



REPUBLIC OF ALBANIA



AGJENCIA  
E SIGURIMIT  
TË DEPOZITAVE

ANNUAL REPORT

2022

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## Section 1 – About the Report

This Annual Report provides an overview of the financial and administrative activity of the Deposit Insurance Agency for the period from January 1, 2022 to December 31, 2022. The report reflects the main activities and initiatives, aiming to inform all beneficiaries of the deposit insurance scheme, the associates, partners, and the public about the principles on which the deposit insurance scheme was established in Albania and the commitment of the Agency, as its administrator, to create as much value as possible. The Annual Report was drafted based on Law No. 53/2014, dated May 22, 2014, “On Deposit Insurance”, amended by Law No. 39/2016 and Law No. 132/2016, and the Annual and Periodic Monitoring Manual approved by the Decision of the Assembly of the Republic of Albania No. 134/2018, dated December 20, 2018, as well as legal and by-legal acts that regulate the activity of the Agency.

The financial statements reflect the financial position of the Agency as of December 31, 2022 as well as its financial performance and cash flows for the year ended on that date. The statements have been prepared in accordance with Law No. 25/2018, dated May 10, 2018, “On Accounting and Financial Statements”, as amended, and the International Financial Reporting Standards (“IFRS”). Based on Law No. 53/2014, dated May 22, 2014, “On Deposit Insurance”, as amended, the annual financial statements of the Agency are audited and certified by specialized external auditors.

The Annual Report and the financial statements have been approved by the Board of Directors of the Deposit Insurance Agency. The Board of Directors has exercised the duties granted by the law to ensure that the Annual Report and financial statements present fairly, in all material aspects, the performance and administration of the Deposit Insurance Agency throughout the reporting year.

Please provide your comments on the Annual Report 2022 at [info@asd.gov.al](mailto:info@asd.gov.al). This Annual Report, as well as previous annual reports, can be found on our official website [www.asd.gov.al](http://www.asd.gov.al).



### **1.1. Message from the Chairman of the Board and the General Director**

Dear readers,

We are pleased to present the Annual Report of the Deposit Insurance Agency for the year 2022. As every year, the Report fully reflects the deposit insurance scheme and the administration of the financial assets of the Agency, providing detailed information on the performance and activity of the Deposit Insurance Agency for the period from January 1 to December 31, 2022.

Referring to the results achieved by the Agency in fulfilling the recommendations of the Resolution of the Assembly and the management of the Agency, it is worth emphasizing that the initiatives foreseen for 2022 have been carried out according to planning. The dedication and focus of the Agency's staff, supported by the Board of Directors, was instrumental in ensuring the successful implementation of the plan within the stipulated time frame.

Geopolitical tensions, rising inflation, cyber-attacks, etc., generated continuous turbulence in the global and regional economic situation throughout the financial year 2022. In this context, despite the circumstances, the financial authorities in Albania, including the Deposit Insurance Agency, have continued to make their contribution in order to maintain the stability of the financial system by constantly monitoring the activity of entities that provide financial services to the public as well as by coordinating actions and exchange of information with all the legislative, regulatory and supervisory authorities.

In this perspective, we would like to inform you that despite the situation, the financial institutions that collect deposits in Albania have generally had a positive performance during 2022. This positive performance goes in the same direction as the confidence of citizens and entrepreneurs that the financial system in Albania is stable and healthy. Proof to this is the performance of deposits in the banking system and SCAs, which this year has also been on an upward trend.

In order to justify the citizens' trust in the financial regulatory institutions in general and specifically in the Deposit Insurance Agency, our institution was maximally engaged in



operational initiatives in 2022 to fulfill its legal objectives. We have constantly tested our capacities, capabilities, and level of preparedness, while working to speed up the deposit compensation process in the event of an insurance event, being aware that depositors' confidence and sense of security will bring as a result both further strengthening and the stability of the entire banking and financial system. Bearing this objective in mind even throughout 2022, all the projects and initiatives we developed and planned have been oriented towards being ready and as efficient as possible in fulfilling our legal mandate. In this perspective, we are confident that all the activities carried out have prepared us to face any potential challenges.

It is worth noting that in this enterprise we had the unconditional and full cooperation of regulatory financial authorities, such as the Bank of Albania, the Ministry of Finance and Economy, etc., whose contribution has been essential in projects undertaken throughout this year. In addition, having as its goal the set-up and management of a deposit insurance scheme as efficient as possible, and in accordance with international standards, the Agency, during this year, engaged and coordinated with international strategic partners, such as the World Bank, EBRD, etc. This cooperation is considered an added value in aligning the national legislation on deposit insurance with the EU *acquis*, in the context of Albania's aspirations for membership in the European Union.

In conclusion, we would like to thank and express our gratitude to all the associates and employees of the Agency for their continued dedication and commitment so far. In the following, we would like to invite you to read the Annual Report and let us know your comments and suggestions.

Thank you,

Donald Duraj

Chairman of the Board of Directors

Genci Mamani

General Director



## 1.2. Executive Summary

At the end of 2022, there were 11 licensed banks after the merger by absorption of Alpha Bank Albania with OTP Bank Albania. While the number of Savings and Credit Associations continued to remain 9.

At the end of 2022, the total deposits in the banking system were ALL 1,518 billion, while the liability of the Agency for compensation at the end of the year was ALL 826.7 billion, for 1,826,108 depositors. At the end of 2022, the value of eligible deposits that benefited from the deposit insurance scheme reached ALL 1,425.2 billion, representing 94% of the total deposits. Compared to the previous year they increased by 5%, while the increase in absolute value was ALL 67.8 billion. Deposits in Euros, expressed in their counter value in ALL, accounted for 48.2% of the total eligible deposits as of the end of December 2022, followed by deposits in ALL with a share of 45.7%, and deposits in USD with their equivalent in ALL at 4.2%. The eligible individual deposits in the banking system for the end of 2022 reached ALL 1,161.5 billion, accounting for the largest share of the total eligible deposits, specifically 82%, while 18% were eligible deposits of traders and companies. At the end of 2022, insured deposits in the banking system reached a value of ALL 826.7 billion, representing 54% of the total deposits in the banking system. The annual growth of insured deposits was 4.35%.

The total deposits in Savings and Credit Associations at the end of 2022 were ALL 10.3 billion, out of ALL 9.6 billion at the end of December 2021. The Agency's liability for compensation of insured deposits in Savings and Credit Associations was about ALL 7.4 billion, or 21,154 depositors. This amount constituted 72% of the total deposits, or 73% of the eligible deposits. Eligible deposits at the end of December 2022 were about ALL 10.1 billion, accounting for 98.5% of the total deposits, compared to ALL 9.4 billion on December 31, 2021. They corresponded to 40,716 depositors of Savings and Credit Associations, compared to 40,900 depositors that benefited from the deposit insurance scheme on December 31, 2021. Deposits in foreign currency in SCAs accounted for 20% of the total eligible deposits, due to the fact that only a number of SCAs have their deposits in foreign currency.



Deposit insurance funds in banks and Savings and Credit Associations have had a steady growth throughout 2022. The main income contributing to the growth of these funds was insurance premium income and income from the administration of financial assets. Thus, the book value of the deposit insurance fund in banks as of December 31, 2022, was ALL 57.86 billion. Compared to the previous year, this fund has increased by about ALL 5.08 billion, or 9.6%. The income from insurance premiums for 2022 was ALL 3.99 billion, or 6.06% higher than in 2021. The income from the administration of financial assets of the deposit insurance fund in banks for 2022 was ALL 1.61 billion, or 15.6% more than in 2021. The increase in income from the administration of financial assets was mainly a result of expanding the portfolio in bonds with maturities of two and over two years. The stable growth of the deposit insurance fund in banks has led to an increase in the coverage ratio, which at the end of 2022 was 7%. The coverage ratio is calculated as a percentage of the deposit insurance fund in banks versus insured deposits.

On December 31, 2022, the book value of the deposit insurance fund in SCAs was about ALL 192.36 million, marking an increase of 15.42% compared to 2021. The income from insurance premiums for the year 2022 was ALL 21.07 million. The income from the administration of the financial assets of the deposit insurance fund in SCAs during 2022 was ALL 5.27 million, which compared to 2021, has increased by 66.33%. At the end of 2022, the insured deposits in SCAs were about ALL 7.4 billion, or 6.9% higher than the previous year. At the end of 2022, the coverage ratio calculated as a percentage of the deposit insurance fund in SCAs versus insured deposits, was 2.61%.

In 2022, the Agency exercised its legal responsibility for the administration of the Resolution Fund, in accordance with the RF's Policy on the Administration of Financial Assets, approved by the Bank of Albania as the Resolution Authority. The annual contribution paid by banks in 2022, was ALL 734,598,664. On December 31, 2022, the book value of the net assets available to the Resolution Authority was ALL 3,526 billion.





## Section 2 – Resolution of the Assembly of the Republic of Albania

**Table indicating the implementation of the recommendations of the Resolution of the Assembly for the assessment of the activity of the Deposit Insurance Agency in 2022.**

		Status
<i>Recommendation</i>	<i>To continue conducting technical simulations with members of the deposit insurance scheme in order to improve accurate and timely reporting from member entities to the Agency in the event of an insurance event.</i>	Achieved
<i>Actions taken by ADIA</i>	<p>The Agency, in view of the implementation of the Resolution of the Assembly, has continued to conduct technical simulations throughout 2022 with all the member entities of the deposit insurance scheme, the banks and Savings and Credit Associations, for the accurate reporting and uploading in its system of simulation/compensation files for the single customer view of depositors by banks and Savings and Credit Associations.</p> <p>During the performance of technical simulations with the member entities, the Agency, through examinations performed by its Reporting and Compensation Information System assessed the accuracy of the files for the single customer view of depositors for the purpose of simulating an insurance event. In addition, these technical simulations were a component of the verifications carried out by the Agency with the member entities of the deposit insurance scheme, specifically for the verification of the readiness of reporting files for simulation/compensation, as well as the</p>	



accuracy of data for depositors who will be compensated in the event of compulsory liquidation of a member entity of the scheme. Regarding the quality of the data, based on periodic reports according to the provisions of the Strategic Platform for Improving the Quality of Data of Depositors and Insured Deposits, signed by the Deposit Insurance Agency, the Bank of Albania and the Albanian Association of Banks in 2020, improvements to the depositors' data in time have been recorded. In cases of inaccuracies found in these simulations, the Agency, in cooperation with the responsible staff of the entities, adjusted the evidenced findings until the uploading of the files was successful.

At the end of the verification process, the Agency submitted a verification report, parts of which are recommendations for the work to follow.

In addition, following the cooperation with its entities for the technical simulation process, the Agency has organized ongoing meetings. Specifically, in view of the implementation of the recommendations of the Assembly, meetings held throughout 2022 with banks and Savings and Credit Associations focused on the follow-up and solution of all the issues identified in previous technical simulations for the accurate and timely uploading of the files.



		Status
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Recommendation	<i>To improve the capacities of the Agency's information technology infrastructure, in order to automate the administration of the compensation process.</i>	Achieved
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Actions taken by ADIA	In order to improve the information technology system, the Agency, in cooperation with the EBRD, has started work on the improvement of the Reporting and Compensation Information System (RCIS) as well as the development of new modules, which will automate the compensation process. During this year, the Agency, in cooperation with the company selected by the EBRD, continued with the implementation of the project and the initiation of the implementation process, analyzing the functionalities and detailing the terms of reference.
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		Status
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Recommendation	<i>To organize simulation exercises and specific trainings, and evaluate the general and technical criteria of the selected agent banks to successfully fulfill their obligations in the event of an insurance event.</i>	Achieved
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Actions taken by ADIA	Even throughout 2022, the Agency has continued cooperation with the agent banks selected from the preliminary list. Following this cooperation, a simulation process was carried out to test the technical readiness of the agent bank's system and operational process for the successful fulfillment of its obligations in the event of an insurance event.
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This simulation took place on December 5, 2022, with the participation of the Bank of Albania, the Agent Bank (one of the banks pre-selected by the Agency), and a member entity of the scheme simulating to be an entity placed under compulsory liquidation, which data were the basis for drawing up the payment plan for compensation by the Agent Bank. For the successful completion of the process, the Agency, during the preparatory phase, as well as during the simulation exercise, cooperated closely at technical level with the employees of the bank selected as the Agent Bank, as well as with the Bank of Albania, for the activation of the account and money transfer to the Agent Bank.

The simulation tested:

- (i) the technical readiness of the bank's system for making depositor payments in one of the branches of the bank selected for this purpose, as well as
- (ii) the administration of the bank's operational process in accordance with its drawn up procedure for compensation payments, and the payment plan, in view of the implementation of the contract signed with the Agency for this purpose.

The simulation found out that the technical readiness of the bank's system as well as the administration of the operational process for compensation payments met the requirements of the law and by-laws of the Agency.



*Recommendation* To improve the Agency's operational procedures in order to prevent and address risks that may be caused by situations that may interrupt the continuity of the institution's activity. Achieved

The need for an operation contingency plan has been previously identified in the Agency, while the pandemic situation highlighted its importance. In order to meet this need, ADIA managed to obtain technical assistance through the mechanisms of the International Association of Deposit Insurers (IADI).

*Actions taken by ADIA* Currently, the Agency has approved the Contingency Planning of the Activity of the Deposit Insurance Agency. This document is an integral part of the Agency's risk management system and in this framework it includes the "operation contingency management" that aims to provide a decision-making management framework. The document is further detailed with the Business Contingency Plan according to risk situations. In view of the implementation of this plan, the relevant structures have been set up in the Agency.



		Status
Recommendation	<p><i>To identify potential gaps for the amendments of the law and by-laws for deposit insurance with the goal of ensuring that the local jurisdiction's legal and regulatory framework complies with the European Union Directive 2014/49/EU "On Deposit Guarantee Schemes".</i></p> <p>The evaluation to identify legal amendments in accordance with the recommendation of the Assembly is a project that the Agency is carrying out in cooperation with the technical assistance of the World Bank's FINSAC Office. Work on this project has started based on the analysis of the relevant provisions of Law No. 53/2014, dated May 22, 2014, "On Deposit Insurance", as amended, with the goal of ensuring compliance with Directive 2014/49/EU "On Deposit Guarantee Schemes". The project is divided into several components, structuring the analysis to identify legal amendments such as:</p>	Achieved
Actions taken by ADIA	<ul style="list-style-type: none"> <li>(i) simplifying the insured deposit compensation process by not including in the calculation of the amount of compensation the value of the arrears that depositors have to the member entity of the deposit insurance scheme;</li> <li>(ii) inclusion to the deposit insurance scheme's coverage of several exuded deposits; and</li> <li>(iii) forecasting of legal provisions that enable the compensation of temporary high balances with a value higher than the maximum level of coverage for a limited period of time, in cases of sale and purchase of</li> </ul>	



real estate assets, or other events pertaining to social reasons.

Following this project, the analysis of the legal amendments in accordance with the EU *acquis* will continue with other components, according to the legal framework of the deposit insurance scheme.

Starting from November 2022, the Deposit Insurance Agency was involved in the European Screening Process, an analytical law examination process, aiming to identify the compliance of the local legal framework with Directive 2014/49/EU “On Deposit Guarantee Schemes”. The process will support the in-depth analysis of legal amendments, aiming to increase the level of compliance of Law No. 53/2014, dated May 22, 2014, “On Deposit Insurance”, amended by this directive.

In addition, the Agency has fulfilled the recommendation of the Assembly in terms of improving the by-laws framework in the field of deposit insurance. Specifically, additions and changes were approved in two main by-laws, which define the regulatory requirements for the member entities of the scheme, respectively, Directive No. 3241, dated December 18, 2014, “On Deposit Insurance in Banks”, as amended, and Directive No. 4188, dated September 1, 2016, “On Deposit Insurance in Savings and Credit Associations”.

The provisions of these by-laws were revised in terms of keeping data on deposits and depositors by banks and SCAs, reporting these data in the Reporting and Compensation Information



System of the Agency, as well as improving provisions related to the verification process in banks and SCAs. Amendments proposed by the Agency, after consultation with the member entities of the scheme, were submitted for approval to the Bank of Albania, in its capacity as the Supervisory Authority. The proposed acts were approved by the decision of the Governor of the Bank of Albania No. 4191, September 28, 2022, and decision No. 4192, dated September 28, 2022, respectively.

		Status
Recommendation	<i>To continue cooperation with the members of the financial security network and international partners in terms of increasing the solvency of the Agency in the event of an insurance event.</i>	Achieved
Actions taken by ADIA	<p>To improve cooperation with the members of the security network in order to increase its solvency, the Agency has continued cooperation with the experts of the World Bank's FINSAC Office. In this context, following the agreement with the Bank of Albania for the conclusion of REPO contracts last year, the Agency intends to review its relationship with the Ministry of Finance and Economy, in the event of the need for additional funds following an insurance event. The Agency considers it necessary to structure relations with the Ministry of Finance and Economy in order to further extend cooperation at the operational level.</p> <p>The plan agreed with the World Bank's experts at the FINSAC Office provides for the following:</p> <ul style="list-style-type: none"> <li>(i) examining similar practices in different jurisdictions,</li> </ul>	





- (ii) evaluating potential options for additional funding, and
- (iii) drafting the terms of reference for additional funds in agreement with all the actors involved.

Depending on the above, an assessment of the Agency's investment policies will be carried out.

