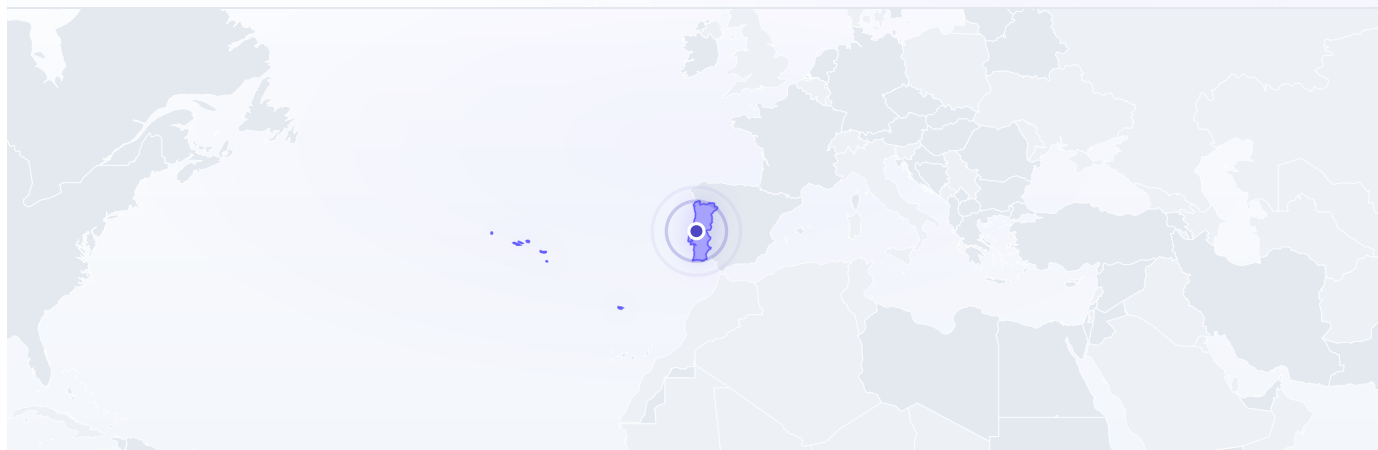


COUNTRY / YEAR

Portugal 2026

OVERVIEW

A comprehensive view of the Portugal payments landscape — banks, card schemes, acquirers, regulatory framework, and market infrastructure.



Market Overview

Payment Organizations

SIBS – interbank organisation, manages the Multibanco networks

Unicre – interbank organisation, main acquirer, Unibanco issuer.

Domestic Payment Brands

Multibanco (MB) cards, co-badged Maestro, Electron, Mastercard or VISA. MB cards can have debit and/or delayed debit function and a credit and/or delayed debit function on a single card.

MB Way wallet, the mobile payment app developed by SIBS.

Unibanco credit cards co-badged VISA or Mastercard.

Market Structure

Portugal's Multibanco ATM and POS network is one of the most advanced in the world with more than 100 ATM service functions.

Card payments by number are 8.43-times higher than withdrawals.

Though domestic banks account for most of the retail banking market, Santander owns the fourth-biggest Portuguese bank.

The three largest banks control 56.5% of the total bank assets.

In 2017, Banco Santander Totta absorbed Banco Popular.

Emerging Open Banking payment ecosystem.

Notable Market Trends

Contactless cards, MPOS terminals, QR-codes, MB WAY wallet. Due to the lingering effects of the pandemic, remote payments increased by 20% in volume and 16% in value in 2024.

Major Card Issuers

Caixa Geral de Depósitos (CGD), Millennium bcp, Novo Banco, Banco BPI, Banco Santander Totta.

Major Card Acquirers

Unicre, CGD netcaixa, Millennium bcp, EuroBIC, Novo Banco, Banco BPI.

Major Card Processors

SIBS FPS, Redsýs (E), Fiserv, bank IT in-house; Fiserv

Key Statistics 2024

Population

10.69 million, with 2.81 cards per capita

Card Functions

Cards with debit and/or deferred debit function: 25.83 million

Cards with credit and/or delayed debit function: 9.93 million

Total cards: 30.02 million.

Card Payments

Debit and/or deferred debit: 2.45 billion; value €123.37 billion

Credit and/or delayed debit: 454.69 million; value €16.95 billion

Total: 2.98 billion; value €144.06 billion.

POS

398,508; 516,000 are MB Net terminals

POS Payments

All cards: 1.89 billion; value €65.79 billion.

ATMs

13,398, of which 12,300 were MB Net ATMs.

ATM Transactions

All cards 379.56 million; value €30.63 billion.

Digital A2A Payments

Credit Transfers: 382.7 million; value: €1,662.9 billion

Direct Debits: 321.6 million; value: €54.8 billion

Note: Banco de Portugal aligned its statistical reporting with the ECB standard.

Note: *Italic* forecast figures for 2025F are estimated in the payment market context based on 2024 figures.

Source: ECB, Banco de Portugal, SIBS, Redunice.

Introduction – Payments in Portugal

Portugal is a semi-presidential representative democratic republic, which joined the European Union in 1986 and the euro zone in 1999.

Portugal's payment market has undergone a transformation from a largely cash-based society to one that favours card usage and digital channels. Structural changes to the banking business model have encouraged digitisation, particularly in relation to the uptake of mobile payments provided by the influence of the Spanish banking groups which have a significant role in the Portuguese bank sector.

The adoption of the revised Payment Services Directive, PSD2, and disruptive technologies have set the stage for digital payments for the digital economy in Portugal. They have accelerated digital payment transformation and mobile payment services, as well as cardless IBAN-based payments directly from bank accounts.

In the last decade, Portuguese consumers have embraced mobile devices such as tablets, smartphones and Internet of Things (IoT). This change significantly impacts their shopping experience. Consumers have become increasingly connected and they have started to purchase anywhere, at any time, from any device.

In addition, new consumer demands are a game changer. Portuguese consumers like digital banking apps with access to all their accounts at different banks in one single app, with the option to make payments directly from their bank account of choice. Additionally, they appreciate more banking services and payment services added to their mobile banking app. Consumer adoption of digital payments in Portugal is driven by minimal cost, secure payments and a high level of user convenience.

Driven by the development of social media and mobile devices, the emergence of permanently connected consumers has impacted their interactions with brands but also their expectations of how to shop using the increasing number of touch points between consumers and merchants, e.g.:

- Using mobile devices in-store to look up products or additional information on the internet
- Using mobile devices in-store to shop at the same merchant or online at another merchant
- Using mobile devices to purchase at home in online shops or scan outdoor for advertised products

- Using mobile apps to shop online, or using QR-codes to bridge from merchant posters to their online shops.

The ongoing rollout of a mature online and mobile communication infrastructure is an enabler for digital card payment transformation and for Open Banking payments in Portugal.

In a few years from now, mobile banking apps and mobile payment apps are expected to combine account management, digital payment services, personal finance management and value-added digital services from location finders to digital vouchers.

Cash payments, card payments and cardless payments directly from bank accounts (A2A payments) remain all relevant for Portuguese merchants and are heavily used by Portuguese consumers.

This country profile provides a brief introduction into two competing payment ecosystems in Portugal:

- Card payment ecosystem
- Cardless Open Banking payment ecosystem.

Legal Framework for Payment Services

The legal framework for European payment services is a joint project undertaken by the European Commission as the regulator, the European Central Bank (ECB) as the Euro System, and the European Payments Council (EPC) with the objective of standardising payments in Europe and to remove existing barriers, promote cross-border competition between payment services, strengthen the European internal market and drive the digital payment transformation.

Based on its vision, the EU Commission has therefore created a unique legal framework for cashless B2C and B2B payments that supersedes pre-existing national legislation and is binding for financial service providers and payment service providers throughout the EU.

Portugal has largely transposed this legal framework into their national payment legislation.

Historically, there has been a de facto national regulation of all Portuguese payment schemes with high technical barriers to ensure and defend payment security.

With the implementation of the payment services directive, all payment services in Portugal are based on the unique legal framework for payment services of the European Commission effective in the European Economic Area (EEA).

In addition, the respective rules and regulations of the domestic card scheme and the international card schemes continue to be applied by the card payment service providers (e.g. EMV, PCI, RTS SCA, and SEPA Cards Framework), respectively.

Legal Framework relevant for Payment Services in Portugal

The revised Payment Services Directive, PSD2, had established a legal and regulatory framework for payment services providers, enforcing several protections for their clients such as safeguarding of funds; and required them to execute processes in accordance with banking regulations, such as KYC and AML. It has already resulted in significant progress regarding the integration of the European retail payments markets.

Following the alignment with the EEA region, the legal framework for payment services in Portugal includes the directives and regulations of the European Commission (EC), the ECB, and/or the national central bank (NCB) of the individual country.

All card payment service providers and all cardless payment service providers of the Open Banking payment ecosystem must apply for the European legal framework including:

Revised Payment Services Directive (PSD2) PSD2 is the key directive for borderless banking and payment services in Europe. Among others, PSD2 regulates digital payment services and payment service providers such as payment institutions, e-money institutions, payment initiation service providers and account information service providers. PSD2 formulates the Open Banking Mandate for regulated access to payment accounts.

General Data Protection Regulation (GDPR) - effective from May 2018 GDPR establishes a regulatory framework for customer control of their data through consent mechanisms, the right to be forgotten and the right to retrieve all personal data for re-use at other service providers of choice, thereby preventing a 'lock-in' situation.

E-Money Directive (EMD) The EMD sets out the rules on the business and supervision of e-money institutions.

Anti-Money Laundering Directive (AMLD) The AMLD6 aims to improve the harmonisation of the criminal liability of money laundering and terrorist financing across the EU27.

Customer Rights Directive (CRD) CRD gives consumers the same strong rights across the EU. It aligns and harmonises national consumer rules, for example on the information consumers need to be given before they purchase something, and their right to cancel online purchases, wherever they shop in the EU.

EU Price Regulation for cross-border payments In 2001, Regulation (EC) No 2560/2001, followed in 2009 by Regulation (EC) No 924/2009, fixed uniform underlying conditions for processing cross-border payments in euro, and the fees for intra-EU cross-border payments in euro were aligned with those for domestic payments in euro.

SEPA End-Date Regulation SEPA payment instruments replaced domestic A2A payment instrument formats for euro payments.

Card Interchange Fee Regulation (IFR) The IFR caps interchange fees for payments with consumer cards, effective from 9 December 2015. It increases transparency on fees thus permitting retailers to know the level of fees paid when accepting cards.

Domestic bank service laws Complementary to EC directives and EC regulations.

Characteristics of the PSD2 Outlook: PSD3 and PSR

The adoption of PSD2 has formalised the relationship between banks and trusted payment providers (TPPs) by establishing the Open Banking Mandate providing open access to customer account data and the payments infrastructure. This is expected to stimulate the FinTech market to develop new integrated services models for both consumer and business customers.

This regulation is a reaction to the growing demand from customers as mobile and internet applications have become widely adopted, driving expectations in how services should be delivered across all industries. Other market segments have adopted Open Banking APIs to respond to this demand and shown that innovative applications can grow business and change customer behaviour.

PSD2 has a significant impact on the European payments industry. According to the EC, the revised Payment Services Directive brings several new important elements and improvements to the EU payment market e.g.:

- To restrict the exceptions where payments services are outside of the PSD
- To include currencies other than the euro currency in the scope of the PSD2
- To include white label ATM service providers to be licensed as payment institutions
- To include Payment Initiation Service Providers (PISPs) in the scope of the PSD2
- To include Account Information Service Providers (AISPs) in the scope of the PSD2
- To cover regulatory challenges regarding surcharges on card transactions ('forbidden')
- To cover regulatory and security challenges posed by a range of online payments services and new mobile payments services expected to explode onto the European scene over the next two years
- Regulation of Payment Initiation Services – It facilitates and renders the use of internet payment services more secure, by including within the PSD2 scope, the new so-called *payment initiation services*. These services operate between the merchant and the purchaser's bank, allowing for cheap and efficient electronic payments without, for example, the use of a credit card. *These service providers will now be subject to the same high standards of regulation and supervision as all other payment institutions.*
- Access to Current Account (XS2A) – to cover regulatory and security challenges posed by single leg transactions e.g., the regulatory approved access of *non-bank* payment initiation services to the bank account of a user at the user's bank, once access is granted by the user ('get account information'). PSD2 mandates that the information details exchanged between trusted payment providers (TPPs) and account holding banks (ASPSPs) is as minimal as possible. For example, the PISP may only receive a Yes/No answer from the consumer's bank about the availability of funds before initiating the payment.
- At the same time, banks and all other payment service providers will need to step up the security of online transactions by including strong customer authentication for payments.
- Consumers will be better protected against fraud, possible abuses, and payment incidents (e.g. in case of disputed and incorrectly executed payment transactions). Consumers may be required to face only very limited losses – up to a maximum of €50 (vs €150 currently) – in cases of unauthorised card payments
- The proposal increases consumer rights when sending transfers and money remittances outside Europe or paying in non-EU currencies.

In 2022, the regulator started a PSD2 review process, which will end up in a revised PSD2 dubbed PSD3. While consultations are currently ongoing, the revisions are expected to address the achievements of the PSD2 and evaluate the need for a revised standard.

Proposed EC Revisions to the EU Payment Services Regulation – PSD3 and PSR

In June 2023, the European Commission (EC) published its proposed revisions to EU payment services legislation, as well as a proposal on Open Finance/data access in the financial services sector beyond Open Banking/payment accounts in the form of a new Open Finance framework called "FIDA".

Essentially, the EC is proposing that PSD2 would be split into two different instruments. These will ensure consumers can continue to make electronic payments and transactions safely and securely in the EU, domestically or cross-border, in euro and non-euro. Whilst safeguarding their rights, it also aims to provide greater choice of payment service providers on the market:

- **A third Payment Services Directive (PSD3)** that would deal with the authorisation process for payment institutions (PIs), for electronic money institutions (EMIs) and the prudential regime. The directive remains

the most appropriate instrument since licensing and supervision of PIs remains a national competence of EU Member States.

- **A separate Payment Services Regulation (PSR)** that would deal essentially with rules (and related penalties) for PSPs and users. The European Banking Authority (EBA), in its Opinion on PSD2 (published in June 2022), identified differences in Member States' approaches to applying PSD2, and an EBA Peer Review (published in January 2023) concluded that deficiencies in approaches led to different supervisory expectations for PIs and EMIs. Among others, the PSR includes a shift in liability that adds complexity for financial institutions combatting APP fraud scams and new account fraud.
- **A proposal on Open Finance/data access in the financial services sector beyond Open Banking/payment accounts in the form of a new Open Finance framework called "FIDA"**, a legislative proposal for a framework for financial data access. This framework will establish clear rights and obligations to manage customer data sharing in the financial sector beyond payment accounts. In practice, this will lead to more innovative financial products and services for users and will stimulate competition in the financial sector.

The objective of the regulation is to enhance harmonisation of the rules and enforcement across the various EU Member States. In addition, the EC proposed to merge the E-Money Directive (EMD2) with the proposed PSD3 and PSR texts, so as to have one coherent regime for both payment services and e-money services, and thereby ensure a level-playing field between PIs and EMIs.

PSD3 also amends the Settlement Finality Directive (SFD) in order to allow non-bank PSPs (e.g. PIs and EMIs) to participate directly in SFD-designated payment systems. Fintechs will be given access to all EU payment systems, with appropriate safeguards, and giving them a right to have a bank account. That way, those non-bank PSPs would no longer need to rely on banks in order to execute payment transactions.

A system to check IBANs and a platform to enable payment service providers to share fraud-related information are two proposals around consumer protection, including an extension to all credit transfers of IBAN/name-matching verification services. These have been proposed by the Commission for instant payments in Euro. All consumers should benefit from them, for both regular and instant credit transfers.

The European Banking Authority (EBA) is given once again a number of mandates under PSD3 and the PSR to prepare draft regulatory technical standards (RTS) and draft implementing technical standards (ITS), ultimately to be adopted by the EC, as well as guidelines, and to continue maintaining the register.

In 2024, significant progress was made in updating PSD2. In April 2024, the European Parliament adopted the European Commission's proposals for PSD3 and PSR at first reading. While the exact timelines for enforcement are not yet confirmed, it is anticipated that the finalised versions of PSD3 and PSR may become available by 2025.

In 2025, the EU made substantial progress toward finalising PSD3 and PSR, marking the next major phase in the evolution of Europe's payment services framework. In June 2025, the Council of the EU reached agreement on compromise texts for both legislative instruments, subsequently endorsed by COREPER (the Committee of Permanent Representatives), enabling the start of trilogue negotiations with the European Parliament and the European Commission.

These negotiations aim to align positions on key issues, including liability for payment fraud, direct access of non-bank payment service providers to payment systems, and strengthened consumer protection. Final adoption and publication of the legislative package are expected by late 2025, after which the PSR will apply directly across all EU Member States, while PSD3 will require national transposition within approximately 12–18 months. This means the new framework could come into practical effect during 2026–2027.

The 2025 developments reaffirm the EU's objective to harmonise payment regulation, enhance security and consumer rights, and create a more competitive and innovative payments landscape across the single market.

General Data Protection Regulation (GDPR)

The General Data Protection Regulation (GDPR) is a legal framework that sets guidelines for the collection and processing of personal information from individuals who live in the European Union (EU). Since the Regulation applies regardless of where websites are based, it must be heeded by all sites that attract European visitors, even if they don't specifically market goods or services to EU residents.

Adopted in April 2016, the Regulation came into full effect in May 2018, after a two-year transition period. The GDPR replaces the Data Protection Directive 95/46/EC and is designed to:

- Harmonise data privacy laws across Europe
- Protect and empower all EU citizens data privacy
- Reshape the way organisations across the region approach data privacy

The GDPR mandates that EU visitors to all websites must be given a number of data disclosures. Sites must also take steps to facilitate such EU consumer rights as timely notification in the event of personal data being breached (breach notification). Among others, the GDPR mandates the user's right to access their data and the right to be forgotten. In addition, the conditions for consent have been strengthened, and companies are no longer able to use long, illegible terms and conditions full of legalese. Also, it must be as easy to withdraw consent as it is to give it.

eIDAS Regulation and Digital ID Trends

The electronic Identification, Authentication and Trust Services regulation (eIDAS) is a set of EU standards and regulations for electronic identification and trust services for electronic transactions in the European Single Market. It was established in the EU Regulation as of 23 July 2014, relating to electronic identification, and repeals directive 1999/93/EC from December 1999. It entered into force on 17 September 2014 and applies from 1 July 2016 except for certain articles, listed under its article 52.

In June 2021, the European Commission proposed an update to eIDAS that will enable every European to have a set of digital identity credentials recognised anywhere in the EU. In May 2024, Regulation (EU) 2024/1183 entered into force, formally establishing the European Digital Identity (EUDI) Wallet under the revised eIDAS 2.0 framework. The regulation requires all EU Member States to provide at least one interoperable digital identity wallet within 24 months of the adoption of the implementing acts, placing the expected rollout across the EU by late 2026.

Throughout 2025, the European Commission has continued to issue implementing regulations defining the wallet's technical architecture, certification procedures, and security requirements. The framework embeds privacy-by-design, data minimisation, and user consent principles, ensuring data remains under user control and stored locally on the user's device.

Pilot projects launched between 2023 and 2025 have been finalising testing across Member States to validate interoperability, usability, and cross-border functionality. From 2026 onward, public and private entities that require strong electronic identification will be expected to recognise and accept the EUDI Wallet for secure authentication and digital transactions across the EU.

Many digital ID schemes operate based on super-secure passwords and/or mobile apps confirmed by a second factor, either passwords or one-time token or biometric factors such as fingerprints.

Digital ID in Europe has been proliferating rapidly in recent years. To date, both the nature of these schemes and their application have varied widely – for example, BankIDs in the Nordics being used to support instant payments and the delivery of harmonised government services.

The EU also confirmed in June 2021 that it is to introduce a European Digital Identity Wallet that will enable citizens to link their national digital identity with other personal attributes and will be recognised in all 27 EU member states.

eID platform initiative – In May 2017, a group of European companies including banks, vehicle manufacturers, and technology providers signed a “corresponding declaration of intent” to establish a joint, pan-industry platform that will let their customers use a so-called “master key” for registration and identification when accessing online services across a range of sectors including government, aviation and retail.

Biometric Authentication Services

As a form of digital identity, biometric factors have been gaining ground across Europe in recent years, especially since the EU mandated their use for national ID cards and passports from August 2021.

In the payments industry, European banks and other account servicing payment service providers (ASPSPs) have started to support new biometrics technology companies that will develop client identification and authentication systems. They will be dedicated to the research and development of software for the digital verification and authentication of personal identity, through facial, voice, image or document recognition, or fingerprint reading.

With the EU regulator’s decision to mandate Strong Customer Authentication (SCA) as part of the revised payment services directive, PSD2, biometric authentications look set to grow further in importance as part of the payments landscape.

Companies such as Sweden’s Fingerprints (for online payment ID) and the UK’s Fingopay (for physical payments) have pioneered their use in P2P and P2B transactions, while some national ID schemes such as BankID in the Nordics and nemID now include biometric factors alongside PIN in their log-in processes.

Fingerprints (Sweden): Continues to lead development of biometric sensors, especially for fingerprint-enabled payment cards and mobile devices in Europe, supporting both remote (online) payment ID and card-based transactions since 2025.

Fingopay (UK): Specialises in vein recognition systems for physical payments, with deployments in retail, hospitality, and transport, pioneering biometric authentication for point-of-sale transactions and peer-to-peer (P2P) settings.

National ID Schemes: Nordic BankID services (Sweden, Norway) and Denmark’s NemID (transitioning to MitID) now commonly offer biometric log-in options—such as face and fingerprint authentication—alongside traditional PIN/password, used for identification in financial, public, and private sector services.

Biometric Authentication in European Payments

- **Mandatory Biometric ID in 2021:** The EU’s mandate for biometric factors in national ID cards and passports (effective August 2021) remains pivotal, but since October 2025, the EU Entry/Exit System (EES) now also requires non-EU travellers to provide fingerprints and facial images at Schengen borders, expanding the scope of biometric use beyond citizen documentation to cross-border controls.
- **Visa Payment Passkey and FIDO2:** New biometric authentication solutions have launched. For example, Visa Payment Passkey (integrating FIDO2 standards) eliminates passwords/OTPs in favour of on-device

biometrics (fingerprint/face/PIN). This is now being deployed by PSPs across both online and physical commerce, streamlining checkout and reducing fraud.

- **Technology, Regulation & M&A:** The biometrics market is highly concentrated among leading tech firms and banks, with rising mergers and acquisitions. PSD2's Strong Customer Authentication (SCA) mandate continues to accelerate biometric adoption, driving development of multi-factor authentication—including behavioural biometrics and integrated biometric sensors on payment cards.
- **Contactless & In-App Advances:** Biometric authentication is now standard for unlocking mobile wallets, accessing payment apps, in-app payment approvals (e.g., Apple Pay biometric authentication), contactless biometric cards using integrated fingerprint sensors, and biometric cash withdrawals via finger vein scanners in ATMs.

Additional Trends and Initiatives for 2025

- **Behavioural Biometrics:** Adoption of behavioural biometrics (monitoring patterns of user behaviour) is growing fast, offering adaptive fraud prevention that goes beyond static physical templates.
- **Consolidation and Partnerships:** Major banks, fintechs, and tech providers are acquiring smaller biometric firms to gain advanced capabilities and expand market reach.
- **Regulatory Drivers:** PSD2, Open Banking, EIDAS, and AML regulations are all directly boosting biometric authentication deployment.

Mastercard Identity Check – Mastercard launched Identity Check in October 2016, pioneering biometric authentication for online card payments across much of Europe. 3D Secure (EMV 3DS) is the framework enabling these secure authentications, often using SMS codes, push approvals, or biometrics (fingerprint/face).

Since 2024, Mastercard has expanded Identity Attribute Verification services, integrating them with new European Digital Identity Wallet pilot programs. This supports not only consumer-to-merchant payments but also richer identity checks (age, address), further reducing friction without compromising security.

