023 in cooperation with the National Bank of Slovakia, taking into account the risk profiles of individual banks and selected statutory indicators of the banking sector stability.

The total funds of the Deposit Protection Fund in 2023 comprised income from differentiated payments from banks and interest income on own funds deposited at the National Bank of Slovakia.

Another important obligation fulfilled by the Deposit Protection Fund is the administration of the National Fund's funds, including the collection and payment of bank contributions to the European Single Resolution Fund pursuant to Act of the National Council of the Slovak Republic No. 371/2014 Coll. on Resolution in the Financial Market, as amended. The legal option to use the Deposit Protection Fund's funds in bank resolution also significantly strengthens the financial sector.

The results of regular stress testing in cooperation with banks, foreign deposit guarantee schemes, the Ministry of Finance of the Slovak Republic and the National Bank of Slovakia have shown the ability of the Slovak deposit guarantee scheme to ensure proper and timely repayment of depositors, including across borders.

The Deposit Protection Fund has concluded bilateral agreements with the Czech, Hungarian and Polish deposit guarantee schemes and is negotiating the terms of bilateral agreements with other partners toundertake cross-border repayment and stress testing.

Cooperation between deposit guarantee schemes is also supported by the European Forum of Deposit Insurers (EFDI), of which the Deposit Protection Fund is a member.

The Deposit Protection Fund is currently not a party to any litigation and is not a creditor in any bankruptcy proceedings.

The fulfilment of the important tasks of the Deposit Protection Fund in 2023 was based on close cooperation with specialised departments of the Ministry of Finance of the Slovak Republic, the National Bank of Slovakia, the Slovak Banking Association, commercial banks and other relevant institutions.

Dear Ladies and Gentlemen,

I would like to thank all the representatives of the above institutions, the members of the Council, Supervisory Board, the Presidium of the Deposit Protection Fund and employees of the Deposit Protection Fund for their deposit protection activities and their contribution to the fulfilment of tasks in 2023.

RNDr. Karol Mrva
Chairman of the Council
of the Deposit Protection Fund

ACTIVITIES OF THE DEPOSIT PROTECTION FUND IN 2023

Development of Deposits in the Banking Sector

The banking sector in Slovakia remains resilient with sufficient capital, liquidity and profitability. As a result, banks are healthy and subject to regulatory requirements under the Single Supervisory Mechanism and to the ECB's supervisory approach, which creates a foundation for their long-term stability.

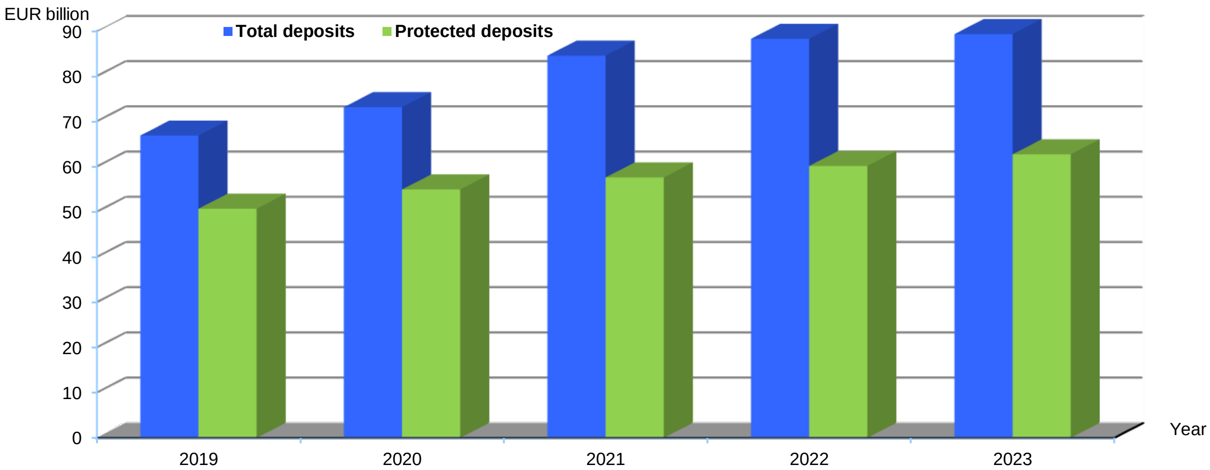
Decreasing inflation during 2023 was reflected in a slight increase in bank deposits. From the end of 2022, protected deposits and covered deposits grew by 4.3% and 2.7%, respectively. Protected deposits comprise 70% of total bank deposits in the banking sector and protected deposits at the year-end totalled almost EUR 63 billion.

At the end of 2023, covered deposits amounted to EUR 42 billion, ie 67% of protected deposits in banks. Covered deposits represent the amount of a protected deposit capped at a guaranteed level of EUR 100 000 per depositor per bank.

Ten banks participated in the deposit guarantee scheme at the end of 2023: Slovenská sporiteľňa, a.s., Všeobecná úverová banka, a.s., Tatra banka, a.s., Československá obchodná banka, a.s., 365.bank, a.s., Prima banka Slovensko, a.s., Prvá stavebná sporiteľňa, a.s., Privatbanka, a.s., Wüstenrot stavebná sporiteľňa, a.s. and Slovenská záručná a rozvojová banka, a.s. ČSOB stavebná sporiteľňa, a.s. and Československá obchodná banka, a.s. merged at the end of 2023 and operated on the market under the ČSOB brand from 1 December 2023. As a result, the number of banks participating in the deposit guarantee scheme decreased from 11 to 10 in 2023.

The development of bank deposits in Slovakia for the previous five years is shown in the graph below.

Development of Deposits in the Banking Sector 2019-2023



Contributions to the Deposit Protection Fund

The Deposit Protection Fund set an annual contribution for each bank for 2023, based on the amount of covered deposits and the risk profile of the respective bank. The methodology for calculating banks' annual contributions is published on the Fund's website.

The deposit guarantee scheme obtains available funds from annual contributions of banks so that they amount to a target level of at least 0.8% of the amount of covered deposits of banks participating in the deposit guarantee scheme by 3 July 2024.

A uniform target level of *ex ante* funding for all deposit guarantee schemes is set by Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on Deposit Guarantee Schemes. At the end of 2023, the amount of available funds was at the target level of 0.82% of the value of all covered deposits.

In 2023, banks' annual contributions paid to the Deposit Protection Fund totalled EUR

8.23 million, calculated using the annual contribution rate of 0.02% of total covered deposits in 2022.
The Deposit Protection Fund pools bank contributions in the Contribution Fund for repayments if necessary.

The Fund's own funds amounting to EUR 348 million are held in accounts at the National Bank of Slovakia. They are intended for the performance of the Fund's duties and obligations imposed by the Deposit Protection Act.

Result of Operations of the Deposit Protection Fund

The Deposit Protection Fund prepared its 2023 financial statements pursuant to Measure of the Ministry of Finance of the Slovak Republic No. 22273/2008-74, as amended.

The Fund posted a profit of EUR 8 555 845 for 2023, primarily due to the gradual increase in the key interest rates of the European Central Bank. In 2023, the Fund's own funds earned a deposit interest rate ranging from 2% to 4% p.a. The Fund earned a net interest income of EUR 9 million for 2023 as a result of the appreciation of funds.

Compensation for Inaccessible Deposits in Banks

If deposits at a bank in the Slovak Republic become inaccessible, depositors receive compensation for all their legally-protected deposits at such a bank up to EUR 100 000. The full amount of the deposit is only compensated for selected deposits for specific social or other purposes defined by Act No. 118/1996 Coll. on Deposit Protection and on Amendments to Certain Acts, as amended.

Deposits at a branch of a foreign bank which accepts deposits in Slovakia under a single bank licence under EU legislation, are protected under the deposit guarantee scheme rules in the Member State where the relevant foreign bank has its registered office.

Administration of the National Fund's Funds

Pursuant to the Act on Resolution in the Financial Market, the Deposit Protection Fund administers the funds of the National Fund, to which banks paid annual contributions totalling EUR 22.16 million in 2023. The contributions were determined by the Single Resolution Board.

Stress Testing of the Deposit Guarantee Scheme

Deposit guarantee schemes perform regular stress tests, whose principles and scope are defined in the Stress Testing Guidelines of the European Banking Authority (EBA). Stress testing is intended to enhance the resilience of the deposit guarantee scheme that performs tasks in accordance with Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes and Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.

In the three-year stress testing cycle from 2022 to 2024, the Deposit Protection Fund is required to perform the key function tests according to the stress testing plan. The testing consists of simulating actions and decisions that would be taken in a key test.

In 2023, the Deposit Protection Fund performed stress tests as part of its regular verification of the readiness of banks to provide data to the Fund in a due and timely manner so that the deposit guarantee scheme is able to meet its legal obligation to repay depositors within 7 business days in the event of non-accessibility of deposits. In 2022, this test verified the summary customer view ("SCV") files in the event of a simulated default of all five banks included in the bankrupt or liquidated group. In 2023, all six banks expected to be resolved in the event of a threat were tested. This test assessed the quality of the SCV files of all banks participating in the deposit guarantee scheme. The results of the test demonstrated that all tested banks are able to prepare valid files in a timely manner, ie within 36 hours from the simulated insolvency declaration of the bank. The test confirmed the quality of the banks' SCV files, as the proportion of substandard records in the SCV files was below the 1% threshold of the total number of depositors.