In September 2022, the Agency initiated work with international experts to reach an agreement with the Ministry of Finance and Economy. The Bank of Albania was also involved in the process, since the Agency also administers the Resolution Fund. In December 2022, consultative meetings were held among the three institutions to discuss the draft agreement, which is expected to be agreed upon by the authorities within 2023.



### Section 3 – Deposit insurance scheme in Albania

The deposit insurance scheme in Albania was created in 2002 following the approval by the Assembly of the Republic of Albania of Law No. 8873, dated March 29, 2002, “On Deposit Insurance”. The law determined mandatory membership in the deposit insurance scheme for all banks collecting deposits in the territory of the Republic of Albania. The law established and assigned the Deposit Insurance Agency with the responsibility for the administration of the scheme and the insurance and compensation of insured deposits of individuals. According to the provisions of this law, the maximum insurance and compensation coverage level in the event of an insurance event was ALL 700,000 for each depositor in every bank of the banking system.

In 2009, in order to mitigate the effects of the global financial crisis of 2008 as well as to contribute to strengthening the stability of the banking sector by increasing the public trust, the Assembly of the Republic of Albania approved Law No. 10 106, dated March 30, 2009, “On some changes and additions to Law No. 8873, dated March 29, 2002, “On Deposit Insurance”. The law changed an essential element of the deposit insurance scheme, such as the legal maximum amount of insurance and compensation for insured deposits in banks, which increased from ALL 700 thousand to ALL 2.5 million.

In 2014, as a result of the recommendations of the World Bank’s FSAP assessment mission<sup>1</sup> and the International Monetary Fund, the deposit insurance scheme was revised in many of its elements, to further align it with the international standards in the deposit insurance field. In this context, the operation of the deposit insurance scheme and the activity of the Agency were regulated by the new Law No. 53/2014, dated May 22, 2014, “On Deposit Insurance”. One of the fundamental changes of this law was the definition of the deposit insurance scheme membership procedures for Savings and Credit Associations (SCAs). The process was finalized in 2017 with the full membership of SCAs that fulfilled the legal criteria. According to the law the legal maximum amount of insurance and compensation for insured deposits is ALL 2 million per depositor for SCAs.

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<sup>1</sup> Financial Sector Assessment Program (FSAP) provides a complete analysis on the stability of a country's financial sector and its needs for further development.



In 2016, in order to increase the efficiency of the scheme and the base of insured depositors, the Assembly of the Republic of Albania adopted Law No. 39/2016 “On some changes and additions to Law No. 53/2014, “On Deposit Insurance””. The law enabled the inclusion to the deposit insurance scheme of deposits of traders and companies, starting from January 1, 2017. Also in 2016, in the framework of the alignment of the local legislation with developments and legal reforms in the European Union, the Assembly of the Republic of Albania approved a legal package for the recovery and resolution of banks in the Republic of Albania. Part of this legal package was Law No. 132/2016, “On some changes and additions to Law No. 53/2014, “On Deposit Insurance”, as amended”. According to the law the deposit compensation fund in banks can be used for the implementation of resolution instruments in banks. In addition, the law defined a new task for the Agency, charging it with the responsibility of administering the Resolution Fund.

Updating the elements and features of the deposit insurance scheme in line with international standards in the deposit insurance field is the priority of the work of the Deposit Insurance Agency. This priority is even more prevailing in the framework of the official opening of the EU membership negotiations.

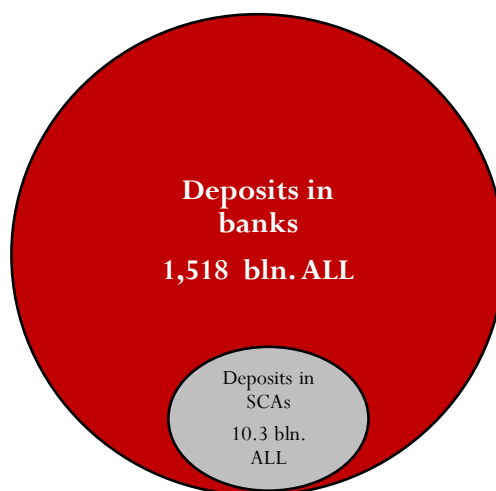
### **3.1. Deposits in banks and SCAs**

In 2022, the Deposit Insurance Agency insured individual deposits in 12 banks of the system, as well as in 9 Savings and Credit Associations. As of December 1, 2022, the number of banks insured by the Deposit Insurance Agency was 11, as a result of the merger by absorption of OTP Bank Albania with Alpha Bank Albania. At the end of the year, the Deposit Insurance Agency continued to insure deposits for each bank separately, according to its legal obligations.

At the end of 2022, the total deposits in the banking system were ALL 1,518 billion, while the total deposits in Savings and Credit Associations were ALL 10.3 billion.



*Total deposits in banks and SCAs at the end of 2022*



According to the data for the end of 2022, the Agency has the liability to compensate ALL 826.7 billion deposits in banks, or 1,826,108 depositors; as well as the liability to compensate ALL 7.4 billion deposits in Savings and Credit Associations, or 21,154 depositors. Of the total liabilities of the Agency of ALL 834.4 billion to depositors who have placed their deposits in banks and Savings and Credit Associations, 99.1% is the liability of the Agency to depositors who have placed their deposits in banks, while 0.9% is the liability of the Agency to depositors who have placed their deposits in Savings and Credit Associations.

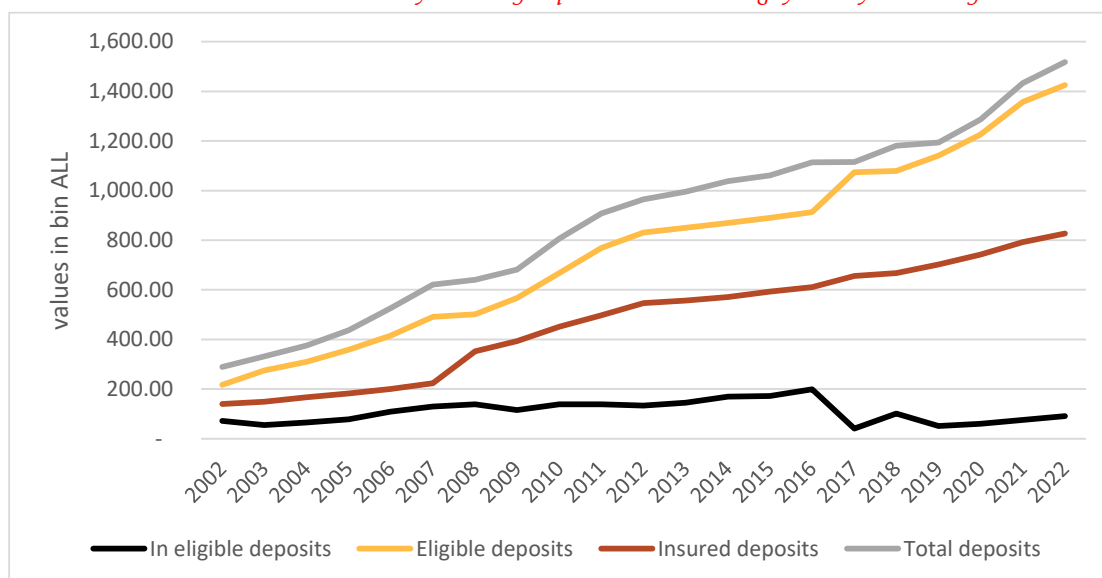
*Depositors in any bank or branch of a foreign bank are insured to the extent of 100%, but in any case no more than ALL 2,500,000 (two million five hundred thousand), while depositors in Savings and Credit Associations are insured to the extent of 100 %, but in any case no more than ALL 2,000,000 (two million), regardless of the number of deposits or the type of their currency.*

### **3.2. Deposit insurance in banks**

In 2022, the total deposits in the banking system had an upward trend for almost the entire period, with relatively low monthly change rates. Compared to the previous year, they increased by 5.9%, which corresponds to an increase in absolute value of ALL 85 billion.



*Dynamics of deposits in the banking system by the end of 2002-2022*



### 3.2.1. Eligible deposits<sup>2</sup> in the banking system

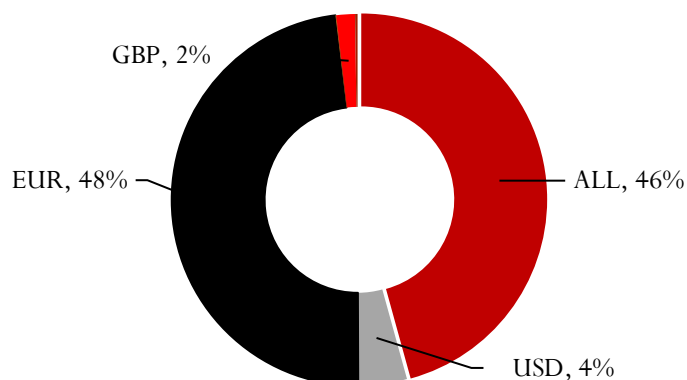
By the end of 2022, the value of eligible deposits that benefited from the deposit insurance scheme reached ALL 1,425.2 billion, representing 94% of the total deposits. Compared to the previous year, they increased by 5%, while the increase in absolute value was ALL 67.8 billion. Eligible deposits include time deposits, current accounts, savings accounts, card accounts, joint accounts and other similar products.

By the end of December 2022, eligible deposits in Euro expressed in their counter value in ALL occupied the largest share of the total eligible deposits of 48.2%, followed by deposits in ALL with a share of 45.7%, and deposits in USD with their counter value in ALL of 4.2%.

<sup>2</sup> According to Law No. 53/2014, dated May 22, 2014, "On Deposit Insurance", as amended, "eligible deposit" is the aggregated value of all deposits of a depositor, including their calculated interest on the day of assessment or intervention in a member entity of the scheme, with the exceptions specified in Article 32 of this law.



*Structure of the amount of eligible deposits in the system by currency in % – December 2022*

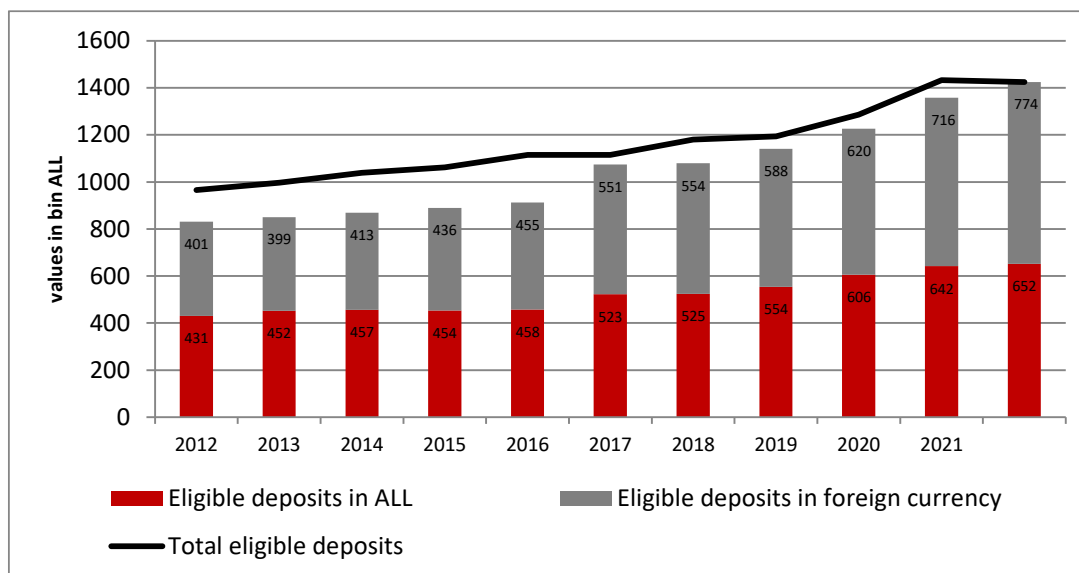


The dynamics of eligible deposits in ALL during 2022 has been positive for most of the period, but the monthly change rates have been relatively small, and in five months (February, March, April, August and November) there has been a relatively light decrease. The largest rate of positive monthly change was at the end of December, of +1.2%. In this period, these deposits reached the value of ALL 651.5 billion. Eligible deposits in foreign currency in December 2022 constituted 54.3% of the total eligible deposits and their counter value in ALL was 773.6 billion ALL. The positive rate of monthly change for deposits in foreign currency converted into ALL was recorded throughout the year, except for the months of November and December where they recorded a decrease of 1.4% and 1.1%, respectively. The largest increase of 4.3%, which came as a result of the increase in Euro deposits, was noted at the end of August.

*According to the provisions of Law No. 53/2014, “On Deposit Insurance”, as amended, the amount of compensation is paid up to the maximum level of coverage only if it exceeds the value of ALL 100.*

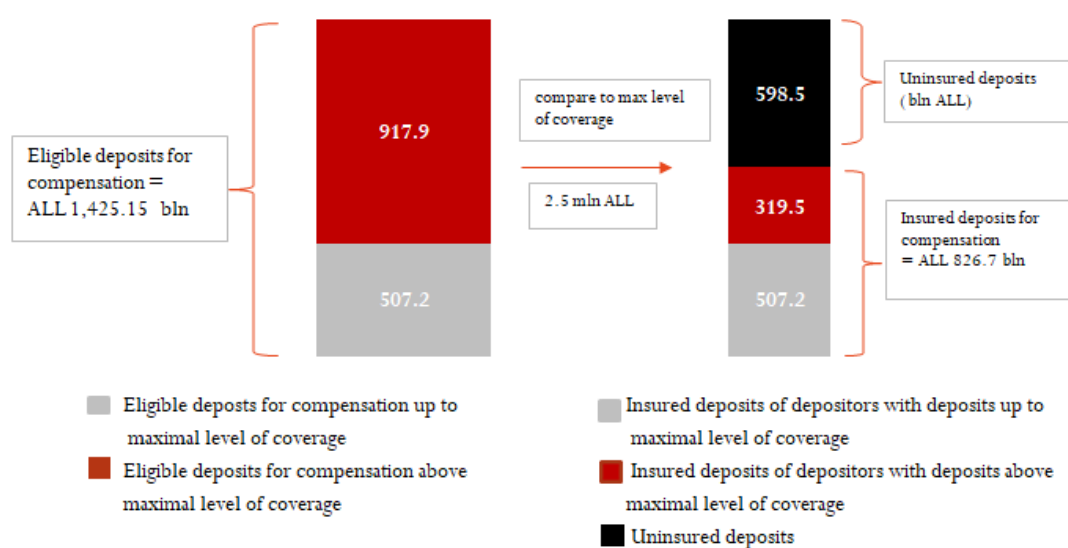


*Dynamics of eligible deposits in the system by currency 2012 - 2022*



By the end of December 2022, eligible deposits equal to or below the maximum level of coverage were ALL 507.2 billion (expressed as a percentage: 36% of the total amount of eligible deposits), while deposits above the maximum level of coverage reached ALL 917.9 billion (or 64% of the total amount of eligible deposits).

*Structure of eligible deposits for compensation compared to the coverage limit of 2.5 mln. – December 2022*





### **3.2.1.1. Eligible individual deposits**

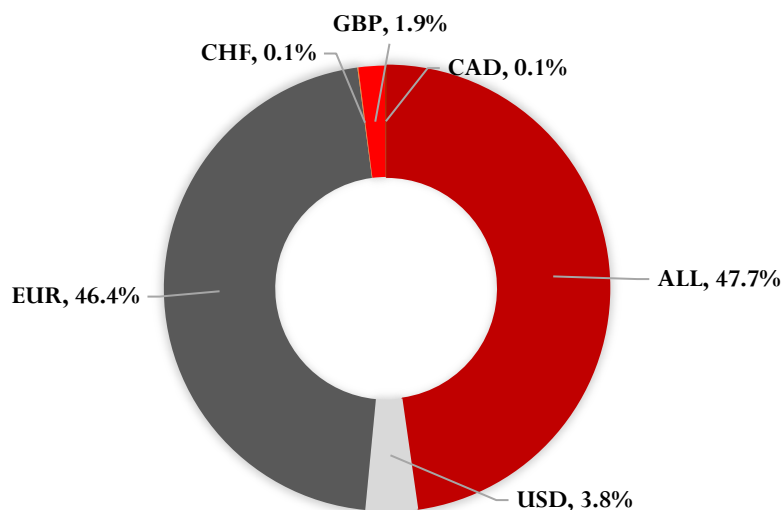
On December 31, 2022, these deposits in the banking system reached ALL 1,161.5 billion, and constituted the largest part of the total eligible deposits, specifically 82% (the rate of annual change was +4.4%). Deposits in ALL accounted for the greatest share of the eligible individual deposits with 48%, followed by deposits in Euros with 46%. In 2022, the performance of individual deposits in ALL has been positive throughout the year, with the exception of a slight decline in the months of March, July and August. The monthly change rates have been relatively low, with the largest increase recorded in June at 0.9%. The impact on the annual increase of 4.4% of eligible individual deposits was a consequence of deposits in Euros. In December 2022, deposits in foreign currency expressed in their counter value in ALL had a share of 52%, and their annual growth was 7%. During this period, deposits in Euro expressed in their counter value in ALL reached the amount of ALL 538.6 billion, marking an annual increase in value of ALL 42.9 billion (in percentage: +8.6%), while in original currency they increased by 14.9%. These deposits accounted for the largest share of individual deposits in foreign currency (46%). In 2022, the performance of individual deposits in Euros has been positive almost throughout the year (except for the month of March with a slight decrease of -0.2%), with relatively low monthly change rates. The biggest increase was recorded in August with 3.6%, while expressed in their counter value in ALL they increased by 4%.