Today, 2-factor authentication for Mastercard payments may use one-time codes, fingerprint/face recognition in mobile apps, and sometimes dedicated hardware or behavioural biometrics, complying with PSD2's Strong Customer Authentication (SCA) mandate.

Mastercard Identity Check (EMV 3-D Secure) is supported in all European Economic Area (EEA) countries, the United Kingdom, and most other European markets, along with global acceptance in North America, APAC, and Latin America through Mastercard's international network.

For Europe specifically, this means Mastercard Identity Check is available in at least 30 countries (all EEA states plus the UK, Switzerland, and several others). The number continues to grow with compliance expansion and global merchant adoption.

Banking Sector

Established in 1846, Banco de Portugal (BDP) is the national central bank and supervises the Portuguese banking system. BDP is responsible for the prudential and market conduct supervision of credit institutions, financial companies, and payment institutions with a view to ensuring the stability, efficiency, and soundness of the financial system. The legal framework in which Portuguese financial institutions and companies operate based on European Union directives and Portuguese banking laws.

On 4 November 2014, the European Central Bank (ECB), via the Single Supervisory Mechanism (SSM), assumed the responsibility of supervising the financial stability of banks operating within the euro zone. However, while the ECB has final supervisory authority over all banks operating within the euro zone, it will only directly supervise those banks classified as 'significant' under the terms of the SSM (by July 2025, 114 significant banking groups have been recognised). All other 'less significant' banks continue to be supervised by Banco de Portugal.

In 2014, the Portuguese economy returned to modest growth (0.9%), after three consecutive years of economic recession. In 2019, Portuguese GDP grew by 2.2%, but due to the economic impact of the COVID-19 pandemic, GDP fell by 8.4% in 2020, one of the steeper declines in the EU. Portuguese GDP grew 4.9% in 2021, according to data from Statistics Portugal (INE), the highest rate since 1990, reflecting an acceleration of exports of goods and services in volume. Portugal's GDP grew 6.7% in 2022, its strongest pace in 35 years, fuelled by domestic demand and booming tourism. The IMF expected growth to soften to 2.6% in 2023 as higher prices (especially food and energy) weigh on demand growth. Meanwhile, inflation in 2020 remained stagnant at 0.0%, down from 0.3% in 2019. By 2023, growth normalised to 2.3% as the base effects from the pandemic wore off and demand for Portuguese exports weakened. In 2024, the economy grew by 1.9% as the strong domestic demand is offset by setbacks in external demand.

By 2021, inflation was 1.3%, while the annual average rate of change of the Portuguese Harmonised Index of Consumer Prices (HICP) was 0.9% (-0.1% in 2020). In 2022, annual inflation worsened to 8.1% from 0.9% in 2021 due to the steep rise in global energy and food prices, as well as the severe drought in Portugal until September 2022. In response, Portugal has adopted measures to counteract the impact of the rise in energy. With measures including lump-sum payments to low-income households, a reduction of the fuel tax, the suspension of the increase in the carbon tax and a reduction of the VAT for electricity, inflation was projected to gradually diminish in 2023-24. By 2023, inflation tapered to 5.3% due to base effects and lower energy prices. Inflation eased further in 2024 to 2.4% due to lower commodity cost pressure.

Structure

According to BDP, in 2024, there were 154 credit institutions, 24 financial companies, four branches of subsidiaries of EU-based credit institutions and 23 registered representative offices of credit institutions and financial companies based abroad. There were also 606 EEA cross-border credit institutions as of 2024.

The 3 largest banks are Caixa Geral de Depósitos (CGD), Millennium bcp and Banco Santander Totta. They controlled 56.5% of the banking sector's total assets in 2024 while the five largest banks controlled 74.3%.

Three Portuguese banks are state-owned: Caixa Geral de Depósitos (CGD), Novo Banco, and Banco Efisa. In December 2015, the former state-owned Banco Internacional do Funchal (Banif) was sold to Banco Santander Totta, excluding Oitante, the toxic bank part of BANIF.

Other major banks active in Portugal include CA Crédito Agrícola (CCCAM) with 617 branches and CEMG Montepio (237 branches). In August 2015, the Portuguese Post launched a new postal bank, Banco CTT. In December 2017, Banco Santander Totta absorbed the Portuguese subsidiary of Spanish Banco Popular.

The Portuguese banking industry has shown one of the most rapid consolidation profiles in retail banking networks in the whole of Europe. Relative to the number of branches open in 2009, only Spain has reduced its retail banking branch networks at a faster rate than Portugal among major European markets. There are now just 3,283 bank branches (2024) in Portugal for the entire industry.

Since the financial crisis of 2007-2008, a key issue in Portuguese banking has been to reduce banks' portfolios of non-performing loans (NPL). In 2024, the NPL ratio decreased to 2.4% (2023: 2.7%), still higher than the

European average of 2.30%.

Portuguese banks have long been internationally orientated, but historically their focus was both on Brazil and on former colonies in Africa. More recently, Millennium bcp has adopted the strategy followed by banks in other small EU countries of expanding into new national markets (see below).

Foreign banks, including Banco Santander Totta (E), BBVA (E), Bankinter (E), CaixaBank (E), BankInter (E), Barclays (UK) and BNP Paribas Group (F) are active in the Portuguese banking sector.

The most significant foreign investment in Portugal is from Spanish banks. However, the relatively small size of the Portuguese banking sector has meant that foreign investors have not targeted local banks in the same way as domestic banks in many other European countries.

TABLE 1 Main Portuguese Banks end-2024

Bank	Ownership	Net assets (€bn)	Market Share	Branches
Caixa Geral de Depositos (CGD)	State-owned	106.284	22.7%	512
Millennium bcp	Individuals: 18.4%, Institutional investors: 81.6%	102.144	21.8%	398
Banco Santander Totta	Banco Santander Group (E)	56.086	12.0%	328
Novo Banco	Nani Holdings: 75%, Resolution fund: 13.04%, State: 11.96%	42.41	9.1%	290
Banco BPI	CaixaBank (E): 100%	41.072	8.8%	261
Caixa Central de Crédito Agrícola Mútuo (CCCAM)	Mutual savings bank	27.28	5.8%	617
Caixa Económica Montepio Geral (CEMG)	Mutual savings bank	18.415	3.9%	225
BBVA	BBVA (Portugal) Group	3.274	0.7%	12
other banks		71.4	15.2%	640
Totals		468.334	100.0%	3,283
Note: other banks include Portuguese branches of foreign bank groups including Bankinter (E), Deutsche Bank (D), Banco CTT, and Angolian-owned Banco BIC.				
Note: branch figures are branches in Portugal only.				
Source: individual bank reports, PCM research.				

Caixa Geral de Depósitos (CGD), is state-owned with a market share of 22.7% by total bank assets as of end-2024. In 2024, CGD reported 512 branches serving 3.6 million customers in Portugal, or 35% of the population. CGD strengthened its leadership as the digital bank of Portuguese citizens in 2024, with 2.4 million digital clients (+134,000 from 2023) and 1.9 million mobile clients (+167,000) in Portugal in 2024. The CGD Group is present, either through Branches, Representative Offices, or direct equity interests in local financial institutions, in 25 countries embracing four continents. At the international level, the CGD group had 374 branches at the end of 2024. In order to reposition its international presence in geographies with a strong relationship with Portugal in 2021, it opened representative offices in South Africa and Luxembourg.

In Portugal, CGD ended 2023 with 486 branches and Espaços Caixa, 24 corporate offices and an additional two office extensions for a total of 515 presences. At an international level, the Group had 366 branches of its local subsidiaries at the end of 2024 in order to position its international presence in geographies with a strong relationship with Portugal, promoting the products and services available in the CGD branch network in Portugal to customers residing in these countries. Therefore, in 2024, opened a branch of Banco Nacional Ultramarino (Macao), and two branch in East Timor.

Millennium bcp, previously Banco Comercial Português, is the second-largest financial group and largest privately-owned bank. Merger discussions between Millennium bcp and Banco BPI concluded without agreement in late 2007 (see Appendices). In 2017, Millennium bcp sold a stake in the bank for €1.3 billion to Chinese conglomerate Fosun (27.06%). Fosun and Angola’s Sonangol Group (19.49%) became the largest shareholders of Millennium bcp Group. In 2024, Millennium bcp’s shareholder structure was composed of

individuals: 18.41% and institutional investors: 81.59%. By region, it was composed of Portuguese interests: 22.3%, Chinese interests: 20.0%, African interests: 19.9%, US and UK 20.8% and other regions: 17.0%.

Millennium bcp operates through Millennium bim, a universal bank that has been operating since 1995 in Mozambique, where it has more than 1.1 million active customers. The bank also has nine representation offices (one in the UK, three in Switzerland, two in Brazil, one in China, in Guangzhou, and one in South Africa), three commercial protocols (USA, France and Luxembourg).

Millennium also holds a prominent position in Africa through its banking operations in Mozambique (in Angola, Banco Millennium Angola - BMA merged with Banco Privado Atlântico-BPA and now the bank holds an equity accounted shareholding) and in Europe through its banking operations in Poland and Switzerland. Since 2010, the bank has operated in Macau through a full branch.

On December 27, 2019, the merger deed of Banco de Investimento Imobiliário, a wholly-owned subsidiary of Banco Comercial Português, by incorporation into the latter, was signed, completing the incorporation process of Banco de Investimento Imobiliário into Banco Comercial Português.

In August 2019, the merger of Bank Millennium with Euro Bank was approved and was completed in November 2020, with the bank now operating under a single brand, a single operating system, and a single legal entity.

In 2021, Millennium bcp concluded the sale of Banque Privée BCP to Union Bancaire Privée, UBP and formalised the sale to Fidelidade of shares representing 70% of the share capital of Seguradora Internacional de Mozambique, maintaining a stake of approximately 22%.

Banco Santander Totta, the Portuguese unit of Spanish Banco Santander Group, became the third-largest bank through acquiring various components of Champalimaud Group during 2000, of BANIF by end-2015, and of Banco Popular Portugal (2017).

In December 2015, Banco Santander Totta absorbed the former state-owned Banco Internacional do Funchal (BANIF), excluding Oitante, the Toxic Bank part of BANIF.

On 7 June 2017, Banco Santander announced the acquisition of 100% of the share capital of Banco Popular Español and its Portuguese subsidiaries for a symbolic €1. Following the acquisition in June 2017, Banco Santander Totta became Portugal's second largest private sector bank.

Banco Santander Totta reported 328 branches in Portugal at end-2024. In addition to leading retail bank Santander Totta, Banco Santander is present in Portugal through Santander Consumer Finance (SCF), which extended its presence in the market during late 2005 through the acquisition of a majority stake in the auto finance specialist Interbanco from BCP.

Novo Banco (formerly Banco Espírito Santo), the fourth largest bank by total bank assets, had 290 branches, serving nearly 1.7 million customers at end-2024. In June 2025, Groupe BPCE signed a Memorandum of Understanding for the acquisition of a 75% equity interest in novobanco from the private equity firm Lone Star Funds. The transaction, representing a cash amount of approximately €6.4bn (for 100% of the shares) and a multiple of around 9x annual earnings, is the biggest cross-border acquisition in the euro zone for more than 10 years. The closing of the transaction is expected to occur during H1 2026.

ESFG and Crédit Agricole had been shareholders in BES, with a joint interest of 46.1% at end-2013. Crédit Agricole (F) had entirely written off the value of its 15% stake in BES, following the Portuguese lender's government rescue. In August 2014, Banco Espírito Santo (BES) became state-owned, after reporting €3.6 billion in losses. Novo Banco was created on 3 August 2014, when Banco de Portugal applied a resolution measure to BES.

As a transition bank, Novo Banco had a limited duration of two years, extendable for periods of a year according to RGICSF. The signing on 31 March 2017 by the Resolution Fund of the contractual documents for the sale of Novo Banco enabled the fulfilment of the term for the sale established on the commitments assumed by the Portuguese Republic with the European Commission. The de-risking process of the past legacy issues including the disposal of non-core assets was first launched immediately following the acquisition of 75% of Novo Banco by Nani Holdings in October 2017 and has been executed throughout this period to year-end 2021 in accordance with the agreed Restructuring Plans and commitments by the Republic of Portugal to the EC, State Aid Directorate General for Competition.

In October 2017, the state-owned Resolution Fund sold a majority stake of 75% in Novo Banco to investor Lone Star Funds (US), through Nani Holdings, and retained a 25% stake. Lone Star Funds provided a \$1 billion capital injection to the company on completion of this deal. As of 2024, the bank's share capital was comprised of 75% held by Lone Star Funds (through Nani Holdings), 19.31% by Fundo de Resolução and 5.69% Direcção-Geral do Tesouro e Finanças.

Banco BPI (Banco Português de Investimento), member of the CaixaBank Group (E) and the fifth largest Portuguese bank in 2024, had 303 branches and 1.8 million customers in Portugal.

In February 2017, the Spanish CaixaBank completed the takeover of Banco BPI, paying €644.52 million to raise its stake to 84.5% from 45%, which gives it control over Banco BPI. Effective Q3 2019, CaixaBank owned 100% of the shares in Banco BPI.

The BPI Group owns Banco de Fomento Angola (BFA) and a 30% stake in Banco Comercial e de Investimentos (BCI) in Mozambique. The sale of 2% of BFA's share capital to Unitel was completed in January 2017, with Banco BPI now holding 48.1% of BFA's capital and Unitel 51.9%. In December 2017, Banco BPI informed the market that its shareholding in BCI increased from 30% to 35.67% of the bank's share capital. As of 2024, BPI held minority interests in African banks (48.1% in BFA in Angola, and 35.7% in BCI in Mozambique).

EuroBIC (previously BancoBIC) – In November 2008, Banco Portugues de Negocios (BPN) was seized and became state-owned as it was severely damaged by the financial crisis. In March 2012, the Portuguese government sold BPN to Banco BIC from Angola. The European Commission earlier approved BPN's restructuring plan, including the sale to Banco BIC. Banco BIC, based in Luanda, offered to buy BPN for €40 million a fraction of its €180 million asking price. In 2024, BancoBIC reported a national network of 165 branches, 12 corporate offices, and two private banking centres and 250,000 customers in Portugal. EuroBic Portugal was acquired by the Spanish bank Abanca in 2023. The bank currently operates under the transition brand EuroBic Grupo Abanca, with plans to fully integrate its systems with Abanca by the end of 2025.

BBVA from Spain operates in Portugal both as a retail bank and through the specialist finance company BBVA Finanziamento. In 2023, BBVA had 13 bank branches in Portugal serving around 45,000 customers.

bancoCTT – Launched in August 2015 following the authorisation of Banco de Portugal, banco CTT adopted the Anglo-Saxon governance model and opened for business. bancoCTT offers its banking services through digital channels and in the 51 CTT Post Offices. In 2023, bancoCTT reported 212 branches serving 800,000 clients. In 2024, the bank reported 681,300 accounts, an increase of 5.3% from 2023.

Barclays – Following the acquisition of Citibank's Portuguese credit card business in September 2009, Barclays was active in Portuguese retail banking, with Barclaycard issuing credit cards in the market. Barclays operated 151 branches in the country at that time.

In April 2016, Barclays Bank sold its retail banking business in Portugal to Bankinter (E). The Portuguese businesses transferred to Bankinter comprised 84 branches. Barclays continued to operate Investment Banking and multinational Corporate Banking in Portugal.

In April 2016, Barclays Bank sold its Barclaycard consumer payments business in Portugal and Spain to bancopopular-e, a Spanish online bank owned by Värde Partners (51%) and by Spanish Banco Popular (49%). In May 2016, bancopopular-e was rebranded as WiZink Bank.

WiZink Bank – In March 2018, Värde Partners acquired the remaining 49% stake in WiZink from Banco Popular (Grupo Banco Santander) and became the sole shareholder of WiZink. With more than 2 million customers, WiZink leads the revolving credit market in Spain and Portugal.

Oitante, the Toxic Bank part of Banif, is a private entity whose establishment was decided by the Financial Supervisory Authority, Banco de Portugal, in December 2015, along with its bylaws, under the terms and for the purposes of n° 5 article 145° S of the Credit Institutions and Financial Companies Legal Framework. Oitante's share capital is of €50,000, €1 per share, owned by the state through Resolution Fund, a public entity created to manage the banking sector restructuring processes.

Digital Challenger Banks

A number of digital challenger banks have entered Portugal, e.g. N26, Revolut and Wise (formerly TransferWise). They already have a clear Open Banking strategy in place.

In parallel, many Portuguese banks co-operate and partner with trusted digital payment providers and FinTechs to prepare for the Open Banking ecosystem, enrich their digital banking services, and to offer additional mobile banking app features.

Banco BNI Europa – Banco BNI Europa is a digital bank and alternative lending investor that has partnered with alternative lending platforms across Europe since 2016. These include leading Market place lending platforms in Germany, Belgium, and Finland.

In March 2018, Banco BNI Europa introduced an account opening process that encompasses video conferencing with digital certification for document exchange. Offered in partnership with certification entity DigitalSign (P), the account opening process requires users first to enter their personal data and upload relevant documentation. The client then moves to the videoconference step where the identity certification will be performed by a remote operator, after which the certified signature of the documents will be executed.

In June 2018, Banco BNI Europa integrated with the Raisin savings marketplace. Via Banco BNI Europa's website Portuguese savers gained access to European savings products provided by Raisin and its partner banks across Europe. The integration of the service into Banco BNI Europa follows a number of other partnerships across Europe such as the successful launch in early 2018 with BinckBank (NL) and with N26 (D) in 2017. By 2019, the bank claimed to be the fastest-growing digital bank in Portugal.

The bank has extended its digital-first, partnership-driven approach and is launching a new 2025–2027 business plan built on solid recent results, robust capital ratios, and improved operating profitability.

It continues to introduce new products and services while strengthening customer relationships and investing in internal controls and systems.

Banco BNI Europa remains connected with European marketplace lending platforms in Germany, Belgium, Finland, and several other countries, acting as both a lender and savings product distributor.

The bank continues its collaboration with Raisin, providing Portuguese customers with access to a range of European savings products and diversified deposit options directly through its website.

Earlier integrations with marketplaces such as BinckBank (NL), N26 (DE), and additional fintech partners remain strategically important, and the Raisin partnership is regularly highlighted in the bank's

communications as a strong differentiator for savings clients.

Digital Banking

All Portuguese retail banks offer internet banking, SMS banking, and mobile banking apps to their clients. Services available include balance and transaction reporting and payment initiation. According to the Portuguese National Statistics Service, 63% of all Portuguese bank clients were e-banking users in 2024.

There is no bank-independent electronic banking standard in Portugal (although there are standardised formats for collections and payment); each bank offers its own proprietary system for corporate banking purposes.

Mobile banking apps offering immediate mobile money transfer services in Portugal include the BPI app, CGD app, Millennium app, Totta app, WiZink app, and PayPal.

Caixa Geral de Depósitos (CGD) – 2020 was a key year in terms of CGD's digitisation efforts to service its customers. There were 1.8 million digital customers in Portugal as of 2020, with more than 281 million logins to the Caixadirecta service, up 21% over 2019. In Q4 2020, an average 71% of CGD customers' operations were carried out on digital channels – 75% of which using its app. The number of accesses to the Caixadirecta service in 2020 was up 21% over 2019 to more than 281 million.

During 2024, CGD consolidated its leading status as the digital bank of choice for Portuguese citizens, in 2024, continuing its growth in the number of its active digital customers and remote business. The number of active digital customers in Portugal increased by 6% to 2.41 million customers, with a total of 1.9 million mobile customers, an increase of 10% from 2023. There were also 526,000 remote banking customers, up 3% from 2020. As of 2021, more than 94% of customers' transactions took place remotely.

The Caixadirecta app improved its focus in terms of customer experience, making it possible to activate cards, apply for credit cards, and authenticate online card purchases. Digital channels represented 94% of Caixa's operations in 2021. The same period witnessed 26 million logins to the Caixadirecta service (up 17% over 2020) and 7 million operations (up 19% year-on-year). In December 2022, Caixadirecta was accessed on more than 275 million occasions, with the app representing 85% of logins. Also, the number of operations, which totalled 84 million, registered a significant growth of 12% in comparison with the same period of the previous year. In 2024, the digital business saw strong growth in online product applications such as personal loans (up 17%), non-financial insurance (up 54%), financial insurance (up 36%) and investment funds (up 33%). The number of personal and corporate customers using the mobile channel grew by 10% to 1.9 million in 2024.

Caixa's digital assistant was upgraded with a new interface and English language and was used in more than 4 million conversations with customers. The digital assistant, as a benchmark solution in the national banking sector, not only on account of its transactional component but also as an inclusive solution, registered an accumulated annual total of 3.6 million accesses. In comparison to the same period, the number of consultations using the assistant was up by 34% and the number of transactions by 93%. In 2024, Caixa's customers used the digital assistant to carry out around 6 million conversations (+3% from 2023), more than 245,000 home banking service unblocks (+16%), more than 235,000 balance and movement enquiries (+18%), and more than 100,000 transactions.

Caixa reinforced the incentive to use all digital solutions, such as Caixadirecta Empresas (internet banking service for corporate customers), the digital confirmation solution "Flexcash", and the Caixa Pay App was launched in 2020 for corporate customers, facilitating the day-to-day life of merchants, allowing them to accept payments with debit and credit cards, via MB Way on their tablet or smartphone.

Millennium bcp – During 2020, Millennium said that with the enormous challenges and constraints imposed by the pandemic in 2020, digital channels assumed decisive roles both as catalysts for the bank's overall results and in its relationship with customers. The major dimensions of accelerating the digital business were the growth in the number of active digital customers, with a particular focus on mobile, the migration of main day-to-day transactions to its app, and the growth of digital sales and Open Banking.

In 2021, Millennium's customer base exceeded 6.1 million at the group level and 2.5 million in Portugal, with 20% growth in mobile customers, both in Portugal and at a consolidated level, representing 56% of the group's customers and 46% of customers in Portugal. In 2024, the bank reported nearly 2.8 million active retail clients in Portugal, and the share of digital active clients rose to 68% from 64% in 2022. The number of mobile customers grew by 12% (+189,000) to more than 1.7 million customers, representing 63% of the active customer base in Portugal compared to 58% in 2023. The number of active digital users increased to 2.0 million customers in 2024 from 1.83 million in 2023. Over the past 5 years, the number of customers active in digital channels has doubled. Throughout 2022, customers logged into the mobile app as many as 732.3 million times.

At the group level, mobile customers grew by 571,000 customers (+20% from 2020), surpassing 3.4 million customers, representing a penetration rate of 56% of the active customer base. There was an increase of 12% in digital customers, representing 69% of the active customer base. In Portugal, mobile customers grew 20% by 192,000, surpassing 1.1 million customers, representing 46% of the Portuguese active customer base. There was a 12% increase in the number of digital customers in Portugal, comprising 59% of the active customer base in Portugal.

In 2021, digital sales represented 38% of the bank's total sales, an increase of 6% from 2020. During 2021, Millennium bcp focused on app-based services, with 81% of digital card sales in 2021 coming through the app. In 2024, sales made through digital channels represented 83% of the bank's total sales, 1 percentage point increase from 2023. The number of digital interactions increased by 23% from 567 million to 700 million in 2024.

Access and use of the Millennium app were enhanced, with the registration process being simplified by obtaining access codes from the app, and the use of biometrics to validate operations.

In payments, the MB WAY user experience was improved, and the Money Order and Account Split were made available. With these changes and an integrated experience, bank customers who use the Millennium app exclusively to make MB Way transfers already represent 35% of the total.

Banco Santander Totta – In 2024, Santander invested in digitalization, process simplification, and innovation, providing a closer and more personalized service to its customers, aiming for their best possible experience. As a result, there has been a strong investment in technology, with a major impact on process improvement. More than 1.3 million documents are being digitally signed every year, and 85 automation solutions are in place, generating more than 115,000 items executed daily. In addition to Apple Pay and to the FitBit and Garmin devices, Santander customers can now use Google Pay to make their payments. Another outstanding solution was the launch of a 100% online account, to facilitate the day-to-day management of small businesses. This transformation has contributed to the growth of digital customers which now exceeds 1.2 million people – 65% of active customers. OneApp users reached 782,000 (+15.3% compared to December 2023), and more than one million daily logins were recorded on the private website and on the App. Regarding the web channel, the number of users remained stable compared to 2020 having closed 2021 with 448,000 users.