The next stress test verified the repayment of depositors as part of cross-border cooperation. The Fund was in the position of the home scheme, simulating payments to a branch of a foreign bank in another Member State (Czech Republic), and requesting a host (Czech) deposit guarantee scheme to repay depositors. The cross-border repayment test also verified the ability to repay depositors of a branch of a foreign bank in the Slovak Republic, with the Czech guarantee scheme as the home scheme requesting the Fund in the position of a host scheme to simulate the repayment. The results of the test demonstrated that both deposit guarantee schemes were able to transmit valid payment instruction files to each other and, if necessary, to make repayments within 7 business days of the bank's insolvency declaration.

All data files that were stress tested were processed in the Deposit Protection Fund System for repayments of inaccessible deposits. All files are imported into the system offline, the files are encrypted and the system is not directly accessible from the internet, which reduces the threat of cyber incidents.

In 2023, the Fund cooperated with the Resolution Authority on the testing of the resolution contribution function concerning the financing of a bank resolution to maintain uninterrupted access to deposits. The use of funds for a bank in resolution is highly unlikely and irrelevant in Slovakia, in particular for a bank that meets the MREL requirement. The Fund's funds may only be used to absorb losses of covered depositors, which means a simulated loss would have to be extremely high to affect covered deposits. The next test involved the use of the Fund's available funds for alternative measures to prevent default of a bank in resolution. However, legislation precludes intervention by the deposit guarantee scheme in such a case. According to Directive 2014/49/EU on Deposit Guarantee Schemes, the use of a deposit guarantee scheme funds to prevent bank default is a national discretion that has not been used in Slovakia. Accordingly, the Fund is not authorised to use its funds to prevent bank default. On the recommendation of the Resolution Authority, the Fund excluded the resolution scenario under the EBA/GL/2021/10 Guideline on stress tests of deposit guarantee schemes for both tests.

For the stress testing, a steering group and an observer group were established with members from the Deposit Protection Fund, the National Bank of Slovakia, the Ministry of Finance of the Slovak Republic and the Slovak Banking Association. The Fund submits a report on the results of the stress testing to the National Bank of Slovakia, the Ministry of Finance of the Slovak Republic and the European Banking Authority.

The stress testing results for 2023 will be submitted to the European Banking Authority in a summary report on stress testing for the 2022-2024 period by 16 June 2024.

Ing. Pavol Komzala
Chairman of the Presidium
of the Deposit Protection Fund

SELECTED FINANCIAL INDICATORS OF THE DEPOSIT PROTECTION FUND

Overview of Assets and Liabilities as at 31 December (in EUR)

Assets	**2023**	**2022**
Current account with the National Bank of Slovakia and cash on hand	348 096 367	331 259 792
Term deposits with the National Bank of Slovakia	0	0
Receivables from paid compensation	0	0
Tangible and intangible assets	355 607	392 785
Other assets	2 754	2 311
Loss for the current period	0	0
Total assets	**348 454 728**	**331 654 888**

Equity and Liabilities	**2023**	**2022**
Liabilities for repayments	0	0
Other liabilities	99 743	89 220
Current income tax	0	0
Contribution fund	339 799 140	331 097 961
Profit for the current period / Profit subject to approval	8 555 845	467 707
Total equity and liabilities	**348 454 728**	**331 654 888**

Overview of Expenses and Revenues for the Period from 1 January to 31 December (in EUR)

	2023	**2022**
Personnel expenses	(404 499)	(365 291)
Other operating expenses	(99 517)	(85 514)
Depreciation/amortisation	(49 173)	(51 287)
Other expenses	(312)	(135)
Interest income	11 246 449	1 197 167
Profit/loss from bond operations	0	0
Profit/loss from the sale and transfer of assets	0	0
Other income	0	412
Guarantee Fund administration expenses	**(553 501)**	**(502 227)**
Interest expense and similar expenses	0	0
Income tax	(2 136 825)	(227 462)
National Fund administration expenses	**(278)**	**(183)**
Guarantee Fund financing expenses	**(2 136 825)**	**(227 462)**
Profit/loss for the reporting period after tax	**8 555 845**	**467 707**

REPORT OF THE SUPERVISORY BOARD OF THE DEPOSIT PROTECTION FUND

The activities and operations of the Deposit Protection Fund and its bodies are overseen by the Supervisory Board of the Deposit Protection Fund.

The Supervisory Board of the Deposit Protection Fund oversees, in particular, compliance with Act No. 118/1996 Coll. on Deposit Protection and on Amendments to Certain Acts, as amended (hereinafter the "Deposit Protection Act"), and with other generally binding legal regulations, general conditions for repayment of inaccessible deposits at banks and the Deposit Protection Fund's Statutes.

The verification of the legality of these activities by the Supervisory Board of the Deposit Protection Fund included an assessment of the overall development of the financial situation and operations of the Deposit Protection Fund. It also addressed the issue of differentiated contributions of banks to the Deposit Protection Fund.

The members of the Supervisory Board of the Deposit Protection Fund are legally authorised to inspect documents related to the Deposit Protection Fund's activities, including processing of legally-protected personal data, and to obtain information about all its financial transactions.

The Supervisory Board also verified compliance of the results of the testing of the functionality and ability of the Deposit Protection Fund to repay inaccessible deposits in banks with legal conditions. The Deposit Protection Fund submits a report on the results of this testing annually to the National Bank of Slovakia, the Ministry of Finance of the Slovak Republic and the European Banking Authority (EBA).

Pursuant to Article 21 of the Deposit Protection Act, the Supervisory Board of the Deposit Protection Fund informs the Council of the Deposit Protection Fund and the National Bank of Slovakia about its findings on a quarterly basis. If any actions of the Deposit Protection Fund are not in compliance with the relevant legislation, the Supervisory Board must report such actions within three days of detection.

The Supervisory Board of the Deposit Protection Fund did not identify any deficiencies in the operations of the Deposit Protection Fund in 2023.

The Supervisory Board also concluded that the Deposit Protection Fund prepared the 2023 financial statements pursuant to Article 14 of the Deposit Protection Act, the relevant provisions of Act No. 431/2002 Coll. on Accounting, as amended, and the measure of the Ministry of Finance of the Slovak Republic governing this area.

According to the independent auditor's report by Deloitte Audit s.r.o., the financial statements give a true and fair view of the financial position of the Deposit Protection Fund as at 31 December 2023 and the profit/loss for the year then ended in accordance with the Slovak Act on Accounting.

Based on the result of the audit carried out by the independent auditor and based on its own control activities and a review of the financial statements, the Supervisory Board of the Deposit Protection Fund approved the financial statements and recommended that the Council of the Deposit Protection Fund approve the annual financial statements of the Deposit Protection Fund for 2023, as they were prepared correctly and give a true and fair view of the financial position of the Deposit Protection Fund.

Ing. Vladimír Dvořáček
Chairman of the Supervisory Board
of the Deposit Protection Fund

Deloitte.

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VAT ID: SK2020325516

Fond ochrany vkladov

INDEPENDENT AUDITOR'S REPORT

To the Presidium, Council and the Supervisory Board of Fond ochrany vkladov:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Fond ochrany vkladov (the "Fund"), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023, and its financial performance for the year then ended in accordance with the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the Fund's Presidium and Those Charged with Governance for the Financial Statements

Presidium of the Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Act on Accounting, and for such internal control as Presidium of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Presidium of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Funds' Presidium either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of Fund's Presidium use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

Presidium of the Fund is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting. Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We assessed whether the Fund's annual report includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the financial statements, in our opinion:

- Information disclosed in the annual report prepared for 2023 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Fund and its position, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislava, 28 February 2024

Ing. Zuzana Letková, FCCA
Responsible Auditor
Licence SKAu No. 865

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

ÚČ ZFOND

FINANCIAL STATEMENTS

guarantee fund
as of December 31, 2023

Tax ID no 2020862030

Financial statements: [x] - ordinary; [ ] - extraordinary

Financial statements: [x] - prepared

For period from month 01 year 2023 to month 12 year 2023

Company ID no 35700564

SK NACE 66.11.0

(mark x)

Immediately preceding period from month 01 year 2022 to month 12 year 2022

Financial statements Appendices
Balance Sheet (ÚČ ZFOND 1-01), Profit and loss statement (ÚČ ZFOND 2-01), Notes (ÚČ ZFOND 3-01)

(mark x)

Business name (name) of reporting enterprise
FOND OCHRANY VKLADOV

Registered address street and number
KAPITULSKÁ 12

Postal Code 81247 City BRATISLAVA

Companies' Register and registration no.
566 B sekcia PO

Telephone no.: 02 / 54435444
Fax number /

E-mail address: fov@fovsr.sk

Prepared on:	Signature of a member of the reporting enterprise's statutory body:
February 12, 2024	Kozuzak Hmenicka
Approved on:	