Individual deposits in original currency in USD, compared to the end of 2021, decreased by -8.7%, while expressed in their counter value in ALL (their share: 4.3%) they recorded an annual decrease of -8.2%.





*Structure of the amount of eligible individual deposits in the system by currency in % –December 2022*



In 2022, the performance of the eligible individual deposits according to the coverage level has been almost positive. Compared to the end of 2021, deposits with amounts up to ALL 2.5 million have increased by 3.2%, while deposits with amounts above the coverage level have increased by ALL 34 billion, or 5.3%. Since in December 2022 individual deposits above the coverage level had the largest share of the total eligible individual deposits (58.6%), the progress in their growth has influenced the annual increase of 4.4% of eligible individual deposits.

The number of individual depositors, who benefited from the deposit insurance scheme in the banking system at the end of 2022, was 2,598,908<sup>3</sup>.

Among individual depositors with deposits greater than 100 ALL, 93.2% of them or 1,538,767 depositors have deposits up to the maximum legal coverage level and benefit full coverage from the deposit insurance scheme. At the end of 2022, the amount of deposits corresponding to these depositors reached the value of ALL 480.8 billion.

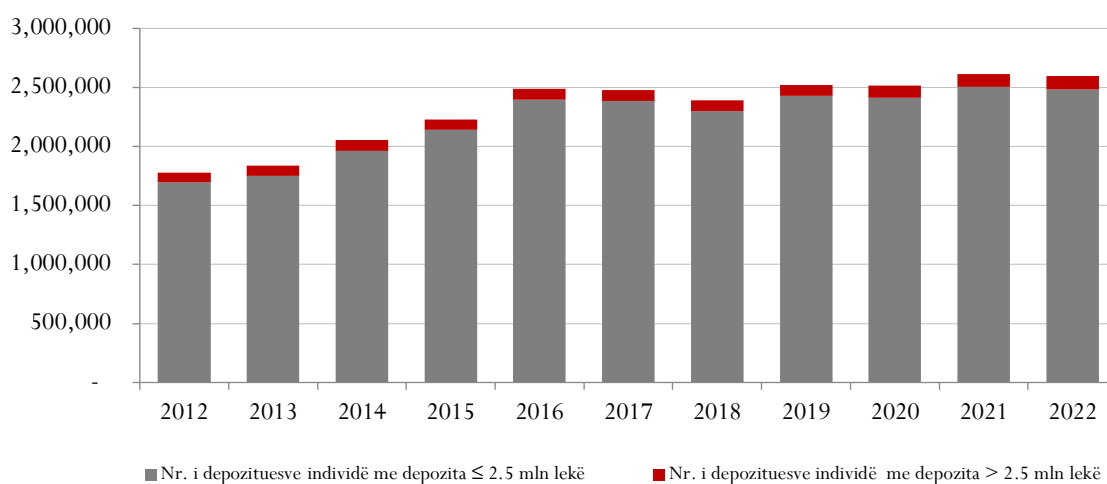
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<sup>3</sup> The total number of depositors is determined by collecting the aggregated data reported by each bank, so a person who has deposits in several banks is registered several times. This number includes depositors with a balance from ALL 0 to 100 (the legal minimum for compensation), which in December 2022 were 900,343.

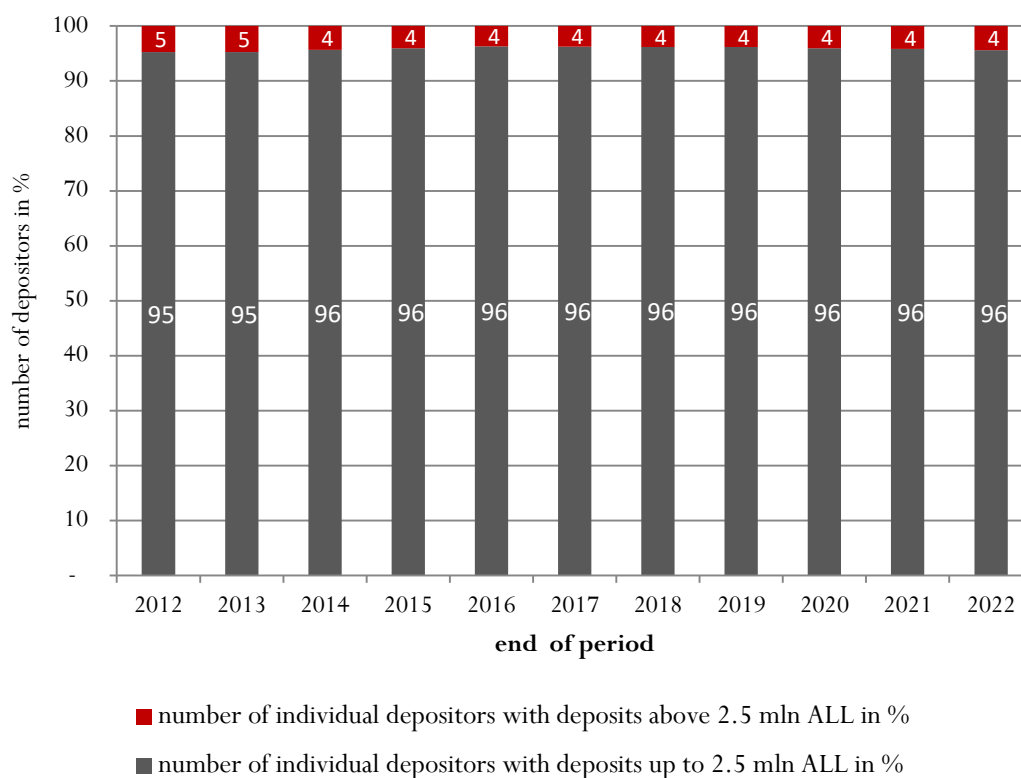


Individual depositors with deposits greater than ALL 2.5 million at the end of December 2022 were 114,798 and the amount of their deposits reached a value of ALL 680.8 billion.

*Dynamics of the number of individual depositors classified by coverage level in 2012-2022 in amount*



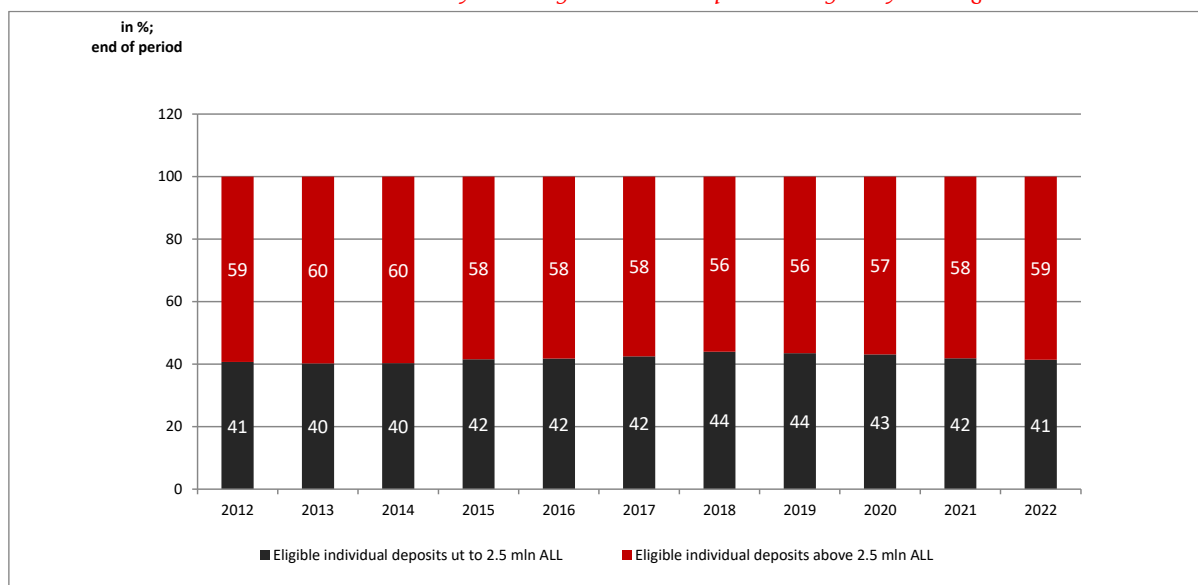
*Dynamics of the number of individual depositors classified by coverage level in 2012-2022 in %*





For the period 2012–2022, the percentage of individual deposits worth up to ALL 2.5 million varied from 40% to 44% of the total eligible deposits.

*Dynamics of individual deposits classified by coverage level in 2012-2022*



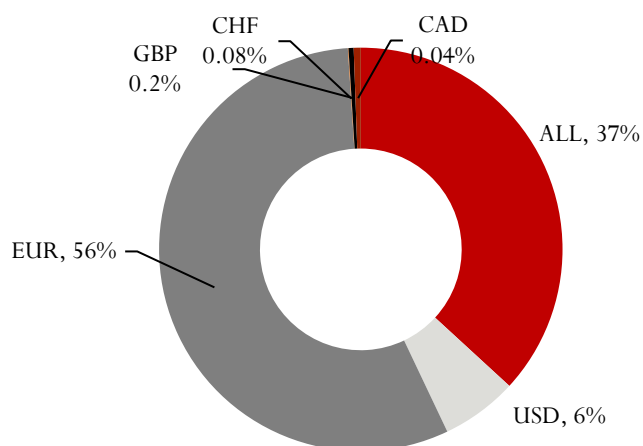
### 3.2.1.2. Eligible deposits of traders and companies

In December 2022, these deposits in the banking system reached ALL 263.6 billion, increasing by 7.6% throughout the year. Deposits with amounts up to ALL 2.5 million increased by 11.8%, and their share against the total eligible deposits of traders and companies was 10%, while deposits with amounts over ALL 2.5 million (with a share of 90%), increased by 7.1%.

According to the type of currency, deposits in Euro expressed in their counter value in ALL accounted for the largest share of deposits of traders and companies with 56% and recorded an annual increase of 16%, while in their original currency they increased by 22.6%. These deposits had the greatest impact on the annual growth of 7.6% of the eligible deposits of traders and companies. In 2022, a positive trend has dominated for deposits in original currency in Euros, and only in the months of February, October and November there was a negative monthly change, respectively by -1.57%, -0.51% and -2.07%. The largest increase in Euro deposits was recorded in August with 6.9%, followed by July with +4.5%. Deposits in USD expressed in their counter value in ALL accounted for 6.1%.

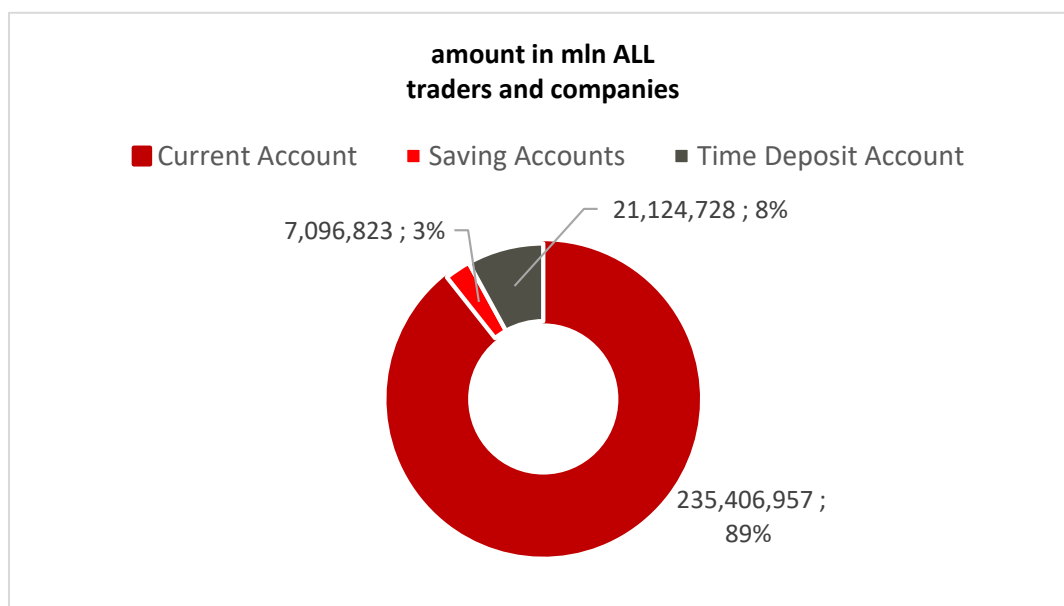


*Structure of the amount of eligible deposits of traders and companies in the system by currency – December 2022*



The largest share of eligible deposits for traders and companies by product category is occupied by current accounts, with 89%.

*Structure of the amount of eligible deposits of traders & companies by products – December 2022*



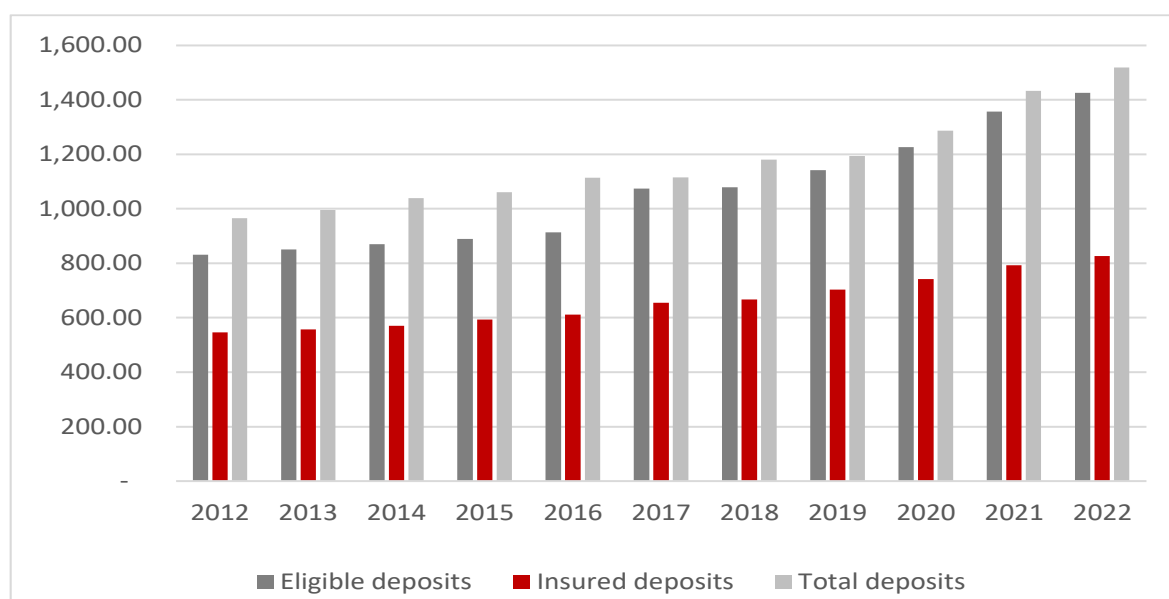
Unlike eligible individual deposits, 90% of deposits of traders and companies have amounts above the coverage level, corresponding to 12,990 depositors, which represent 8% of traders and companies. In December 2022, the share of this category of depositors (with deposits greater than ALL 2.5 million) both in number and amount was almost the same as at the end of 2021.



### 3.2.2. Insured deposits<sup>4</sup> in the banking system

At the end of 2022, insured deposits in the banking system reached a value of ALL 826.7 billion. Insured deposits accounted for 54% of the total deposits in the banking system and 58% of the eligible deposits.

*Dynamics of insured deposits compared to total deposits and eligible deposits – 2012-2022*



The annual growth of insured deposits from 2021 to 2022 was 4.35%. Meanwhile, for the last 10 years (2012-2022) the average annual growth was 4.25%.

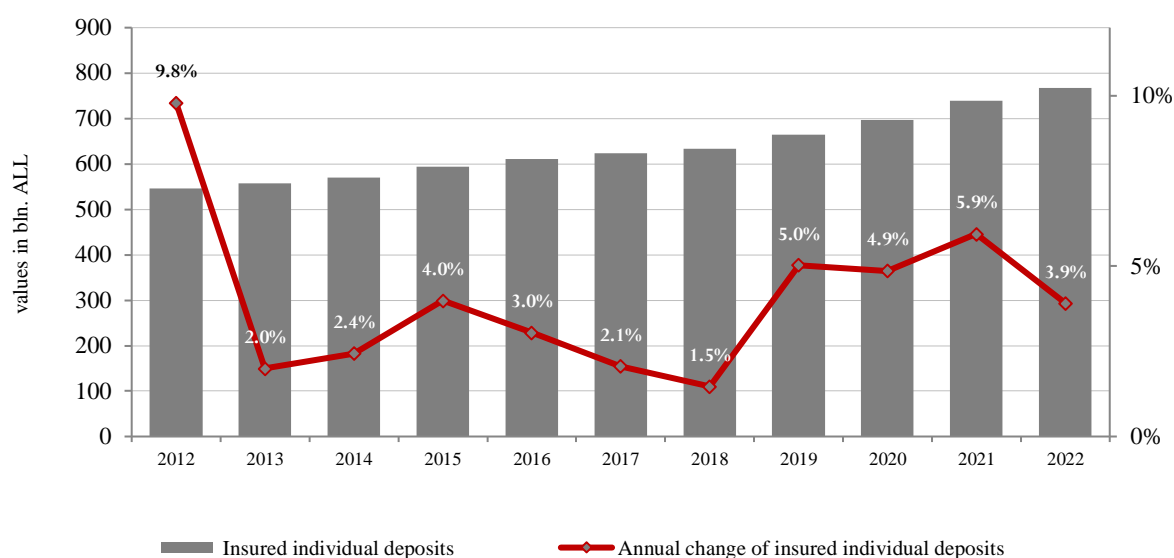
<sup>4</sup> According to Law No. 53/2014, dated May 22, 2014, “On Deposit Insurance”, as amended, “insured deposits” are part of the eligible individual deposits covered by insurance from the Agency.