As of 2024, the digital penetration rate of the total customer base was 65%. In 2023, Santander launched a new functionality on its App, which is totally innovative in the banking sector, to help customers know and offset their carbon footprint, based on purchases made with a bank card and direct debits. There were 7 million

digital transactions in 2021, with 4.4 million card transactions taking place through electronic platforms. Sales through digital channels reached 56% of the total sales amount in 2020. In 2022, more than 1 million documents were digitally signed (compared to 200,000 two years ago), new completely paperless support processes were created and more capabilities for remote management with customers have been launched.

Another focus has been the development of digital payment solutions to enable customers to pay for their purchases with any mobile device, through partnerships with Apple, Garmin, and Fitbit, to enable contactless payments with smartwatches, bracelets, and other devices.

A chatbot was also launched, interacting with customers through natural language, and interpreting and answering the most common questions, directing the customer to information about products and services on the public website.

Banco BPI - During 2020, BPI, which is wholly owned by CaixaBank, focused on the commercial banking business in Portugal, using its specialised distribution network and digital channels in an integrated manner. BPI distributes other products and services centrally sourced from CaixaBank Group, including debit and credit cards from CaixaBank Payments & Consumer, and acquiring and POS from Comercia Global Payments.

During 2024, BPI reported around 959,000 regular users of digital banking and 763,000 in the BPI app, which corresponded to increases of 4% and 6%, respectively, compared to 2023. In 2024, 37% of total sales of core products took place through digital channels.

The number of clients who regularly used digital channels increased by 8% from 2022. The mobile banking channel reported rapid growth, with approximately 85% of individual customers who actively use the digital channels opting for the BPI app. The number of regular users increased by approximately 14%, which is 88,000 more users than in 2022. 91% of customers have now subscribed to digital channels.

More than 97% of transactions are already carried out through digital channels (home and mobile banking and ATMs). Interactions through the digital channels expanded, with the number of logins reaching an average of 16 million per month (+13% YoY). In 2024, BPI reached second place in the penetration of digital channels in the banking sector with regards to retail clients. Around one third of sales to individuals of key products such as insurance, mutual funds, retirement saving plans and personal loans were initiated through digital channels.

Crédito Agrícola - In 2024, Crédito Agrícola's Portuguese customer base reached 1.64 million, corresponding to a net growth of 47,000 customers in 2024. As a whole, individual customer numbers reached 1.47 million, while the corporate customers reached 170,000 at the end of 2023. There were 617 branches in its network as of 2024.

In digital banking, Crédito Agrícola reported that the trend of growth of digital channels was already evident before the COVID-19 pandemic. However, in 2020, the pandemic led to an additional fast-tracking of digital uptake. As of 2024, the bank reported 955,000 digital customers (+7.1% from 2023), and 534,000 mobile customers (+27.5% from 2023). With 487 million digital transactions in 2021, this figure rose 13% in 2022 to 552 million, with mobile comprising 56% of digital transactions.

The growing digitalisation of the relationship between Customers and Crédito Agrícola is also evident in the significant increase in the amounts of loans granted through CA Fast (a new proposal promoting short- to medium-term financing solutions, supporting business Customers on an end-to-end digital journey) which, in 2024, recorded a remarkable performance. This digitalisation trend is also demonstrated by account openings using the Digital Mobile Key, which grew by more than 30% in 2024. Subscriptions to Apple Pay, which Crédito Agrícola pioneered in Portugal, also continued at a very positive level, with around 12,000 new subscriptions in 2023.

The app moey!, a 100% digital banking solution of Crédito Agrícola, was launched in the summer of 2019, with 2024 being the fifth complete year of activity. The strategy implemented led to a continuous increase in the volume of accounts opened, which grew by more than 35,000 accounts compared to the end of 2023, not forgetting the alignment with the defined target audience (young people, located in the main urban centres), which remained above 80%, a target achieved since 2021. The transactional level has continued to evolve positively, with the number of transactions, total and per user, increasing by 30% and 15% respectively, compared to 2023.

Novo Banco - As of 2020, Novo Banco had 600,000 active digital clients, or 50% of the bank's total customer base, while 71% of customers made contact through its mobile channel. By 2024, the number of active mobile customers increased by 18% and the number of active digital clients increased by 12%. The active digital client penetration rate was 70.9% with 82% of individual client contacts with Novo Banco made through the digital channels (Mobile: 77%, Online: 5%) in 2023. In 2024, 83% of private customers' contact with novobanco were made through digital channels (+4% from 2023). Reinforcing the adoption of a "mobile digital first" strategy, mobile continues to be the main means of contact for individual clients, with annual interactions (as measured by the number of logins) growing by 33%. Digital sales comprised 41% of all sales in 2020. The novobanco app (launched at the end of 2020 and since then featuring constant improvements and novelties) had 436,100 active clients, a 11.7% increase compared to 2020. The novobanco online homebanking service had 278,100 active clients in 2021, a year-on-year reduction of 0.5% that was driven by the migration to mobile and shows the preference of active digital clients for the new app. The online homebanking service had 278,100 active clients in 2021, a year-on-year reduction of 5.7% that was driven by the migration to mobile, with the app being preferentially used for financial transactions.

During 2023, the retail banking unit had over 1.5 million customers as well as 55% of SMEs in Portugal. In 2024, 76% of the operations in the individual client's segment were carried out in self-service mode, this figure increased to 86% and 94% in the small businesses and medium-large companies' segments, respectively. There were 725,000 clients in the digital channels (+11% vs 2021), while 36.3% of total sales were digital. With regards to Payments Solutions, the simplification and innovation, the bank also claimed a 15.1% market share in automatic payment terminal (POS) acquiring.

The bank's Hey!Pay consumer finance joint venture with Credibom, allowed Novo Banco to enter the segment of POS credit, targeting an extensive base of SME and B2C companies.

Reflecting the strategy implemented, customer acquisition in the retail segment showed strong growth in 2024 by 14.6% YoY. The Cross-Segment Programme, which gives the employees of companies with which the Bank has protocols access to more favourable conditions, accounted for 22% of all individual clients onboarded in the year.

About Open API Standards

In June 2017, The Berlin Group, the European payments interoperability coalition of banks and payment processors with membership comprising bank backed ACHs and industry bodies, announced it would push a single standard for API access to bank accounts (XS2A) compliant with the PSD2 regulation.

The Berlin Group says its NextGenPSD2 Initiative provides a harmonised API standard for accessing bank accounts. Built as an 'Access to Account Framework', The Berlin Group says the standard offers operational rules and implementation guidelines with detailed data definitions, message modelling and information flows based on RESTful API methodology.

As of the beginning of 2021, the Berlin Group NextGenPSD2 was implemented in all EU countries, in several non-EU countries in Europe and in countries outside Europe who are focused on maintaining reachability and

compatibility with the European market. Around 80% of European banks and hundreds of third-party providers (TPPs) have implemented the Berlin Group NextGenPSD2 Framework. In 2021, the group was migrated to the Open Finance task force to explore use cases of Open Banking schemes and Open Finance schemes.

Among others, European Open API sets include Open Banking UK, Swiss Corporate API, and STET Open API (F, B). In addition, SIBS said it would develop the SIBS Open API set for the Portuguese banks.

There are several important updates and recent details to add regarding Open API standards and Open Banking in Europe and Belgium. As of 2024, the Berlin Group, along with other standardisation initiatives, has significantly advanced Open API and Open Finance frameworks, resulting in broader industry adoption and interoperability.

Berlin Group and OpenFinance API Framework

- In early 2024, the Berlin Group released its Extended Account Information Services and Administrative Services for the openFinance API Framework Version 2, introducing expanded capabilities for account information services, premium payments (including multiple recurring payments and deferred payments), and the V2 Discovery API.
- The Version 2 architecture supports broader Open Finance and Open Data use cases, going beyond basic PSD2 account access (XS2A) to include advanced payment types, direct access APIs for corporates, subscription-based push notifications, and SEPA Direct Debit eMandates.
- The Berlin Group is the only standardisation initiative with SPAA-compliant API specifications as of 2025, accommodating the latest European payment scheme management requirements.

European Open API Sets and Industry Expansion

- Open Banking UK, Swiss Corporate API, and STET Open API (France, Belgium) continue as notable Open API standards alongside the Berlin Group's NextGenPSD2.
- Open Finance efforts under the Berlin Group began incorporating use cases and guidelines for broader financial data sharing, including premium payment flows and document transport for e-invoicing in late 2023 and 2024.

These developments mark a transition from PSD2-driven access to a much wider Open Finance landscape, with almost universal bank API implementation, extensive support for business and consumer account types, and expanding services enabling secure, data-driven payments and financial innovations across Belgium and greater Europe.

PSD2 and the Open Banking Mandate

The adoption of the revised Payment Services Directive, PSD2, has set the stage for Open Banking in Europe, a European Open Banking Mandate with significant impact on the financial services industry. PSD2 challenges for banks and FinTechs include Open Banking, Open APIs, and the rollout of digital payment services and mobile apps.

PSD2 lowers the barriers for market entry to third-party service providers, FinTechs, and it opens up doors for innovative players to offer services that currently do not exist, e. g. account information services, third-party personal finance management, digital identity and KYC.

PSD2 is going to change the European payment and banking landscape and ultimately the position and role of banks in the ecosystem. FinTechs drive the change with the banking industry seeking the right strategy.

Post-PSD2, the key question for the financial service industry will be how to grant authorized access for their FinTech partners to bank account information, for instance secure access to account balance, payment data, credit risk and others.

For banks, the impact of the PSD2 is that they are no longer the only ones that have access to the bank customer information. Bank customers will now decide who they want to grant access to their payment information. Alongside this initiative, with new services based on access to bank accounts (XS2A), banks may lose the direct connection to their customers. To maintain their position in the new PSD2 reality, banks will need to adapt their business and operational models.

By mid-2025, notable challenges for the Portuguese banking industry include:

- Digital identity and eIDAS 2.0 adoption; interoperability with the EUDI Wallet
- Cybersecurity and fraud prevention beyond Strong Customer Authentication (SCA)
- Adoption of Artificial Intelligence (AI) and automation in banking
- Allow FinTechs access to bank accounts (XS2A) by sharing their own set of Open APIs
- Open Banking strategy: card-less bank payment services in-app directly from the account
- Combined apps: payment services, account information, value-added convenience services
- Compete/partner with PISPs: strategy for IBAN-based payment services initiated by PISPs
- Compete/partner with AISPs: strategy for granting access to account information to AISPs
- Sign partner agreements with selected FinTechs using them as part of the bank's own services
- Bridging technologies enabling Open Banking payments in-store and online: NFC/QR/BLE
- Strategy option: being a digital banking hub consolidating other banks and FinTech partners
- Compliance with the General Data Protection Regulation, GDPR, and the PSD2, including RTS SCA

As of 2022, CGD's DABOX app had a 34% market share in Open Banking, according to data published by the SIBS API Market, with 23 entities integrated. This solution had 86,000 active users, 36% of whom were customers of other banks. No update was provided for 2023.

Millennium bcp announced that in Open Banking, the aggregation of accounts of Revolut, Wise and seven other French banks was extended in 2020, and it became possible to carry out national and international SEPA transfers from aggregated accounts.

Within the scope of PSD2 and the opportunities generated by Open Banking, Banco Santander Totta was focused on allowing customers to use Santander channels as aggregators of information from other banks. It is now possible to view the account statement or initiate payment of accounts from other banks directly from the Santander channels.

In 2021, Banco Santander Totta reported further developments in terms of Open Banking, namely the expansion of entities that customers can aggregate through the bank's channels, which, in addition to the main national banks, which now includes the accounts of Revolut, Cetelem, and Universo. The bank now allows its customers to initiate transfers from other banks through our channels, in order to settle debts, they have with Santander.

With regard to corporate customers transactions, the marketing of products that simplify their day-to-day management was promoted, such as the commercial promotion of dedicated IBANs product (a solution that facilitates the process of reconciling their bank charges), and the launch of payment for services by batch in XML format (a solution that allows clients to make payments in an aggregated way).

As of 2024, there was one account information service provider registered in Portugal, while there were 30 Open Banking bank and account providers, 52 bank APIs and 23 API aggregators registered in Portugal.

According to a recent report by Salt Edge, which evaluates the progress towards interoperability with banks, Portugal has one of the highest availabilities of API solutions. The study examined the extent to which API requests for services sent to banks that had made APIs available “were accepted by the banks’ APIs and successfully replied to.” In 2022, 96.5% of API requests were successful in Portugal which placed it second among European countries (the Czech Republic was first) and third including the UK.

Payment Services

In Portugal, the law on payment services adopted the EU payment services directive (PSD) and the EU interchange fee regulation (IFR). Portugal is also going to adopt the new PSD2 – effective from January 2018.

In 2025, the more than 300 different payment services offered in Europe can be grouped into:

- Card brands and card types
- E-Money and prepaid products by issued brand
- Account-based payment services by issued brand, e.g. IBAN-based SCT/SDD services
- Advanced payment services. e.g. wallets by issued brand
- Digital payment services, e.g. digital scheme wallets by issued brand
- Open Banking initiatives and Pay by Bank

Card Brands and Card Types

All Portuguese retail banks issue MB debit cards, prepaid cards and credit cards with one of the Mastercard or VISA brands.

Multibanco (MB) is the domestic card scheme in Portugal. MB cards are co-badged Mastercard or VISA for international use. MB debit cards have either debit and deferred debit functions or delayed debit and credit functions on one card. All MB cards in Portugal are processed as debit cards according to the rules of the MB scheme – independent from the co-badged international brand.

Unibanco is the domestic credit card brand. Unibanco cards are co-badged VISA or Mastercard.

Portuguese card products like consumer cards, commercial cards and purchasing cards range from classic cards to gold cards and platinum cards. Additional card features (e.g. picture cards, bonus points, PIN selection at ATMs, cashback, card control by SMS notification and other in-app controls like geo blocking) are used to attract cardholders. In addition, individual picture cards and collector cards are issued on demand.

The EMV migration of cards reached 88% at the end of 2012 and is de-facto complete. The cards total includes private label cards and prepaid cards that are not issued as chip cards, according to SIBS.

From July 2023, banks and other card issuers will no longer issue Maestro cards. Instead, they will need to issue Debit Mastercard. Maestro was launched in 1991, and it was the world’s first debit card that could be used via an online network. About 400 million Maestro cards are in circulation worldwide, mainly across Europe. However, Maestro is not enabled for the demands of e-commerce and cannot be used for online or in-app payments, hence the decision to phase it out in favour of Mastercard Debit products. VISA announced that

Electron cards will be phased out globally in 2024. The features of the VISA Debit card have been modified to match the features of the VISA Electron card.

Debit cards issued are MB, Debit Mastercard, and VISA Debit cards. There are no V PAY cards in issue.

Credit Cards issued are cards branded VISA or Mastercard. There are no JCB cards, bank-issued American Express cards, and no Diners cards in issue.

Prepaid Cards – The Portuguese banks issue cards with a prepaid function branded VISA Debit or Debit Mastercard. Additionally, single-purpose prepaid cards are issued by businesses, universities, and phone companies.

Multi-Currency Prepaid Cards – In July 2014, e-money institution Prepaid Financial Services (PFS) and Unicambio, a Portuguese money exchange, launched the Unicambio multi-currency prepaid Mastercard card. It enables corporate clients and cardholders to hold multiple currencies in one card.

The prepaid card is available from Unicambio bureaus at airports and in major shopping malls in Portugal, Madeira Island, as well as online. An online platform allows the cardholder to buy and sell currency, locking in exchange rates just as the customer travels. Additionally, should the cardholders travel to multiple countries, they can transfer any of their currencies into the new chosen wallet by use of the smartphone app or online. A card can hold multiple balances of different currencies. Funds can be transferred to another Unicambio prepaid card.

In addition, Millennium bcp issues free meal cards in cooperation with its partner Sodexo Pass Portugal while Novo Banco issues luncheon cards with its partner Edenred.

Co-branded cards – In Portugal, there are some co-branded card products in circulation. Co-branded cards are based on the international card brands Mastercard, VISA, American Express, Diners or Unibanco.

Contactless Cards and form-factors

All Portuguese retail banks issue now of contactless cards with PayPass or payWave function.

In 2010, Unicre, in conjunction with Mastercard, VISA, SIBS and other banking entities, took part in a pre-launch contactless pilot project and launched a contactless Unibanco Go On card.

In 2011, CGD was one of the first banks in Portugal to issue VISA Electron cards with payWave function and Maestro and Mastercard cards with PayPass function.

Predefined contactless limits – Contactless payments of purchase amounts below a predefined limit are without PIN or signature and without transaction receipt. In Portugal, the contactless limit without PIN/signature was €20 for cards with PayPass or payWave function.

In March 2020, in response to the COVID-19 pandemic, the contactless limit was raised to €50 to encourage more non-cash transactions.

According to the BdP, in 2024, contactless card transactions grew by 24.0% in volume and 26.9% in value from 2023. This technology was used for 1.4 billion operations, with an average transaction value of €25.4. More than half (56.7%) of card purchases were contactless, mainly in the retail trade and food services. Contactless purchases played a more relevant role in retail trade in 2022 (accounting for 60.6% of the total volume of card purchases) and in restaurants (22.1%).

SIBS MB is in partnership with European counterparts in the European Card Payment Cooperation (ECPC) consortium, which SIBS has been a part of since its foundation, with the objective of producing and disseminating the technical specifications for a new contactless and contactless chip card standard EMV Card

Payment Application Contactless Extension (CPACE), of which SIBS MB holds the intellectual and industrial property. The MB payment system reported in 2021 that it had integrated the CPACE standard into its contactless technology, which is expected to be the future European contactless standard. The new contactless standard is now available to all MB issuers in Portugal.

As of 2021, the BdP reported that around 95% of the EFTPOS terminals in Portugal could take contactless payments from a domestic scheme, such as MB, and about 59% from an international scheme such as a VISA card or Apple Pay. MB WAY cannot be used with iPhones to pay at contactless terminals because Apple does not allow payment apps to gain access to the secure element necessary to do so. MB WAY can be used with both iOS and Android phones to pay with a QR code, or the latter only at contactless terminals with NFC.

Despite the high penetration of contactless cards and terminals in Portugal, only 24% (23% based on value) were made with contactless with the remainder done by inserting the card in the terminal according to the CPACE survey for 2019. According to the BdP, that share has increased to more than 40% of transactions as of 2021. Portugal has achieved wide adoption of contactless terminals although it has lagged in issuing contactless cards. By 2021, more than 85% of debit cards in Portugal were contactless compared to just 22% in 2013.

In September 2022, Mastercard partnered with Portuguese rail operator Fertagus and payment service provider Finaro to bring Tap & Ride, the ability to pay for a rail ticket with contactless payment to Lisbon for the first time. The new initiative will enable passengers to use their contactless bank card to travel on trains, without needing to purchase a ticket. This service aims to create a more convenient experience for more than 90,000 passengers who use the suburban trains between Lisbon and the south bank every day.

Interchange Fee Arrangements

International and Intra European Non-EEA Interchange Fees are set by the members of the international card schemes to be applied in case of cross-border transactions or foreign cards used in Portugal, respectively.

In Portugal, domestic Merchant Interchange Fee (DMIF) rates for Portuguese cards is defined by Mastercard and VISA, respectively. The interchange fee regulation 2015/751/EU applies for Portuguese card business.

The interchange fees for domestic card-based payment transactions on consumer cards are capped as follows:

Debit Card Transactions: The interchange fee is capped at 0.2% of the transaction value for Visa and Mastercard-branded consumer debit cards. This applies to both domestic and cross-border transactions for European-issued cards.

Consumer Credit Card Transactions: The interchange fee is capped at 0.3% of the transaction value for Visa and Mastercard consumer credit cards. This cap is part of the European Union regulations on interchange fees.

For Visa consumer credit cards in Portugal, the interchange fees range from 0.30% to 1.55%, depending on the transaction type.

Mastercard's commercial credit card interchange fees in Portugal range from 1.20% to 1.95%, with variations based on merchant size and transaction method.

Visa Credit Card Interchange Fees in Portugal

- Contactless Low Value Payment: €0.005 + 0.735%
- EMV Chip: 1.20%
- Secure Electronic Commerce: 1.20%

- Electronic Authorised (EA): 1.30%
- Card Not Present (CNP): 1.55%
- Standard / Non-Electronic: 1.60%

Mastercard Commercial Credit Card Interchange Fees in Portugal

- Contactless: 1.75% (1.20% for large merchants)
- Chip: 1.75% (1.20% for large merchants)
- Enhanced Electronic: 1.95% (1.40% for large merchants)
- Base: 1.95% (1.40% for large merchants)

It's important to note that these fees are subject to change, and card schemes typically update their rates twice a year.

- Debit card payments capped at 0.20%

For Maestro debit cards, which are used as a domestic debit brand in Portugal, the interchange fees vary depending on the merchant category and transaction type. Some examples include:

- For general transactions: 0.2% with a maximum of €1.20
- For petrol stations: 0.2% with a maximum of €1.20
- For large merchants: 0.3% for contactless and chip transactions

From 9 June 2016, the cardholders' right for payment application selection at the point of sale became effective. Portuguese cardholders can now choose between the MB card brand and the co-badged card brand, respectively.

American Express – As a result of the EU regulation of interchange fees (IFR), American Express elected to exit all of its bank licensing arrangements in the European Union. This means that they have terminated all licenses with its existing EU partners, stopped issuing new cards and are in the final stages of the process of closing down all operations directly related to bank licensing. Over the course of 2019, American Express credit cards issued under independent operator agreements were rendered invalid in all countries of the European Union. Various banks that have up to now had exclusive licensing contracts with American Express have already responded accordingly and provided their clients with the opportunity to switch to other card brands.

From 2020, American Express Payments Europe is now the sole issuer and acquirer of American Express cards in Europe, including Portugal. However, American Express Payments Europe continues its local sales partner arrangements with local acquirers enabling the use of American Express cards at ATMs and POS terminals.

E-Money

In Portugal, the law on e-money services has adopted the e-money directive of the EU (EMD).

The Portuguese e-purse PMB was phased out by the end of 2005. There are local e-money schemes giving access to e-money accounts in the form of cards. From 2013, cards with e-money functions include prepaid luncheon/free meal cards that can only be used in food-related merchant outlets.

As at end-2024, there were 32 e-money institutions (EMIs) with a license granted by BDP in Portugal and 235 foreign EMIs with EU passporting offering their services in the country on a cross-border basis.

Prepaid Products – Paysafecard (A) entered Portugal and launched its prepaid product, Paysafecard. In June 2018, Paysafe launched PaysafeCash, a new online cash payment option for the sizeable number of online shoppers who still prefer to pay by cash. PaysafeCash is live in 14 countries including Austria, Spain, Italy, Portugal, Hungary, the Netherlands, the UK and Canada.

Digital Account-to-Account Payment Services

In the Yearbooks, account-based payment services are classified as IBAN-based payment services in SCT/SDD format offered by banks or by independent payment initiation service providers (PISP).

Credit transfers are used for both high value corporate and low value retail payment transactions. They can be paper-based or automated. Companies commonly use standing order and variable standing orders to pay suppliers and employees.

On 1 February 2014, SEPA credit transfers replaced all previous credit transfer schemes in Portugal. All banks in Portugal participate in the SEPA Credit Transfer (SCT) scheme.

Direct debits are used for low value recurring payments such as utility bills. They usually carry no charge, provided that they are processed via an automated system. SEPA direct debits can be settled on a same-day or next-day basis via the SEPA component of Portugal's SDD subsystem.

On 1 February 2014, SDD replaced all previous direct debit schemes in Portugal. Legacy direct debit schemes had been processed via the SDD subsystem on a same day or next day basis until the 1 August 2014 deadline, or bilaterally between companies providing direct debit services and banks.

Instant Payments (SCTINST) is the IBAN-based immediate payment scheme in Europe, officially launched in November 2017. It makes funds immediately available to the beneficiary – compliant with existing SCT infrastructure. The regulators will require all banks to offer Instant Payments from 2018.