BALANCE SHEET
As at 31 December 2023
in EUR

Description	ITEM	Note No.	Current Reporting Period 1 Jan 2023 – 31 Dec 2023			Immediately-preceding Reporting Period 1 Jan 2022 – 31 Dec 2022
			Gross	Correction	Net	
a	b	c	1	2	3	4
x	Assets	x	x	x	x	x
1.	Current account in the National Bank of Slovakia and in the State Treasury and cash on hand		348 096 367	0	348 096 367	331 259 792
2.	Term deposits in the National Bank of Slovakia and in the State Treasury	E.2.	0	0	0	0
3.	Receivables from loans provided to guarantee funds		0	0	0	0
4.	Government bonds		0	0	0	0
5.	Receivables from paid repayments	E.5.	341 122 034	(341 122 034)	0	0
6.	Receivables from contributors	E.6.	10 436	(10 436)	0	0
7.	Acquisition of tangible and intangible assets	E.7.	0	0	0	0
8.	Intangible assets	E.8.	425 279	(368 997)	56 282	77 632
9.	Tangible assets	E.9.	912 235	(612 910)	299 325	315 153
a)	Not depreciated		1 847	0	1 847	1 847
b)	Depreciated		910 388	(612 910)	297 478	313 305
10.	Other assets	E.10.I.	2 754	0	2 754	2 311
11.	Loss		0	0	0	0
	Total assets		**690 569 105**	**(342 114 377)**	**348 454 728**	**331 654 888**

Description	ITEM	Note No.	Current Reporting Period 1 Jan 2023 – 31 Dec 2023	Immediately-preceding Reporting Period 1 Jan 2022 – 31 Dec 2022
a	b	c	1	2
x	Liabilities	x	x	x
1.	Loan liabilities to the National Bank of Slovakia		0	0
2.	Liabilities to banks		0	0
a)	from short-term loans		0	0
b)	from long-term loans		0	0
3.	Loan liabilities to guarantee funds		0	0
4.	Liabilities for repayments	E.4.I.	0	0
5.	Other liabilities	E.5.I.	99 743	89 220
6.	Tax liabilities		0	0
a)	Current income tax		0	0
b)	Deferred tax liability		0	0
7.	Contribution fund	E.7.I.	339 799 140	331 097 961
8.	Profit		8 555 845	467 707
	Total liabilities		**348 454 728**	**331 654 888**

INCOME STATEMENT
in EUR
For 1 January – 31 December 2023

Description	ITEM	Note No.	Current Reporting Period 1 Jan 2023 – 31 Dec 2023	Immediately-preceding Reporting Period 1 Jan 2022 – 31 Dec 2022
a	b	c	1	2
a.	Personnel expenses	E.a.	(404 499)	(365 291)
a.1.	Wages and salaries and social security payments		(402 239)	(363 646)
a.2.	Other personnel expenses		(2 260)	(1 645)
b.	Other operating expenses	E.b.	(99 517)	(85 514)
c.	Depreciation		(49 173)	(51 287)
d.	Net impairment of assets and depreciation of assets		0	0
e.	Other expenses	E.e.	(312)	(135)
1.	Interest income	E.1.	11 246 449	1 197 167
2./f.	Profit/loss from bond operations		0	0
3./g.	Profit/loss from the sale and transfer of assets		0	0
4.	Other income	E.4.		412
I.	**Guarantee fund administration expenses**	E.I.	**(553 501)**	**(502 227)**
h.	Interest costs and similar expenses		0	0
i.	Creation of provisions for liabilities for repayments		0	0
j.	Income tax	G.6.	(2 136 825)	(227 462)
II.	**National Fund administration expenses**	**E.II.**	**(278)**	**(183)**
III.	**Guarantee fund financing expenses**	**E.III.**	**(2 136 825)**	**(227 462)**
A.	**Profit/loss for the reporting period after tax**	**G.4.**	**8 555 845**	**467 707**

NOTES

to Financial Statements Prepared as at 31 December 2023 in EUR

A. GENERAL INFORMATION

Fond ochrany vkladov (Deposit Protection Fund) (hereinafter the "Fund" or "FOV") with its registered seat at Kapitulská 12, 812 47 Bratislava, is a legal entity established by Act of the National Council of the Slovak Republic No. 118/1996 Coll. on Protection of Deposits and on Amendments to Certain Acts of 20 March 1996 (hereinafter the "Deposit Protection Act"), which became effective on 1 July 1996.

The Fund was registered in the Commercial Register of District Court Bratislava I on 10 October 1996 in Insert No. 566/B, Section PO.

The Fund is an institutional part of the statutory deposit protection system in the Slovak Republic and ensures and performs activities, rights and obligations associated with the deposit guarantee scheme.

The Fund is not a state fund and its activities and tasks are not performed for business purposes. Details of its status, activities, organisation and use of funds are governed by the Fund's Statutes.

The Fund performs activities laid down by the Deposit Protection Act relating to the protection of deposits of natural persons and legal entities deposited in banks participating in the deposit guarantee scheme in Slovakia from the date of receiving the first legally-protected deposit. Branches of Slovak banks operating abroad also have deposits protected by the Slovak deposit guarantee scheme. Branches of foreign banks that operate in the Slovak Republic and benefit from a single bank licence under EU legislation, have deposits protected by the home deposit guarantee scheme in the country in which the foreign bank has its registered office.

The Deposit Protection Fund also performs activities under Act No. 371/2014 Coll. on Resolution in the Financial Market and on Amendments to Certain Acts, as amended (the "Crisis Resolution Act"). The possibility of using the funds of the Fund to resolve a potential crisis situation at banks improves prevention of crisis situations and addresses potential bankruptcy of a selected financial institution without the need for an intervention using public funds, while protecting depositors and their protected deposits. Pursuant to the Act on Crisis Management, the Fund continuously manages the funds of the National Resolution Fund (hereinafter also the "National Fund"), including the collection and transfer of banks' contributions to the European Single Resolution Fund.

During 2023, the Act on Deposit Protection was amended by Act No. 309/2023 Coll. of 28 June 2023 on the Conversions of Companies and Cooperatives and on Amendments to Certain Acts. According to the Act, conversions and cross-border conversions are fundamental changes whereby the company capital is transformed, new companies are created and the original companies are dissolved, which has a significant impact on company shareholders, while the creditors of the original companies are also subject to a change to the liable entity. The term "conversion" has been chosen for these types of changes in companies. A conversion is a merger (amalgamation and merger by acquisition, both domestic and cross-border) and division of companies.

According to Article 22c (1) of the Deposit Protection Act, a bank participating in the deposit guarantee scheme which, due to a merger or cross-border merger with a foreign bank, sale of the bank's business or part of the business to a foreign bank, or for any other reason, will cease to participate in the deposit guarantee scheme, or substantially reduce its participation in the deposit guarantee scheme, incurs obligations to the Fund. Act No. 309/2023 Coll. introduces a new common term for these changes – conversions.

Draft amendments to EU directives, in particular to Directive 2014/49/EU on Deposit Guarantee Schemes (the "DGS Directive"), are subject to comments on an ongoing basis. The proposed amendments to the DGS Directive are part of the crisis management and deposit protection legislative package, which also includes amendments to Directive 2014/59/EU (the "Bank Recovery and Resolution Directive") and Regulation (EU) No 806/2014 ("Single Resolution Mechanism Regulation").

The proposed amendments to the DGS Directive aim to provide depositors with a harmonised level of protection for their bank deposits, extend the scope of deposit protection to deposits of public authorities (schools, hospitals and municipal services), ensure consistent outcomes as regards the management of bank default, improve the functioning of deposit guarantee schemes by simplifying administrative procedures, improve the transparency of their financial reliability and use of funds, and improve cross-border cooperation between deposit guarantee schemes when making repayments to depositors at home and abroad.

Pursuant to Article 7 (1) (d), in conjunction with Article 7 (2) (c) of Act No. 343/2015 Coll. on Public Procurement and on Amendments to Certain Acts, as amended (hereinafter the "Public Procurement Act"), the Fund is a contracting authority, as contracting authorities appoint and elect more than half of the members of the Fund's management and control body. In 2023, the Fund carried out three low-value procurement procedures under Article 117 of the Public Procurement Act. These low-value contracts were as follows: support services for the Deposit Protection Fund System for repayments – this contract was cancelled as the bid significantly exceeded the estimated contract value; support services for the Deposit Protection Fund System; selection of an auditor for the 2023-2025 audit of the Deposit Protection Fund; and provision of computer network administration services for the Deposit Protection Fund and the Deposit Protection Fund System, and after evaluating the tenders, the Fund concluded contracts with the winners.