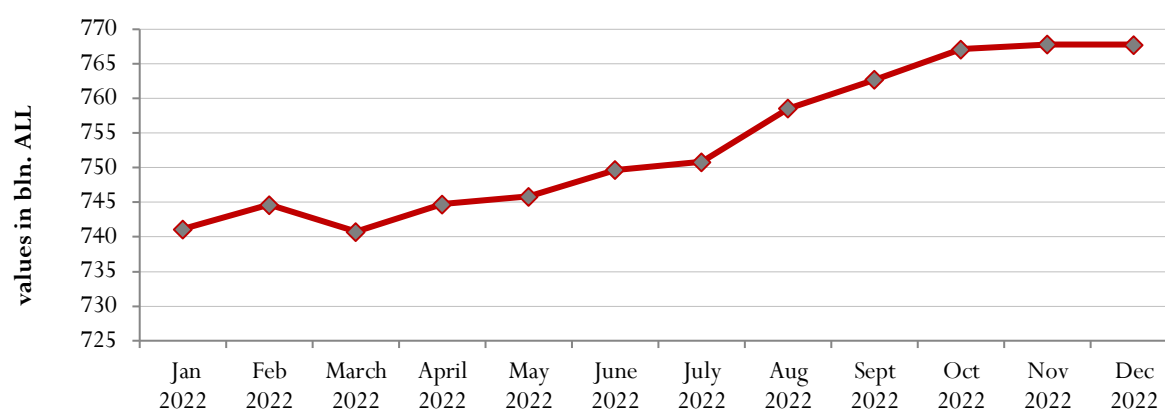
### 3.2.2.1. Insured individual deposits

At the end of December 2022, the insured individual deposits in the banking system were ALL 767.8 billion and constituted 66% of the value of the eligible individual deposits.

*Dynamics of insured individual deposits in value and annual change in % - 2012– 2022*

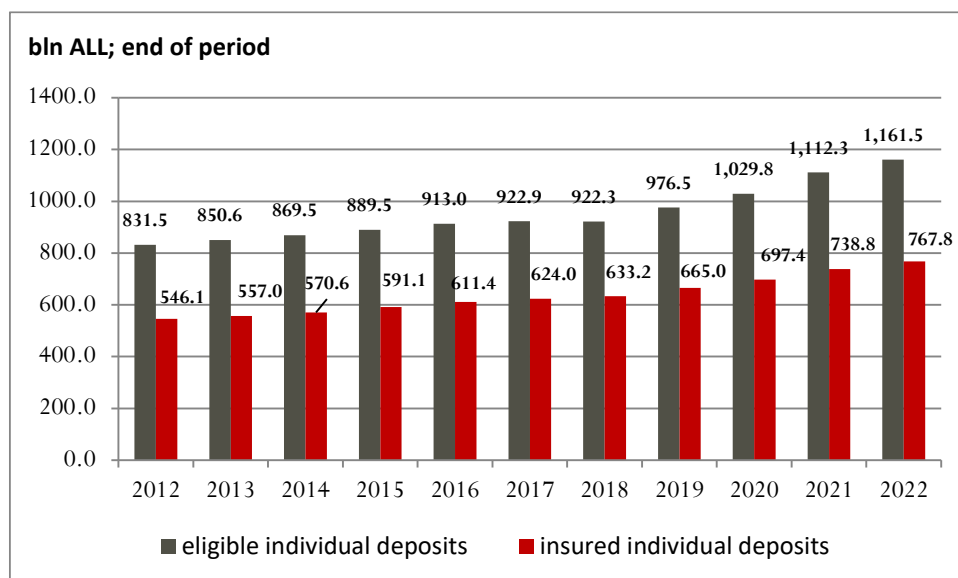


*Dynamics of insured individual deposits in value throughout 2022*





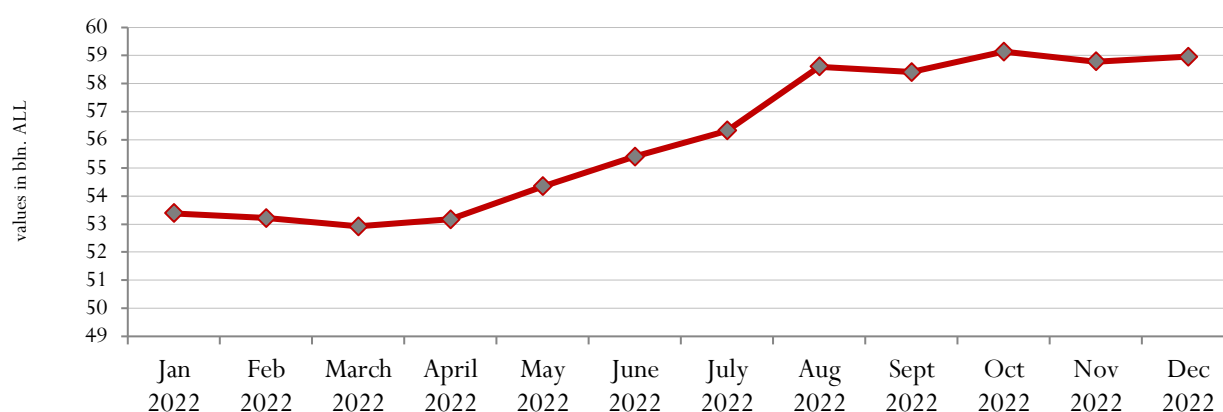
*Dynamics of eligible and insured individual deposits – 2012-2022*



### 3.2.2.2. Insured deposits of traders and companies

In 2022, the insured deposits of traders and companies increased by 7.6%, reaching to ALL 59 billion at the end of the year. Their performance throughout 2022 has been positive for most of the period, while there was a slight decrease in the months of February, March, September and November, respectively by -0.3%, -0.5%, -0.3% and -0.6%.

*Dynamics of insured deposits of traders and companies in value throughout 2022*

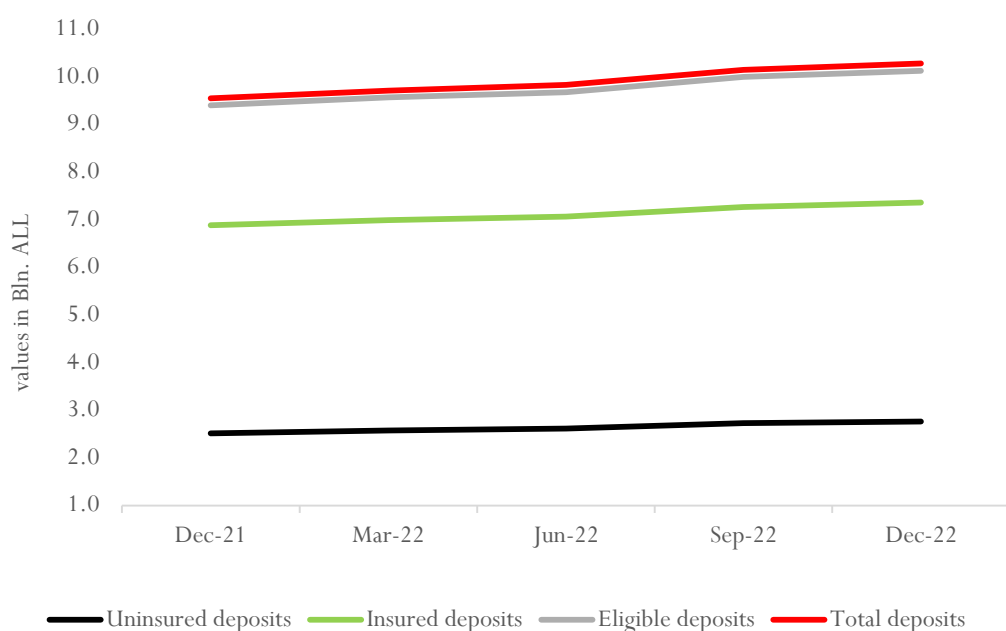




### 3.3. Deposit insurance in SCAs

Deposits in SCAs at the end of 2022 registered an annual increase of 8%, compared to 10% recorded in 2021. The monthly change of deposits in percentage throughout 2022 has fluctuated in the range of 0.3% to 1.3%, compared with a range of 0.2% to 1.6% throughout 2021. Growth rates recorded almost the same trend compared to the trend of monthly growth throughout 2021.

#### *Dynamics of deposits in SCAs throughout 2022*

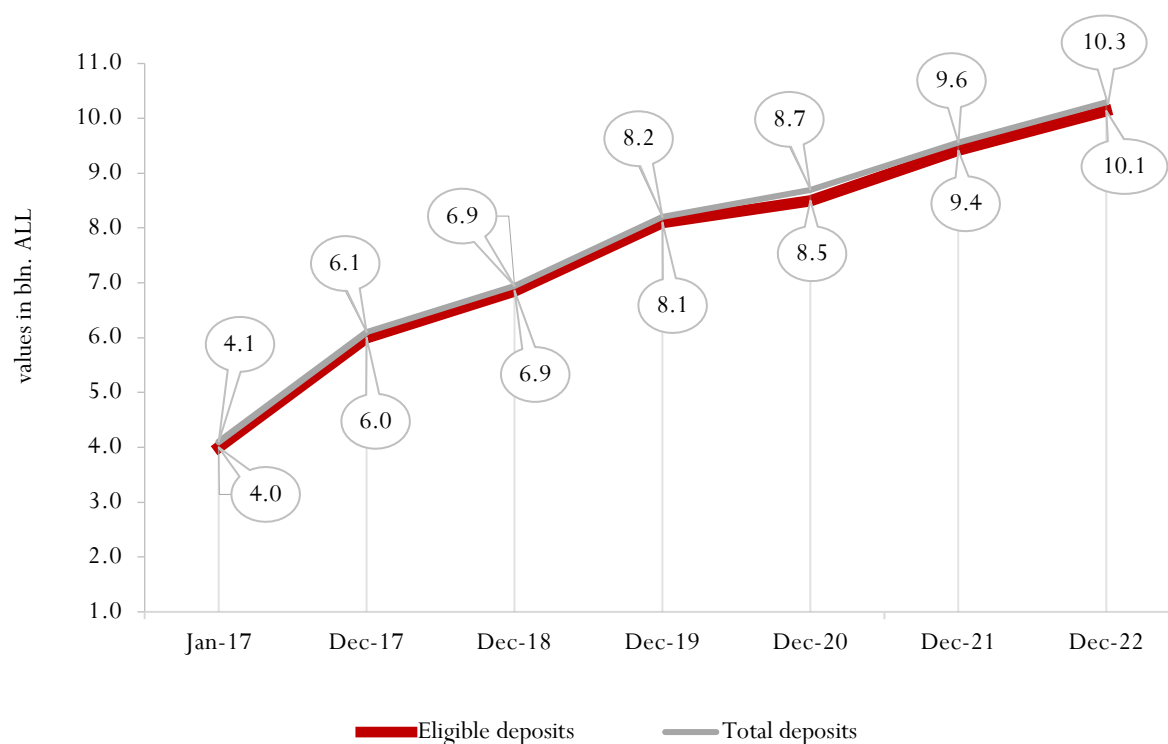


At the end of 2022, the total deposits of SCAs reached ALL 10.3 billion, from ALL 9.6 billion at the end of December 2021. At the beginning of SCAs' activity as members of the deposit insurance scheme (January 2017) this amount was ALL 4.1 billion. The total deposits in value were 2.5 times higher than at the time of SCAs inclusion in the deposit insurance scheme. The average annual rate of change for the last five years is 17.4%.





*Dynamics of deposits in SCAs throughout the period January 2017- December 2022*



### 3.3.1. Eligible deposits in SCAs

At the end of December 2022, these deposits were ALL 10.1 billion, accounting for 98.5% of the total deposits compared to ALL 9.4 billion on December 31, 2021. They corresponded to 40,716 depositors of SCAs, compared to 40,900 depositors who benefited from the deposit insurance scheme as of December 31, 2021.

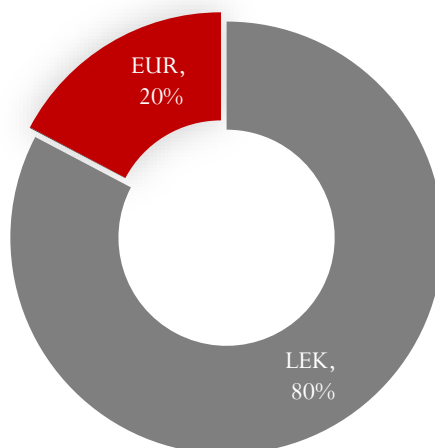
Eligible deposits at the end of December 2022 increased by 7.7% compared to the previous year, while in 2021 they increased by 10% compared to 2020, as indicated in the graph above.

The increase of deposits in ALL had the greatest impact on the annual increase of eligible deposits. Deposits in ALL accounted for the largest share of the total eligible deposits of SCAs. Their annual growth is 4%.

*“Eligible deposits in SCAs include term deposits as well as supporting accounts of depositors/SCA members.”*



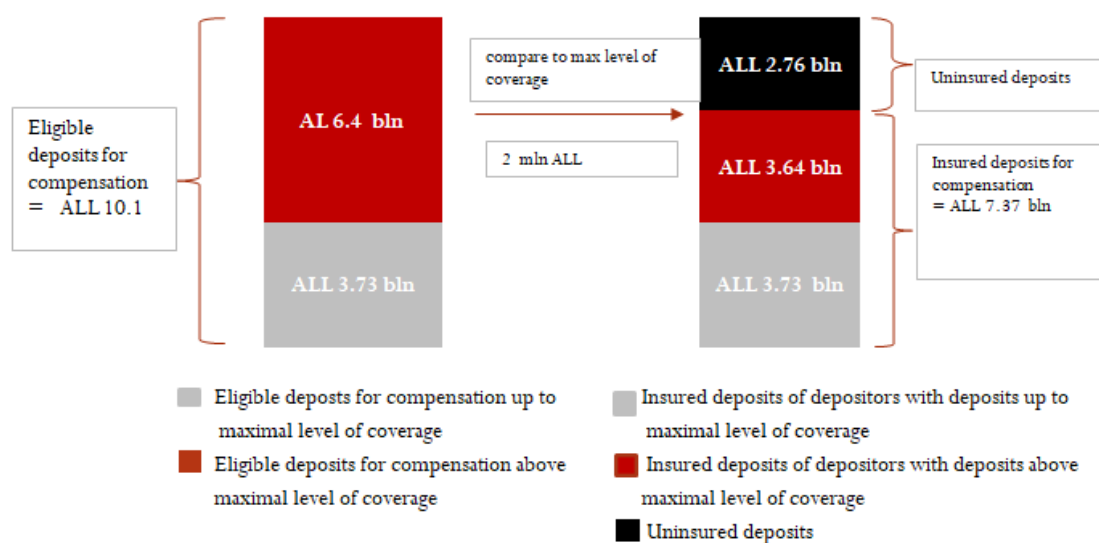
*Structure of the amount of eligible deposits by currency in % - December 2022*



Deposits in foreign currency account for 20% of the total eligible deposits, due to the fact that only a number of SCAs have deposits in foreign currency.

At the end of December 2022, eligible deposits equal to or below the maximum level of coverage were about ALL 3.7 billion (expressed as a percentage: 37% of the total amount of eligible deposits), while deposits above the maximum coverage level reached ALL 6.4 billion (or 63% of the total amount of eligible deposits).

*Structure of eligible deposits for compensation compared to the coverage limit of 2 mln. – December 2022*

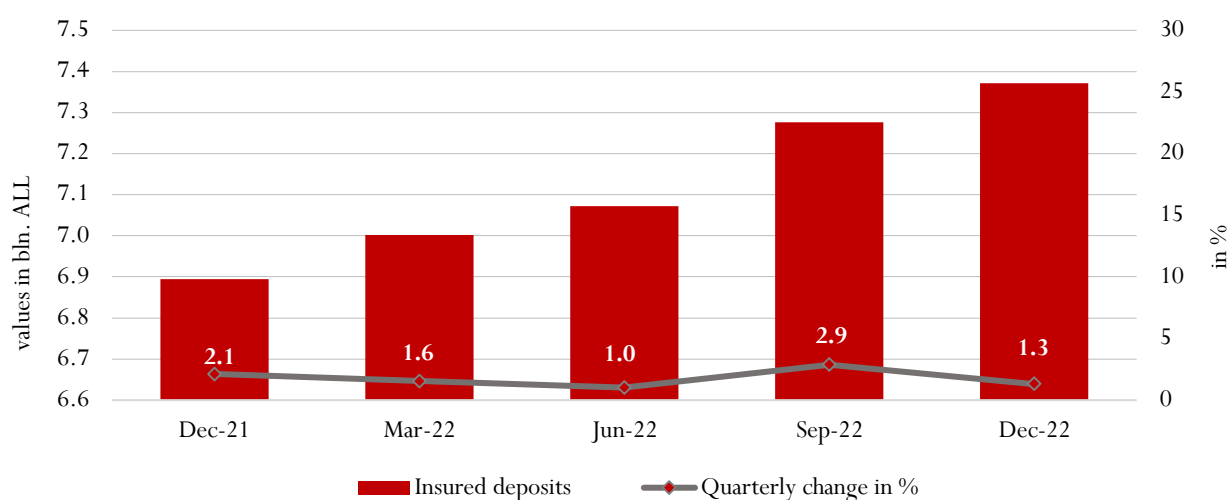




### 3.3.2. Insured deposits in SCAs

At the end of 2022, the insured deposits in SCAs were ALL 7.37 billion. This amount constituted 72% of the total deposits, or 73% of the eligible deposits.