Among others, the characteristics of SCTINST include an initial maximum of €15,000 with the funds made available on the beneficiary's account in less than ten seconds, 24/7/365 real-time processing, and immediate refunds in the case that the SCTINST payment was not successful. From July 2020, the maximum amount for instant payments will be €100,000.

Chaired by the ECB, in 2014 the Euro Retail Payments Board (ERPB) identified the need for a pan-European instant euro payment solution. In April 2016, EBA Clearing started the SCTINST project with more than 40 large European banks involved. In November 2016, the European Payments Council (EPC) published the SCTINST scheme and SCTINST rule books version 1.0 while the ERPB provided the governance model. In November 2017, EBA Clearing completed the pan-European instant payments infrastructure, RT1.

Future participants in EBA Clearing instant payment infrastructure service will be able to use, in addition to SIANet, the Electronic Banking Internet Communication Standard (EBICS). EBA Clearing will introduce EBICS for the exchange of transaction messages as an additional connectivity option from the start of the service in November 2017 and make it available in the test environment from June 2017.

In 2024, about 50% of all IBAN-based payments in France were processed intra-day, or even immediately, inside of the same bank group. Potential first use cases for SCTINST in Portugal may include P2P, mobile banking apps, online payments, and B2B.

As of June 2025, 2,765 banks from 36 European countries had registered for the SCTINST scheme. This represents 78% of all SCT scheme participants.

From June 2018, SIBS launched its SIBS Instant Payments solution platform that allows immediate bank transfers in Portugal. From September 2018, SICOI (interbank clearing system), the payments system

managed and regulated by Banco de Portugal which processes most day-to-day payment operations initiated by individuals and businesses in Portugal, now allows for instant payments processing.

In 2022, the second full year of activity by Portuguese participants in the TARGET Instant Payment Settlement (TIPS), the volume and value of instant transfers increased gradually. Portugal was the eleventh most active country in TIPS in 2022. In 2024, the Portuguese community sent and received 45.8 million instant credit transfers, 84% more than in 2023. These operations totalled €17.3 billion, a 55% increase on 2023. Such very marked growth reflects the impact of the measures outlined by the ECB Governing Council, which have been in place since December 2021, to ensure the pan-European reach of instant credit transfers.

In 2022, the Banco de Portugal launched the PAY project, aiming to redesign payment information reporting. The new reporting mechanism will go live in stages, by payment instrument, between May 2023 and July 2024. The ongoing regulatory developments will help shape payment services in the coming years. Of particular note is the proposal for a Regulation of the European Parliament and of the Council on instant credit transfers in the euro, which aims at making accessible, secure, and unhindered instant credit transfers available throughout the European Union (EU). Currently, only around 13% of all credit transfers in the euro in the EU are instant credit transfers (4.4% in Portugal), and there is a wide disparity in access and fees applied by payment service providers across different Member States. This proposal aims to remove obstacles to the widespread use of instant credit transfers and will bring multiple benefits to economic operators. In 2023, the PAY project, which anticipates the evolution of the framework for reporting payment information to the Banco de Portugal, saw significant developments, with the new reporting for three payment instruments being put into production: cheques, credit transfers and direct debits. In 2024, the payment data reporting to the BDP continued to be redesigned – the PAY project. The Bank now receives payment account and bill of exchange information in the new system, and a first group of entities began reporting more granular card payment data on a daily basis.

As in many European countries, bank transfers have been adopted for online payments, enabling consumers to pay direct from their bank account as an alternative service to payment cards.

Other payment initiation service providers (PISPs) offering online credit transfers in the country include Klarna's German-based SOFORT (D), Trustly (S), and iDEAL (NL).

In 2024, BdP reported 370 payment service providers (payment institutions according to ECB classification) licensed in Portugal. Authorised in another EEA member state, 325 cross-border payment institutions have provided notification of operating in Portugal under the EU passport system in 2024.

Advanced Payment Services

In the Yearbooks, advanced payment services are classified as online wallets, e-wallets, and/or mobile wallets with any type of payment service chosen by the wallet user to complete the payment.

In selected Portuguese online shops, the wallets PayPal, Skrill, Alipay and Amazon Pay are offered as payment means.

PayPal – PayPal is present in Portugal. As of end-2024, PayPal reported 434 million active customer accounts globally, up 2.1% from 426 million in 2023. This consisted of 398 million customer active accounts and 36 million merchant active accounts across approximately 200 markets. PayPal's total payment volume increased to \$1.68 trillion (up from \$1.53 in 2023) and customer engagement grew to an average of 60.6 transactions per active account, driving 3% growth in transactions per active account at the end of 2024.

During 2020, with consumers worldwide embracing digital wallet capabilities, the company launched several related services including QR Code Checkout, Buy Now Pay Later, Crypto purchasing and Xoom direct transfers to bank accounts and debit cards.

In June 2018, PayPal continued its shopping spree with a \$400 million cash deal to acquire e-commerce platform Hyperwallet. The acquisition followed deals to buy Venmo, Xoom, Sweden's iZettle (renamed Zettle) for \$2.2 billion and AI-based merchant marketing outfit Jetlore, as PayPal bids to extend its reach to all corners of the payments market.

In May 2022, PayPal Ventures invested in Modulr, an embedded payments platform for digital businesses, as part of a \$108 million Series C funding round led by General Atlantic, Blenheim Chalcot, Frog Capital, and Highland Europe. Modulr delivers payments infrastructure for over 200 top-tier customers, including Revolut, Wagestream, Sage and BrightPay, and processes an annualised transaction value of more than £100 billion.

In 2023, PayPal was exploring the sale of Xoom, its international money transfer subsidiary, in a bid to cut costs and focus on high-growth business areas - as of November 2025, PayPal had not completed the sale. Also, Stax Payments – an all-in-one payment provider for businesses – announced its partnership with PayPal in July 2023. This partnership will allow PayPal's users to easily make payments with more than 20,000 merchants of Stax through a fast checkout process as well as new payment options such as Buy-now-pay-later solutions.

In 2023, PayPal launched its own US dollar-denominated stablecoin, PayPal USD (PYUSD), which is fully backed by US dollar deposits, short-term US treasuries, and similar cash equivalents and designed for digital payments and Web3. Eligible US PayPal customers who purchase PayPal USD will be able to transfer the token to external wallets, send person-to-person payments, fund purchases at checkouts supported by PayPal, and convert cryptocurrency holdings to and from PayPal USD.

In January 2024, PayPal launched AI-powered features to drive personalised offerings for both merchants and customers based on the data it possesses. These features include Smart Receipts (for merchants) which predicts what shoppers may want to buy next from the merchant. The merchant can then offer personalised recommendations, and cashback offers on this receipt. A major feature for users is CashPass which will use give users personalized cashback offers based on an AI analysis of their spending activity.

In March 2024, PayPal launched a complete suite of payment processing tools for online small businesses in the UK, Canada, and across more than 20 European markets. The PayPal Complete Payments package enables small businesses to accept an expanded range of payment instruments including PayPal, buy now pay later, Apple Pay, Google Pay, credit and debit cards, and alternative payment methods from around the world. By April 2024, PayPal added new features to its complete payments solution for small businesses to enable small businesses to accept a range of payments including PayPal, Venmo and PayPal Pay Later products. PayPal also gave small businesses access to four new features to help them drive payment acceptance and enhance how they run their business, and this will include Apple Pay as a checkout option.

In 2025, PayPal significantly enhanced its offerings for small businesses by introducing PayPal Open, a unified commerce platform that consolidates all of PayPal's merchant solutions into a single interface. This platform provides small businesses with access to a comprehensive suite of tools, including payment processing, financial services, and AI-driven insights, all designed to streamline operations and foster growth.

Alipay – In December 2016, Ant-Financial owned Alipay said that 930,000 European merchants would soon accept Alipay mobile payments in online shops and at POS outlets. In December 2016, Alipay partnered with BBVA (E). In May 2017, the bank integrated the QR-code based payment service Alipay into the BBVA mobile payment service app, Smartpay. Stores in Spain and Portugal already using the service simply need to update the Smartpay app to be able to accept payments with Alipay.

In June 2019, Portugal's Pagaqui was one of six European mobile wallets including Austria's Bluecode, Finland's ePassi and Pivo, Oslo-based Vipps, and Spain's Momo to announce that they would modify their systems to enable acceptance of Alipay transactions. The wallets are working with the Chinese payments

provider towards rolling out a QR code format provided by Alipay, so that users of any wallet will be able to make mobile payments at merchants across Europe that already accept payments for the other wallets. For Alipay users, they will also be able to pay at merchants who have already adopted the same QR code format. The collaboration will bring together over 5 million users in Europe and over 190,000 merchants, according to a joint statement by the companies. ePassi and Bluecode will offer technical services to the participating wallets to simplify the integration process among them.

Amazon Pay – was introduced in 2007. The payment service enables Amazon customers to checkout at participating third-party merchant sites using their Amazon credentials.

Launch Date: Amazon Pay first launched in August 2007 as “Pay with Amazon,” later expanding globally and adding features for third-party merchant acceptance.

Functionality: All active Amazon customers can use their Amazon credentials for checkout at partnered merchants—Amazon Pay is available in 18 countries as of October 2024.

Global Usage: Over 50 million customers have used Amazon Pay for purchases worldwide, with a large share coming from Amazon Prime members, but recent statistics indicate over 3.2 billion transactions processed in 2025 and 600,000+ merchants accepting Amazon Pay as of June 2025.

Prime Share: More than half of Amazon Pay users are Amazon Prime Members, matching your note on demographics.

Market Impact: By the end of 2025, Amazon Pay accounts for approximately 6% of the global online payment market, processing an estimated \$85 billion in payments.

Expansion: Amazon Pay experienced 20% growth in mobile usage and 13% total transaction growth from 2024 to 2025.

Merchant Share: SMEs comprise around 70% of all merchants using Amazon Pay.

Digital Payment Services

In the Yearbooks, digital payment services are classified as card-based payment services using EMV tokenisation security on the internet combined with HCE NFC technology in the case of contactless payments at POS terminals.

MB WAY, the mobile payment app developed by SIBS, enables payment service functions for the mobile banking apps of 29 participating banks in Portugal: ABanca, Activo Bank, Atlantico, BBVA, CTT, Best Bank, Bankinter, BIG, BPI, Caixa Agrícola Bombarral, Crédito Agrícola de Mafra, Caixa Agrícola de Torres Vedras, Caixa de Crédito de Leiria, Caixa Geral de Depósitos, Cofidis, CEMAH, Credibom, Crédito Agrícola, Deutsche Bank, Eurobic, Millenium, Montepio, Novo Banco, Novo Banco dos Açores, Oney, Santander, Unicre, Box and Wizink. With MB WAY, Portuguese cardholders can connect their cards with their mobile number in order to make card-less immediate bank transfers. In addition, cardholders can use the MB WAY app to generate virtual MB NET cards allowing for online purchases on any website that accepts payments by American Express, Mastercard, or VISA.

With the MB NET security solution integrated into MB WAY app, smartphones and tablets can be used to make purchases based on a telephone number or email account or make immediate bank online bank transfers. MB WAY provides for e-commerce, m-commerce, and TV-commerce operations.

In 2019, SIBS reported 400,00 MB NET cards registered with the MB WAY app, 121,000 purchases with a value of €2.4 million, and 90,000 bank transfers with a value of €8 million. By the end of 2020, MB WAY reported

more than 3 million users, (2019: 2.1 million). MB WAY stated that both in-store and online purchases had tripled in growth from 2019, with mobile phones making an increasing number of transactions. The number of purchases with MB WAY – with NFC, QR Code, online with mobile number, or MB NET – has also grown exponentially (mainly purchases with QR Code and NFC that have had an average growth of 25% per month). In 2019, SIBS enabled the interoperability of MB WAY with other mobile payment systems for international usage.

By 2021, MB WAY allowed more than 3.8 million users (+22% from 2020) to make physical and online purchases, transfers, and withdrawals, among other operations using mobile phones, with more than 227 million total transactions (+95% from 2020). The growth in online purchases contributed to this increase, which increased by x2 compared to 2020, and purchases at physical terminals, which grew by x3 the level of 2020. In 2023, MB Way had more than 5 million users, including 3.5 million active users who make 9 million purchases each month. It was also reported that 94% of MB WAY users always pay with MB WAY. In October 2024, SIBS announced that the number of users of the MB WAY payment app had risen to 6 million. SIBS also stated that it is possible to use MB WAY to make purchases at approximately 420,000 payment terminals, subscribe to online services, use public transport, pay taxes, use ATMs, and that with MB WAY it is possible to make all payments using only your mobile phone.

As of mid-2025, the Click to Pay online payment checkout service was available, replacing the previous MasterPass and VISA Checkout services respectively. Click to Pay is a joint service between Mastercard, VISA, Discover and American Express, enabling consumers to make secure one-click payments without having to enter card details or passwords online.

In Q4 2025 [BLIK](#), Poland's leading mobile payments system, launched a pilot programme enabling euro-denominated phone-to-phone (P2P) transfers with other European mobile payment providers — a significant step toward a unified European payments market.

The pilot was unveiled during the [Web Summit 2025 in Lisbon](#), marking the first successful transaction between Portugal's MB WAY and a BLIK user at Santander Bank Polska.

The initiative is part of the broader [European Payments Alliance](#) (EuroPA), which aims to link national mobile payment systems into a single interoperable network.

The test transfer — from a Portuguese MB WAY user to a Polish BLIK customer identified by phone number — demonstrated the potential for truly borderless, real-time P2P payments across Europe

Contactless payments on cards using Apple Pay, Samsung Pay, or Google Pay made by foreign users at contactless POS terminals in Portugal are processed as contactless card payments.

Global contactless transaction values are projected to reach approximately \$15.7 trillion by 2027, up significantly from around \$4.6 trillion in 2022, driven by widespread adoption of contactless mobile and card payments. Contactless mobile and wearable payments are expected to grow by over 220%, while contactless card payments will increase by approximately 119% in the same period.

Contactless ticketing spend is forecasted to surge by more than 400% globally between 2022 and 2027, with mobile NFC ticketing powered by OEM wallet solutions such as Apple Pay, Google Pay, and Samsung Pay playing a critical role in enabling seamless transit and event ticketing across multiple markets.

By 2027, 99% of all smartphones are estimated to support contactless payments, up from 94% in 2022, with average contactless transaction values roughly \$28.20 for Apple Pay and \$33.40 for Google Pay. Digital wallets—including PayPal, Apple Pay, and Alipay—represent the majority of global mobile payments. Mobile wallets accounted for around half of global e-commerce payment transactions as of 2022 with approximately 2.8 billion users worldwide, nearly half concentrated in Asia-Pacific, led by large markets such as China, India, and Southeast Asia.

In North America and Europe, mobile payments increasingly overlap with broader "alternative payments" encompassing all non-cash, non-card payment methods, reflecting shifting consumer preferences towards convenience and digital-first financial experiences.

Overall, the global contactless payment market is witnessing rapid growth driven by technology advances, expanding wallet usage, and evolving consumer behaviours, signalling a transformative shift towards universal cashless and contactless commerce by the end of the decade.

Apple Pay has become one of the world's most used digital payment methods. Its user base increased from 521.4 million to 535.8 million in 2022 and now sits at 785 million users worldwide at end 2024.

This payment method is also available in over 85% of US merchants and 60% of stores globally.

As of August 2024, the estimated total Apple Pay in-store sales now sit at \$268 billion, up from \$213 billion last year.

As of 2023, Apple Pay processed 14.2% of all online consumer payments and 5.6% of all in-store purchases globally, global transaction volume (2025 estimate) is \$7.6 trillion.

In the US its Apple Pay users are measured as ~63.9 million (2025 forecast), with in-store U.S. retail sales via Apple Pay sitting at ~\$268 billion (as of August 2024).

Putting it all together, Apple Pay is increasingly becoming an effective customer acquisition and retention feature for Apple. In June 2022, Apple Pay added Apple Pay Later, its buy-now-pay-later service, allowing users to split purchases into four equal instalments with no interest or fees. Initially launched in the US, the service is expected to roll out to other countries during 2023. In 2023, Apple launched its Card savings account from Goldman Sachs with a 4.15% annual percentage yield. Apple Wallet users can set up and manage a savings account directly from Apple Card in Wallet, with no fees, no minimum deposits, and no minimum balance requirements.

Apple Pay is available in Portugal through 73 banks and payment providers as of October 2025.

Google Pay current data shows around 820 million active users across 45 global markets.

In January 2022, it was reported that the company was planning to transform Google Pay into a "comprehensive digital wallet", following the app's reported slow growth and the shutdown of Plex. In April, it was reported that Google was planning to revive the "Google Wallet" branding in a new app or interface and integrated with Google Pay. Google officially announced Google Wallet on May 11, 2022, at the 2022 Google I/O keynote. The app began rolling out on Android smartphones on July 18, replacing the 2018 app and co-existing with the 2020 Google Pay app in the US. While the app name itself was changed from Google Pay to Google Wallet, the service name of actually paying for things online or in-store remains "Google Pay".

In the US, Google Pay has over 165 million users. Also, Google Pay is used on nearly 800,000 websites as a secure payment gateway. Roughly 20% of all mobile purchases are made using this digital payment processor. Google Pay ranks 3rd among mobile payment methods globally. In Russia, it has an online usage distribution of 35.18% and has recorded approximately 1,281,838 transactions online. Available in 19 countries, 30% of Google Pay's active users are millennials. It is one of Canada's top 5 online payment apps and is the primary mobile payment method for 2,193 businesses worldwide. In India, Google Pay boasts 67 million active users and holds 36.10% of the mobile application market. Its widespread adoption and significant market share highlight its growing importance in the global digital payment landscape.

Google Pay is available through 59 banks and payment providers in Portugal as of October 2025.

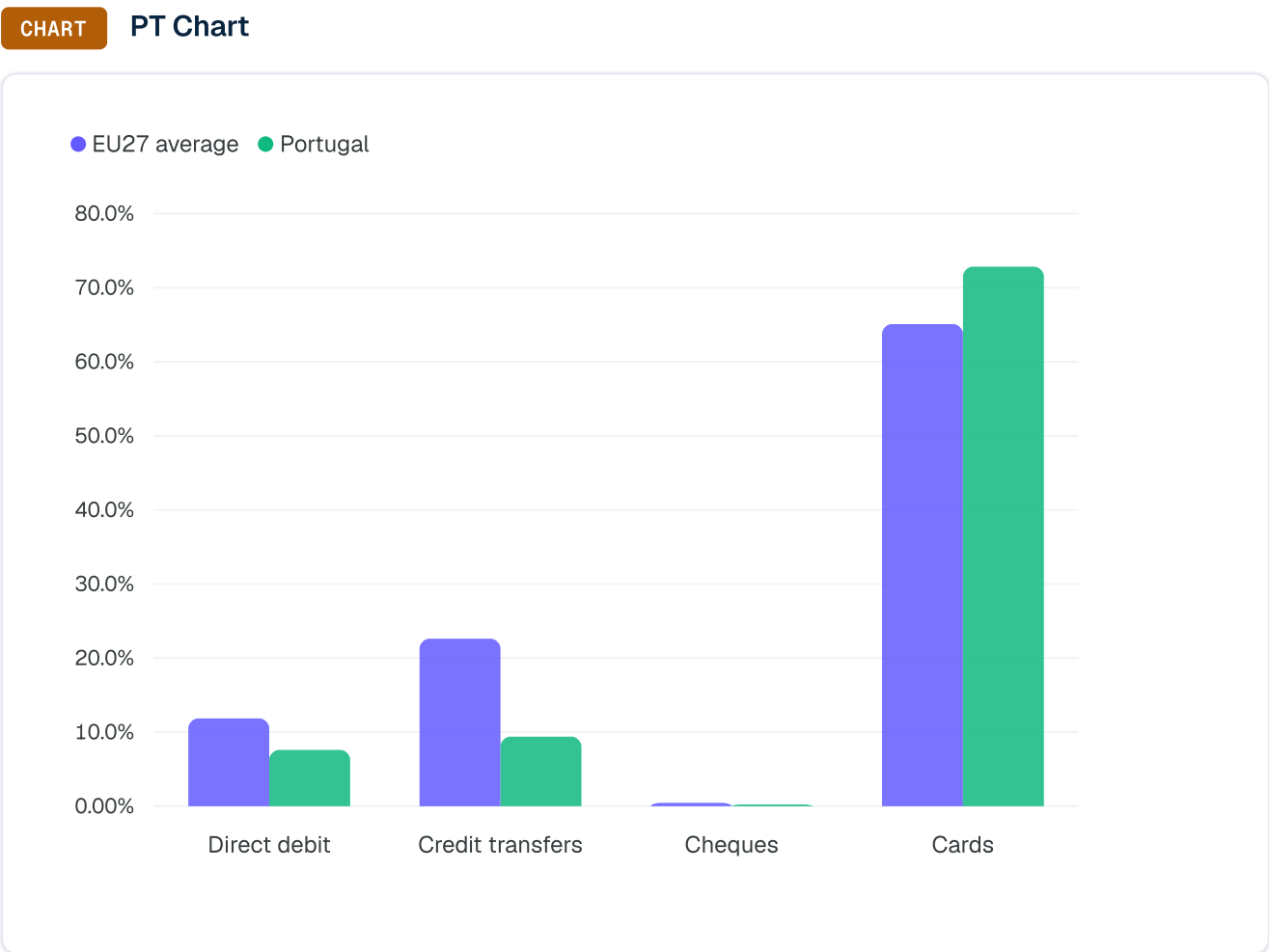
Samsung Pay is available in 29 countries worldwide and has an estimated 150 million users. Samsung Pay works with a broad range of Samsung Galaxy phones, including the latest Galaxy S22 and newer models, as well as many previous models like the Galaxy S8.

Samsung claims that its system will work with almost all point-of-sale systems: NFC, magnetic stripe and EMV (Europay, MasterCard and Visa) terminals for chip-based cards. In June 2022, Samsung Pay was renamed to Samsung Wallet in the US, UK, France, Germany, Italy, and Spain. Along with the renaming came new features such as the ability to store digital assets and digital keys within the Wallet app.

Samsung Pay is not yet available in Portugal.

Overview of Cashless Payments

The Portuguese financial system set up the Payment Digitisation Programme (PRODIGI) in 2006 in order to foster automatic payments. Its main purpose was to place Portugal within three years among the European countries that make least use of less efficient means of payment. For decades, Portugal has one of the most efficient payment systems in Europe.



According to ECB and SIBS, Portugal is the euro zone country with the highest use of cards in relation to other cashless means of payment. In 2024, cards accounted for 72.83% of cashless payments, compared with 55.85% in the EU, while direct debits accounted for 7.60%.

Credit transfers (9.39%) are the dominating cashless payment instrument in terms of value (86.51%) reflecting higher values per transaction. As at end-2021, SEPA credit transfers (SCT) accounted for 97.07% of all credit transfers in Portugal, including cross-border credit transfers.

Cheque use remains significant (0.24%), though particularly since the launch of the direct debit system in 2001, the use of cheques has declined – in the past year, they have declined by 12.90% alone. However, cheques remain an important cashless payment instrument used for both retail and commercial payments.

In 2024, there was a high level of 395.9 cash-less payments per capita, up 12.42% from 2023. They were composed of 288.3 card payments per capita, 37.2 credit transfers per capita, 30.1 direct debits per capita and 0.9 cheque payments per capita.