The Fund performs and ensures the following activities under the Deposit Protection Act:

- Accumulation of monetary contributions from banks to the Fund and management of the Fund's funds pursuant to Article 13 of the Deposit Protection Act, repayments of inaccessible deposits in banks to the extent and under the conditions laid down by the Deposit Protection Act and General Terms and Conditions for Repayments of Legally-Protected Inaccessible Deposits in Banks, issued by the Fund pursuant to Article 12 (3) of the Deposit Protection Act;
- Management of funds in the National Resolution Fund under the Crisis Resolution Act, including the collection of contributions and keeping records of these funds and their transfer to the Single Resolution Fund;
- Purchase of government securities with a maturity of up to one year from the purchase date; and
- Fulfilment of the Fund's main tasks relating to other expertise, organisation, administration and technical aspects pursuant to the Deposit Protection Act in conjunction with the Crisis Resolution Act.

The Fund's financial statements for the preceding reporting period ended 31 December 2022 were approved by the Fund's Council on 30 March 2023.

The audit of the Fund's financial statements for the reporting period from 1 January 2023 to 31 December 2023 was performed by Deloitte Audit s.r.o. On 22 June 2023, the Supervisory Board of the Deposit Protection Fund gave the Fund's Presidium prior approval for an audit by this company.

Based on the classification by the Statistical Office of the Slovak Republic, the Deposit Protection Fund is classified as a public administration body pursuant to the European methodology of ESA 2010.

Information about the Fund's bodies is presented in Note G.5.

B. ACCOUNTING PRINCIPLES AND METHODS APPLIED

B.1. Method of Preparation of the Financial Statements

The Fund's financial statements were prepared to address the public need to assess the efficiency of the Fund's statutory activity. When preparing the financial statements, the Fund observed Measure of the Ministry of Finance of the Slovak Republic of 10 December 2008 No. MF/22273/2008-74, laying down details on the arrangement, naming and content of items included in financial statements and on the extent of financial statements' disclosures, the frame chart of accounts and accounting procedures for the Deposit Protection Fund, Investment Guarantee Fund, electronic money institutions and branches of foreign financial institutions and on amendments to certain measures, as amended.

In compliance with Article 17 of Act No. 431/2002 Coll. on Accounting, as amended (the "Accounting Act"), the Fund's separate financial statements were prepared as annual financial statements. These financial statements were prepared in euro (hereinafter "€" or "EUR"). Balances are disclosed in whole euro, unless stated otherwise.

The reporting period is a calendar year ended 31 December 2023.

On 21 February 2024, the Presidium of the Deposit Protection Fund discussed and approved a draft of the financial statements and required its Chairman to submit the financial statements for the year ended 31 December 2023 to be discussed by the Fund's Supervisory Board on 15 March 2024.

B.2. Accounting Principles and Methods Applied

The Fund keeps its accounting books in line with the Act on Accounting and the relevant measures of the Ministry of Finance of the Slovak Republic under double-entry book-keeping system.

The 2023 financial statements were prepared under the assumption that the Fund is a going-concern legal entity established by law.

The financial statements was prepared on the accrual basis. The effects of transactions and other events are recognised as they occur and in the period to which they relate. The financial statements were prepared on a historical cost measurement basis.

The prudence principle is applied to measuring assets and liabilities, whereby all risks, losses, and impairments related to assets and liabilities and known as at the reporting date are used as a basis.

Loss from previous years and loss in the approval process are recognised as assets. After the approval of the financial statements, the loss is cleared with the contribution fund. The earnings from the immediately-preceding reporting period are transferred to the contribution fund account.

Financial assets and financial liabilities in the balance sheet are presented as current (with the agreed maturity of up to one year) and as non-current (with the agreed maturity over one year).

When compiling financial statements, the Fund's management is required to prepare estimates and assumptions that impact the recognised amounts of assets and liabilities and the preparation of estimated items of assets and liabilities as at the reporting date, and the recognised amounts of revenues and expenses during the reporting period. The Company's results may differ from these estimates due to future changes in regulatory requirements, accounting rules or other factors.

Areas requiring a subjective judgment include recognised provisions for liabilities that involve an estimate of expenses needed to settle a liability of uncertain performance or uncertain amount, and of creation of provisions.

B.3. New Accounting Methods Applied

In 2023, no significant changes were made to the accounting methods and principles compared to the previous reporting period.

B.4. Measurement of Assets and Liabilities

Receivables and payables are measured at their face value when originated.

Receivables from paid repayments are recognised at their face value when originated and a provision for assets is used to express impairment to the amount of expected recoverability of the Fund's receivables. Measurement is performed as at the reporting date.

The creation/release of provisions for receivables and the creation/release of provisions for liabilities of the Fund in relation to repayments of inaccessible deposits is not an expense/income, but is recognised with a counter-entry in the contribution fund until its exhaustion.

Provisions for assets represent justifiable anticipated temporary impairment of assets. Completely impaired assets are written off.

Provisions for unbilled supplies and services, provisions for audit of financial statements and provisions for unused vacation days, including contributions an employer is required to pay for an employee, are recognised in other liabilities as accrued expenses and measured at the anticipated payable amount. The Fund creates a provision credited to a sub-ledger account for the liability, in which an estimate is recognised by type, with a counter entry of a provision debited to a cost account in which the liability would be recognised for which it is estimated. The Fund cancels such a provision by a reverse entry.

The Fund's cash on hand and its funds deposited in current accounts in the National Bank of Slovakia are presented at face value.

Improvement to assets, income from the relevant assets and expenses for income is presented in gross amount in a separate line of the income statement.

Gains and costs of the sale of assets are presented in net amount as the difference between gains and costs; the difference represents profit or loss.

Interest income and expense are accrued in the income statement using the effective interest rate method. Accruals and deferrals of earned interest recognised with a counter-entry in income and expense accounts related to financial instruments are recognised in the relevant account groups for financial instruments.

Contributions paid to the deposit guarantee scheme are not the Fund's income, they create the contribution fund that can be used to perform its core legal activities, including the operation of the Fund's Office. The balance of the contribution fund cannot be negative.

Tangible and intangible assets are measured at cost, at which they were acquired, including related incidental costs, and depreciated on a straight-line basis over the estimated useful life corresponding to normal conditions of their use.
Repairs and maintenance are recognised in the income statement when incurred.

Income tax is a tax liability from taxable income for the year. It is calculated using the tax rate applicable on the reporting date.

B.5. Transaction Date

The transaction date is the date on which a receivable or a payable originates, the date of paying a payable, of collecting, assigning or depositing of a receivable, of paying or receiving an advance payment, of paying or receiving cash, the date of purchase or sale of foreign currency funds or securities, or the date of crediting securities to an account, the date of closing or settling a securities trade, a deficit, surplus, damage or movement in the Fund's assets, or other events under special regulations or internal conditions and procedures of the Fund that are subject to bookkeeping, or can be documented. The transaction date for the acquisition of tangible and intangible assets is the date on which such assets are placed into service. Assets are placed into service on the date they are ready for their intended use.

B.6. Depreciation of Tangible and Intangible Assets

Tangible and intangible assets are depreciated on a straight-line basis over the estimated useful life corresponding to normal conditions of their use. The annual depreciation charge on tangible assets under the straight-line depreciation method is calculated as the proportion of the tangible assets' cost and the depreciation period applicable to the relevant depreciation class.

In the first depreciation year of tangible assets, only a pro rata portion of the annual depreciation charge is applied and this is calculated under Article 27(1) of Act No. 595/2003 Coll. on Income Tax, as amended (the "Income Tax Act"), based on the number of months, starting in the month in which it was put into use, up to the end of that taxation period. Tangible investments in progress, land and works of art are not depreciated.

The estimated useful life of intangible assets is 4 – 8 years, depending on the class.

The economic useful life of tangible assets in the Fund is as follows:

	Years
Buildings	40
Passenger vehicles	5
Furniture and fixtures & fittings	5 – 15
Computers/peripherals	4 – 15
Other	6 – 8
Low-value tangible assets	5

B.7. Principles and Procedures for Identifying Impaired Assets

As at the reporting date, it is determined whether there is objective evidence for impairment of assets that are not measured at fair value. Fair value and carrying amount is compared for assets other than financial assets. For financial assets, it is determined whether one or more events occurred after their acquisition, which reduced the estimate of expected future cash flows from these assets.

B.8. Principles and Procedures for the Creation of Provisions for Assets and Provisions for Liabilities

Receivables that the Fund will pay to bank depositors under the Deposit Protection Act comprise receivables from repayments of inaccessible deposits and other receivables from these banks resulting, for example, from a failure to pay a participant's contribution to the deposit guarantee scheme. The Fund records such receivables in its accounting books. Receivables from banks in bankruptcy are recognised by the Fund at amounts net of provisions for assets. Receivables are assessed in terms of recoverability and the Fund creates provisions for receivables from debtors in bankruptcy in accordance with the Act on Bankruptcy, which has been valid and effective when the banks became bankrupt.

Receivables are measured in accordance with the principles for the creation of provisions in the Fund, taking into consideration the anticipated risks and losses, the anticipated time of settlement and the amount recoverable in the debtor's bankruptcy proceedings in favour of the Fund. The Fund writes off receivables upon a legally binding court decision.