#### *Dynamics of insured deposits by quarters throughout 2022*

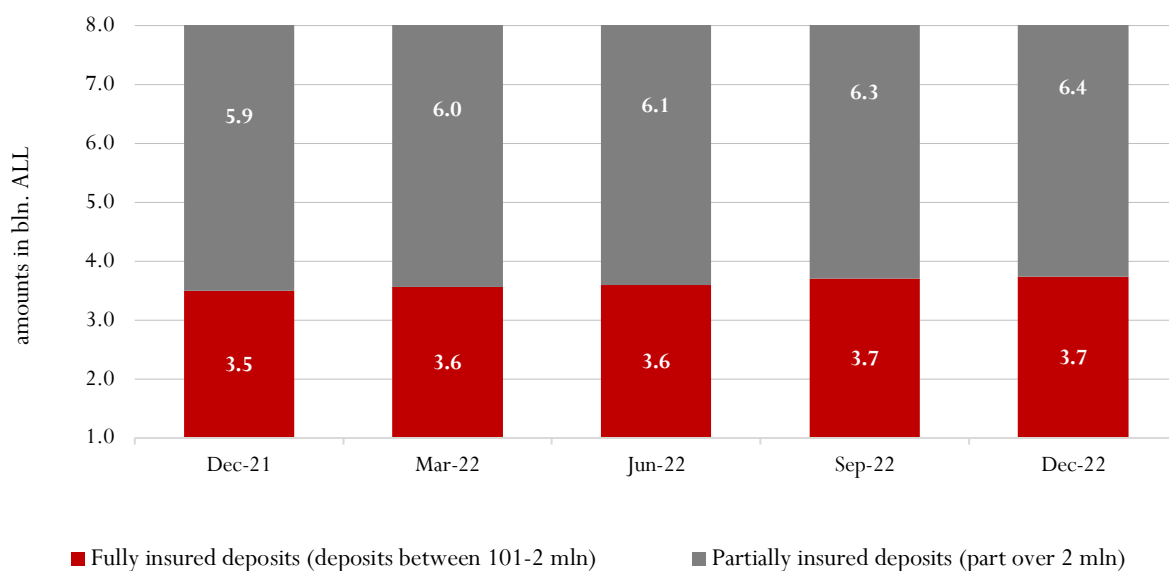


On December 31, 2022, insured deposits that are fully covered by the deposit insurance scheme (all deposits between ALL 101 and ALL 2 million) reached a value of around ALL 3.7 billion and constituted 37% of the total eligible deposits. The estimated compensation amount for these deposits is the same as for fully insured deposits.

On December 31, 2022, the insured deposits that were partially covered by the deposit insurance scheme (deposits greater than ALL 2 million) reached a value of ALL 6.4 billion and constituted 63% of the total eligible deposits. The estimated amount for compensation for partially insured deposits was about ALL 3.6 billion, and constituted 36% of the total eligible deposits. The Agency has the liability to compensate 57% of deposits that are above the maximum legal coverage level of ALL 2 million.

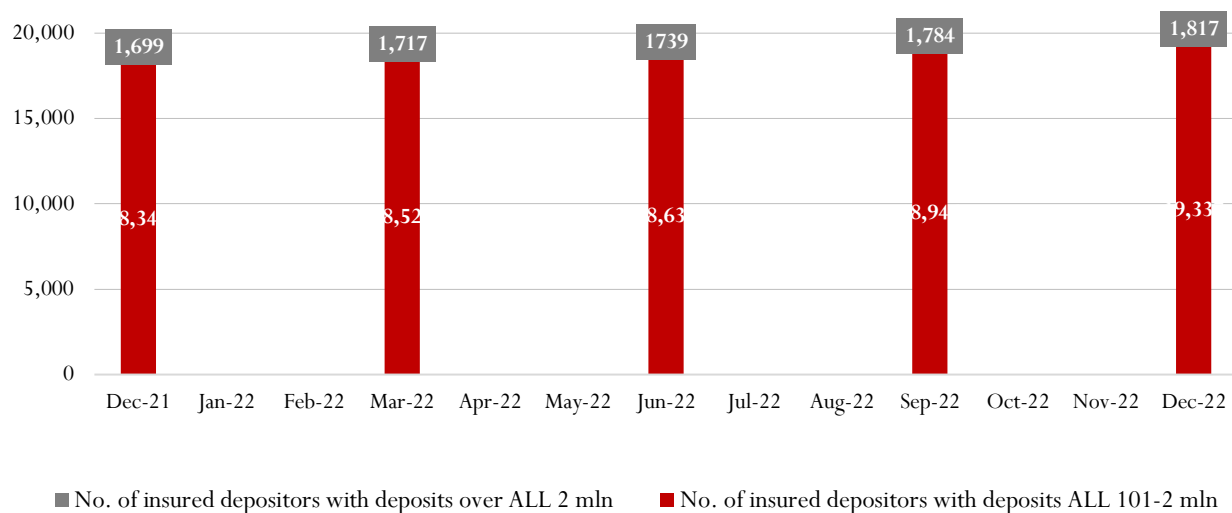


*Dynamics of insured deposits by level of coverage for quarter*



At the end of December 2022, the number of depositors with deposits ALL 101-2 million was 19,337. They accounted for 91% of the total number of depositors who benefit from the deposit insurance scheme. At the end of December 2022, the number of depositors whose deposits were over ALL 2 million was 1,817, accounting for 9% of the total number of depositors who benefit from the scheme.

*Number of insured depositors throughout 2022 per quarter*



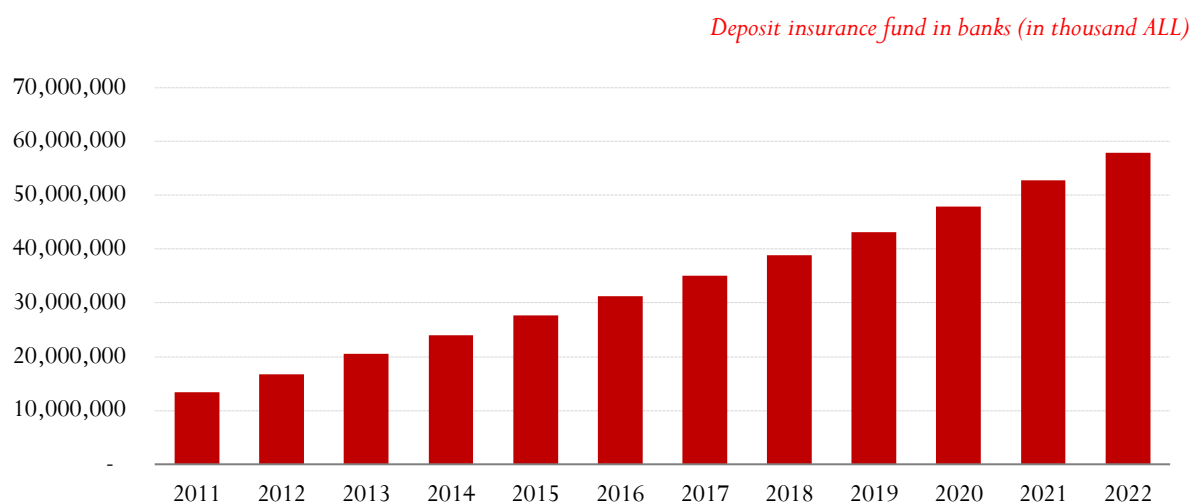


## Section 4 – Administration of funds and financial resources of the Agency

### 4.1. Deposit insurance fund in banks

#### 4.1.1. Performance of the deposit insurance fund in banks

On December 31, 2022, the book value of the deposit insurance fund in banks, which consists of a start-up capital of ALL 400 million and the accumulated profits over the years, was ALL 57.86 billion. Compared to the previous year the start-up capital increased by about ALL 5.08 billion, or 9.6%. The following graph shows the performance of the deposit insurance fund for the period 2011 – 2022.



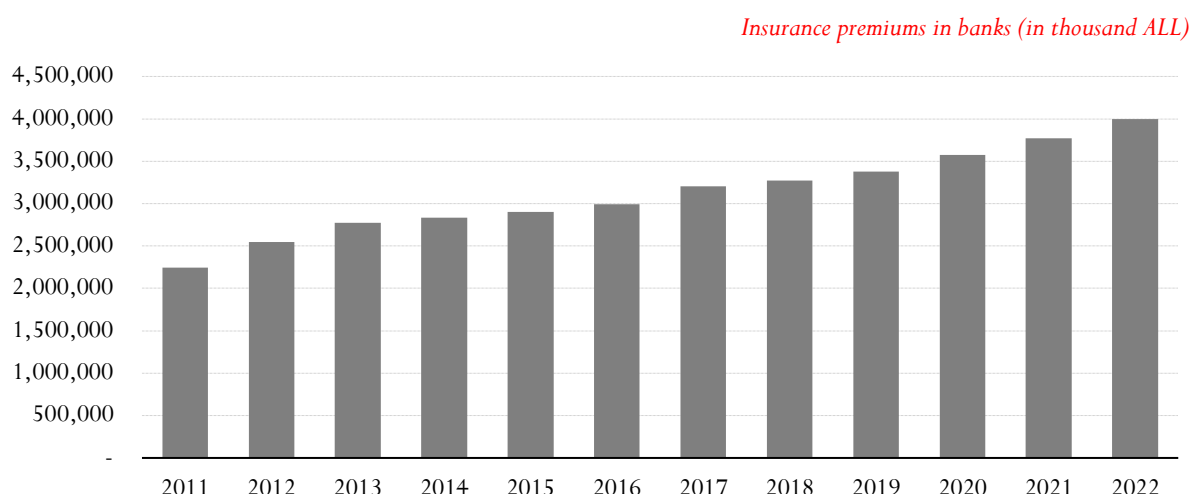
#### 4.1.2. Key financial indicators of the deposit insurance fund in banks

The size of the deposit insurance fund in banks is determined by the net income from the activities over the years. The main income that contributes to the growth of the deposit insurance fund in banks is the income from the insurance premium and the income from the administration of financial assets.

In accordance with the Law “On Deposit Insurance”, as amended, starting from 2015, the deposit insurance premium is no longer calculated annually but on a quarterly basis. For banks, the quarterly insurance premium is calculated as 0.125% of the arithmetic mean of the amount of the insured deposits registered with the bank on the last day of each month of the previous quarter, while for SCAs, the quarterly insurance premium is calculated as 0.075% of the arithmetic mean



of the amount of insured deposits registered with the SCA on the last day of each month of the previous quarter. The quarterly insurance premium for member entities of the insurance scheme is paid no later than the 15th of the first month of the quarter for which it is paid.

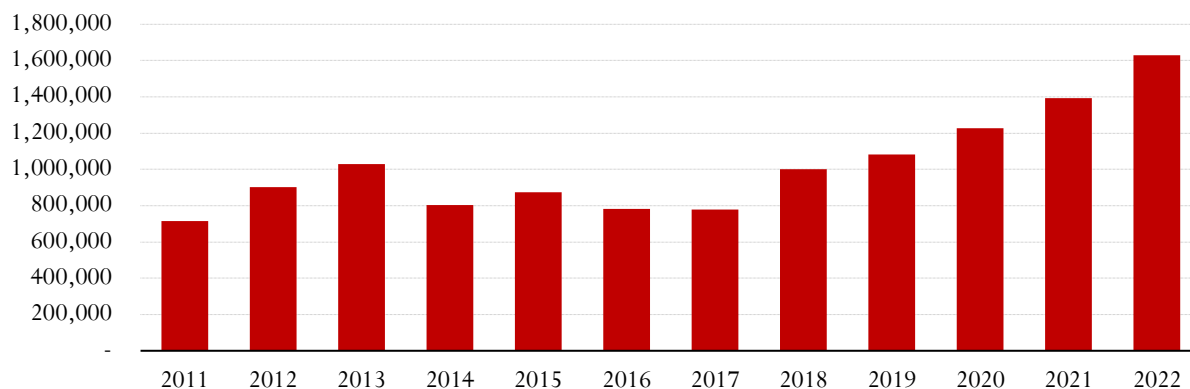


The income from insurance premiums for the year 2022 was ALL 3.99 billion, or 6.06% higher than in 2021. The income from insurance premiums during the period 2011 – 2022 has been increasing, which is directly related to the increase in insured deposits in the banking system in these years.

The income from the administration of financial assets of the deposit insurance fund in banks for the year 2022 was ALL 1.61 billion, or 15.6% more than in 2021. This item has been increasing during the period 2011– 2013, which is directly related to the expansion of the financial assets under management and the interest rates on securities. The income from the administration of financial assets for the years 2014–2017 was affected by the reduction of the interest rates on the securities of the Albanian Government. In 2018 and 2022, the increase in income from the administration of financial assets was mainly a result of the expansion of the portfolio in securities with a maturity of two years and over two years. In 2022, the interest rates had an increasing trend compared to 2021, mainly starting from the second quarter of the year, thus marking a satisfactory return on investment. During these years, the Agency has also aimed to diversify the portfolio in several maturities, which has influenced the increase in income.



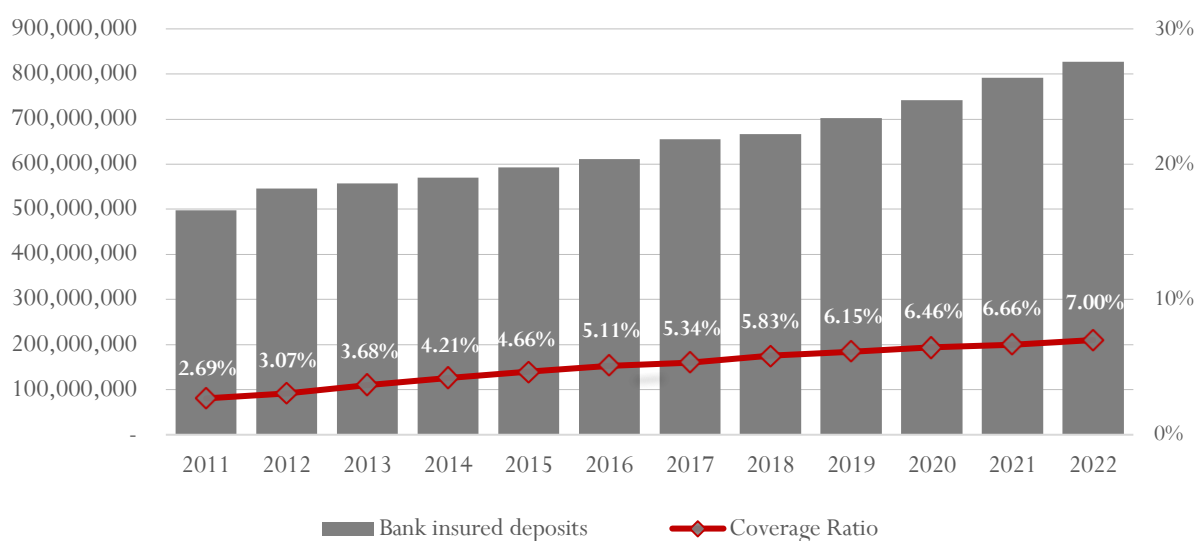
*Income from the administration of financial assets of the deposit insurance fund in banks (in thousand ALL)*



#### 4.1.3. Coverage ratio of insured deposits in banks

At the end of 2022, the insured deposits in the banking system were ALL 826.7 billion, or 4.35% higher than the previous year. The stable growth of the deposit insurance fund in banks and the more moderate performance of insured deposits in the banking system during the period 2011–2022 have brought a continuous increase in the coverage ratio during these years. At the end of 2022, the coverage ratio, calculated as a percentage of the deposit insurance fund in banks versus insured deposits, was 7%. The following graph indicates a summary of the performance of insured deposits in the banking system and the coverage ratio during the years 2011–2022.