TABLE 2 Cashless Payment Transactions in Portugal

(millions)	2020	2021	2022	2023	2024	2025F	GR 23/24	GR 5Y	CAGR 5Y
Card payments	1,707.098	1,999.531	2,391.650	2,626.045	3,083.407	3,425.000	17.42%	69.10%	11.08%
Cheques issued	31.842	26.567	14.706	11.448	9.971	8.725	-12.90%	-76.24%	-24.98%
Credit transfers	331.162	357.386	353.008	370.371	397.384	414.384	7.29%	23.30%	4.28%
Direct debits	228.721	235.911	261.318	294.142	321.639	351.706	9.35%	31.42%	5.62%
Total	2,352.986	2,674.873	3,441.469	3,725.132	4,233.860	4,199.816	13.66%	69.40%	11.12%
Total card payments per capita	165.78	194.28	232.22	248.25	288.31	320.25	16.14%	62.64%	10.22%
Total cheques issued per capita	3.09	2.58	1.43	1.08	0.93	0.82	-13.85%	-77.15%	-25.56%
Total credit transfers per capita	32.16	34.72	34.28	35.01	37.16	38.75	6.12%	18.59%	3.47%
Total direct debits per capita	22.21	22.92	25.37	27.81	30.07	32.89	8.16%	26.40%	4.80%
Total cashless payments per capita	228.51	259.90	334.16	352.15	395.88	392.70	12.42%	62.93%	10.26%
Note: book-entry transactions are not included in credit transfer and direct debit figures; totals include "other payments instruments" and so are more than the sum of the categories listed.									
Source: ECB, Banco de Portugal.									

Exchange Rates

Portugal joined the euro system and adopted the euro as its currency on 1 January 1999. The exchange rate of the Portuguese escudo (PTE) against the euro was irrevocably fixed at 200.482 PTE per €1.00.

Market Infrastructure

Two interbank organisations are at the centre of the Portuguese card payment system – Sociedade Interbancária de Serviços SA (SIBS) in the debit card/ATM/POS sector and Cartão de Crédito Internacional SA (Unicre) in the credit card sector.

In October 2020 the Portuguese banking community was successfully connected to TIPS, the service provided by the Eurosystem for pan-European instant transfers. As of this date, pan-European instant transfers could be made with the same ease as domestic instant transfers.

In November 2020, the BdP published the National Strategy for Retail Payments, 2022 Horizon, prepared under the aegis of the Payment Systems Forum. The Strategy is based on four development pillars:

Pillar I – to promote a better-informed society

Pillar II – to enhance the benefits of digital transformation

Pillar III – to contribute to a regulatory framework that fosters innovation and efficiency

Pillar IV – to promote the adoption of more secure payment solutions.

The actions included in each of the four pillars of the Strategy were expected to be carried out by the end of 2022. The following stand out for their potential to transform the Portuguese payments market: (i) to promote greater coverage of the network of contactless POS terminals and payment cards; (ii) to foster the widespread use of instant transfers, not only in remote payments, but also at POS; (iii) to promote electronic solutions that speed up payments to the general government; (iv) to identify and propose the revision of legislative acts and other regulation that impose/favour the use of paper-based payment instruments, in particular cheques; finally, (v) to assess the feasibility of making a legislative amendment requiring firms to accept, together with cash, at least one electronic payment instrument.

At the end of 2021, a little over a year since its publication, 18 of the Strategy's 42 initiatives (43%) had already been completed, another 18 were under way, and only six were scheduled to begin in 2022. By the end of 2022, all 42 initiatives of this strategy were completed under its four pillars. In 2023, the Banco de Portugal published the National Strategy for Retail Payments 2025 (2025 Strategy), setting out 30 lines of action to encourage the provision of secure, efficient and innovative payment solutions in the Portuguese market and to foster development and competition within the sector.

According to the BDP, in 2024, the Portuguese made 4.7 billion retail payments, amounting to €776.7 billion. This corresponds to increases of 11.2% in volume and 4.9% in value compared to 2023. 11.6 million retail payments were processed per day on average, to the amount of €2 billion in 2023. Developments in the use of the payment instruments processed in this system were mixed, consolidating the trends already observed in previous years.

Electronic payment instruments were used in 99.8% of cashless retail payments. The use of paper-based instruments (cheques and bills of exchange) decreased further, generating only 0.2% of transactions processed in SICOI. The use of electronic payment instruments grew by 11.2% in volume and 6.6% in value. This rise was led by instant credit transfers, with increases of 46.4% in volume and 47.2% in value. Despite marked growth, these operations continued to represent a small share of total transactions processed in SICOI: 0.4% in volume and 3.6% in value. In 2024, 59.2% of instant credit transfers were initiated by private individuals.

The recovery in economic activity also had an impact on TARGET2. In 2024 the Portuguese component of this system, TARGET2-PT, processed around 2.0 million transactions (+3.7% more than in 2023), totalling €30.1 trillion (2023: €27.1 trillion) which is 11.4% higher than in 2023.

During 2022, 2 countries (Belgium and Slovakia) joined TIPS, which now operates in 13 markets. In terms of volume, Portugal was the 11th most active country in TIPS in 2022. In 2024, the Portuguese community sent and received 45.8 million instant credit transfers, 84% more than in 2023. These operations totalled €17.3 billion, a 55% increase on the previous year.

The Banco de Portugal continued to prepare the Portuguese community for the implementation of the TARGET2 with T2S consolidation and the TARGET Services evolution project. The project was scheduled to go live in November 2022, but this was postponed to March 2023. The consolidation of TARGET2 with T2S represents the largest transformation in infrastructures for settling real-time gross payments in euro since the launch of TARGET in 1999, which coincided with the implementation of the single currency. 2023 was marked by the simultaneous migration of the entire European banking community to the Eurosystem's new platform for real-time settlement of payments in euro, TARGET. This platform replaces TARGET2, in operation since 2007.

SIBS

Set up in 1983, Sociedade Interbancária de Serviços SA (SIBS) represents nearly all retail banks and credit institutions in Portugal. It oversees the national Multibanco ATM and EFTPOS networks (Multibanco). It is also

the Portuguese automated clearing house for cheques, direct credits, drafts and real time gross settlement. The national ATM network was implemented in 1985 and the POS network followed in 1987.

Since April 2011, SIBS SGPS is the Groups holding company, responsible for the subsidiaries' management:

- SIBS FORWARD PAYMENT SOLUTIONS (FPS) develop processing activities and payment solutions
- SIBS CARTÕES provides card personalisation services
- SIBS PAGAMENTOS manages the MULTIBANCO acquiring and MB SPOT services
- SIBS PROCESSOS manages card business process outsourcing solutions
- SIBS INTERNATIONAL (WPS) that promotes and implements the group services in international markets.
- SIBS GEST – main goal is to manage the Group's shared services and real estate
- PAYWATCH – focuses its activity on fraud detection and prevention services regarding banking cards.

At the end of 2023, the SIBS group had 21 bank shareholders and had a multi-geographical presence, with three major operations in Europe: Portugal, Poland, with a presence in transaction processing since 2008 and a direct acquiring operation since 2018, and Romania since the end of 2020, as a provider of card processing and personalisation services to banks and merchants.

SIBS can offer the following processing services: Issuing, Acquiring, Gateway and Switching. In 2021, SIBS reported 7.5 billion transactions (up 16.6% from 2020) processed. For more details on cards, ATMs and POS terminals see Table 7 and Table 9.

In 2012, SIBS and the Portuguese banks set up a task force for defining the technical and operational model for the implementation of the mobile NFC payments solution.

In July 2013, SIBS selected Monex as its partner for dynamic currency conversion (DCC) services in Europe and beyond. The new SIBS partnership with Monex allows international cardholders to withdraw funds at Portuguese ATMs while conveniently being charged in the home currency of the card.

From 2013, SIBS FPS supported the issuance and processing of contactless cards. In addition, SIBS FPS offered tokenisation security services. Through MB NET, SIBS pioneered the replacement of card credentials disclosure by a token or virtual card. With its MB WAY app, SIBS increased the relevance of this platform, extending the type of managed tokens to mobile numbers, email addresses, and card-less cash withdrawals at MB AMs.

In September 2019, SIBS announced that it had created Europe's most comprehensive open API network, consistent with the requirements of the PSD2 directive. Uniquely among European countries, SIBS has access to up to 95% of Portuguese retail bank accounts, making it an attractive target partner for FinTechs and non-financial firms seeking to create new services for Portuguese consumers.

In October 2020, SIBS announced the launch of cross-border instant payments. The SIBS platform, launched in 2018 to ensure instant payments processing at national level, is now also providing these operations between European financial institutions.

In 2020, with the acquisition of Romcard/Supercard in Romania, SIBS consolidated its position in Central and Eastern Europe. In Africa, SIBS solutions process more than 770,000 terminals with 1.2 billion transactions per year, and more than 540 million app users, corresponding to more than 170 million transactions.

The number of cards managed by SIBS rose to around 33 million, resulting from the integration of operations in Romania, representing growth of 9 million cards and growth of over 1 million cards in Portugal.

In 2021, SIBS was chosen by the Central Bank of São Tomé e Príncipe and SPAUT, to ensure the development and creation of the new platform of the São Tomé e Príncipe payment system, thus guaranteeing new payment services and the international interoperability of payments in the country. In Romania, SIBS launched SoftPOS, which at the end of 2021 had more than four member institutions and more than 4,000 merchants.

PAYWATCH – In 2008, SIBS (60%) set up PAYWATCH in partnership with Unicre (40%) to provide integrated fraud prevention, detection and investigation services to issuer banks and acquirers. The company began its Fraud Watch operations in January 2009. In 2013, SIBS acquired the shares of Unicre and became 100% owner of PAYWATCH. The PAYWATCH services use an extensive set of rules and parameters to generate alerts whenever there is a potential fraud. SIDEF (Fraud Detection Interbanking System) supports the PAYWATCH services.

SIBS and Via Verde – SIBS, the Portuguese interbank processors, owns 20% of Sociedade Via Verde, with 60% owned by Brisa, Portugal's largest motorway operator, and 20% by Ascendi, the other large motorway operator in Portugal. The Via Verde Portugal (VVP) road toll scheme allows motorists to pay motorway tolls without stopping at the tollbooth with the appropriate payment debited from the user's bank account using RFID technology.

Via Verde is an automatic fee collection system for services provided using contactless Via Verde Tags, ensuring greater speed and convenience of payment at more than 3,000 km of highways, 109 gas stations (GALP) and 140 car parks. For its corporate segment, Via Verde serves 300,000 member companies.

In 2020, there were 379.0 million Via Verde transactions managed by SIBS (2019: 471.0, 2018: 439.0, 2017: 406.0, 2016: 349.6, 2015: 316, 2014: 292, 2013: 279, 2012: 252, 2011: 236 million; 2010: 193; 2009: 189 million) reflecting that Via Verde doubled the number of customers from 1.25 million to 3.4 million between 2001 and 2013.

Via Verde accounted for 95% of what SIBS calls its low-value payments (Via Verde, tolls with card, car parks and public phones).

Enhancements to the Via Verde service were introduced in 2008. A mechanism was implemented that allows payment refunds by issuers. At the end of the year, Via Verde added new acceptance channels, with the service becoming available at car wash stations and drive-in restaurants. In partnership with McDonald's and Via Verde, Millennium bcp launched in 2009 a pilot project involving payment through the Via Verde identifiers at two 'Drive-Thru' restaurants.

In 2018, Via Verde launched a series of mobile apps for both corporate and individual customers, available for Android and Apple phones. Via Verde's services were also extended to the streets of Lisbon in 2019.

In 2021, SIBS sold its stake in Via Verde Portugal, becoming its technological partner with a focus on generating new innovative mobility services for the benefit of almost 3 million Via Verde customers.

In December 2023, MB WAY established a partnership with BANCORMAT Pay and BIZUM for interoperability. This agreement aims to enable their users to make simple, convenient and safe instant payments using their mobile phones across the 3 countries.

In March 2025, after signing agreement in 2024, it was announced that international instant payments between BANCORMAT, Bizum and MB WAY are underway, connecting 50+ million users and 186 financial institutions across Italy, Spain, Portugal, and Andorra.

SIBS International – Like other payment processors in Europe, SIBS has expanded internationally. SIBS has been selected by the European Payments Council to develop the e-mandates standard for SEPA direct debits

and co-operates closely with EMIS in Angola. SIBS's Multibanco scheme was a founder and had been shareholder in the Euro Alliance of Payment Schemes (EAPS) until 2012.

SIBS claimed to be a global company with on-going processing operations in the following countries:

- Portugal: with a transversal role throughout the Portuguese payment system
- Poland: ATM outsourcing
- Romania: POS outsourcing
- Malta: cards & ATM processing
- as well as in Angola, Mozambique and Nigeria (a broad partnership with the local interbank processors)
- and SWIFT wire transfers originating from clients based in such diverse overseas locations as New York, Panama, and Southeast China.

Millennium bcp has selected SIBS to manage its POS network in Romania and carry out SEPA transfers from Greece. Additionally, CGD has selected SIBS to personalise cards for its operation in Spain. In 2008, SIBS undertook the management of an ATM network in Poland. At the beginning of July 2012, SIBS, in partnership with Bank Millennium bcp and Makro Cash & Carry, launched a POS service in Poland. The service is available for all Makro Cash & Carry stores across the country.

In June 2018, SIBS acquired a 55% stake in a Polish company specialised in card acquiring for merchants, PayTel, for around €8 million (PLN 34 million). SIBS has been present in Poland since 2008, providing ATM network management services, terminal approval, transaction processing, switching, prevention and fraud detection, now expanding to acquiring services. Founded in 2003, PayTel, based in Warsaw, is an acquiring company that provides integrated payment acceptance, including processing services, POS terminal support, network management, and customer service centres. In mid-2020, PayTel managed over 50,000 EFTPOS terminals and more than 10 million payment transactions per month.

In October 2020, SIBS strengthened its international footprint with the acquisition of the Romcard/ Supercard company, which was previously owned by the now-defunct Wirecard. With a wide range of services and products, including digital and e-commerce solutions for merchants, personalisation of bank cards and loyalty programs, the company serves all major Banks and Retailers with operations in Romania, and in other markets, such as Moldova, Serbia, Hungary, Kosovo, Montenegro, Macedonia and Lithuania.

Redunicre (formerly Unicre)

Historically the monopoly issuer and acquirer of international-branded cards in Portugal (see Appendix for history), Cartão de Crédito Internacional (Unicre) remains a major acquirer in the Portuguese market and continues to issue credit cards under the Unibanco brand (see 'Card Issuers' below). Unchanged on 2011, Unicre is owned by 12 bank shareholders, with the biggest four holding a combined 91.53% – Millennium BCP 31.16%, Banco Santander Totta 21.86%, Banco BPI 21.01% and Novo Banco 17.50%. Foreign bank shareholders include BBVA, Banco do Brasil and WiZink Bank.

Unicre acquires under the Redunicre brand. In 2024, the value of Unicre-acquired transactions was €26.4 billion, with the number of transactions grew to 800 million (-8.15% from 2023). These figures compare with 539 million transactions in 2019 and a total transaction value of €20 billion in 2019. The ATV per transaction has continuously fallen to €40 in 2021 from €43.97 in 2007 due to higher use of cards for lower purchase amounts. By end-2020, the number of merchant establishments subscribing to the Redunicre network was 90,000, and the number of POS terminals was 100,000, of which 99,000 were recorded as contactless-enabled in 2021.

The decline of acquired transactions in 2016 compared with 2015 is a result of payment selection choices of cardholders at POS terminals, i.e. Mastercard/VISA brands instead of Unicre brand. On the other hand, the increase in tourism resulted in a higher number of payments on international cards.

In 2020, Unicre changed its brand name to Redunicre.

TABLE 3 Redunicre Acceptance Network

	2020	2021	2022	2023	2024	GR 23/24	GR 5Y	CAGR 5Y
Acquired POS (000s)	100	100	100	112	125.44	12.00%	25.44%	4.64%
Value of acquired transactions (€bn)	17.96	24	27	28.8	26.4	-8.33%	32.00%	5.71%
Number of acquired transactions (m)	479.8	600	600	871	800	-8.15%	48.42%	8.22%
ATV per transaction	€37.43	€40.00	€45.00	€33.07	€33.00	-0.20%	-11.06%	-2.32%
Note: in 2020 Unicre changed it's brand name to Redunicre.								
Source: Unicre.								

Unicre MSC Rates – The national competition authority has investigated Unicre following complaints by retailers over charges. In April 2006 reference merchant service charge (MSC) rates were readjusted (with the exception of petrol stations), with a reduction in the highest MSC rates from 1.95% to 1.80% for debit cards and 3.95% to 2.5% for credit cards. In October 2006, MSC rates applied in the fuel distribution sector were adjusted. In April 2007, there were further adjustments to the top MSC rates (with the exception of service stations), from 1.80% to 1.60% for debit cards, and 2.50% to 2.25% for credit cards.

Overall, the average MSC rate of Unicre has fallen from 2.15% in 2002 to 1.56% in 2005 and 1.11% in 2008. Since 2009, Unicre has reported no subsequent updates on its MSC data. The EC Interchange Fee Regulation (IFR) has led to reduced MSC rates for payments with Unicre consumer cards, since 9th December 2015.

Card Issuers – Overview

Portuguese banks issue contactless cards, credit cards, charge cards, debit cards and prepaid cards in combination with bank accounts. Addressing the specific needs of personal banking and business banking, the card portfolio is composed of consumer cards, business cards and corporate cards.

Dedicated card products are offered for the individual client segments: families, millennials, students, affluent clients, small business clients, corporate clients and even basic account clients. The credit cards offered range from classic cards to gold cards and platinum cards.

Most Portuguese retail banks issue Multibanco cards co-badged Maestro, Electron, VISA or Mastercard for international use.

From 2020, American Express Payments Europe will be the sole issuer and acquirer of American Express cards in Europe, including Belgium where American Express cards are issued through AlphaCard, (owner: American Express). However, American Express Payments Europe will continue its local sales partner arrangements with local acquirers enabling the use of American Express cards at ATMs and POS terminals.

As a result of this decision, American Express announced that its issuing relationships with Novo Banco and Millennium bpc would be terminated effective January 2019.

Leading card issuers are Caixa Geral de Depósitos (CGD), Millennium bcp, Novo Banco, Banco BPI and Banco Santander Totta. Other issuers include CA Crédito Agrícola (CCCAM), CEMG Montepio, Unicre (Unibanco credit cards) and many others.

In December 2018, Millennium bcp became the first bank in Europe to issue UnionPay credit and debit cards to customers, commencing January 2019. The plan is for Millennium to also roll out UnionPay's QuickPass

scheme for online payments. Table 4 illustrates the card brands accepted by the leading Portuguese card issuers as of mid-2025.

TABLE 4 Leading Card Issuers in Portugal

Domestic Issuers — Caixa Geral de Depósitos (CGD)	Issued Card Brands — Mastercard, VISA; Electron; MB	Owned by — State-owned
Millennium bcp	VISA Electron MB UnionPay	Individuals: 18.4%, Institutional investors: 81.6%
Novo Banco	VISA Electron MB	Nani Holdings: 75%, Resolution fund: 13.04%, State: 11.96%
Banco BPI	Mastercard VISA Electron MB	CaixaBank (E): 100%
Banco Santander Totta	Mastercard VISA Debit Mastercard Electron MB	Banco Santander Group (E)
Crédito Agrícola Mútuo	VISA Electron MB	Mutual bank sector
CEMG Montepio	VISA Electron MB	Mutual bank sector
WiZink Bank	Mastercard Mastercard Debit MB	WiZink Bank (E)
BBVA	VISA Electron MB	BBVA Group (E)
BancoBIC	VISA Electron MB	BancoBIC Group (Angola)
bancoCTT	Mastercard VISA Debit	CTT Group
Unicre	Mastercard VISA Unibanco	12 Portuguese banks
American Express	American Express	American Express (US)
other issuer banks	Mastercard VISA Electron MB	various
Consumer Finance Issuers	Issued Card Brands	Owned by
Banco Credibom	VISA	Credit Agricole CF (F)
Cetelem Portugal	Mastercard	BNP Paribas PF (F)

Note: In 2016, Banco Santander Totta absorbed the former state-owned bank BANIF.

Source: Portuguese banks.

Outlook – By mid-2025, Portuguese card issuers face the following notable challenges:

- Impact of eIDAS 2.0 on card authentication flows, KYC onboarding, and mobile app integration
- Launch of Debit Mastercard cards and VISA Debit cards replacing Maestro cards and V PAY cards
- New card features such as variable recurring payments (VRP) and buy-now pay-later (BNPL)
- Rollout of online/mobile bank payment services combined with mobile apps and FinTech partners
- Continued consolidation of card portfolios and card products following the IFR regulation
- Implementation of 3D-Secure 2.3, the launch of digital wallets, in-app payments, in-store payments
- Strong Customer Authentication (RTS SCA), risk-based authentication (RBA), biometric authentication
- Competition from card-less payment service providers: PISPs, AISPs, FinTechs
- Tokenisation security combined with HCE NFC and card credentials stored-on-file
- Impact of PSD2 and its Open Banking mandate on secure access to card accounts
- Compliance with the General Data Protection Regulation, GDPR and the PSD2, including RTS SCA

Card Processors and PSPs

In Europe, the payment processing industry is composed of card processors, ATM/POS network hub processors, e-/m-payment service processors (PSPs), and specialized processors (e.g. CSM processors, TSM services).

In Portugal, card issuer processing services range from technical issuer processing, including card printing, to full cardholder processing services. They include all types of cards and card technologies allowing for card use in multiple channels (i.e. at ATMs, POS terminals, on the internet and in-store mobile payments in the future).

Acquirer processing services in the country range from technical acquirer processing, including POS terminal services, to full merchant processing services. Usually, ATM/POS network processing is part of acquirer processing while payments on the internet are routed by specialised e-/m-payment service processors (PSPs) to the card acquirers and independent payment service providers (e.g. PayPal), respectively.

Leading card processor in Portugal is SIBS FPS. It is the network processor of Unicre, but Unicre operates its international gateways in-house.

Some of the major Portuguese banks use their own bank IT solutions for issuer processing, or they use the processing services of Fiserv (formerly First Data Europe) or Spanish processor Redsys.

Online Payment Service Processors (PSPs)

Online payment service processors (PSPs) are specialised technical processors for all kind of secure online payments and mobile payments. Some of them also offer virtual PSP platform services (VPSP) for bank acquirers who want to take advantage of a kind of 'internet network processor'.

Online shops of merchants are directly connected by an API interface or a hosted payment page either to the internet payment gateway of a bank acquirer, or they are connected to multi-acquirers through a PSP.

PSPs usually partner with more than one card acquirer and payment initiation service providers. Core services offered by PSPs may include payment gateways to card acquirers and other online payment service providers, online payment processing, risk management services, and collection services for merchants.

Security technologies applied to ensure secure online card payments include EMV tokenisation and strong 3D-Secure (MCSC, VbV, SafeKey) combined with one-time tokens. For card-less payment services, the security technologies applied include userID/password combined with one-time tokens and online banking access with one-time TAN.

Leading PSPs resident in the country includes the market leader SIBS, easypay and few other small PSPs. Like in other European countries, the Portuguese acquirers, the cross-border acquirers, and foreign PSPs are as well active on the internet in Portugal. Resident PSPs and Acquirers:

- SIBS: Market leader, operator of MB WAY (the dominant wallet, with over 45% share of e-commerce transactions and 4.5–5 million users), Multibanco, and retail payment rails. The central processor and orchestrator for local payments.
- easypay: One of Portugal's main local PSPs, popular with small and medium merchants for cards, Multibanco references, MB WAY, and subscription payments.
- REDUNIQ (Redunicre): Largest merchant acquirer—see previous answers for transaction numbers and POS coverage.
- Additional domestic PSPs: IfThenPay, EuPago, PaySimple, Lusopay, Bizay, Decta cater to diverse merchant segments and are increasingly focused on e-commerce, recurring billing, and alternative

payment methods.

Cross-Border and International PSPs Available to Portuguese Merchants:

- Adyen (Netherlands): Leading global acquirer, now widely available to large Portuguese merchants for seamless card, wallet, and bank payment integration.
- Worldline (France): Major European processor and acquirer, offers extensive online and in-store merchant services in Portugal.
- Clearpay (Australia/UK): Popular BNPL (Buy Now, Pay Later) solution, enabling installment payments for e-commerce.
- DataCash(UK), Worldpay (UK/US), Paysafe Group (Skrill (UK), Paysafecard (Austria)), UOL BoaCompra (Brazil): All active and integrated into large merchant platforms and payment gateways, enabling frictionless cross-border checkout and local payment acceptance.
- PayPal, Google Pay, Apple Pay, Alipay: International wallets preferred by Portuguese and international consumers for frictionless online payments.
- PPRO: Payment orchestration platform integrated with MB WAY and Multibanco for global merchants, enabling seamless local checkout in Portugal.