The Fund creates provisions for repayments of inaccessible deposits based on a risk assessment that, in the foreseeable future, the Fund will have to make such a payment if the possibility of losing funds involving economic benefits, which will be required to meet the obligation, is greater than 75%, and it is possible to reliably estimate the reduction in these funds. The Fund uses analyses of information available from the banking environment to identify facts that could potentially constitute legal obligations to repay in the foreseeable future. Based on this assessment, the Fund did not create provisions for repayments as at 31 December 2023.

E. NOTES TO BALANCE SHEET AND INCOME STATEMENT ITEMS

BALANCE SHEET OF THE GUARANTEE FUND

Assets

E.2.I. EUR - Term Deposits in NBS and in the State Treasury by Agreed Maturity

Line	2.I. Term Deposits in NBS and in the State Treasury by Agreed Maturity	Current Reporting Period as at 31 Dec 2023	Immediately-preceding Reporting Period as at 31 Dec 2022
1.	Up to one month	0	0
2.	Up to three months	0	0
3.	Up to six months	0	0
4.	Up to one year	0	0
5.	Up to two years	0	0
6.	Up to five years	0	0
7.	Over five years	0	0
	Total	**0**	**0**

E.2.II. EUR - Term Deposits in NBS and in the State Treasury by Residual Maturity

Line	2.II. Term Deposits in NBS and the State Treasury by Residual Maturity	Current Reporting Period as at 31 Dec 2023	Immediately-preceding Reporting Period as at 31 Dec 2022
1.	Up to one month	0	0
2.	Up to three months	0	0
3.	Up to six months	0	0
4.	Up to one year	0	0
5.	Up to two years	0	0
6.	Up to five years	0	0
7.	Over five years	0	0
	Total	**0**	**0**

To increase the value of the Fund’s funds efficiently by achieving the highest possible interest rate, and thus the highest possible returns, the Fund deposited all its funds in 2023 in current accounts at the National Bank of Slovakia pursuant to Article 13 (3) of the Deposit Protection Act. In 2023, based on the mandate of the Resolution Council, the Fund deposited the funds of the National Resolution Fund in current accounts at the National Bank of Slovakia. In 2023, the Fund did not deposit funds in term deposits.

E.5.I. EUR - Receivables from Paid Repayments

Line	5. Receivables from Paid Repayments	Current Reporting Period as at 31 Dec 2023	Immediately-preceding Reporting Period as at 31 Dec 2022
1.	**Gross carrying amount**		
1.1.	Devín banka a.s.	341 122 034	341 122 034
	Total	**341 122 034**	**341 122 034**
2.	**Impairment**		
2.1.	Devín banka a.s.	341 122 034	341 122 034
	Total	**341 122 034**	**341 122 034**
3.	**Net carrying amount**		
3.1.	Devín banka a.s.	0	0
	Total	**0**	**0**

When exercising bank oversight in 2000 and 2001, the National Bank of Slovakia identified four banks with a permanent lack of liquidity and declared them to be unable to pay out deposits in accordance with Article 8 (3) of the Deposit Protection Act. In three banks between 2000 and 2004 and in one bank between 2000 and 2018, the Fund met its statutory obligation vis-a-vis the depositors of these banks and paid repayments of legally-protected inaccessible deposits. The Fund has received performance from all four banks in bankruptcy. For three banks, the bankruptcy proceedings were concluded definitely and the entities were deleted from the Business Register. As regards Devín banka a.s., litigation over a disputed receivable from the bankruptcy assets was concluded. In the bankruptcy case of the bankrupt DEVÍN BANKA, a.s., the Regional Court in Bratislava ruled by Resolution No. 3K/297/2000 - 4809 to cancel the bankruptcy proceedings after the fulfilment of the distribution resolution and remove the bankruptcy trustees from their functions. Subsequently, the company will be deleted from the Business Register and the Fund will be able write off its receivable from the bankrupt in its accounting books and discontinue accounting for the bankruptcy proceedings.

After the deletion of this company from the Business Register, the Fund will write off the receivable from the bankrupt in its accounting books.

During bankruptcy proceedings, the Fund proceeded in accordance with the Act on Bankruptcy and Settlement valid at that time. All receivables of the Fund were acknowledged by bankruptcy trustees and satisfied in 2020 and 2021 on a pro rata basis. The Fund does not expect any additional performance from the bankruptcy proceedings. The reduction of the Fund’s receivables by provisions corresponds to the recovery of receivables in 2020 and 2021.

Information about the Fund’s bankruptcy proceedings is presented in Note E.5.II.

E.5.II. Impairment of Receivables from Paid Repayments

The amount of provisions for the Fund’s receivables from banks in bankruptcy for repayments depends on the amount of bankruptcy assets of the bankrupts, which secure the receivables. The Fund’s receivables are satisfied from the proceeds of the sale of assets based on the outcome of realisation plans and distribution resolutions of bankruptcy judges.

The amount of the created and recognised provisions for receivables is based on the information on the bankruptcy proceedings available to the Fund from the bankruptcy trustee. The receivable from Devín banka, a.s., net of provisions, reflects the amount of debt recovery based on the final distribution of proceeds from the bankrupt’s bankruptcy assets.

The Fund follows the prudence principle when estimating the recoverability of receivables.

Development of Bankruptcy Proceedings and Assets of the Fund's Debtors in 2023

The Fund's receivables from the bankrupt, Devín Banka, in 2023 are measured according to its assets, which are as follows:

Devín banka a.s.

The bank's bankruptcy was announced by a resolution of the Regional Court in Bratislava (file ref. 3K 297/00) on 28 September 2001. The Fund's registered receivable amounting to EUR 394 174 037 was acknowledged by the bankruptcy trustee at the preliminary hearing on 15 October 2003 as a class 1 receivable. This amount was later updated by the Fund to EUR 385 931 792.32 by a supplementation to the bankruptcy registration.

In February 2020, the Deposit Protection Fund's receivable was satisfied under the final distribution resolution by the bankruptcy trustee in the amount of EUR 44 456 882.93 (after deducting a funds transfer fee of EUR 6, the amount of EUR 44 456 876.93 was transferred to the account), ie 11.52% recovery of this receivable.

The amount due to creditors who had not collected the money intended for the settlement of their receivable by the end of 2020 was transferred to the notarial custody. The litigation between the bankruptcy trustee and the creditor over the receivable from the bankruptcy assets was also concluded: the trustee settled the creditor's receivable. Following the above ruling of the Regional Court on the deletion of the company, Devín banka, a.s. v „konkurze" will be deleted from the Business Register. The deletion allows the Fund to definitively discontinue the accounting for these bankruptcy proceedings.

E.6.I. EUR - Receivables of the Fund from Contributors

Line	6.I. Receivables from Contributors	Current Reporting Period as at 31 Dec 2023	Immediately-preceding Reporting Period as at 31 Dec 2022
1.	**Within maturity**	**0**	**0**
2.	**Overdue**		
2.1.	Devín banka a.s.	10 436	10 436
	Total	**10 436**	**10 436**

The Fund's receivable from contributors is a receivable from the bankrupt bank which the Fund records in its accounting books due to late payment of the contribution of a participant in the Deposit Guarantee Scheme.

E.6.II. EUR - Impairment of Receivables from Contributors

Line	6.II. Impairment of Receivables from Contributors	Current Reporting Period as at 31 Dec 2023	Immediately-preceding Reporting Period as at 31 Dec 2022
1.	Gross carrying amount	10 436	10 436
2.	Impairment	10 436	10 436
3.	Net carrying amount	0	0

E.7., E.8. and E.9. EUR – TANGIBLE AND INTANGIBLE ASSETS

	Buildings and Land	Fixtures and Fittings	Motor Vehicles	Software	Assets in Acquisition	Total
Cost						
At 1 Jan 2023	**735 522**	**138 665**	**28 389**	**425 279**	**0**	**1 327 855**
Transfers	0	0	0	0	0	0
Additions		11 996	0	0	0	11 996
Disposals	0	2 336	0	0	0	2 336
At 31 Dec 2023	**735 522**	**148 325**	**28 389**	**425 279**	**0**	**1 337 515**
Accumulated depreciation						
At 1 Jan 2023	**435 740**	**123 294**	**28 389**	**347 647**	**0**	**935 070**
Depreciation charges for the year	19 752	8 071	0	21 350		49 173
Disposals	0	2 336	0	0	0	2 336
At 31 Dec 2023	**455 492**	**129 029**	**28 389**	**368 997**	**0**	**981 907**
Net book value						
At 31 Dec 2023	**280 030**	**19 295**	**0**	**56 282**	**0**	**355 607**
At 31 Dec 2022	**299 782**	**15 371**	**0**	**77 632**	**0**	**392 785**

In December 2023, air conditioning was installed in the building of the Deposit Protection Fund in accordance with the terms and scope of the Call for Tender for a Low-value Contract amounting to EUR 11 995.87. The assets were classified as a technical improvement to a building and depreciated according to the principles of asset recording and depreciation. In 2023, the Deposit Protection Fund derecognised tangible assets amounting to EUR 2 335.92.