*Coverage ratio and insured deposits in banks (in thousand ALL)*



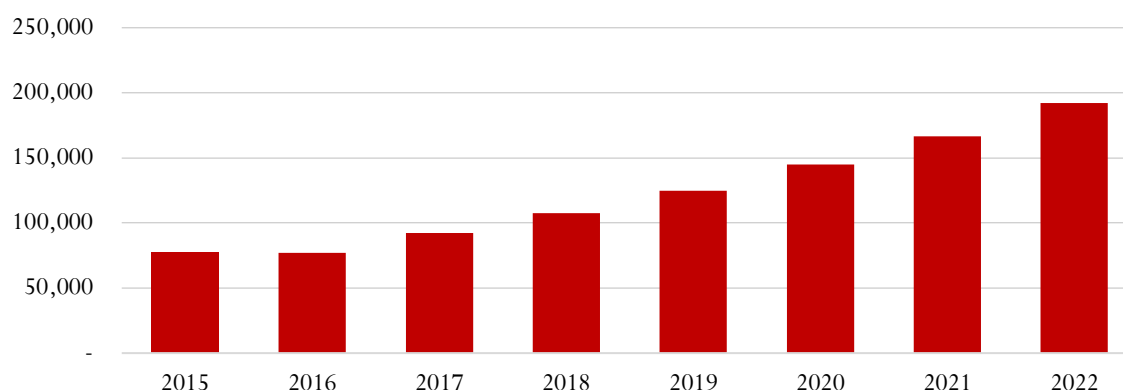


## 4.2. Deposit insurance fund in SCAs

### 4.2.1. Performance of the deposit insurance fund in SCAs

In January 2015, in accordance with the Law “On Deposit Insurance”, as amended, the start-up capital for deposit insurance in SCAs in the amount of ALL 76 million, was collected from the state budget. The start-up capital provided the initial financial basis for the deposit insurance fund in SCAs. Starting from 2015 onwards, the Agency has administered the financial assets of the deposit insurance fund in SCAs, which entered the scheme in January 2017. On December 31, 2022, the book value of the deposit insurance fund in SCAs, consisting of the start-up capital of ALL 76 million and the accumulated profits was about ALL 192.36 million, marking an increase of 15.42% compared to 2021.

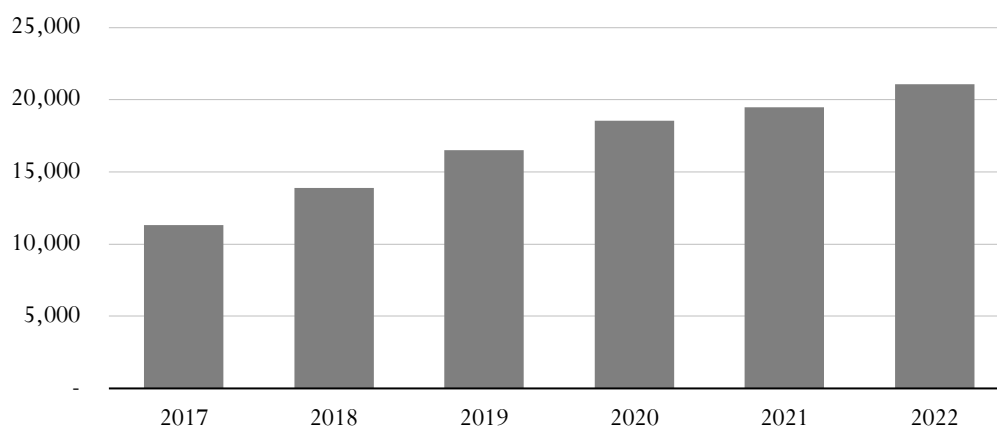
*Deposit insurance fund in SCAs (in thousand ALL)*



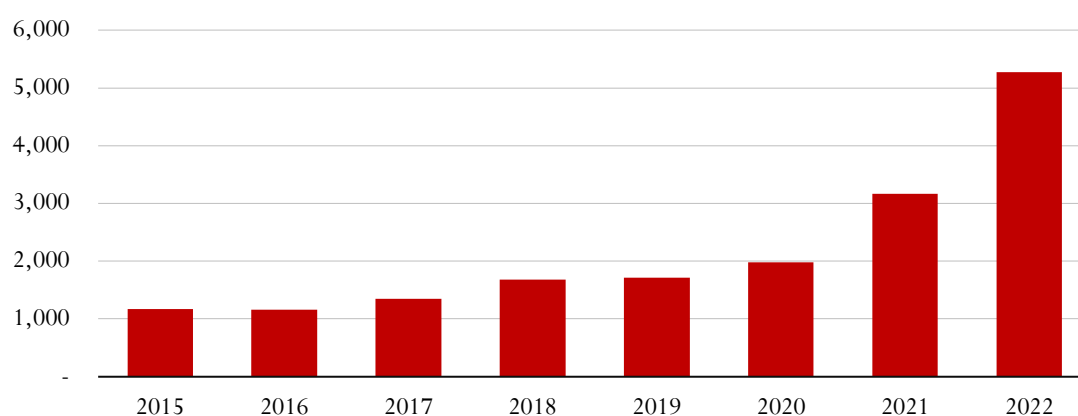
### 4.2.2. Key financial indicators of the deposit insurance fund in SCAs

The main income that contributes to the growth of the deposit insurance fund in SCAs is the income from the insurance premiums and the income from the administration of financial assets. In accordance with the legislation in force, the entities that were admitted to the scheme started to pay their quarterly insurance premiums in January 2017. The income from insurance premiums in 2022 was ALL 21.07 million.



*Insurance premiums in SCAs (in thousand ALL)*

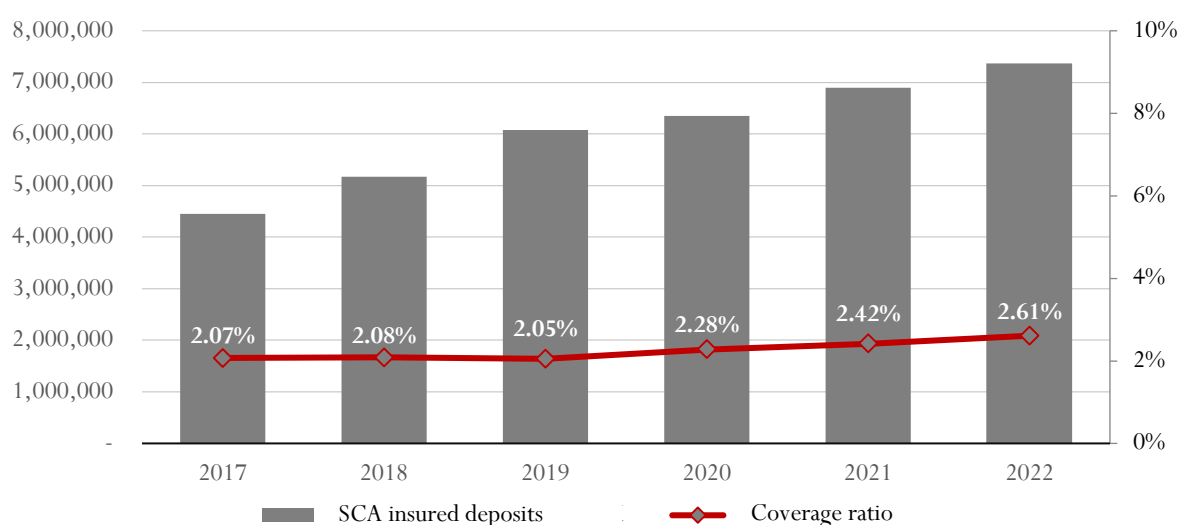
The income from the administration of the financial assets of the deposit insurance fund in SCAs throughout the year 2022 was ALL 5.27 million, which compared to 2021 increased by 66.33%. This income is the result of the fund investments by the Agency. Also, in the recent years, the investment portfolio in securities with a maturity of more than two years has increased, which had an impact on the increase in income.

*Income from the administration of financial assets of the deposit insurance fund in SCAs (in thousand ALL)*



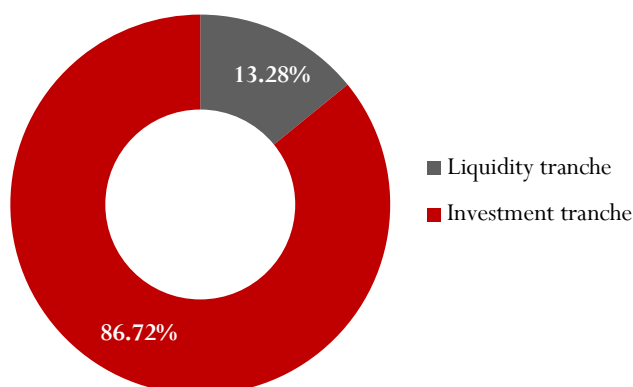
At the end of 2022, the insured deposits for SCAs were about ALL 7.4 billion, or 6.9% higher than the previous year. At the end of 2022, the coverage ratio, calculated as a percentage of the deposit insurance fund in SCAs versus the insured deposits, was 2.61%. The following graph represents a summary of the performance of insured deposits in SCAs and the coverage ratio throughout the years 2017–2022.

*Coverage ratio and insured deposits in SCAs (in thousand ALL)*

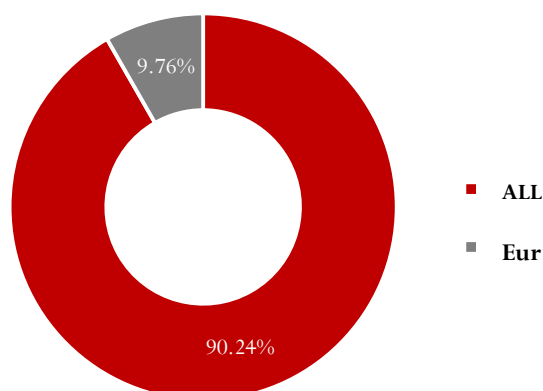


### 4.3. Administration of financial assets

On December 31, 2022, the financial assets of the Agency for the banks' fund, with a nominal value of ALL 57.40 billion, were all invested in Albanian Government securities, one-week deposits and account balances with the Bank of Albania or the custodian bank Raiffeisen Bank International. In order to effectively manage financial assets and guarantee at any time the needs for liquid financial assets, at the end of 2022, the Agency, in accordance with the investment policy had 13.28% of its portfolio in highly liquid instruments, such as deposits and current accounts with the Bank of Albania and several other banks where the Agency keeps accounts for its operational activity as well as securities with a remaining maturity of up to 90 days. The graph below represents a summary of the financial assets of the Agency by investment tranches as of December 31, 2022.

*Financial assets by investment tranches*

The financial assets of the Agency are mostly in ALL. The Agency also holds part of its financial assets in Euros. In accordance with the Investment Policy, investments in foreign currency constitute 9.76% of the financial assets under administration, and in the long term, the aim is to bring the structure by currency for the Agency's portfolio closer to that of insured deposits. The graph below represents a summary of the financial assets of the Agency by currency, as of December 31, 2022.

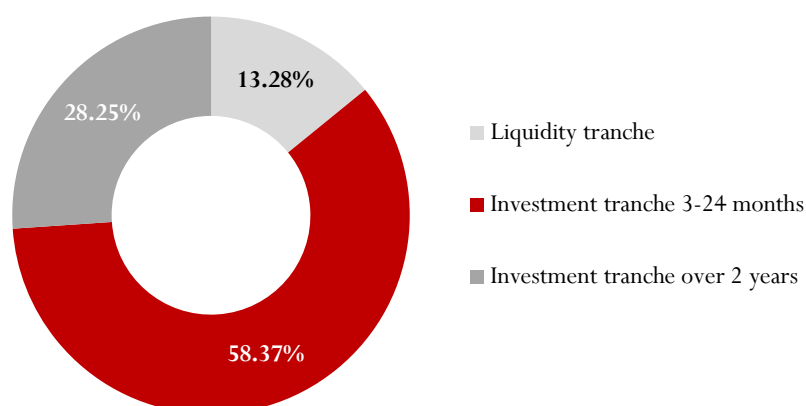
*Financial assets by currency*

The following graph shows the distribution of financial assets by to duration up to maturity, as of December 31, 2022. In order to effectively manage financial assets and guarantee at any time the needs for liquid financial assets, financial assets have a gradual distribution by duration up to maturity.

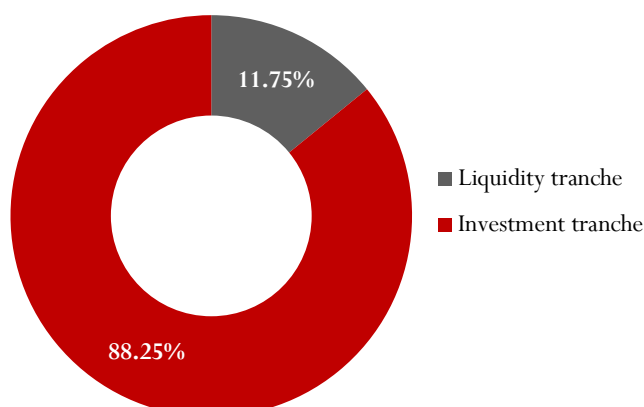


The Agency has invested about 58.37% of its portfolio in instruments with a remaining maturity of 3–24 months, and about 28.25% of its portfolio in instruments with a remaining maturity of over 24 months.

*Financial assets by duration up to maturity*



On December 31, 2022, the financial assets of the Agency for the Savings and Credit Association fund, with a nominal value of ALL 193,773 million, were all invested in Albanian Government securities, one-week deposits and account balances with the Bank of Albania. In order to effectively manage financial assets and guarantee at any time the needs for liquid financial assets, at the end of 2022, the Agency, in accordance with the Investment Policy, had 11.75% of its portfolio in highly liquid instruments, such as deposits and current accounts with the Bank of Albania, and the rest of the portfolio invested with a maturity of 12 months to 7 years. The graph below represents a summary of the financial assets of the Agency by tranches, as of December 31, 2022.





## **Section 5 – Activities to fulfill the Agency’s legal mandate**

### **5.1. REPO Agreement with the Bank of Albania**

In 2021, the Agency cooperated with the Bank of Albania to draft a bilateral agreement, which regulates the relationship between both institutions for the conclusion of repurchase and reverse repurchase contracts. In March 2022, this effort was finalized and the contract for the repurchase of titles was signed between the Agency and the Bank of Albania. This contract will enable the Agency to turn the invested funds under its administration into liquid assets, through repurchase contracts with the Bank of Albania. Only titles in ALL currency will be accepted as collateral, and the term of the REPO transactions will be three months at most, with a right to repeat. The ability to return securities to liquidity in a short time allows the Agency to invest in longer maturities, increasing its investment income. These transactions can be used to turn the deposit insurance fund in banks, the deposit insurance fund in SCAs as well as the Resolution Fund to liquid assets. The signing of this agreement is considered a further step in the series of measures that the Agency has undertaken in order to increase the confidence of depositors to the deposit insurance scheme. The REPO agreement will enable the Agency to have quick access to funds necessary to fulfill its legal mandate for the compensation of insured deposits.

### **5.2. Initiatives of alignment with the EU *acquis* in the framework of the European integration**

In 2022 began the “screening” process or the analytical review of the local legislation and its level of compatibility with the legal framework of the European Union.

In the framework of this process, the Deposit Insurance Agency has been designated as a member of the negotiating group for Chapter 9 “Financial Services”, alongside the Bank of Albania and the Financial Supervision Authority (FSA). The specific areas covered by the *acquis* in Chapter 9 are the financial services in banking, insurance, voluntary pensions, investment services and securities markets, as well as deposit insurance and compensation.



The Agency put a lot of efforts into helping the Negotiating Group prepare for Chapter 9 “Financial Services” in anticipation of being represented at Albania–EU bilateral meetings. In this context, the Agency prepared a detailed analysis of the compliancy level of the domestic scheme with Directive 2014/49/EU “On Deposit Guarantee Schemes”. Following, the Agency focused on preparations for reporting to the relevant structures in the European Commission regarding the features of the deposit insurance scheme, the legal and regulatory framework on protection of insured depositors, the role of the scheme in the local financial security network, as well as the level of alignment of the local deposit insurance legislation with the relevant EU directive.

As part of the “screening” process at the technical level by the experts from the European Commission, the Agency engaged in preparatory meetings for the presentation of the legal and regulatory progress of the financial markets in



compliance with the European Directives. These meetings were organized by the AMF, in its capacity as the leading institution for Chapter 9 “Financial Services”, in collaboration with the German Corporation for International Cooperation (GIZ), with the aim of providing a more thorough representation and in accordance with best practices regarding reporting in bilateral meetings for countries aspiring membership in the European Union.

The Agency will continue to contribute to the Chapter 9 “Financial Services” negotiating group by providing ongoing reporting to the European Commission structures and by following up on pertinent recommendations with the necessary next steps.



### 5.3. Public awareness activities

#### 5.3.1. Compliance with the EU *acquis* for informing depositors

In 2022, additions and changes were approved to the Directive “On Deposits Insurance in Banks” and the Directive “On Deposit Insurance in Savings and Credit Associations”. The harmonization of the relevant depositor information forms with the EU Directive 2014/49, “On Deposit Guarantee Schemes”, was one of the goals of the evaluation of the current provisions of these acts. These forms are intended to provide information on deposit insurance and compensation and are attached to the deposit contract signed by depositors in banks or Savings and Credit Associations. The new annex of the contract has a revised structure, fully compliant with the EU Directive, and conveys comprehensible and simplified information for depositors regarding the deposit insurance scheme in the country. This regulatory change is expected to further increase the level of depositors' awareness of the deposit insurance scheme in accordance with the best international practices, and be a step forward towards the compatibility of the Albanian regulatory framework with the European Union legislation on deposit insurance.

#### 5.3.2. Participation in financial education activities

The Deposit Insurance Agency has contributed to the Money Week activities for the sixth consecutive year. The Bank of Albania and the Albanian Association of Banks, with the support of the Ministry of Education, Sports and Youth, are the organizers of this significant event, aimed at the financial education of the new generation. Students from 9-year schools, high schools, and public and non-public universities participate in the activities.