Portuguese merchants (and consumers) have access to over 30 PSPs, with many international platforms collaborating with local infrastructure for omnichannel, mobile, and e-commerce payments.

MB WAY and Multibanco remain the payment backbone, while card (Visa, Mastercard) and wallet adoption continues to grow.

EuroPA (SIBS, Bizum, Bancomat Pay) and the rising Wero wallet are signaling further European integration and future interoperability for cross-border mobile payments.

Adyen (NL), Worldline (F), Clearpay (AUS)

Acquiring and Acceptance

In Europe, most acquirers offer multi-channel card acceptance and value-added merchant services at POS terminals, mobile MPOS terminals and online shops. The leading acquirers usually act on a European level and offer their services cross-border.

Additionally, innovative acquirers also offer the acceptance of card-less payment services based on partner agreements with the issuer of those payment services (e.g. account-based payments, wallets, prepaid products).

Most acquirers either operate their own acquirer systems and ATM/POS/MPOS network service hubs, or they use the processing services of external processors. In order to service online merchants in Europe, they may operate their own PSP processing platforms or they co-operate with one or more specialized online payment service processors (PSPs).

From 2009, European acquirers compete in their home markets, cross-border on a European level, and cross-channel at POS terminals and also servicing online merchants. From 2016, innovative acquirers started to offer omni-channel and multi-payment acceptance.

By mid-2025, omni-channel acceptance includes the ability to service all channels (i.e. POS/MPOS terminals, mobile in-store, online shops, in-app), and to accept multiple payment means in all of these channels. Multi-

payment services demanded by merchants include cards, IBAN-based payments (SCT, SDD), online wallets, digital wallets, prepaid products, and immediate payments.

Outlook – By end-2025, Portuguese acquirers face the following notable challenges:

- Digital wallet adoption and tokenised card transactions across channels
- Rollout of contactless POS/MPOS terminals and innovative SmartPOS devices, Interchange++
- Complete acquirer service portfolio beyond cards i.e. acceptance of card-less A2A payment services
- New payment services such as variable recurring payments (VRP) and buy-now pay-later (BNPL)
- Omnichannel payment acceptance: POS/MPOS, online, mobile in-app, mobile in-store
- Cross-border competition, omnichannel competition, finding PSP partners and PISP partners
- New security standards e.g. 3D-Secure 2.3, tokenisation security, biometric authentication
- Implementing Strong Customer Authentication (SCA) and risk-based authentication (RBA)
- Compliance with the General Data Protection Regulation, GDPR and the PSD2, including RTS SCA

Though Unicre was historically the sole acquirer of international credit and debit cards in Portugal, the market has become more competitive, from 2008. All Portuguese banks are Multibanco card acquirers. Obviously, Multibanco cards are processed in Portugal according to the domestic MB brand and independent from the co-badged brand for international use. Unicre acquires Mastercard, VISA, Diners, Discover, JCB, UnionPay (2015), Maestro, Electron and Spanish Euro 6000 debit cards.

The leading acquirers of international credit and debit cards are Unicre (brand: Redunicre), CGD netcaixa, Millennium bcp, and EuroBIC (formerly BPN Net Pay). Other major Portuguese acquirers include Novo Banco and Banco BPI.

Millennium bcp was previously the American Express acquirer with a network of 47,000 American Express accepting merchants – however, please see above for the status of American Express acquiring relationships across the EU. In 2014, Millennium bcp reported once that its acquiring turnover grew by 8.3% on 2013. From 2019, Millennium bcp is the UnionPay acquirer, together with Unicre. As at end-2023, Unicre stated that there were more than 66,000 acceptance locations for UnionPay in Portugal.

Foreign cross-border acquirers in Portugal include the UK acquirers Barclaycard GPA and Worldpay, Elavon Merchant Services (IRL) and acquirers from Spain. Barclaycard GPA and WorldPay have conducted acquirer business in Portugal for several years on behalf of car rental companies, hotels and airlines.

Portuguese merchants usually have more than one acquirer: one for MB debit card acceptance and one for international credit card and debit card acceptance brands.

All acquirers have a bank license, or they applied for a payment institution license with European passport. Table 5 illustrates the card brands accepted by the acquirers in Portugal as of mid-2025.

TABLE 5 **Leading Acquirers in Portugal**

Domestic Acquirers — Portuguese banks	Acceptance Brands offered — Multibanco (MB)	Owned by — various
Unicre	Mastercard VISA American Express Diners Discover JCB UnionPay Debit Mastercard VISA Dewbit V PAY	12 Portuguese banks
CGD netcaixa	Mastercard VISA Debit Mastercard VISA Debit Electron V PAY MB	Caixa Geral de Depósitos (CGD)
Millennium bcp	Mastercard VISA American Express UnionPay Debit Mastercard VISA Debit Electron MB	Individuals: 18.4%, Institutional investors: 81.6%
Novo Banco	Mastercard VISA Debit Mastercard VISA Debit Electron MB	Nani Holdings: 75%, Resolution fund: 13.04%, State: 11.96%
Banco BPI	Mastercard VISA Debit Mastercard VISA Debit Electron MB	CaixaBank (E): 100%
EuroBIC (Net Pay)	Mastercard VISA Debit Mastercard VISA Debit Electron MB	BancoBIC Group (Angola)
non-banks	private label cards fleet cards	various
Note: UnionPay acceptance was enabled by Unicre during the second half of 2015, followed by Millennium in 2019		
Source: PCM research		

EuroBIC (previously BancoBIC) acquired BPN Net Pay – During 2005, a domestic competitor emerged in the form of Banco Portugues de Negocios (BPN), which launched an acquiring subsidiary, Net Pay, with the strategic objective of attacking Unicre's de facto monopoly and opening up the domestic acquiring market (see Appendix for background). BPN had acquired all types of transactions, including domestic debit. However, though it continues to offer acquirer services, BPN was severely damaged by the financial crisis. In March 2012, acquirer Net Pay became part of BancoBIC that bought BPN from the state.

CGD netcaixa – CGD entered the market at end-March 2008 with its netcaixa service “introducing new dynamics to the market which had hitherto been solely centralized on two players.” CGD emphasised the attractions of offering customers an integrated solution that combined acceptance of internationally branded debit and credit cards and the domestic Multibanco brand through its automatic payment terminals. In 2011, netcaixa reported 31,318 POS terminals and 101 million card transactions acquired (+19.3%) with the value €3.7 billion (+11.7% from 2010). In 2012, netcaixa's acquiring activities were negatively affected by the slowdown of domestic demand. However, netcaixa claimed to have outperformed the market. Netcaixa claimed to service 24,000 Portuguese merchants.

MSC Fees – Though detailed numbers are not reported, downward pressure on MSC fees and interchange is reducing Portuguese banks' domestic commission income from card transactions. For example, Millennium bcp referred in its 2009 annual report to the “unfavourable evolution in interchange fees.” Obviously, the EC Interchange Fee Regulation (IFR) has led to reduced MSC rates for payments with consumer credit cards, since 9 December 2015.

In August 2020, UnionPay International, and BP in Europe announced a new acceptance partnership for the acceptance of UnionPay cards across the network of over 500 fuel stations in Portugal. This is the latest agreement signed by UnionPay with a leading European operator of fuel stations. In Europe, UnionPay is now accepted by more than 5 million merchants, covering around 70% of all the bank card-accepting merchants in Europe.

SIBS MB and Discover have entered into a strategic agreement to boost payment acceptance for the two companies' brands. This partnership agreement could develop greater acceptance for MB cardholders and more payment options for Discover cardholders. Additionally, the partnership also provides for the sharing between the two technology entities for the development of new products and services.

Payment Institutions

As of 31 December 2024, there were 20 payment institutions resident in Portugal and operating in the Portuguese financial market.

In addition, a total of 350 payment institutions authorised in another EEA member state have provided notification of plans to operate in Portugal under the EU passport system, of which six payment institutions have a physical presence in Portugal through a branch and 16 through an agent. Most of the institutions report payment services taking the form of remittance businesses.

ATM Terminal Infrastructure

SIBS FPS operates the Portuguese Multibanco network. In 2023, the number of active MB ATMs operated by SIBS increased by 2.50% to 12,300. In addition, few banks operate their own ATM network hubs. The ATM acquiring processing with Maestro and Cirrus cards was migrated to SIBS in 2009. The EMV migration of ATMs was completed in March 2007.

Portuguese ATM terminals are open for debit cards (MB, Debit Mastercard, Maestro, Cirrus, VISA Debit, Electron, Plus and V PAY) and credit cards (Unicre, Mastercard, VISA, American Express, Diners, Discover, JCB and UnionPay). All ATMs in Portugal can accept UnionPay debit cards and credit cards.

As is customary in Portugal, the bank provides its customers with a wide range of functions on the ATM systems. They can deposit or withdraw cash, pay their bills, deposit checks or refill mobile prepaid recharging phone cards at ATMs, to name just a few of the total of 90 ATM functions offered.

In July 2013, SIBS selected Monex as its partner for dynamic currency conversion services that allowed international cardholders to withdraw funds at Portuguese ATMs while conveniently being charged in the home currency of their card.

From 2017, SIBS FPS enabled card-less cash withdrawals through its MB WAY app. Bank clients can generate a code with their MB WAY app, key it into any MB ATM, and then withdraw the amount demanded without any need to introduce a card.

The lingering impact of the COVID-19 pandemic can be seen in cash withdrawals metrics. According to Banco de Portugal, in 2024, there were 13,398 ATMs (+0.17%) with 379.56 million cash withdrawals (-3.07%) with a total value of €30.63 billion (-1.20% from 2023). About 60% of all cash withdrawals in Portugal are made using ATMs connected to the SIBS' Multibanco ATM network (12,300 ATMs in 2024) which represented 91.80% of the whole ATM terminal estate. In 2024, there were on average 2,360.8 transactions per ATM per month, and the ATV per cash withdrawal amounted to €80.69.

TABLE 6

ATMs and Cash Withdrawals in Portugal

	2020	2021	2022	2023	2024	2025F	GR 23/24	GR 5Y	CAGR 5Y
ATM Terminals with cash function	13,692	13,202	13,088	13,375	13,398	13,376	0.17%	-0.83%	-0.17%
- thereof active MB ATMs (SIBS)	11,712	11,500	12,000	12,300	12,300	12,435	0.00%	5.62%	1.10%
Ø Number of TXs per ATM per month	2,202.5	2,269.2	2,485.5	2,439.8	2,360.8	2,334.7	-3.24%	-17.56%	-3.79%
Number of ATM cash withdrawals (m)	361.88	359.50	390.36	391.59	379.56	374.74	-3.07%	-18.24%	-3.95%
- on domestic cards (m)	318.59	316.13	341.21	341.72	348.48	355.36	1.98%	-13.92%	-2.95%
- on foreign cards (m)	43.29	43.37	49.15	49.87	31.08	19.38	-37.67%	-47.69%	-12.15%
Value of ATM cash withdrawals (€bn)	27.99	28.54	30.67	31.00	30.63	29.98	-1.20%	-7.62%	-1.57%
- on domestic cards (€bn)	24.29	24.70	26.26	26.51	27.59	27.92	4.05%	-2.46%	-0.50%
- on foreign cards (€bn)	3.70	3.84	4.42	4.48	3.04	2.06	-32.25%	-37.59%	-9.00%
ATV per ATM withdrawal	€77.35	€79.39	€78.58	€79.16	€80.69	€80.00	1.93%	13.00%	2.47%
# ATM Terminals per 1m capita - Portugal	1,329.7	1,282.7	1,270.8	1,264.4	1,252.8	1,250.7	-0.92%	-4.62%	-0.94%
# ATM Terminals per 1m capita - EU27 total	685.3	678.8	642.2	642.2	610.2	569.6	-4.99%	-29.15%	-6.66%
Note: most ATMs are part of the Multibanco ATM network; other ATMs operated by banks in-house.									
Source: ECB, Banco de Portugal, SIBS.									

A number of banks operate ATMs for the exclusive use of their own customers such as CGD's Caixautomática ATMs.

CGD – In 2024, CGD's self-service network comprised 385 Virtual Teller Machines and 2,297 ATMs. The Automated Teller Machine Network is present in all municipalities, with an average of 8 ATMs in each and in 107 parishes, CGD is the only bank to offer the Automated Teller Machine service. Most CGD ATMs are 'intelligent' ATMs with a cash deposit function, which permits the automatic identification of banknotes, thus enabling the amount of the deposit immediately credited to a customer's account.

In 2021, Millennium bcp reported 1,964 ATMs. As with CDG, Millennium bcp has increased the number of 'intelligent' ATMs with deposit validation technology. The bank did not provide update for 2022 - 2024.

Cash-advance Services in Portugal – Competition for ATMs

In an Open Banking ecosystem, the dominant role of ATMs for cash withdrawal services may decline as more cash-advance and cash handling services are offered at retail outlets in Europe.

Cash in-Store – In parallel to ATM cash withdrawals on cards, the Portuguese banks support cash-advance services on cards at POS terminals in retail outlets (see below).

SIBS ATM Network Details – Portuguese ATMs are located at bank branches (49%) and offsite in outdoor locations (51%). The offsite ATMs are located at supermarkets (27%), public institutions (5%), restaurants and retail locations (12%), gas stations (10%) and other outdoor locations (47%).

The real achievement of the SIBS ATM network has been the extension of the services available. Since many years, it is one of the most advanced ATM networks in Europe with more than 90 different service functions.

The services include ordering rail tickets, payment of utility and tax bills and topping-up pre-paid mobile phones. SIBS continued to extend the functionality of the ATM network. New services launched in 2009 included 'Ser Solidário' which enables solidarity campaigns, collection of donations (transfers) by ATM users, and the 'Hunting License and Payments to the State' service.

ATM statistics supplied by SIBS made an estimated 396.0 million service transactions in 2021. ATM withdrawals in the Multibanco network amounted for 192.0 million with an estimated total value of €40 billion,

equivalent to 60.27% of all domestic ATM withdrawals by number. The number of other ATM service transactions increased by 3.99% between 2020 and 2021 to 204.0 million. Withdrawals accounted for 48.48% of total service transactions. The value of all ATM service transactions was €40 billion, up by 26.33% on 2020.

POS Terminal Infrastructure

In the 90s, the Portuguese POS network has started accepting credit cards and it has extended to public telephones. The launch of PMB, the Portuguese electronic purse, extended the network into low value payments. Since the phase-out of the PMB purse end-2005, payments of low purchase values are made using Multibanco debit cards and prepaid functions on cards.

Since 2010, all Portuguese POS terminals are interoperable in SIBS' Multibanco network. Also, bank acquirers operate their own POS terminal hubs connected to SIBS because of MB debit card processing. The EMV migration of POS terminals is complete since end-2013.

Accepted card brands at Portuguese POS terminals are debit cards (MB, Debit Mastercard, Maestro, VISA Debit, Electron and V PAY), and credit cards (Mastercard, VISA, American Express, Diners, Discover, JCB and UnionPay (2015)).

UnionPay cardholders can pay with their card at 66,000 POS terminals of retail stores frequented by tourists. From 2007, Dynamic Currency Conversion and Tax Refund services are available at selected retail locations. In July 2013, SIBS selected Monex as its partner for dynamic currency conversion services.

A number of merchants may use two POS terminals in their outlets as they have different acquirers for MB card acceptance and for credit card acceptance, respectively. Therefore, the country had an average POS terminal density per one million capita that is 88.38% of the EU average.

In 2024, the number of POS terminals increased by 4.23% to 398,508, however there were 516,000 Multibanco Net terminals. There were 1.89 billion POS payments (+9.75%) with a total value of €65.79 billion (-1.44% from 2023). There were on average 396.1 payments per POS terminal per month, and the ATV per POS payment amounted to €34.74.

TABLE 7 POS Terminals in Portugal

	2020	2021	2022	2023	2024	2025F	GR 23/24	GR 5Y	CAGR 5Y
POS terminals	355,062	389,477	407,927	382,337	398,508	413,961	4.23%	20.95%	3.88%
- thereof MB terminals located in Portugal and abroad	373,094	379,000	384,685	465,500	516,000	571,979	10.85%	42.42%	7.33%
Ø Number of TXs per POS per month	283.50	295.02	320.44	376.16	396.08	402.54	5.30%	16.74%	3.14%
Number of POS payments (m)	1,207.93	1,378.83	1,568.60	1,725.83	1,894.08	1,999.63	9.75%	41.20%	7.14%
- on domestic cards (m)	1,056.01100	1,187.70500	1,259.39400	1,341.87000	1,561.52900	1,689.33717	16.37%	37.88%	6.64%
- on foreign cards (m)	151.92200	191.12500	309.20400	383.95500	332.55000	310.28862	-13.39%	59.19%	9.75%
Value of POS payments (€bn)	62.51	71.01	12.25	66.76	65.79	65.58	-1.44%	-3.71%	-0.75%
- on domestic cards (€bn)	56.08	62.93		52.10	53.80	54.68	3.26%	-8.69%	-1.80%
- on foreign cards (€bn)	6.43	8.09	12.25	14.66	11.99	10.90	-18.17%	27.45%	4.97%
ATV per POS payment	€51.75	€51.50	€7.81	€38.68	€34.74	€32.80	-10.20%	-31.81%	-7.37%
# POS Terminals per 1m capita - Portugal	34,481.7	37,842.7	39,608.8	36,144.0	37,262.3	38,707.2	3.09%	16.33%	3.07%
# POS Terminals per 1m capita - EU27 total	31,503.7	34,817.0	44,815.5	44,815.5	50,869.1	56,497.7	13.51%	69.00%	11.06%
Note: In its MB network, SIBS operates POS terminals located abroad.									
Source: ECB, Banco de Portugal, SIBS.									

Petrol stations are the terminals that have the highest utilisation, surpassing 19,000 operations per terminal, whilst "other" terminals, which have the highest average value of purchases (€74), are terminals for example, in financial institutions and insurance companies, tourism and recreational locations and public administration.

Cash-advances ('cashback') at POS terminals in Portugal have shown very low use at selected retail stores only. In 2024, there were less than 0.01 million cash advances with a value below €0.01 billion.

Contactless POS Terminals – Developments in the POS network in 2009 included a contactless pre-launch pilot in some areas of Lisbon, including one of the most active commercial zones in the capital with a large shopping mall. In January 2013, Crédit Agricole (F) said that it had installed 1,500 contactless POS terminals and its objective was to reach 5,500 contactless terminals by the end of 2013. In 2015, CGD reported that it has installed 7,000 contactless POS terminals. In 2024, contactless POS terminals were the new normal, and over 85% of the POS terminal estate were contactless POS terminals.

MPOS Terminals – Small and mobile merchants have started to use their smartphone and tablet PCs as a kind of mini-POS+ECR device with added chip reader dongle. In late 2012, Square clones like Zettle, SumUp, Miura, and others launched their MPOS services in Europe. It is known that Portuguese merchants also demand MPOS terminals. Further, merchants can initiate MOTO like card payments on their smartphones and tablets by downloading a payment app.

In December 2012, SumUp launched its MPOS terminal and services in Portugal. In February 2013, Portugal Telekom started to offer MPOS terminals to Portuguese small and mobile merchants.

SmartPOS Terminals – In 2018, POS terminal vendors launched innovative new types of POS terminals. Named SmartPOS terminals, they combine the electronic cash register functionality (ECR) used by merchants in outlets with a contactless POS payment terminal and merchant services in the cloud. For the very first time, the so far separated ECR devices and POS terminals are integrated in just one checkout solution device. From late 2018, SmartPOS terminal vendors like Castles, Clover, Ingenico, Justtide, Handpoint, PAX, Poynt, Verifone, Worldline, and others have launched their SmartPOS devices and services in Europe. It is believed that Portuguese SME merchants will embrace SmartPOS terminals.

SIBS MB NET Details – All the major international brands – VISA, VISA Debit, Electron, V PAY, Plus, Mastercard, Debit Mastercard, Maestro, Cirrus and American Express – are accepted on the SIBS POS network, MB NET. SIBS FPS has also developed a POS acquiring processing service. Since 2010, all Portuguese POS terminals are interoperable linked through the SIBS' POS network.

In 2021, the number of payment transactions at POS terminals rose by an estimated 40.80% to 725.0 million, and the value of purchases was an estimated €52 billion, up 10% from 2020.

Mobile Phone Transactions – MB PHONE

Together with mobile network operators, SIBS launched the TeleMultibanco Service (TeleMB) in 1996. TeleMB was rebranded as MB PHONE in 2008, matching the branding of MB NET.

The service allowed users to perform some of the operations that are available at ATMs (such as mobile phone top-ups, balance and account movements enquiries, payment of services) using the same interface but from a mobile phone.

According to SIBS, the key development was in March 2007 when a new interface looking similar to an ATM screen was developed for a mobile operator. In November, SIBS signed an agreement in principle with all mobile operators aimed at developing, maintaining, and promoting this service. In April 2008, SIBS announced the availability of the enhanced service for the three mobile operators in Portugal, Optimus, TMN, and Vodafone.

A new, simplified subscription system was introduced, both to increase the number of subscribers and service users, and to provide an interface allowing subscription to the service via online banking. Though take-up and use of the service declined in 2005 and 2006, it recovered significantly in 2007 (29%), and by a further 34% in 2008, slowing to 3.5% in 2009. 2010 saw a fall of 16% to 2.5 million transactions and no change in 2011. In 2015, SIBS reported 2.66 million MB PHONE transactions with the value €20.92 million. SIBS MB PHONE provided no subsequent update from 2016.

Remote Payments on the Internet – Cards & More

Portugal is a small e-commerce market in Europe. From 2015, due to EU VAT regulation, Portuguese merchants will have to collect the applicable VAT rate for cross-border sales based on the consumers' residence.

Internet use – In 2024, 89% of the Portuguese used the internet and 59% of internet users purchased in online shops in the last 12 months. Smartphone penetration is 87%.

According to a survey carried out jointly by CIP-Confederação Empresarial de Portugal (Portuguese Entrepreneurs Association) and ISCTE-Business School, as of 2020, sales through digital channels are worth close to a quarter of the revenues of Portuguese companies that have diversified in their sales methods and opted for digital sales. The estimated proportion of digital sales in the companies selling through this channel was 23%.

According to ANACOM – the Portuguese regulatory authority for postal communications and electronic communications, Information and Communication Technologies Usage in Households and by Individuals, in 2024, 48.9% of residents in Portugal carried out purchases or orders via the Internet within 3 months before the survey, up from 44% in 2023.

According to domestic retailer associations, the Portuguese online B2C e-commerce value of goods and services accounted for €9.70 billion in 2024, up 6.59% from 2023. The average B2C e-commerce expenditure

per capita amounted to €907.0, while it was €1,368.2 per online buyer. In 2024, e-commerce (eGDP) had a 3.41% market share in Portuguese GDP.

The most popular segments in e-commerce are clothing, shoes and lifestyle, home, and garden, I.T, Media and entertainment, telecom, health and beauty, household electronics, toys, food, consumer electronics, and sports and recreation.

TABLE 8 Internet Use in Portugal

	2020	2021	2022	2023	2024	2025F	GR 23/24	GR 5Y	CAGR 5Y
Households with internet access	84%	87%	88%	89%	91%	91%	1.79%	11.85%	2.27%
Last internet use (individuals, 12 months)	79%	83%	85%	86%	89%	92%	3.49%	17.11%	3.21%
Internet users who bought online	57%	62%	63%	64%	66%	70%	3.66%	29.18%	5.25%
Last online purchase (individuals, 12 month)	45%	52%	54%	55%	59%	64%	7.27%	51.28%	8.63%
Last online purchase (individuals, 3 month)	35%	40%	43%	43%	43%	43%	0.00%	53.57%	8.96%
Mobile phone subscriptions per 100 population	115.1%	120.9%	124.5%	123.0%	124.0%	125.7%	0.81%	7.14%	1.39%
B2C e-commerce revenue (€bn)	6.99	7.9	8.5	9.1	9.7	10.6	6.59%	61.67%	10.08%
Annual B2C eCommerce growth rate/year	16.5%	13.0%	7.6%	7.1%	6.6%	9.3%	-	-71.89%	-22.42%
Ø B2C e-Commerce amount per capita	€678.83	€767.59	€825.33	€860.26	€906.99	€991.15	5.43%	55.49%	9.23%
Ø B2C e-Commerce amount per online buyer	€1,191.73	€1,237.08	€1,311.27	€1,345.14	€1,368.18	€1,424.77	1.71%	20.37%	3.78%

Sources: Eurostat, ITU.