E.10.I. EUR – Other Assets

Line	10. Other Assets	Current Reporting Period as at 31 Dec 2023	Immediately-preceding Reporting Period as at 31 Dec 2022
1.	Receivables from employees	550	550
2.	Provided operating advances	79	119
3.	Inventories	0	0
4.	Deferred expenses	2 125	1 642
	Total	**2 754**	**2 311**

BALANCE SHEET OF THE GUARANTEE FUND

Liabilities

E.4.I. EUR - Liabilities for Repayments

Line	4. Liabilities for Repayments	Current Reporting Period as at 31 Dec 2023	Immediately-preceding Reporting Period as at 31 Dec 2022
1.	Provisions for repayments to clients of Devín banka a.s.	0	0
2.	Other provisions for court decisions	0	0
	Total	**0**	**0**

All litigations of the Fund related to repayments are completed and the Fund is not a party to a litigation on other grounds. For more information see Note F.

E.5.I. EUR – Other Liabilities

Line	5. Other Liabilities	Current Reporting Period as at 31 Dec 2023	Immediately-preceding Reporting Period as at 31 Dec 2022
1.	Accrued expenses	29 322	28 493
2.	Payables to employees	36 187	31 716
3.	Payables to social security and health insurance institutions	20 430	18 250
4.	Clearing with the state budget	7 912	6 943
5.	Other payables	5 892	3 818
	Total	**99 743**	**89 220**

Accrued expenses include unbilled supplies and provisions for unused employee vacations days, social security and health insurance payments as at 31 December 2023. Other payables include payables to suppliers within maturity.

E.7.I. EUR – Contribution Fund

Line	7. Contribution Fund	Current Reporting Period as at 31 Dec 2023	Immediately-preceding Reporting Period as at 31 Dec 2022
1.	**Balance at 1 Jan**	**331 097 961**	**299 375 833**
2.	Clearing of profit/loss of the previous reporting period	467 707	(500 495)
3.	Contributions of banks to the guarantee scheme	8 233 472	32 222 623
4.	Cancellation of provisions	0	0
5.	Creation of provisions	0	0
6.	Balance of creation and release of provisions for repayments	0	0
7.	**Balance at 31 Dec**	**339 799 140**	**331 097 961**

As at 31 December 2023, the Fund reported a Contribution Fund amounting to **EUR 339 799 140.** A profit amounting to EUR 8 555 845 was reported for the reporting period from 1 January 2023 to 31 December 2023. The profit for the immediately-preceding period will be transferred to the Contribution Fund account after the Fund's Council approves the 2023 financial statements.

In 2023, banks paid annual contributions to the Fund pursuant to Article 6 (2) of the Deposit Protection Act in the amount of 0.02% (2022: an annual contribution bore interest of 0.08%) of the value of covered bank deposits protected by the Deposit Protection Act. Pursuant to the Deposit Protection Act, the Deposit Protection Fund's alternative sources, eg refundable financial assistance and subsidies from the state budget or loans, may also be used to supplement its funds required to repay inaccessible deposits.

Annual contributions for 2023, which banks were obliged to pay by 15 June 2023, amounted to EUR 8 233 471.81.

In 2023, the Deposit Protection Fund achieved the minimum target level of own funds amounting to 0.8% of the value of all covered deposits in banks, which must be met by 3 July 2024 by deposit guarantee schemes in accordance with Directive of the European Parliament and of the Council 2014/49/EU on deposit guarantee schemes and the Deposit Protection Act.

For more information see Note F and Note G.10.2.

INCOME STATEMENT OF THE GUARANTEE FUND

E. a. EUR – Personnel Expenses

Line	Personnel expenses	Current Reporting Period (1 Jan 2023 – 31 Dec 2023)	Immediately-preceding Reporting Period (1 Jan 2022 – 31 Dec 2022)
1.	**Wages and salaries and social security payments, of which:**	**(402 239)**	**(363 646)**
1.1.	Employee wages, salaries and bonuses	(230 794)	(201 363)
1.2.	Remuneration of the members of statutory bodies	(60 544)	(60 600)
1.3.	Social security and health insurance expenses	(110 901)	(101 683)
2.	**Other personnel expenses**	**(2 260)**	**(1 645)**
	Total	**(404 499)**	**(365 291)**

In addition to employee wages and salaries, personnel expenses include remuneration of the members of the Fund's Supervisory Board and Council for discharge of their office in 2023. The Fund's employees represent the Fund's Office that performs tasks related to the professional, organisational, administrative and technical operations of the Fund and its bodies. The Fund is managed by the Chairman of the Fund's Presidium. The Fund had 5 full-time equivalent employees in 2023, of which 3 employees were members of the Fund's Presidium.

E. b. EUR - Other Operating Expenses

Line	Other Operating Expenses	Current Reporting Period (1 Jan 2023 – 31 Dec 2023)	Immediately-preceding Reporting Period (1 Jan 2022 – 31 Dec 2022)
1.	Taxes and fees	(12 216)	(12 221)
2.	Audit expenses	(18 000)	(11 880)
3.	Legal advisory	0	0
4.	Other operating expenses	(69 301)	(61 413)
	Total	**(99 517)**	**(85 514)**

Taxes and fees include indirect taxes. They comprise property tax, motor vehicle tax, fees to international organisations, and notarial and administrative fees. Income tax is recognised separately in line "j". Other operating expenses represent other purchased services required for the operation of the Deposit Protection Fund.

E. e. EUR – Other Expenses

Other expenses include bank fees and commissions in the amount of EUR 312.

E.1. EUR – Interest Income

Line	Interest Income	Current Reporting Period (1 Jan 2023 – 31 Dec 2023)	Immediately-preceding Reporting Period (1 Jan 2022 – 31 Dec 2022)
1.	Interest income from current accounts	11 246 449	1 108 937
2.	Income from term deposits	0	88 230
	Total	**11 246 449**	**1 197 167**

In 2023, the Fund earned interest income on funds deposited in current accounts at the National Bank of Slovakia.

E. 4. EUR – Other Income

The Deposit Protection Fund did not recognise other income in 2023.

E.I. EUR - Guarantee Fund Administration Expenses

Line	Guarantee Fund Administration Expenses	Current Reporting Period (1 Jan 2023 – 31 Dec 2023)	Immediately-preceding Reporting Period (1 Jan 2022 – 31 Dec 2022)
1.	Personnel expenses	(404 499)	(365 291)
2.	Other operating expenses	(99 517)	(85 514)
3.	Depreciation charges	(49 173)	(51 287)
4.	Other expenses	(312)	(135)
	Total	**(553 501)**	**(502 227)**

E.II. EUR - National Fund Administration Expenses

Line	II. National Fund Administration Expenses	Current Reporting Period (1 Jan 2023 – 31 Dec 2023)	Immediately-preceding Reporting Period (1 Jan 2022 – 31 Dec 2022)
1.	Payment operations	0	0
2.	Bookkeeping, preparation of financial statements and statements of arrears	(278)	(183)
6.	Granting of powers of attorney, concluding agreements and other legal agenda	0	0
	Total	**(278)**	**(183)**

Pursuant to the Crisis Resolution Act, the Deposit Protection Fund administers the National Fund at its expense.

E.III. EUR – Guarantee Fund Financing Expenses

Line	III. Guarantee Fund Financing Expenses	Current Reporting Period (1 Jan 2023 – 31 Dec 2023)	Immediately-preceding Reporting Period (1 Jan 2022 – 31 Dec 2022)
1.	Withholding tax on interest on current accounts	2 136 825	210 698
2.	Withholding tax on interest on term deposits	0	16 764
	Total	**2 136 825**	**227 462**

FOV paid withholding tax on the funds deposited in current accounts at the National Bank of Slovakia in accordance with the law.

F. SUMMARY OF OTHER ASSETS AND OTHER LIABILITIES

National Resolution Fund

Since 1 January 2016, the Fund has kept separate accounting books for the National Fund and bears its administration expenses, see Note E.II.

The National Fund is not a legal entity, hence its funds are not part of the state budget, or any other budget of the public administration sector. On behalf of the National Fund, separate accounting books, separate financial statements, balance sheet, off-balance sheet and notes are kept and prepared for the Crisis Resolution Board. These are kept and prepared by the Fund at its expense. The accounting books and financial funds of the National Fund are recorded separately from funds and assets of the Fund. The financial statements of the National Fund are not subject to audit.

Under the Crisis Resolution Act, selected institutions are obliged to pay an annual and an extraordinary contribution to the National Fund. The Fund is obliged to pay these contributions to the Single Fund for Crisis Resolution managed by the Single Council for Crisis Resolution.

The Fund records no other assets and liabilities.

Contingent Liabilities of the Fund

Compliance with regulatory and supervisory principles that prevent potential risks at banks is a prerequisite for ensuring financial stability and depositor protection. The Fund is able to meet its statutory obligation, ie to protect deposits at banks that participate in the deposit protection system in Slovakia. The Fund is currently unaware of any facts that could represent contingent liabilities and could significantly influence its financial situation.