The Agency has valued this event not only for the great significance it has for the education of the new generation, but also for achieving one of its strategic objectives, which is to raise the level of awareness of the deposit insurance scheme in the country. Such events have enabled the Agency to interact, communicate and convey information to one of the target groups defined in its strategy, such as pupils and students.





One of the key activities for this year was the European Money Quiz (EMQ), a pan-European competition aiming at improving financial literacy among children aged 13–15. The organizers of the event, considering the ADIA as one of the most significant institutions of the financial security network in the country, proposed that the Agency offers its support in evaluating and motivating the winning students. 9th grade students competed in an online “live” competition for the EMQ using the Kahoot platform. The winning students at the national level represented Albania in the European finals of the Quiz.





## 5.4. Activities in cooperation with counterpart agencies

### 5.4.1. Cooperation Agreement with the Hungarian Deposit Insurance Fund

In October 2022, in Budapest, a Cooperation Agreement was signed between the National Deposit Insurance Fund of Hungary (OBA) and the Albanian Deposit Insurance Agency. The agreement aims to increase cooperation between the signatory parties through the exchange of



information on the banking market, the exchange of experiences aiming to develop deposit insurance schemes in the relevant jurisdictions in accordance with the international standards, as well as consultation and cooperation for the alignment of the Albanian legislation with the *acquis communautaire* regarding the deposit insurance discipline.

This initiative represents a significant development for the Deposit Insurance Agency, in accordance with its policies for further improvement of cooperation with deposit insurance authorities of those European countries whose banking industry is present in the Albanian banking system through subsidiaries, which remains an important strategic priority. In this aspect, the institutionalization of cooperation with OBA is an important step, given the presence of an important bank with Hungarian capital in the Albanian market, as well as the professionalism and expertise of the Hungarian institution in the deposit insurance field.

The Cooperation Agreement will contribute to further improve professional relations between the National Deposit Insurance Fund of Hungary and the Albanian Deposit Insurance Agency, through increased dialogue and information exchange by organizing bilateral meetings and intensifying mutual communication on issues of the regulatory spectrum and their implementation in practice.



#### 5.4.2 Exchange of experience with FSDK

Following the consolidated cooperation between the Deposit Insurance Agency and the Deposit Insurance Fund of Kosovo (FSDK), in September 2022, at the headquarters of the FSDK in Prishtina, a working meeting was held between Mr. Genci Mamani, General Director of ADIA and Mrs. Arijeta Neziraj Elshani, Executive Director of FSDK, as well as the respective staffs.



The purpose of the visit was to discuss issues related to the Agency's project to improve the information technology system in order to further automate the compensation process. Currently, the Agency, in cooperation with the EBRD, has started work on improving the Reporting and Compensation Information System (RCIS) as well as developing new modules that will automate the compensation process.

The new developments will enable the Agent Bank to access the Agency's electronic system in order to quickly compensate depositors in an insurance event, as well as to record and track the payment of compensation by the Agency. Also, part of the changes will be the development and implementation of depositors' complaint processing module for compensation payments.



The meeting served to exchange experiences between both institutions on the best practices regarding the automation of the compensation process. At the end of the visit, both institutions committed to the continuation and intensification of cooperation at all levels.

#### 5.4.3. Exchange of experiences with FS Denmark

Within the framework of bilateral relations with counterpart schemes, employees of the Deposit Insurance Agency conducted a two-day visit to the Danish institution of resolution in banks and deposit insurance, Finansiel Stabilitet. The purpose of the visit was to exchange experiences in areas of common interest.

Discussions between parties focused on the challenges that financial regulatory institutions are facing in the situation of the global financial developments, as well as measures applied in the respective jurisdictions. In addition, taking into consideration that Denmark is a Member State of the European Union, a topic of discussion, among others, was ADIA's efforts and projects for compliance with the *acquis communautaire* in the deposit insurance field, as well as the implementation by Finansiel Stabilitet of the EU legal framework in the national context. Although both deposit insurance institutions in Albania and Denmark operate in different regulatory frameworks, the parties reaffirmed their goals to further extend bilateral cooperation.



## Section 6 – Good governance of the organization

### 6.1. Board of Directors

According to the Law “On Deposit Insurance”, as amended, and the Statute of the Agency, the Board of Directors is the highest governing body. The Board of Directors consists of five members appointed by the Supervisory Authority. Two members are proposed by the Supervisory Authority, two members are proposed by the Minister of Finance of the Republic of Albania, and one member is proposed by the Institute of Authorized Chartered Auditors. The members of the Board of Directors are non-executive, with the exception of the member who is appointed to the position of General Director. According to the Law “On Deposit Insurance”, as amended, each member of the Board of Directors has a five-year tenure, with the right to re-election based on performance indicators for their activity.

The Board of Directors of the Agency consists of the following members.

BOARD OF DIRECTORS	FUNCTION	PROPOSING INSTITUTION
Donald Duraj	Chairman	Bank of Albania
Genci Mamani	Member	Bank of Albania
Adelina Xhemali	Member	Minister of Finance
Majlinda Demko <sup>5</sup> Vasilika Vjero <sup>6</sup>	Member	Minister of Finance
Shkëlzen Margjeka	Member	Institute of Authorized Chartered Auditors (IEKA)

<sup>5</sup> Mandate ended on February 16, 2022.

<sup>6</sup> Appointed by order No. 584, dated February 6, 2023, of the Governor of the Bank of Albania.



Based on their obligation to always act honestly in the best interest of the Agency, the members of the Board of Directors exercise their activity in accordance with the powers defined in the Law “On Deposit Insurance”, as amended, the Statute of the Deposit Insurance Agency, the Regulation “On the rules and procedures on the functioning of meetings of the Board of Directors of the Deposit Insurance Agency”, and the legislation in force for collegial bodies.

Throughout 2022, the decision-making process of the Board of Directors was guided by the principles of lawfulness, professionalism, independence and transparency. In 2022, the Board of Directors exercised its activity mainly via technological communication platforms in accordance with the stipulations of the bylaws of the Agency. Meetings of the Board of Directors in 2022 were organized with a monthly frequency. The decision-making of the Board of Directors produced 39 decisions in order to establish and maintain high standards in the good governance of the Agency as well as consolidate capacities to fulfil its legal mandate. The decision-making of the Board was mainly focused on the adoption of by-laws, aiming at the good administration of the deposit insurance scheme as well as the operational progress of the Agency.

## **6.2. Organizational structure**

The organizational structure of the Deposit Insurance Agency was approved by the Decision of the Board of Directors No. 19, dated October 29, 2013, “On the approval of the organizational structure, staff and number of employees in the Deposit Insurance Agency”, as amended.

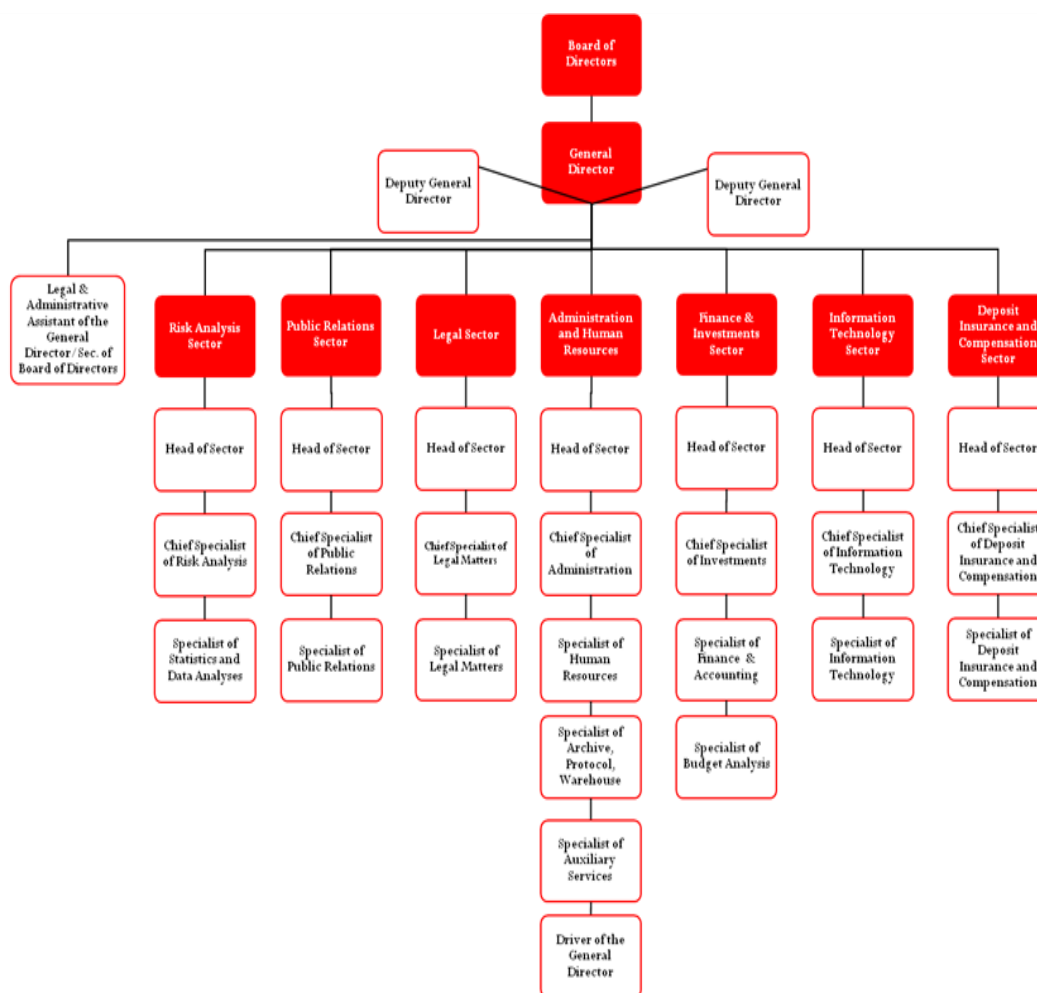
Based on the Statute of the Agency approved by the Decision of the Board of Directors No. 24, dated October 31, 2018, and in accordance with its organizational structure, the Agency is organized hierarchically, directed by the Board of Directors and administered by the General Director. According to this structure, the Agency is composed of 7 sectors, and has a total staff of 29 employees.

The Deposit Insurance Agency continues to strive to create promotion opportunities for its employees with professional experience, as well as to motivate the staff and increase effectiveness at work.



The effective management of the Agency's human resources aims to serve the optimal management of professional capacities and to guide the most efficient use of these resources, according to the institution's development policies. The fulfillment of the Agency's strategic objectives is necessary for the development and management of its human resources strategies, target objectives, and initiatives that have been identified to aid in their accomplishment.

The focus of the strategy is on the development and maintenance of a competitive professional and social environment, which contributes to increasing employees' trust in the employer.





## **Section 7 – Report of the Independent Auditor and Financial Statements of the Deposit Insurance Agency for the year ended on December 31, 2022.**

**Grant Thornton**

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### **INDEPENDENT AUDITOR REPORT**

**To the Board of Directors of the Deposit Insurance Agency**

#### **Opinion**

We conducted an audit of the financial statements of the Deposit Insurance Agency (“Agency”), which include a financial position statement as of December 31, 2021, income and expenses and other comprehensive income statements, a statement of changes to the deposit insurance fund, a statement of financial asset flows for the year ended on this date, as well as a summary of the key accounting policies and other explanatory notes.

In our opinion, the financial statements accurately represent, in all relevant aspects, the financial position of the Agency as of December 31, 2022, as well as its financial performance, and cash flows for the year ended on that date, in accordance to the International Financial Reporting Standards (“IFRS”).

#### **Basis for the opinion**

We conducted the audit in accordance with the International Standards on Auditing (“ISA”). According to these standards, our responsibilities are outlined in the paragraph of the report titled “Responsibilities of the auditor in auditing financial statements”. We hereby declare our independence from the Agency, in accordance with the Code of Ethics for Professional Accountants established by the International Ethics Standards Board of Accountants (“IESBA”), and the ethical requirements applicable for the auditing of financial statements in Albania, while



also fulfilling other ethical responsibilities according to these requirements. We believe that the audit-related evidence provided is sufficient and adequate to support the basis of our auditing opinion.

***Responsibilities of the Management and parties in charge of governing for the financial statements***

The Management is responsible for the accurate drafting and presentation of the financial statements in accordance with IFRS, as well as for the internal audit system, which to the extent established by the Management, is necessary to enable the drafting of financial statements without material anomalies as a consequence of frauds or errors.

The Management is responsible for assessing the capacity of the Agency to continue its activity based on the principle of continuity, and to include in the explanatory notes, if applicable, issues related to the continuity of the activity of the Agency, as well as to use the principle of continuity as an accounting base in drafting financial statements, unless the Management intends to liquidate the activity or suspend the operations or there is no other realistic alternative.

Parties in charge of governance are responsible for monitoring the process of the Agency's financial reporting.

***Responsibility of the Auditor for the auditing of financial statements***

Our objectives are to determine with a reasonable certainty if financial statements in general include material anomalies as a result of frauds or errors, and to issue an audit report that includes our opinion. The reasonable certainty is a high level certainty, but not a guarantee that an audit process conducted according to ISAs will always identify an existing material anomaly.

Anomalies can be a result of error or fraud, and they are regarded as material if individually or taken together, are expected to influence, in a reasonable way, the economic decisions taken by users based on these financial statements.

We use our professional judgment and skepticism throughout the audit process as part of the audit, and in accordance with the ISAs. In addition, we:





- Identify and assess the risk of material anomalies in financial statements as a result of frauds or errors, plan and implement appropriate procedures to respond to such risks, and collect sufficient and adequate evidence to support our opinion. The risk of failure to detect an anomaly as a consequence of fraud is higher than the risk of failure to detect an anomaly as a consequence of error, as fraud may include hiding information, falsification of information, deliberate embezzlement, misinterpretations or violations of the internal audit.
- Obtain the meaning of the applicable internal audit for the auditing process in order to draft auditing procedures according to the circumstances, but not to express an opinion on the effectiveness of the internal audits of the Agency.
- Evaluate the adequacy of accounting policies utilized and the reasoning behind accounting assessments conducted, as well as the submission of respective explanatory notes drafted by the Management.
- Express ourselves in view of the adequacy of the principle of continuity used by the Management, and based on evidence gathered during the auditing process, if a material uncertainty exists, then major doubts may be raised about the capacity of the Agency to continue. If we reach to the conclusion that a material uncertainty does exist, we should draw the attention in our audit report with a reference to the respective explanatory note or, if the explanatory notes are not appropriate, we need to modify our opinion. Our conclusions are given based on auditing evidence obtained until the audit report due date. However, future events or circumstances may cause the suspension of the capacity of the Agency to continue.
- Evaluate the general presentation, structure and content of financial statements, including explanatory notes and whether financial statements represent essential transactions and events in a way to achieve a fair presentation.

We communicate to people in charge of the management of the Agency, among other things, on the purpose and time planned for the audit, as well as its key findings, including any significant deficiency in the internal audit identified throughout our auditing process.

Grant Thornton sh.p.k.