Cards on the Internet (CNP) – Most Portuguese online shops accept MB cards and all cards with international brands in in the case that the merchant has signed an acceptance contract accordingly. The Portuguese banks and e-money institutions issue prepaid cards and virtual cards for internet use, e.g. the Webuy prepaid card of CGD.

The domestic secure MBNet technology is applied for payments on MB cards on the internet, and the 3D-Secure technology is used as well by the issuer banks. Further, web-based mail order services for merchant-initiated payments and Dynamic Currency Conversion (DCC) are offered on demand.

The Portuguese e-payment mix as *preferred* by the online buyers has been dominated by cards and by micropayment services like prepaid products (e.g. paysafeCard) and e-/m-wallets (e.g. PayPal). Also used are cash-on-delivery and online bank transfers.

According to SIBS, in online payments, the most popular methods in 2021 were cards (38% volume, 61% value), cash (4% volume, 2% value), credit transfer (7% volume, 8% value), e-payment solutions (46% volume, 25% value) and other methods (4% volume, 4% value).

As of 2021, online purchases with domestic cards continued to be mostly conducted with foreign merchants (transactions with these merchants accounted for 65% of the volume and 66% of the total value of online purchases with cards issued in Portugal).

According to BDP, online purchases with domestic cards continue to increase in 2024 (37.2% in volume and 38.3% in value). These transactions accounted for 18% of the volume and 21.6% of the total value of purchases made with cards issued in Portugal, 2.3 and 3.6 percentage points more than in 2023 respectively. Portuguese cards at merchants located outside Portugal accounted for 55.7% of the number and 59.0% of the total value of these transactions.

Among others, the online payment services relevant for the Portuguese merchants include:

- Credit cards: Mastercard, VISA, American Express, Diners, Discover, JCB, UnionPay, Unibanco
- Debit cards: MB, Maestro, V PAY, Electron, Debit Mastercard, VISA Debit
- Account-based payments: credit transfers
- Online wallets: PayPal, Skrill, Amazon Pay
- Digital wallets: MB Way, MasterPass, VISA Checkout
- Prepaid products: paysafecard
- Traditional payments: payments-in-advance, payments-on-invoice, cash-on delivery, pay-at-outlet
- Factoring: Klarna

Remote Payments on the mobile Internet – Since 2010, online buyers with a high affinity for smartphones have started to use their mobile phones for shopping on the mobile internet. Mobile online shops can be accessed by mobile internet, by mobile app, or by scanning a 2D QR-code displayed in a newspaper or at a bus station. Thus, remote mobile phone payments are executed either by using the e-payment page of the mobile online shop or by using payment apps of a PSP or an acquirer.

Portuguese merchants can also download a payment app from their acquirer in order to initiate MOTO payments with cards and/or online direct debits. Leading Portuguese merchants are testing their own mobile apps including loyalty functions (e.g. e-vouchers, discounts, outlet finder, QR-code scanning) and an IBAN-based direct debit payment function.

Mobile Payments – Overview

In 2024, 124% of Portuguese subscribed to a mobile phone. Many Portuguese people own more than one mobile phone and 87% own a smartphone (up from 32% in 2013). Tablet penetration has jumped significantly to 51% in recent years.

Since 2009, the next generation of mobile services and payments has started, pushed by the online buyers' high affinity to smartphones and tablets and by new disruptive technologies (1D-barcodes, QR-code, Bluetooth BLE, and Near Field Communication NFC).

Mobile initiatives in Portugal continue field testing and using new technologies either as initiating form factors to bridge to online shops (1D-barcodes, QR-code, NFC) or to enable contactless access to the retail POS outlet (1D-barcodes, QR-code, BLE, Bluetooth Low Energy, NFC Stickers, Mobile NFC Phones), e.g.:

- To enable access to online shops for any type of mobile devices (e.g. tablets, iPhones, Androids)
- To enable mobile services & payments initiated by consumers' tablets or smartphones at ATMs, at vending machines, at smart posters, and at POS terminals in retail outlets
- To enable small merchant's tablets and smartphones by adding MPOS terminal devices for payment services.

The m-Payment Mix in Portugal – There are no official m-payment statistics, but PSP information indicates that the domestic m-payment mix is similar to the e-payment mix (see Remote Payments on the Internet section).

Mobile Payment Initiative Details

In 2025, the various European mobile payment initiatives can be grouped into

- New non-bank players like FinTechs, payment initiation service providers (PISPs), and account information service providers (AISPs) launch digital payment services beyond cards
- Innovative banks that launch mobile banking apps allowing for card-less in-app payments and in-store payments on the internet
- Leading banks that pilot mobile HCE NFC payments with the card credentials stored-on-file in the cloud
- Banks partnering with mobile network operators in order to offer mobile SIM SE NFC payments on cards with the card credentials stored in a secure element on the SIM card of the respective mobile device
- Innovative retailers which offer their own apps with loyalty and payment functions to their consumers.

The Portuguese mobile payments market is growing at a 19.1% CAGR (2025–2030) and is projected to reach about €3 billion in transaction value by 2028.

QR code and tap-to-phone adoption are increasing, particularly among small merchants and the unbanked, supporting financial inclusion and digital transformation.

MB WAY: The Market Leader

MB WAY is Portugal's dominant mobile wallet and payment app, with more than 5 million active users and a ~45% share of e-commerce transactions. It supports in-store, online, and P2P payments, subscription payments, QR code payments, and fast refunds.

95% of Portuguese bank account holders can use MB WAY, as it's supported by 28 banks.

Cross-Border and Pan-European Innovation

SIBS has partnered with Spain's Bizum and Italy's Bancomat Pay to launch EuroPA, an instant mobile payments network for cross-border transactions across Iberia and expanding to other Eurozone countries.

MB WAY's rapid expansion and the formation of EuroPA place Portugal in a strong position as a regional leader in mobile/instant payments.

EPI – In July 2020, a group of 16 major Eurozone banks announced the start of the implementation phase of a new unified payment scheme, the European Payment Initiative (EPI).

In 2021, the 31 founding bank groups from 7 European countries and 2 third-party acquirers had included:

- Belgium/Netherlands: KBC Bank, ING Bank
- Finland: OP Financial Group
- France: BNP Paribas, Groupe BPCE, Crédit Agricole, Crédit Mutuel, La Banque Postale, Société Générale
- Germany: Commerzbank, Deutsche Bank, DZ Bank, Savings Banks Group
- Italy: UniCredit
- Poland: Bank Polski
- Spain: BBVA, CaixaBank, Banco Santander, Abanca, cacabank, bankinter, Liberbank, Unicaja Banco, Kutxabank, Caja de Ingenieros, Caja Rural, Ibercaja, Sabadell, Grupo Coop Cajamar
- Acquirers and processors: Worldline, NETS (NEXI)

In March 2022, EPI gave up on its effort to build a rival to Mastercard and VISA in Europe after more than half its members left. However, 13 shareholders confirmed on February 25th that they remain convinced of the

strategic value of a unified payment solution, leveraging instant payments, and want to go ahead. Therefore, the EPI interim company is now adapting its scope and objectives to this new dimension excluding cards.

The remaining shareholders of EPI include Banco Santander, Banque Fédérative du Crédit Mutuel, BNP Paribas, Crédit Agricole, Deutsche Bank, Deutscher Sparkassen- und Giroverband, Groupe BPCE, ING Bank, KBC Bank, La Banque Postale, NETS (NEXI), Société Générale and Worldline.

In April 2023, the European Payments Initiative acquired the Dutch payment scheme iDeal and, the mobile payments app, Payconiq, both supported by a host of Belgian and Dutch banks.

In July 2024, EPI launched its mobile-first wallet and instant account-to-account payment solution, Wero, for customers of German Sparkassen and Volksbanken, Raiffeisenbanken.

Since its launch in July 2024, Wero has expanded its availability across Europe. By June 2025, the service had been introduced in Germany, France, and Belgium, with plans to extend to Luxembourg in June 2026 and the Netherlands in 2027. The wallet has gained significant traction, reaching approximately 70 million users by September 2025, with 43.5 million active users across the three initial countries.

The ambition of EPI is to create a unified pan-European payment solution leveraging Instant Payments, SCTINST, offering a card for consumers and merchants across Europe, a digital wallet, and P2P payments.

The solution aims to become a new standard payment service for European consumers and merchants in all types of transactions including in-store, online, cash withdrawal and “peer-to-peer” in addition to existing international payment scheme solutions.

EPI's objective is to offer a digital payment solution that can be used anywhere in Europe and to supersede the fragmented landscape of domestic payment services that currently still exists. In doing so, EPI founders are responding to merchant and consumer communities that have been calling for payment initiatives to take a more pan-European approach.

EPI will first and foremost benefit European citizens, and it will also bring tangible benefits to European merchants, by offering them a seamless, competitive, and unified pan-European payment service solution that is also available to all European consumers.

The beginning of the implementation phase is expected to materialise through the creation of an interim company in Brussels, Belgium, which will set out clear deliverables including the completion of the technical and operational roadmap and initiating the implementation work. The accomplishments of this interim company will be evaluated by each bank before moving on to the EPI's final corporate structure.

Wero – In September 2023, EPI selected 'Wero' as the commercial name for its forthcoming digital wallet solution. The Wero digital wallet will be rolled out in phases, initially to support account-to-account based instant P2P and consumer-to-business payments, followed by online and mobile shopping payments and then point-of-sale payments. EPI aims to launch Wero by mid-2024 in Belgium, France, and Germany, followed by the Netherlands and aims to extend to other countries in the years to come.

In December 2023, EPI completed its first instant A2A payment transaction in a proof-of-concept between customers from German Sparkasse Elbe-Elster and French Banque Populaire and Caisse d'Épargne (Groupe BPCE). The inaugural transaction, worth 10 euros, was sent from a German account to a French account using SCTINST and the EPI's digital wallet.

As of September 2025, Wero has rapidly expanded its user base, reaching 43.5 million registered users across Germany, France, and Belgium. In Germany alone, approximately 1.3 million users are utilizing the service

through Sparkassen banks. The platform has processed over €7.5 billion in transactions, underscoring its growing adoption.

Central Bank Digital Currencies, Cryptocurrency Products

In 2024, the Portuguese payment ecosystem was composed of traditional cash payments, digital cryptocurrency products of independent payment service providers, and research and development of central bank digital currencies, CBDC. The regulation of cryptocurrencies is becoming increasingly relevant as independent cryptocurrency products have grown more prevalent, posing challenges for regulators and national central banks.

In July 2023, the European Union introduced the Markets in Crypto-Assets (MiCA) regulation, which aims to standardize cryptocurrency regulation across member states, including Luxembourg. This regulation addresses various aspects of crypto assets, such as market integrity, consumer protection, and financial stability, while also promoting innovation in the sector. Under MiCA, crypto-asset service providers will have specific obligations to protect users' wallets and mitigate investment risks.

Central Bank Digital Currencies (CBDC) – The Digital Cash Challenge

Central bank digital currency (CBDC), also called digital fiat currency or digital base money, is a digital currency issued by a national central bank (NCB), rather than by a commercial bank. It is also a liability of the NCB and denominated in the sovereign currency, as is the case with physical banknotes and coins.

All CBDCs are under the authority of the respective national central bank, and they are part of the domestic cash payment ecosystem. Rather than a new currency, CBDC is a form of central bank electronic money that could be used by households and businesses to make payments. In addition, most CBDC implementations will likely not use or need any sort of distributed ledger such as a blockchain.

Unlike “retail CBDC,” which is generally designed as a central bank liability universally accessible to individuals and businesses within a jurisdiction’s financial system, “wholesale CBDC” refers to a digitized central bank liability designed for sizable (generally interbank) transactions, and for which access is limited to certain financial institutions.

National Central Banks (NCBs) have been providing trusted money to the public for hundreds of years as part of their public policy objectives. Trusted money is a public good. It offers a common unit of account, store of value and medium of exchange for the sale of goods and services and settlement of financial transactions. Providing cash for public use is an important tool for central banks. Yet the world is changing.

Even before COVID-19, cash use for payments was declining fast and convenient digital payments have grown enormously in volume and diversity. To evolve and pursue their public policy objectives in a digital world, central banks are actively researching the pros and cons of offering a digital currency to the public, a “general purpose” CBDC.

Central banks’ interest in CBDC has increased as a potential means of delivering their public policy objectives. Profound, ongoing changes across finance, technology and society, as well as the recent COVID-19 crisis, provided additional impetus for the research of, and experimentation related to, CBDCs.

CBDC is a national digital currency issued by the central bank that is expected to replace or coexist with fiat money and hold the same value. Mobile money, on the other hand, utilises existing commercial banking-based accounting to manage customer wallet balances based on an exchange with cash or lines of credit and loans.

CBDC is a direct liability on the central bank as it is the main issuer of the currency, whereas digital money is the liability of commercial banks and other authorised financial institutions using funds on account. Although some implementation approaches propose that CBDC can be implemented in either an indirect or hybrid form, its liability remains on the respective national central bank.

Background on CBDC Evolution

In October 2020, the Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, the Federal Reserve, Sveriges Riksbank, the Swiss National Bank and the Bank for International Settlements (BIS) published a report, [*Central bank digital currencies: foundational principles and core features*](#), identifying the foundational principles necessary for any publicly available CBDC to help central banks meet their public policy objectives.

The report focused on a publicly available “general purpose” CBDC (a digital payment instrument, denominated in the national unit of account, that is a direct liability of the central bank).

A “wholesale” CBDC, restricted to financial institutions, is also an active area of exploration, notes the report, for central banks but one that carries different opportunities, challenges, and risks. The report explored the use cases for, and challenges and opportunities arising from, the possible issuance of a general purpose CBDC.

In September 2021, the same seven central banks and the BIS followed up with the publication of a new set of reports exploring the potential of retail CBDCs, including policy options and practical implementation issues. While none of the central banks has yet decided to proceed with a retail CBDC, they recognise such an instrument would have wide-ranging implications. Delivering on the future needs of consumers would require systems that encourage innovation, choice, and competition among a diverse mix of intermediaries.

- The first report explores how private-public collaboration and interoperability can be designed into CBDC systems to achieve this objective. In particular, policies about privacy and access to payment data would be key design elements in order to maintain public trust.
- The second report focuses on how a CBDC could best serve people and businesses in a fast-changing technological landscape. Lessons from previous payment innovations compiled in the report, show that success often requires harnessing network effects and not requiring users to obtain new devices. Nonetheless, there would not be a “one-size-fits-all” solution and CBDC adoption strategies would need to consider multiple perspectives through public consultations.
- The third report outlines the possible impact of CBDC issuance on banking systems, in terms of intermediation capacity and overall resilience. Preliminary analysis highlights the importance of allowing the financial system time to adjust and the flexibility to use safeguards to influence CBDC adoption.

BIS reported that a 2021 survey of central banks found that “86% are actively researching the potential for CBDCs, 60% were experimenting with the technology and 14% were deploying pilot projects.

The People’s Bank of China (PBoC) is piloting a ‘digital yuan’, known as e-CNY, in various cities, often in association with major sporting events, such as the Winter Olympics.

The ECB published a paper on the potential of a “digital euro” in October 2020, exploring the “benefits and risks” of such an initiative. It completed a public consultation in January 2021 and a series of focus groups in December 2021. Its investigation stage is expected to continue until October 2023, after which the ECB “will decide whether to start developing a digital euro.”

The US Federal Reserve reported in February 2022 that while it has made no decisions about “whether to pursue or implement” a CBDC, it was “exploring the potential benefits and risks of CBDCs from a variety of

angles and was inviting public feedback on discussion papers.

The Bank of Japan said in October 2020 that it had no plans for a CBDC and was committed to maintain the cash system as long as there was public demand for it. It nevertheless intended to explore technical feasibility through a proof of concept, consider institutional arrangements and coordinate approaches with domestic and international stakeholders. In 2023, the Bank of Japan (BOJ) has announced that it will begin a pilot for its digital yen with commercial financial institutions. In February 2023, Bank of Japan has embarked on a CBDC trial.

In June 2023, the BIS and BoE said they completed a CBDC pilot project involving CBDCs jointly run by the Bank of England (BoE) and the Bank of International Settlements (BIS). [Project Rosalind](#) was designed to explore how a "universal and extensible API layer" could connect central bank and private sector infrastructures and enable retail CBDC payments. The project also sought to develop a number of retail-CBDC use cases.

According to the BIS and BoE, the project has successfully demonstrated that "a well-designed API layer could work with different private sector applications and central bank ledger designs and that a set of simple and standardised API functionalities could support a diverse range of use cases".

In all, the project led to the development of 33 API functionalities and examined 30 retail CBDC cases including peer-to-peer transfers, retail payments for goods and services and small-value business transactions.

While CBDCs are still in experimental phases across major economies, 2024 has seen increased momentum towards real-world implementation, with several countries, notably China and the ECB, moving closer to full-scale rollouts. Public-private collaboration, technological innovation, and privacy concerns remain central to future CBDC development. Central banks worldwide continue to balance innovation with maintaining public trust and financial stability in this rapidly evolving space.

Global Status of CBDCs

Most National Central Banks (NCBs) [are involved in different stages of a CBDC project](#). Especially, the NCBs have different views on which kind of CBDC they would intend to launch as a digital currency:

- A "retail-CBDC" designed as an NCB liability universally accessible to individuals and businesses within a jurisdiction's financial system.
- A "wholesale-CBDC" that refers to a digitized central bank liability designed for sizable (generally interbank) transactions, and for which access is limited to participating financial institutions.
- Both a "retail-CBDC" and a "wholesale-CBDC".

As of 2023, the global CBDC status reveals that four central banks – Nigeria (e-Naira), Eastern Caribbean (D-Cash), Jamaica (JAM-DEX), and the Bahamas (Sand Dollar) – have introduced a domestic CBDC scheme.

Six countries have launched a CBDC pilot: France, Canada, China, India, Saudi Arabia, and Ghana.

The NCBs of most other countries are involved in either a CBDC proof-of-concept phase – including Norway, Hungary, and Sweden – or they are still in a CBDC research stage.

So far, Ecuador is the only country that has cancelled its CBDC ambitions, Dinero electrónico.

CBDC, the European Union and the Digital Euro

In July 2021, the Estonian Central Bank released a report about its experiment with the ECB and the central banks of Spain, Germany, Italy, Greece, Ireland, Latvia, and the Netherlands to assess the functionality of the digital euro. The project was able to conduct 300,000 transactions per second, with an average rate of less than two seconds per transaction.

In June 2023, the European Commission (EC) has published its legislative proposal establishing the legal framework for a possible digital euro, stressing that the CBDC would be a complement to, not replacement for, cash.

A digital euro would be available alongside existing national and international private means of payment, such as cards or applications. It would work like a digital wallet, with people and businesses able to pay with it anytime and anywhere in the euro area.

The digital euro would be available for payments both online and offline. While online transactions would offer the same level of data privacy as existing digital means of payments, offline payments would essentially be like paying with cash – with nobody able to see what people are paying for.

The digital euro would be distributed by banks and other payment service providers, with basic services provided to people free of charge. Merchants would be required to accept the digital currency unless they are cash-only firms.

The EC's proposal still needs to be adopted by the European Parliament and the European Council before the European Central Bank decides whether to roll out a digital euro. Notably, the European Central Bank (ECB) is involved in the preparation phase, which will run until 2025. During this time, technical experimentation and legal discussions are ongoing before any formal rollout decisions can be made.

As of 2025, the digital euro remains in development but has advanced beyond its early investigation stage. The European Central Bank (ECB) concluded its two-year investigation phase in October 2023 and entered a two-year preparation phase that runs until October 2025. During this stage, the ECB is refining the design, engaging market participants, testing prototypes, and drafting a comprehensive rulebook.

In 2024, the ECB published two progress reports (in June and December) and a third on in July 2025, detailing technical work, design choices (e.g. offline use, calibration, holding limits) and collaboration with stakeholders. The most recent report included further refinement of the rulebook, more user research, and expanded experimentation. The ECB launched an innovation platform that invited private and public sector actors (banking, fintech, merchants) to test ideas, use cases, conditional payments, and prototype features. Around 70 market participants are reported to have been engaged.

On the legal side, the European Commission's draft regulation for a digital euro is still under negotiation by the European Parliament and Council. Adoption of this regulation is essential before the ECB can issue the digital euro. ECB leaders, including Christine Lagarde, have called on lawmakers to accelerate this legislative process. By October 2025, the ECB has indicated a second phase of the preparation for the Digital Euro. By then, the ECB will have prepared an outreach plan, procurement standards, and technology providers.

CBDC and Portugal

Portugal, as a member of the Eurozone, is participating in the development of a Central Bank Digital Currency (CBDC) known as the digital euro. The Banco de Portugal, Portugal's central bank, is actively involved in this project as part of the Eurosystem.

Pros and Cons of CBDCs

According to research by the Bank of England, BIS, and by several other central banks, the benefits of CBDCs include supporting increased innovation in the payment system with:

- ‘Programmable money’ that enables transactions to occur according to certain conditions, rules or events
- Automatic payment of taxes at the POS
- Allowing the government to make direct transfers to individuals
- Automatic payment of dividends directly to shareholders
- Electricity meters paying suppliers directly based on power usage
- Making ‘micropayments’ at much lower costs
- A more reliable and attractive alternative to stablecoins (see Stablecoins section below)
- A well-designed CBDC could help to retain some of the beneficial characteristics of cash that current electronic bank deposits don’t. A CBDC might focus more on promoting privacy or support financial inclusion
- CBDCs could facilitate better cross-border payments systems by linking CBDCs to speed up cross-border payments
- More effective transmission of monetary policy
- Changes in base rates could be passed onto consumers more quickly and efficiently.

Possible challenges related to use of CBDCs could include:

- Disintermediation and reducing the banking sector’s balance sheet – When someone converts bank deposits to CBDC, they reduce the size of the commercial bank’s overall holdings. This process of disintermediation is an inevitable consequence of introducing a CBDC. If banks’ balance sheets were to reduce too much and too quickly, they might need to seek funding from elsewhere. This could push up the cost of their lending to businesses and consumers.
- Risk of bank runs – introducing a CBDC could potentially make it easier for runs on the banking system to occur. At the moment, such factors as the difficulty of storing large amounts of cash limit such risks. A CBDC would remove many of those limits.
- Offline usage – the CBDC payment system would probably require a connection to the central ledger, which may not always be available. While it might still be possible to initiate a payment, the recipient would have to trust the sender to have sufficient funds. There is also a risk of someone attempting to spend the same money twice.
- Cyber-attack – BIS warns that a successful attack on a CBDC system could quickly threaten many users, as well as their faith in the system. This is because there would be so many ‘endpoints’ in a linked, centralised system. This would make a CBDC system a critical piece of national infrastructure.
- Data privacy – Fully anonymous CBDC are unlikely to be permitted due to the need to comply with know-your-customer and anti-money laundering checks. A CBDC would inevitably allow more tracking and less anonymity than cash does. BIS suggests that “a key national policy question will be deciding who can access which parts of [this data] and under what circumstances”.

The ECB commissioned multiple exploratory reports on the feasibility of a digital euro in 2020 and 2021. The ECB's working paper suggests a two-tier system for a “general purpose” CBDC. In July 2021, the ECB announced that it would launch a 24-month investigation phase for the digital euro project, which aims to address key issues regarding the design and distribution of a digital euro. The investigation phase will include focus groups, prototyping and conceptual work. In February 2022, the European Commission announced that it

will propose a bill that would serve as the legal foundation for the issuance of a digital euro by the ECB. In May 2022, Christine Lagarde stated that she would be willing to back the digital Euro. By June 2023, the ECB and European Commission had significantly advanced their legislative and technical work, moving closer to launching a pilot phase for the digital euro in 2024. The pilot phase is expected to assess the practical implementation of the digital euro, following the completion of the current investigation period.