All the Fund’s nineteen passive litigations on repayments of inaccessible deposits were completed. Seventeen litigations were won by the Fund.

The Fund is not a party to any litigation.

G. OTHER NOTES

G.1. Financial Relations with Related Parties

The Fund's related parties include parties who, directly or indirectly, have the power to exercise control over the Fund (and their close relatives), parties with a significant influence in the Fund and parties holding key management positions in the Fund (and their close relatives).

Related parties are considered to be the members of the following bodies:
- Council of the Fund;
- Supervisory Board of the Fund; and
- Presidium of the Fund.

No loans, borrowings and guarantees were provided to related parties. As a result of financial relations with related parties, the Fund does not record any receivables from, or payables to, the related parties, except for those described in Note E.5.I.

G.2. Significant Events that Occurred After the Reporting Date

There were no significant events after the reporting date.

Inflation-related risks are becoming less significant. As the continuing war in Ukraine has no direct impact on the Deposit Protection Fund, or on the banks whose deposits are protected by the Fund, the Fund created no provisions for repayments.

Despite the challenging global economic situation, the Slovak banking system remains stable and the Deposit Protection Fund achieved the required level of own funds corresponding to the size of the Slovak banking sector ahead of schedule.

Except for the above, after the reporting date there were no other significant events that would have an impact on these financial statements prepared as at 31 December 2023.

G.4. Proposed Distribution of Profit/Settlement of Loss for the Current Reporting Period

By Resolution No. 2 dated 30 March 2023, the Fund's Council decided to transfer the 2022 profit amounting to EUR 467 707.39 to the Contribution Fund. In 2023, the Fund reported a profit in the amount of EUR 8 555 845. The decision on the profit distribution will be made by the supreme body of the Fund at its 2nd meeting in March 2024 pursuant to an adopted measure and the Fund's Statutes.

G.5. Fund Employees and Bodies

Full-Time Equivalent of the Fund	No. of Members of the Fund's Council	No. of Members of the Fund's Supervisory Board	No. of Members of the Fund's Presidium
5	7	7	3

Fund's Council

The Fund's Council is the supreme body of the Fund and consists of seven members with a four-year term of office. Appointments to and termination of membership of the Council is governed by provisions of Article 16 (2) of the Deposit Protection Act and Article 8 of the Fund's Statutes.

Three members are representatives of the banks that participate in the deposit guarantee scheme. The members are elected by banks at the meeting of the banks' representatives. Two members of the Fund's Council are representatives of the National Bank of Slovakia and are appointed and dismissed by the Governor of the National Bank of Slovakia. The other two members are representatives of the Ministry of Finance of the SR and are elected from amongst the Ministry's employees and are appointed and dismissed by the Minister of Finance of the SR. Each member of the Fund's Council has one vote.

Mgr. Peter Martin, representative of the Ministry of Finance of the Slovak Republic, whose four-year term of office expired on 13 February 2023, was reappointed by Eduard Heger, the Prime Minister in charge of the Ministry of Finance of the Slovak Republic, as a member of the Fund's Council for the Ministry of Finance of the Slovak Republic, with effect from 14 February 2023, for a term of office of four years.

The four-year term of office of Ing. Marcel Kaščák from Tatra banka, a. s., a member of the Fund's Council, who represented banks on this supreme body of the Fund since 27 May 2019, expired on 26 May 2023. Ing. Peter Matúš, a member of the Board of Directors of Tatra banka, a. s., was unanimously elected as a member of the Fund's Council representing banks at the 13th meeting of bank representatives on 1 June 2023 for a four-year term of office, replacing of Ing. Marcel Kaščák.

Following the removal of Ing. Marcel Klimek as a member of the Fund's Supervisory Board for the Ministry of Finance of the Slovak Republic on 18 May 2023, the Fund appointed a new member of the Fund's Supervisory Board for a four-year term of office: Ing. Tomáš Poloma from the Ministry of Finance of the Slovak Republic.

Mgr. Roman Fusek from the National Bank of Slovakia, whose four-year term of office as a member of the Fund's Council expired on 28 November 2023, was reappointed as a member of the Fund's Council by the Governor of the National Bank of Slovakia with effect from 29 November 2023.

At its meeting on 6 December 2023, the Fund's Council unanimously elected Ing. Jiří Plíšek MBA, nominated by the Slovak Banking Association, to the Fund's Supervisory Board for a four-year term of office with effect from 12 December 2023.

Structure of the Fund's Council in 2023

Title, Name and Surname	Representative	Position
RNDr. Karol Mrva	National Bank of Slovakia	Chairman
Ing. Pavel Cetkovský	Slovenská sporiteľňa, a.s.	Vice-chairman
Ing. Peter Magala, FCCA, FRM	Všeobecná úverová banka, a.s	Member
Ing. Peter Matúš	Tatra banka, a.s.	Member
Ing. Roman Turok-Heteš	Ministry of Finance of the SR	Member
Mgr. Martin Peter	Ministry of Finance of the SR	Member
Mgr. Roman Fusek	National Bank of Slovakia	Member

Fund's Presidium

The Fund's Presidium is responsible for the Fund's operations, including the execution of the Council's rulings and acts on behalf of the Fund to the extent primarily stipulated by the Deposit Protection Act and the Fund's Statutes. The Presidium consists of a Chairman and two other members, who are appointed and dismissed by the Fund's Council. All members of the Presidium are the Fund's employees.

Structure of the Fund's Presidium in 2023

Title, Name and Surname	Position
Ing. Pavol Komzala	Chairman
JUDr. Ildikó Hurínek Kamenická	Member
Ing. Katarína Krištofiaková	Member

Fund's Supervisory Board

The Supervisory Board oversees the operations and performance of the Fund, including the Fund's bodies. It consists of seven members and their term of office is four years. The appointment and termination of the membership in the Supervisory Board is governed by provisions of Article 20 (2) of the Deposit Protection Act and Article 14 of the Fund's Statutes.

Three members are bank representatives, who are elected and dismissed by the Fund's Council based on banks' proposals. Two members are representatives of the National Bank of Slovakia; they are appointed and dismissed by the Governor of the National Bank of Slovakia, other two members are representatives of the Ministry of Finance of the SR; they are elected from amongst the Ministry's employees and appointed and dismissed by the Minister of Finance of the SR. The members of the Fund's Council and Presidium and other Fund employees may not be Supervisory Board members.

Structure of the Fund's Supervisory Board in 2023

Title, Name and Surname	Representative	Position
Ing. Vladimír Dvořáček	National Bank of Slovakia	Chairman
Ing. Daniel Kollár	Československá obchodná banka, a.s.	Vice-chairman
JUDr. Martin Lipovský L.L.M., MBA	National Bank of Slovakia	Member
Ing. Tomáš Poloma	Ministry of Finance of the SR	Member
Ing. Darina Čaplánová	Ministry of Finance of the SR	Member
Ing. Jiří Plíšek	Prvá stavebná sporiteľňa, a.s.	Member
Ing. Andrej Zaťko	365.bank, a.s.	Member

G.6. Taxation

Under the Income Tax Act, taxpayers' income specified in Article 12 (3) of the Income Tax Act generated from an activity for which such taxpayers were established, or which is their fundamental activity defined in a special regulation, except for income generated from the sale of assets, is tax exempt.

The Fund is a taxpayer which was not established or founded for business purposes and, therefore, the income generated from the Fund's activities undertaken under the Deposit Protection Act, except for income taxed at a special rate, is exempt from corporate income tax. The Fund is not a VAT payer. Indirect taxes paid are included in other operating expenses.
Withholding tax applicable to interest income on bank accounts and term deposits recorded in the current year is recognised in the Income Statement line "j".

G.10. Risks Arising from the Fund's Operations

Compliance with principles and control processes adopted by the Fund supporting the prudent principle when managing potential risks ensures elimination of risks so the Fund will be able to continue as a going concern in the foreseeable future.

When preparing the Fund's financial statements, management reassesses assumptions with an impact on the reported amounts of assets and liabilities as at the reporting date and on the recognition of revenues and expenses for the relevant period. The reported amounts represent management's best available estimate based on data and information available to the Fund.

The Fund's receivables from banks in bankruptcy are of a specific nature depending on the cause of their origin. Fund's receivables arose primarily from the obligation stipulated by the Deposit Protection act, ie to repay inaccessible deposits on behalf of insolvent banks. At the inception of a receivable, the Fund does not determine the receivable amount, or the conditions for its recovery. The transfer of creditor rights as a result of paid repayments is guaranteed by the Deposit Protection Act and a statute of limitation cannot be challenged against the Fund as regards the enforcement of a receivable from repayments of time-barred deposits in bankruptcy proceedings.

The execution of a decision for the Fund's funds is ruled out. The Fund's claims in bankruptcy proceedings over bank assets must be satisfied first, prior to other unsecured claims pursuant to Article 180a of Act No. 7/2005 Coll. on Bankruptcy and Restructuring and on Amendments to Certain Acts, as amended.