Tirana, Albania  
March 20, 2023

Klodian Kodra  
(signed and sealed)



## Statement of financial position

	Notes	December 31, 2022	December 31, 2021
<b>ASSETS</b>			
Monetary assets and their equivalents	8	1,982,969,539	2,451,117,794
Financial instruments retained to collect contractual flows	9	56,006,272,906	50,396,517,087
Tangible long-term assets, net	10	63,260,934	56,277,430
Intangible long-term assets, net	11	100	100
Other assets, net	12	27,964,696	55,291,909
<b>TOTAL ASSETS</b>		<b>58,080,468,176</b>	<b>52,959,204,320</b>
<b>LIABILITIES</b>			
Other liabilities	13	22,813,786	11,600,575
<b>TOTAL LIABILITIES</b>		<b>22,813,786</b>	<b>11,600,575</b>
<b>DEPOSIT INSURANCE FUND</b>			
Start-up capital for deposit insurance in banks	14	400,000,000	400,000,000
Start-up capital for deposit insurance in Savings and Credit Associations ("SCAs")	14	76,000,000	76,000,000
Accumulated fund for deposit insurance in banks		57,465,285,509	52,380,939,665
Accumulated fund for deposit insurance in SCAs		116,368,881	90,664,080
<b>TOTAL DEPOSIT INSURANCE FUND</b>		<b>58,057,654,390</b>	<b>52,947,603,745</b>
<b>TOTAL LIABILITIES AND DEPOSIT INSURANCE FUND</b>		<b>58,080,468,176</b>	<b>52,959,204,320</b>



## Income and expenditures and comprehensive income statement

	Notes	December 31, 2022	December 31, 2021
<b>Operational income</b>			
Income from insurance premiums	15	4,017,582,247	3,787,716,881
Income from initial contributions	16	9,966	25,520
Income from interests	17	1,616,110,238	1,396,826,460
Other operational income	18	2,297,098	1,739,381
<b>Total operational income</b>		<b>5,635,999,549</b>	<b>5,186,308,242</b>
<b>Financial expenditures</b>			
Losses from exchange to foreign currency		(316,508,128)	(126,324,429)
Other financial expenditures	19	(93,982,740)	(33,380,279)
<b>Total financial expenditures</b>		<b>(410,490,868)</b>	<b>(159,704,708)</b>
<b>Operational expenditures</b>			
Staff expenditures	20	(80,447,594)	(78,505,882)
Administrative expenditures	21	(30,507,019)	(29,308,657)
Depreciation and amortization expenditures	10, 11	(6,216,859)	(9,499,717)
<b>Total operational expenditures</b>		<b>(117,171,472)</b>	<b>(117,314,256)</b>
Provision retake /(expenditure) of financial instruments retained to collect contractual flows, net	8, 9	1,713,435	(6,627,523)
<b>EXCESS OF INCOME OVER EXPENDITURES FOR THE YEAR</b>		<b>5,110,050,644</b>	<b>4,902,661,755</b>
<b>Other comprehensive income</b>			
		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>5,110,050,644</b>	<b>4,902,661,755</b>



## Statement of monetary assets flow

	Notes	December 31, 2022	December 31, 2021
<b>Excess of income over expenditures for the year</b>		<b>5,110,050,644</b>	<b>4,902,661,757</b>
<i>Adjustments to:</i>			
Income from interests	17	(1,616,110,238)	(1,396,826,458)
Depreciation and amortization expenditures	10, 11	6,216,859	9,499,716
Movement to the provisions fund for financial instruments	9	(1,713,424)	6,627,524
<b>Changes to:</b>			
Other assets		27,327,211	(50,777,307)
Other liabilities		11,213,211	4,670,238
Collected interest		1,540,554,565	1,246,931,305
<b>Flow of monetary assets generated from operational activity</b>		<b>5,077,538,828</b>	<b>4,722,786,775</b>
<b>INVESTING ACTIVITY</b>			
Purchase of long-term assets	11	(13,200,369)	(4,946,616)
Additional financial instruments retained to collect contractual flows		(5,535,176,347)	(4,652,304,000)
<i>Purchased throughout the year</i>		<i>28,305,511,000</i>	<i>24,717,124,000</i>
<i>Matured throughout the year</i>		<i>(22,770,334,653)</i>	<i>(20,064,820,000)</i>
<b>Flow of monetary assets used in investing activity</b>		<b>(5,548,376,716)</b>	<b>(4,657,250,616)</b>
<b>Net / increase of monetary assets throughout the year</b>		<b>(470,837,888)</b>	<b>65,536,159</b>
Monetary assets and their equivalents at the beginning of the year	8	2,453,818,262	2,388,282,103
<b>Monetary assets and their equivalents at the end of the year</b>	8	<b>1,982,980,374</b>	<b>2,453,818,262</b>



## Statement of monetary assets flow

	Start-up capital for deposit insurance in banks	Start-up capital for deposit insurance in SCAs	Accumulated fund for deposit insurance in banks	Accumulated fund for deposit insurance in SCAs	Total
<b>On January 1, 2021</b>	<b>400,000,000</b>	<b>76,000,000</b>	<b>42,788,356,194</b>	<b>48,594,523</b>	<b>43,312,950,717</b>
Excess of income over expenditures for the year	-	-	4,711,875,918	20,115,355	4,731,991,273
Comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,711,875,918</b>	<b>20,115,355</b>	<b>4,731,991,273</b>
<b>On December 31, 2021</b>	<b>400,000,000</b>	<b>76,000,000</b>	<b>47,500,232,112</b>	<b>68,709,878</b>	<b>48,044,941,990</b>
Excess of income over expenditures for the year					
Comprehensive income for the year	-	-	5,084,345,844	25,704,801	5,110,050,645
<b>On December 31, 2022</b>	<b>400,000,000</b>	<b>76,000,000</b>	<b>57,465,285,509</b>	<b>116,368,881</b>	<b>58,057,654,390</b>

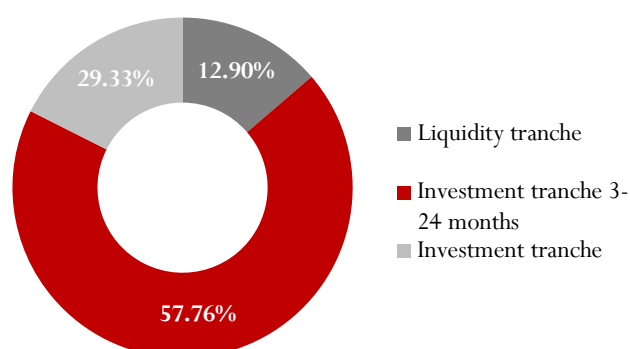


## Section 8 – Resolution Fund

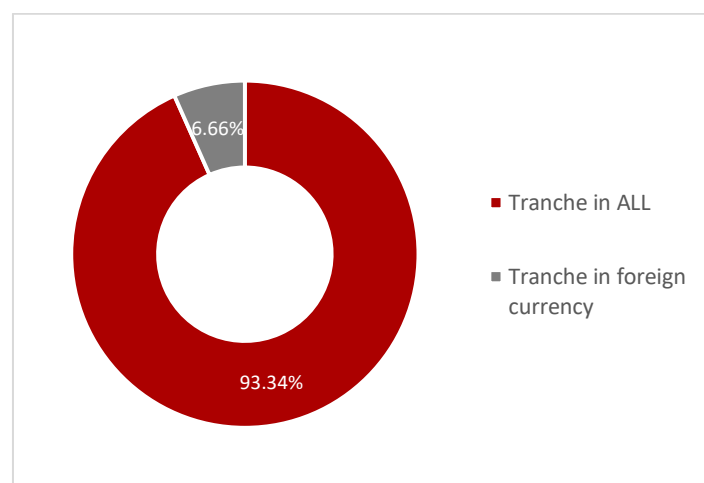
### 8.1. Administration of the Resolution Fund

Law No. 133/2016, dated December 22, 2016, “On Recovery and Resolution of Banks in the Republic of Albania”, has given the Deposit Insurance Agency the authority to administer the Resolution Fund. The administration of the fund is carried out in accordance with the RF’s Policy on the Administration of Financial Assets, approved by the Resolution Authority of the Bank of Albania. The fund became effective starting on January 1, 2018. The Bank of Albania is the Resolution Authority that exercises the resolution rights as defined in the Law. The Bank of Albania calculates every year the annual contribution paid by the banking sector to reach the target level of the Resolution Fund. The annual contribution paid by the banks for the first year was ALL 632.42 million, for the second year ALL 650.33 million, while for 2020 it was ALL 654.20 million. In 2021, banks paid an annual contribution of ALL 664.12 million. In 2022, banks paid an annual contribution of ALL 734,598,664. As of December 31, 2022, the book value of the net assets available to the Resolution Authority was ALL 3,526 billion.

The Fund's financial assets are invested in accordance with the Annual Investment Strategy 2022, approved by the Agency's Investment Committee. These financial assets with a nominal value of ALL 3,511 billion on December 31, 2022, are all invested in Albanian Government securities, one-week deposits and current accounts with the Bank of Albania. At the end of 2022, in order to effectively manage the financial assets of the fund, the Agency, in accordance with the financial assets administration policy, had 12.90% of the portfolio in highly liquid instruments, such as current accounts and deposits with the Bank of Albania and securities with a remaining maturity of up to 90 days. The graph below represents a summary of the RF's financial assets by investment tranches, as of December 31, 2022.

*Financial assets by investment tranches*

The RF's financial assets are mostly in ALL. In accordance with the RF's Financial Assets Administration Policy, investments in foreign currency constitute 6.66% of financial assets under administration. The graph below shows a summary of the RF's financial assets by currency, as of December 31, 2022.

*Financial assets by investment tranches*

The Resolution Fund's financial assets are administered and maintained in separate accounts by the Agency on behalf of the Resolution Fund. The Agency prepares the portfolio of the Fund's financial assets and quarterly financial statements and submits them to the Resolution Authority. The annual financial statements of the Fund are audited by certified and independent auditing firms.





## 8.2. Report of the Independent Auditor and financial statements of the Resolution Fund for the year ended on December 31, 2022

**Grant Thornton**

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### INDEPENDENT AUDITOR REPORT

To the management of the Resolution Fund, the Resolution Funds Management Company established by the Bank of Albania according to Law No. 133/2016, for the implementation of resolution instruments.

#### *Opinion*

We conducted an audit of the financial statements of the Resolution Fund (“Fund”), which include a statement of its financial position as of December 31, 2022, profit and loss and other comprehensive income statements, a statement of changes to the deposit insurance fund, a statement of financial asset flows for the year ended on this date, as well as notes on financial statements, including a summary of the key accounting policies.

In our opinion, the attached individual financial statements accurately represent, in all relevant aspects, the financial position of the Fund as of December 31, 2022, as well as its financial performance and cash flows for the year ended on this date, in accordance to the financial reporting requirements based on the International Standards of Financial Reporting.

#### *Basis for the opinion*

We conducted the audit in accordance with the International Standards on Auditing (“ISA”). According to these standards, our responsibilities are outlined more in detail in the section of the report addressing the responsibilities of the Auditor in auditing financial statements. We hereby declare our independence from the Fund in accordance with the Code of Ethics for Professional Accountants recognized by the International Ethics Standards Board of Accountants (“IESBA”), and the ethical requirements applicable for the auditing of financial statements in Albania, while also fulfilling other ethical responsibilities according to the IESBA Code. We believe that the audit-related evidence provided is sufficient and adequate to support the basis of our auditing opinion.



### ***Responsibilities of the Management and parties in charge of governing for the financial statements***

The Management is responsible for the accurate drafting and presentation of the financial statements in accordance with the International Standards of Financial Reporting for the Fund, as well as for those internal audits, which the Management deems necessary to enable the drafting of financial statements without material anomalies as a consequence of frauds or errors.

The Management is responsible for assessing the capacity of the Fund to continue its activity, providing information on issues related to the continuity of the activity and using the accounting principle of continuity in drafting the financial statements, unless the Management intends to liquidate the Fund or suspend the operations or there is no other realistic alternative.

The parties in charge of governance are responsible for monitoring the Fund's financial reporting process.

### ***Responsibility of the Auditor for the auditing of the financial statements***

Our objectives are to determine with a reasonable certainty if the financial statements in general include material anomalies as a result of frauds or errors, and to issue an audit report that includes our opinion. The reasonable certainty is a high level certainty, but not a guarantee that an audit process conducted according to ISAs will always identify an existing material anomaly.

Anomalies can be a result of error or fraud, and they are regarded as material if, individually or taken together, they are expected to influence, in a reasonable way, the economic decisions taken by the users based on these financial statements.

We use our professional judgment and skepticism throughout the auditing process as part of the audit and in accordance with the ISAs. In addition, we:

- Identify and assess the risks of material anomalies in financial statements as a result of frauds or errors, plan and implement auditing procedures to respond to such risks, and collect sufficient and adequate auditing evidence to support our opinion. The risk of failure to detect an anomaly as a consequence of fraud is higher than the risk of failure to detect an anomaly as a consequence of error, as fraud may include hidden agreements, falsification, deliberate inaction, misinterpretations or violations of the internal audit.
- Obtain the meaning of the internal audit for the auditing process in order to plan appropriate auditing procedures according to circumstances, but not to express an opinion on the effectiveness of the entity's internal audits.
- Evaluate the adequacy of accounting policies utilized and the reasoning behind accounting assessments conducted by the Management, as well as the submission of explanatory information.



- Conclude on the appropriate use of the accounting principle of continuity used by the Management, and based on evidence gathered during the auditing process, we conclude whether a material uncertainty exists related to occurrences or conditions that may lead to doubts about the capacity of the entity to continue. If we reach to the conclusion that a material uncertainty does exist, we should draw the attention in our audit report about the respective explanatory information in the financial statements or, if the explanatory information is inadequate, we need to modify our opinion. Our conclusions are based on auditing evidence obtained until the auditor report due date. However, future events or circumstances may cause the entity to cease its continuity.
- We express ourselves concerning the suitability of the principle of continuity used by the Management and based on evidence gathered during the auditing process, if there is an existing material uncertainty, it may lead to doubts about the capacity of the Agency to continue. If we reach to the conclusion that a material uncertainty does exist, we should draw the attention in our audit report with a reference to the respective explanatory information or, if the explanatory information is inadequate, we need to modify our opinion. Our conclusions are based on auditing evidence obtained until the auditor report due date. However, future events or circumstances may cause the suspension of the capacity of the Agency to continue.
- Evaluate the general presentation, structure and content of financial statements, including the explanatory notes and whether financial statements represent key transactions and events in a way to achieve a fair presentation.

We communicate to parties in charge of the governance of the Agency, among other things, on the purpose and time planned for the audit, as well as its key findings, including any significant deficiency in the internal audit identified throughout our auditing process.

Grant Thornton sh.p.k.

Tirana, Albania

March 20, 2023

Klodian Kodra

(signed and sealed)



## Statement of financial position

	Notes	December 31, 2022	December 31, 2021
<b>ASSETS</b>			
<b>Short-term assets</b>			
Monetary assets and their equivalents	8	8,235,698	62,803,450
Financial instruments retained to collect contractual flows	9	3,520,996,283	2,655,544,667
<b>TOTAL ASSETS</b>		<b>3,529,231,981</b>	<b>2,718,348,117</b>
<b>LIABILITIES</b>			
Other liabilities	10	2,873,097	2,315,381
<b>TOTAL LIABILITIES</b>		<b>2,873,097</b>	<b>2,315,381</b>
<b>NET ASSETS AVAILABLE TO THE RESOLUTION AUTHORITY</b>			
Net assets available to the RA		2,716,032,735	1,994,251,351
Total comprehensive income for the year		810,326,148	721,781,385
<b>TOTAL NET ASSETS AVAILABLE TO THE RESOLUTION AUTHORITY</b>		<b>3,526,358,883</b>	<b>2,716,032,736</b>
<b>TOTAL LIABILITIES AND ASSETS AVAILABLE TO THE RESOLUTION AUTHORITY</b>			
		<b>3,529,231,981</b>	<b>2,718,348,117</b>



## Income and expenditures and comprehensive income statement

		December 31, 2022	December 31, 2021
<b>INCOME</b>	<b>Notes</b>		
<b>Operational income</b>			
Income from annual contribution	11	734,598,664	664,127,540
Income from interests	12	92,529,737	63,946,706
<b>TOTAL INCOME</b>		<b>827,128,401</b>	<b>728,074,246</b>
<b>FINANCIAL EXPENDITURES</b>			
Losses from exchange to foreign currency		(13,722,258)	(3,811,350)
<b>TOTAL FINANCIAL EXPENDITURES</b>		<b>(13,722,258)</b>	<b>(3,811,350)</b>
<b>OPERATIONAL EXPENDITURES</b>			
Operational expenditures from the activity	13	(2,873,097)	(2,315,383)
<b>TOTAL OF OPERATIONAL EXPENDITURES</b>		<b>(2,873,097)</b>	<b>(2,315,383)</b>
Provision expenditures of financial instruments retained to collect contractual flows	8,9	(206,898)	(166,128)
<b>NET EXCESS FOR THE YEAR</b>		<b>810,326,148</b>	<b>721,781,385</b>
<b>EXCESS OF INCOME VERSUS EXPENDITURES FOR THE YEAR</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>810,326,148</b>	<b>721,781,385</b>



## Statement of monetary assets flow

		December 31, 2022	December 31, 2021
	Notes		
Excess of income versus expenditures for the year		810,326,148	721,781,385
<b>Adjustments to:</b>			
Income from interests		(92,529,737)	(63,946,706)
Movement to the provisions fund for financial instruments		420,467	166,128
<b>Changes to:</b>			
Other liabilities		557,716	(216,369)
Collected interest		107,830,121	36,000,251
<b>Flow of monetary assets generated from operational activity</b>		<b>826,604,715</b>	<b>693,784,689</b>
<b>INVESTING ACTIVITY</b>			
Purchase of financial instruments retained to collect contractual flows		(881,172,467)	(656,998,000)
Purchased throughout the year		(1,853,360,000)	(2,161,000,000)
Matured throughout the year		972,187,533	2,817,998,000
<b>Flow of monetary assets used in investing activity</b>		<b>(881,172,467)</b>	<b>(656,998,000)</b>
<b>Net / Increase of monetary assets throughout the year</b>		<b>(54,567,752)</b>	<b>36,786,689</b>
Monetary assets and their equivalents at the beginning of the year	8	62,803,450	26,016,761
<b>Monetary assets and their equivalents at the end of the year</b>	<b>8</b>	<b>8,235,698</b>	<b>62,803,450</b>



## Statement of changes in net assets available to the Resolution Authority

	<b>Resolution Fund</b>
<b>Net assets available to the Resolution Authority as of January 01, 2020</b>	<b>1,303,587,643</b>
Excess of income versus expenditures for the year	690,663,708
Comprehensive income for the year	-
<b>Total comprehensive income for the year</b>	<b>690,663,708</b>
<b>Net assets available to the Resolution Authority as of December 31, 2020</b>	<b>1,994,251,351</b>
Excess of income versus expenditures for the year	721,781,385
Comprehensive income for the year	-
<b>Total comprehensive income for the year</b>	<b>721,781,385</b>
<b>Net assets available to the Resolution Authority as of December 31, 2021</b>	<b>2,716,032,736</b>
Net excess from the activity for the period	
Comprehensive income for the year	810,326,148
<b>Net assets available to the Resolution Authority as of December 31, 2022</b>	<b>3,526,358,884</b>