The Fund's receivables from a bankrupt bank will finally cease to exist in the accounting books after the deletion of this entity from the Business Register.

G.10.1. Methods and Procedures for Identifying Risks for the Fund

According to valid legislation of the Slovak Republic, the Fund can satisfy its claims and reduce the risk of a loss due to the payment of funds as follows:

- By the registration of claims in bankruptcy proceedings by the statutory time limit if bankruptcy proceedings were begun against a debtor of the Fund;
- By exercising and enforcing the Fund's creditor rights;
- By proposing draft legislative amendments to strengthen the position and rights of the Fund; and
- By filing applications, motions and notifications with government bodies and law enforcement agencies to improve the efficiency of potential bankruptcy proceedings.

G.10.2. Methods and Procedures for Measuring, Monitoring and Managing Risks for the Fund

The Fund monitors the banking sector and collects data on deposit protection while cooperating closely with the National Bank of Slovakia and foreign funds. The Fund continually analyses data on the Slovak and foreign banking sectors. In cooperation with banks, the Fund continually analyses the development of banking sector deposits. The Slovak banking sector is currently considered to be sufficiently stable.

The Fund is obliged to regularly perform stress testing on the deposit protection system (at least once every three years) and report the results to the National Bank of Slovakia, the Ministry of Finance SR and the European Banking Authority. The above statutory obligation relates to the testing of the banks' and the Fund's domestic and cross-border readiness so that if any of the banks is declared unable to make deposit payments, the deposit protection system is able to repay inaccessible deposits by the statuary time limit. The Fund's risk management as regards securing the funding of the Fund in the event of a potential repayment of inaccessible deposits resulting from a bank's inability to make deposit payments is carried out in accordance with the Deposit Protection Act, which defines the funding and thereby ensures the stability of the Fund's income.

In 2023, the Fund conducted a stress testing pursuant to Article 12 (7) of the Deposit Protection Act and in line with the Stress Testing Plan approved by the Fund's Council dated 24 March 2022. In 2023, the Fund conducted five stress tests. Three stress tests focused on intervention procedures and mechanisms, including data access, communication, data transmission, timekeeping and cross-border cooperation. The other two stress tests focused on a resolution scenario for banks participating in the deposit guarantee scheme, for which the intervention of the deposit guarantee scheme would proceed in accordance with the Bank Recovery and Resolution Directive.

A test of summary customer view files checked the generated data on depositors in the event of a simulated bank default. The quality and validity of summary customer view files and the time of transmission of a valid file between the bank and the Fund were tested in six banks included in the group of resolution banks. The results of the stress testing of the summary customer view files at all the banks demonstrated the banks were able to prepare valid files in a timely manner for the Fund's information system with the correct structure and the files can be processed by the Deposit Protection Fund System.

The next test was a cross-border repayment test with the Czech Financial Market Guarantee System. The Fund was involved in the cross-border repayment test, as the home deposit guarantee scheme in a simulated default of a bank with a branch of a foreign bank in another Member State and as the host deposit guarantee scheme in a simulated default of a branch of a foreign bank in Slovakia. The cross-border repayment test also verified the accuracy and processability of data files by the Deposit Protection Fund System. The results of the cross-border repayment test demonstrated that both Funds are able to transmit valid payment instruction files to each other and repay depositors of a branch of a foreign bank in Slovakia or the Czech Republic within 7 business days of a bank's insolvency declaration.

The Fund cooperated with the Resolution Authority on the testing of the resolution contribution function concerning the financing of a bank resolution to maintain uninterrupted access to deposits. Regarding the bank resolution contribution, the use of the Fund's funds in the event of a resolution in Slovakia is highly unlikely and irrelevant, in particular for a bank that meets the MREL requirement. The Fund's funds may only be used to absorb losses of covered depositors.

The testing of the default prevention function concerning the use of available funds for alternative measures to prevent bank default is irrelevant given the legislative environment in Slovakia. In this case, national discretion under the Deposit Guarantee Schemes Directive, under which the deposit guarantee scheme funds may be used to prevent bank default, has not been used in Slovakia. The Fund is not authorised to use its funds to prevent bank default.

Given the above, on the recommendation of the Resolution Authority, the Fund excluded the resolution scenario under the EBA/GL/2021/10 Guideline on stress tests of deposit guarantee schemes for both tests.

For the stress testing of the deposit guarantee scheme, a steering group and an observer group were established with members from the Deposit Protection Fund, the National Bank of Slovakia, the Ministry of Finance of the Slovak Republic and the Slovak Banking Association. Results of stress tests in 2023 will be subject to a summary report on the results of basic tests of the deposit protection scheme over a three-year period and will be submitted to the European Banking Authority (EBA) by 16 June 2024 in line with the EBA Guidelines on Stress Tests of Deposit Guarantee Schemes (EBA/GL/2021/10).

For the purposes of ensuring cross-border repayments, the Deposit Protection Fund has concluded cross-border bilateral agreements, in which the Fund acts as a Home DGS due to the fact that Slovak banks contributing to the Fund have branches abroad, and as a Host DGS vis-a-vis foreign systems if a foreign bank has its branch in Slovakia. The Deposit Protection Fund has concluded both types of contracts with the Czech Financial Market Guarantee System. A bilateral agreement as a Host DGS was concluded with the Hungarian system – ORSZÁGOS BETÉTBIZTOSÍTÁSI ALAP (OBA) and with the Polish Bankowy Fundusz Gwarancyjny. Bilateral cooperation as the host system between the Deposit Protection Fund and Einlagensicherung AUSTRIA GmbH (ESA) and Lithuania's deposit guarantee scheme is open.

In accordance with the Deposit Protection Act, the Fund sets the amount of the annual contribution no later than 1 April, in a minimum amount of 0.01% of the average balance of covered deposits in the respective bank for the previous calendar year, and based on the bank's risk level as determined by the National Bank of Slovakia. When determining annual contributions, the Fund takes into account the banking sector's stability, the economic cycle phase and the impact of the determined contributions on the Slovak banking sector's stability, also based on data provided by the National Bank of Slovakia. The annual contribution determined by the Fund's Council must be paid by a bank on or before 15 June of the relevant calendar year and the Fund is authorised to determine the details of the calculation of the annual contribution and average balance of protected deposits, including the calculation methodology for the annual contribution.

The Fund's Council may set the amount of the extraordinary contribution up to 0.5% of the covered deposits' value and may also set a higher extraordinary contribution with the approval of the National Bank of Slovakia.

The amount of contributions is determined by the Fund so that as of 3 July 2024, the amount of available funds will be as a minimum at the target level of 0.8% of the value of all covered deposits. The target level does not include contributions made under the Crisis Resolution Act. The amount of available funds may include payment obligations, which may not exceed 30% of the amount of available funds.

In addition to contributions from the banks, funding for the Fund may also include loans and refundable financial assistance and subsidies from the state budget to support the roles of the Fund and the deposit protection system according to conditions stipulated by the relevant legislation.

FOV funds may be used to finance a crisis situation resolution up to a minimum of 50% of the target level, unless the Fund Council decides otherwise, and up to a maximum of 160% of the target level. Should FOV funds be decreased by more than one third from the target level, the Fund Council will set the annual contribution at a level which will enable the target level to be reached within six years of the decrease of the FOV funds by one third.

The Fund concluded two Memorandums on Cooperation declaring its mutual readiness for cooperation in obtaining additional funds for the Fund pursuant to Article 13 (1) (e) of the Deposit Protection Act, which are necessary when the Fund, after exhausting all other legal possibilities for obtaining additional funds, has insufficient funds to make actual repayments of inaccessible deposits in banks, or in the event of a simulated bank default for stress testing purposes, namely, the Memorandum of Cooperation between the Ministry of Finance of the Slovak Republic and the Deposit Protection Fund and the Memorandum of Cooperation between the National Bank of Slovakia and the Deposit Protection Fund. The parties to both Memorandums declare the foundations of joint cooperation to ensure compliance with the legal obligations of the deposit guarantee scheme.

The banking sector’s stability will be significantly improved by the amendment to Regulation (EU) No. 806/2014, which will establish the European Deposit Insurance Scheme to protect deposits at the Banking Union level, the amendment to the Deposit Guarantee Schemes Directive, and the amendment to the Bank Recovery and Resolution Directive.

The Fund continues to participate in the European Forum of Deposit Insurers (EFDI) and cooperate with deposit guarantee schemes abroad. The EFDI has 70 members from 48 European countries, of which deposit guarantee schemes are represented by 57 members and investment guarantee schemes by 13 members. The EFDI supports its members in their tasks during banking sector crises, focusing on the application of deposit protection terms in the EU in accordance with the Deposit Guarantee Scheme Directive. While the EFDI’s cooperation in building the European Deposit Insurance Scheme (EDIS) is also important, this process has slowed down due to other priorities. The EFDI's priorities include ensuring the stability of deposit insurance schemes in Europe.