The working paper states that the use of CBDC for retail payments is the primary use-case for the development of a digital Euro. The paper also rejects the motivation of using CBDC as a store of value, which would involve consumers switching deposits from commercial banks into CBDC. The working paper also recommends that a CBDC should be interest-bearing, with attractive interest rates offered for smaller sums suitable for payments and lower rates available for larger amounts.

Cryptocurrencies EU

The regulation of crypto assets and related services across Europe is not standardised and is highly fragmented. While no nation has outright banned usage of cryptocurrencies like Bitcoin, Ethereum and others, regulators have not formed a consensus over how to legislate such a quickly fluctuating market, where new cryptocurrencies emerge faster than regulators can catch up to.

The current approach across Europe is to adapt existing legislations to encompass cryptocurrencies, however, this is unlikely to be efficient as consumer and business usage changes.

In the European Union, the fifth Anti-Money Laundering Directive (AMLD5) covers certain crypto assets under the term “virtual currencies”, but it does not provide a harmonised approach. As a result, each Member State has created its own regulatory regime for transactions related to “virtual currencies” or crypto assets.

In response, the European Commission proposed the Markets in Crypto-assets (MiCA) regulation in 2020 as part of the Digital Finance Strategy, with MiCA expected to come into force in 2022 and will be directly applicable in all Member States after an 18-month transition period. MiCA will result in a harmonised set of rules for products and services and legal certainty related to crypto assets throughout the European Union in 2024. This would enable a larger number of investors to be active in this area and to use distributed ledger technology (DLT).

MiCA is to apply to all persons who want to issue crypto assets or provide services related to crypto assets in the EU.

The MiCA proposal is intended to lay down uniform rules on transparency and disclosure requirements for the issuance, offer to the public and the admission to trading of crypto assets. In addition, there are rules on the authorisation and supervision of crypto asset service providers and their issuers.

The main focus lies with the issuers of asset-referenced tokens and e-money tokens. The Regulation intends to regulate the operation, organisation, and governance of issuers of asset referenced tokens and e-money tokens and crypto asset service providers. There will also be investor protection rules for the issuance, trading, exchange, and custody of crypto assets. In addition, measures to prevent market abuse are to be included in the Regulation to ensure the integrity of the crypto assets markets.

In June 2022, the EU Council President and European Parliament reached agreement on MiCA regulation, ruling that crypto asset service providers will require authorisation to operate in the EU, not including NFTs or media-related digital assets.

Under the agreement, the regulatory framework will protect investors and consumers, while ensuring financial stability and enabling innovation and growth. The regulations will help protect consumers from fraud and

scams, as crypto asset service providers will be liable if they lose assets and fail to protect investors' wallets. The European Banking Authority (EBA) will form a public register of non-compliant crypto asset providers.

The regulation will also implement restrictions on stablecoins, with stablecoin issuers to be supervised by the EBA and their "holders will be offered a claim at any time and free of charge."

Unregulated Cryptocurrency Products – Background

Regulators and national central banks are challenged by unregulated independent cryptocurrency products. Whereas CBDCs are under the authority of the central bank, almost all cryptocurrencies are decentralised, and not controlled or managed by any central authority.

Obviously, financial market authorities and the national central banks are not in favour of unregulated cryptocurrency products, and they see them as a systematic risk for the financial system. Their intention to regulate the respective cryptocurrency exchange platforms has gained momentum.

Cryptocurrencies, originally designed as a store of value, are digital assets, developed and maintained on decentralised blockchains, and they can be used as a medium of exchange or payment method. Bitcoin and Ethereum are the most popular forms of cryptocurrencies worldwide used by consumers and businesses for transactions.

As of 2022, over 400 million people worldwide used cryptocurrencies, with merchants and businesses in more sectors accepting it as a form of payment. The major payment schemes VISA and Mastercard, PayPal and along with a growing number of financial institutions, have launched services allowing consumers to purchase or use cryptocurrencies for a range of applications.

According to a 2022 Deloitte survey, around two-thirds (64%) of surveyed merchants indicated that their customers have significant interest in using digital currencies for payments, and 83% expect consumer interest in digital currencies for payments to increase or significantly increase over the next 12 months.

In addition, merchants are motivated by the prospect of enabling immediate access to funds (40% of respondents), taking advantage of blockchain-based innovations in decentralised digital finance (39%), and allowing in-house management of the revenue cycle/treasury/finance department (39%).

Over half (54%) of large retailers (with revenues of \$500 million and up) have invested more than \$1 million on enabling digital currency payments, while only 6% of small retailers (with revenues of under \$10 million) did so.

A 2022 survey from Checkout.com found a sharp rise in people wanting to use cryptocurrencies as a means of payment, with 40% of 18-35-year-old consumers citing their desire to experiment with using crypto as a payment method, up from less than 30% in 2021. Meanwhile, over 80% of businesses say offering crypto has attracted new customers, led to a decrease in chargebacks, while just over 60% have seen higher authorisation rates accepting crypto payments.

A recent report by Triple-A for 2024–2025 reports estimate cryptocurrency ownership in Europe has climbed to approximately 50 million people, up from around 30 million in 2023. Crypto adoption in Europe grew to 8.9% of the adult population in 2025, driven by greater institutional access, major regulatory changes (like MiCA), and clearer frameworks for exchanges and wallet providers. This keeps Europe's ownership rate ahead of previous years, though still trailing regions like Asia and the Americas in terms of total share and growth rate.

Stablecoins

Stablecoins are a type of asset-backed cryptocurrency, whose value is typically pegged to the value of an underlying asset such as USD, GBP, or commodities like gold. Stablecoins are partially backed by real assets,

and they are designed to have a value pegged to real-world assets, therefore avoiding the extreme volatility that affects cryptocurrencies.

Stablecoins offer the potential benefits of cryptocurrencies, like transparency, security, immutability, and decentralised control, while maintaining the guarantees and stability that come with using fiat currency. Stablecoins have potential to be used in cross-border payments, providing a secure, online environment for peer-to-peer (P2P) transactions to take place without needing decentralised cryptocurrencies or to pay fees to convert money into local currencies.

As of mid-2025, there were more than 200 stablecoins globally, comprising a market that's worth about \$230 billion.

A survey of central banks in January 2021 found that two-thirds of respondents are actively researching the potential impact of stablecoins on financial stability. However, some regulators in the US and China, consider stablecoins as a potential serious risk to financial systems. The risk is especially high with centralised coins, such as those backed by fiat and issued by private organisations, as economic power would be disproportionately concentrated on a single entity.

The widespread use of stablecoins in payment platforms could also pose a systemic risk, in relation to the validation and confirmation of stablecoin transactions which could interfere with payment systems. If stablecoin users couldn't access money in their e-wallets and businesses couldn't receive payments, economic activity would be greatly disrupted. However, these risks have not deterred major institutions like JP Morgan and VISA to explore stablecoin use cases via partnerships and internal R&D.

Tether As of mid-2025, Tether remains the largest stablecoin globally, holding a market share of over 60%. This dominance is driven by its massive liquidity, broad adoption across exchanges and blockchains, and large reserve holdings, especially in U.S. Treasuries. Its nearest competitors include USD Coin (USDC), Binance USD (BUSD), and decentralized stablecoins like DAI, although Tether's market share far exceeds them. Recent reports have shown Tether's involvement in major financial markets and even Bitcoin mining, further reinforcing its stronghold on the crypto landscape.

Regarding Facebook's Diem (formerly Libra) project, it was officially abandoned. Diem's assets were sold off to Silvergate Capital in early 2022, marking the end of the initiative that once aimed to create a globally accessible digital currency. Regulatory pressures and internal challenges led to the dissolution of the project.

Market Size and Dynamics

Cards in Issue

Banco Portugal changed its statistical reporting in 2013. It shifted deferred debit cards from credit card reporting to debit card reporting. Thus, figures after 2013 are not comparable with previous years.

In 2024, the total number of Portuguese cards in circulation amounted to 30.02 million (+20.82%), equivalent to 2.81 cards per capita. Statistically, table 11 shows that Portuguese people have around two cards, each co-badged for international use: one card with a debit or deferred debit function and one card with a credit or delayed debit function.

Of the cards total, in 2024, 25.6 million cards carried the MB brand. MB cards co-badged Maestro, Electron, Mastercard or VISA accounted for 77% of cards processed in the MB network. Other cards include Unibanco credit cards issued by Unicre and cards branded with one of the international card brands.

At end-2013, there were 3.0 million contactless cards in circulation and, at end-2024, there were 24.85 million active contactless cards in circulation, around 90.28% of the payment cards total.

TABLE 9 **Cards Issued in Portugal**

	2020	2021	2022	2023	2024	2025F	GR 23/24	GR 5Y	CAGR 5Y
Cards with a cash function	20,796,394	20,792,399	21,859,450	22,490,076	24,232,624	22,355,062	7.75%	12.84%	2.45%
Cards with a payment function	21,903,019	21,177,814	21,834,734	22,616,954	27,527,167	29,233,505	21.71%	35.08%	6.20%
- thereof with debit and/or deferred debit function	20,785,239	19,897,450	20,352,155	21,013,420	25,835,875	27,481,261	22.95%	36.17%	6.37%
- thereof with credit and/or delayed debit function	7,952,855	7,447,990	8,653,013	8,943,327	9,937,854	10,448,619	11.12%	28.48%	5.14%
Cards with an e-money function	3,510,641	3,670,422	3,701,642	3,616,796	3,637,484	3,658,290	0.57%	0.12%	0.02%
Total cards	23,932,207	23,346,878	24,029,182	24,848,505	30,021,999	31,793,406	20.82%	33.19%	5.90%
- thereof MB cards	23,700,000	23,100,000	23,100,000	25,600,000	25,600,000	25,988,693	0.00%	28.00%	5.06%
Payment cards per capita - Portugal	4,273,608.39	2.27	2.33	2.35	2.81	2.97	19.50%	28.11%	5.08%
Payment cards per capita - EU27 total	1.66	1.72	1.78	1.78	1.94	2.03	9.23%	24.12%	4.42%
Note: most Portuguese cards are MB debit cards co-badged with an international debit or credit functions.									
Note: from 2013, debit card numbers include deferred debit cards. Portuguese cards can have two payment functions on one card.									
Note: In 2019 the number of cards decreased mainly due to the fact that a relevant card issuer ceased to be Portuguese, however, cards of that issuer continue to be processed in the MB network as operated by SIBS.									
Source: ECB, Banco de Portugal, SIBS.									

Historic Background – Figures by card scheme are no longer available. Portugal was historically one of the largest VISA Electron markets in Europe, with Electron cards accounting for estimated three-quarters of expenditure charged to VISA cards in Portugal and an even high percentage of total transactions on VISA-branded cards. However, in a significant move for the market, in 2007 Millennium bcp started to issue Maestro in Portugal.

Card Fraud

Card fraud is one of the most fascinating aspects of the payments industry, not least because it is relentless and mutating. EMV implementation and 3D-Secure, combined with Strong Customer Authentication (SCA), have done much to reduce domestic losses from lost and stolen cards in Europe. However, the war against fraud losses and the changing face of fraud continues to be a threat for the payments industry, including Portugal.

The global card fraud challenges are Card-Not-Present fraud (CNP), cross-border fraud and counterfeiting on non-EMV cards. CNP fraud accounted for 80% of the total value of card fraud losses in 2020. From 2017, a new payment fraud category are fraud losses on contactless card payments. International card fraud continues to be smaller in scale than domestic card abuse but is proportionately far more common. And of course, fraudulent cross-border transactions on cards continue to grow on all purchase channels.

Losses from card fraud on the internet and cross-border fraud on domestic cards have grown significantly. Following EMV implementation, card fraud has moved increasing to countries where POS terminals or online shops have not yet been migrated to EMV and SCA, respectively, and to cross-border fraud with compromised cards.

The breakdown of card fraud losses by method of compromise already indicates the importance of distinguishing between domestic and cross-border fraud losses. The method of compromise covers the means by which fraudsters obtain payment cards or card details. Notable methods of compromise in a complex

payment world are CNP fraud based on theft of card credentials and card lost and stolen fraud followed by growing ID fraud and by cross-counterfeit fraud.

The main method of compromise responsible for losses in many European countries is now the theft of card credentials. A high proportion of these card fraud losses are caused by the growth in e-commerce, and still the lack of use of strong customer authentication methods such as 3D-Secure.

In a post data-breach world, identity information, payment credentials, account credentials and responses to security questions are widely available for purchase in bulk. Complete fraud exploits and zero-day attacks are also easily available on the black market for outright purchase or as a hosted / fully managed service.

In the digital payments world and having the changing face of fraud in mind, there are significant challenges for card issuing banks, payment service providers and their supporting processors.

According to SIBS as of 2019, the Portuguese payment system had relatively low fraud rates, making cards more reliable for consumers and merchants. In 2019, the number of fraudulent transactions per thousand transactions was nine per 100,000 transactions in Portugal, compared with 36 for the EU-5 and 32 for the EU-19.

According to market insight, Portugal has seen fraud reduce rapidly since its peak in 2007; losses are down across the board, with counterfeit fraud and card-not-present having the biggest reductions.

Portugal's card fraud loss mix is aligned with European trends. Counterfeit has been reduced by nearly 90% since 2007. In 2021, counterfeit fraud comprised 3.0% of total card fraud, while CNP fraud comprised 94.9%, an increase of 2.07% from 2020. Around 80% of CNP fraud was cross-border.

The levels of fraud in the use of electronic payment instruments in Portugal remained quite low. The most common frauds in 2022 were the result of social engineering mechanisms, such as phishing, where perpetrators can appropriate the user's security credentials or strong customer authentication elements, acting on the user's or customer's behalf to initiate and validate payment transactions. In the first half of the year, fraud rates were higher for card transactions (242 fraudulent transactions for every million card transactions), although the average value per fraudulent transaction was the lowest (€45). Credit transfers recorded an average value per fraudulent transaction of €4,059, but only five in every million were fraudulent. For direct debits, the average fraud value was €499, and there was only one fraudulent transaction per every million transactions.

In 2022 payment service providers reported 55 major incidents to the Banco de Portugal (one less than in the previous year), of which 50 were operational and five were security incidents. These incidents affected around 1.9 million users and led to the failure of 3.7 million transactions worth €975 million. As in the previous year, home banking and mobile banking were the channels most affected by the reported incidents.

In 2024, BDP reported that Fraud in electronic payments remained extremely low in Portugal, although it increased slightly. The fraud rate in Portugal, for all payment instruments, was lower than in the European Economic Area (EEA). In H1 2024, direct debits were the instrument with the lowest fraud rate, with only 0.4 fraudulent transactions for every million transactions. In credit transfers, 16 fraudulent transactions took place per million transactions and for cards the fraud rate was 129 out of every million.

In card transactions where strong customer authentication was used, the fraud rate remained much lower than that observed in transactions without this type of authentication. The issuing of a payment order by the fraud perpetrator remained the most common type of fraud in these transactions. In credit transfers, the most frequent type of fraud has become the issuing of a payment order by the perpetrator rather than manipulation of the payer, which was previously more prevalent. The new functionality provided by the Banco de Portugal for

confirming the payee/payer, which now enables the payer to check the payee's name before authorising credit transfers and instant credit transfers, has probably contributed to this development.

TABLE 10 Card Fraud Losses on Portuguese Cards

(€m)	2019	2020	2021	2022	2023	GR 22/23	GR 5Y	CAGR 5Y
Counterfeit cards	0.4	0.4	0.3	0.24	0.192	-20.00%	-85.23%	-53.14%
Card lost or stolen fraud	0.2	0.2	0.2	0.285	0.36	26.05%	-28.15%	-2.13%
ID fraud	0	0	0	0	0	-	-	-
Card not present fraud	6.3	8	9.4	9.87	10.36	5.00%	23.38%	10.12%
other losses	0	0	0	0	0	-	-	-
Value of card fraud losses	6.9	8.6	9.9	10.395	10.91	5.00%	7.01%	8.68%
Counterfeit fraud in %	5.8%	4.7%	3.0%	2.3%	1.8%	-23.81%	-86.20%	-36.22%
Card lost or stolen fraud in %	2.9%	2.3%	2.0%	2.7%	3.3%	20.05%	-32.86%	-9.94%
CNP fraud in %	91.3%	93.0%	94.9%	94.9%	94.9%	0.00%	15.30%	4.07%

Source: FICO, Euromonitor International.

According to ECB figures published in October 2021, the value of fraud as a share of transaction value in Portugal in 2019 was 0.009% by value and 0.006% by volume. According to ECB figures for H1 2023, the value of card fraud as a share of transaction value in Portugal was 0.015% (EU/EEA average: 0.031%) and 0.017% (EU/EEA average: 0.015%) by volume. A significant update on Fraud numbers across Europe is expected from the ECB in 2026.

In 2019, acquirer card fraud losses by value and by channel were composed of ATM fraud: 8%, high POS fraud: 30% and CNP fraud: 62%.

In 2019, issuer card fraud losses in Portugal by channel were composed of ATM fraud: 5%, POS fraud 4% and CNP fraud 91%.

As most POS card transactions are authorized online-to-issuer, acquirer fraud rates in Portugal are under control except for offline vending machines, e-commerce, and other hotspots.

Portuguese banks are pushing 3D-Secure, offer PIN-change services at ATMs and SMS notification to inform cardholders about the use of their credit card. The increasing numbers of chip technology cards, contactless cards and display cards have led to improved safety of payment transactions. Credit card fraud prevention measures taken have been pushing 3D-Secure, updating banks' fraud prevention systems and real-time-scoring and implementing more rule-based fraud control.

Card Use

SIBS reported that more than 96% of all ATM/POS transactions processed by SIBS were EMV transactions, since 2014.

Card payments in Portugal showed a compound annual growth rate of 11.44% in the last five years. Card payments are now 8.43 times higher by number and 5.11 times higher by value than cash withdrawals, respectively. Since end-2008, Portugal – with just 10.69 million people – is member of the so-called 'card transaction billionaire club' in Europe (see European Overview section).

Banco de Portugal said that the one-time decline reported in 2012 resulted from the fall in Portuguese consumer confidence and the strong reduction in consumption.

According to Banco de Portugal, in 2024, there were 2.98 billion card payments (+17.87%) with the total value of €144.06 billion (+10.63% over 2023). As with other Western European markets, COVID-19 had a dampening impact on card usage which was expected to rise from 2021 onwards.

The ATV per card payment amounted to €48.22, and there were on average 108.5 payments per card per year (-3.15%). In 2024, payments on cards with a debit/deferred debit function amounted to 82.16% by number and 85.64% by value.

Included in the card payments total in 2024 were 1,337.24 million remote payments on the internet (+19.72%) with a total value of €86.51 billion (+15.77% from 2023).

The use of Portuguese cards abroad accounted for 220.37 million payments (+25.44%) with the total value €8.73 billion (+21.11% from 2023), accounting for 7.38% and 6.06% respectively of total card payments.

TABLE 11 Payments with Portuguese Cards

	2020	2021	2022	2023	2024	2025F	GR 23/24	GR 5Y	CAGR 5Y
Cards with a payment function	21,903,019	21,177,814	21,834,734	22,616,954	27,527,167	29,233,505	21.71%	35.08%	6.20%
Ø payments per card per year	74.83	91.13	105.62	112.05	108.52	112.86	-3.15%	27.25%	4.94%
Ø payment value per card per year	€3,695.97	€4,464.48	€5,259.05	€5,757.66	€5,233.35	€5,020.01	-9.11%	30.46%	5.46%
Payments (m)	1,639.03	1,930.03	2,306.19	2,534.32	2,987.25	3,299.42	17.87%	71.89%	11.44%
- thereof remote payments (m)	536.35	672.11	999.06	1,116.97	1,337.24	1,588.62	19.72%	136.62%	18.80%
- thereof POS payments (m)	1,102.68	1,257.92	1,307.13	1,417.35	1,650.01	1,710.80	16.41%	40.70%	7.07%
- thereof cross-border payments (m)	114.69	131.56	144.84	175.68	220.37	248.40	25.44%	132.12%	18.34%
- on debit and/or deferred debit cards (m)	1,568.14	1,842.24	1,914.76	2,098.58	2,454.35	2,662.39	16.95%	48.42%	8.22%
- on credit and/or delayed debit cards (m)	70.89	87.79	344.28	405.99	454.69	637.03	12.00%	439.78%	40.10%
Value of payments (€bn)	80.95	94.55	114.83	130.22	144.06	146.75	10.63%	76.22%	12.00%
- thereof remote payments (€bn)	23.01	29.16	64.29	74.72	86.51	114.80	15.77%	311.47%	32.70%
- thereof POS payments (€bn)	57.94	65.38	50.54	55.50	57.55	31.95	3.70%	-5.23%	-1.07%
- thereof cross-border payments (€bn)	4.61	5.41	6.03	7.21	8.73	9.65	21.11%	99.63%	14.83%
- on debit and/or deferred debit cards (€bn)	78.04	91.16	98.68	112.91	123.37	129.08	9.27%	57.41%	9.50%
- on credit and/or delayed debit cards (€bn)	2.91	3.39	13.66	15.61	16.95	17.67	8.53%	401.96%	38.08%
ATV per card payment	€49.39	€48.99	€49.79	€51.38	€48.22	€44.48	-6.15%	2.52%	0.50%

Source: ECB, Banco de Portugal.

Contactless Payments – In 2015, contactless card payments grew by more than 900%, both by number and by value (5.7 million payments, totalling €73.6 million). In 2016, Banco de Portugal noted 18.0 million contactless payments, 1.2% of the total card payments, with a value estimated to €221.4 million. In 2016, the contactless card payments value in the MB Net was 0.5% of the total card payments value (2015:0.2%).

According to the BDP, in 2024, contactless payments grew by 24.0% in volume from 2023, while contactless value rose by 26.9%. This technology was used for 1.4 billion operations, with an average transaction value of €25.4. More than half (56.7%) of card purchases were contactless, mainly in the retail trade and food services.

Despite the high penetration of contactless cards and terminals in Portugal, only 24% (23% based on value) were made with contactless with the remainder done by inserting the card in the terminal according to the CPACE survey for 2019. According to the BDP, that share has increased to more than 40% of transactions as of 2021. Portugal has achieved wide adoption of contactless terminals although it has lagged in issuing contactless cards. By 2021, more than 85% of debit cards in Portugal were contactless compared to just 22% in 2013. The number of cards issued by PSPs resident in Portugal with contactless technology increased by 6.9% to 25.5 million. At the end of the year, 91% of cards and 93% of POS terminals in the country carried this technology.

Cash withdrawals with Portuguese cards – In 2024, there were 24.23 million cards with a cash function in circulation. There were 354.21 million withdrawals on cards (+1.96%) compared with 2.98 billion payments on all cards. The withdrawals value on cards amounted to €28.17 billion (+3.81% from 2023). The ATV per cash withdrawal on cards was €79.52, and there were 14.6 cash withdrawals per card per year.

TABLE 12 Cash Withdrawals with Portuguese Cards

	2020	2021	2022	2023	2024	2025F	GR 23/24	GR 5Y	CAGR 5Y
Cards with a cash function	20,796,394	20,792,399	21,859,450	22,490,076	24,232,624	22,355,062	7.75%	12.84%	2.45%
Ø withdrawals per card per year	15.5	15.4	15.9	15.4	14.6	16.2	-5.37%	-23.90%	-5.32%
Ø Total cash withdrawals value per card per year	€1,191.67	€1,214.05	€1,231.14	€1,206.50	€1,162.37	€1,274.15	-3.66%	-14.18%	-3.01%
Number of cash withdrawals (m)	322.75	320.72	346.95	347.39	354.21	361.12	1.96%	-14.12%	-3.00%
- thereof withdrawals domestic (m)	318.59	316.13	341.21	341.72	348.48	355.36	1.98%	-13.92%	-2.95%
- thereof withdrawals abroad (m)	4.16	4.60	5.74	5.67	5.73	5.76	1.08%	-24.71%	-5.52%
Value of ATM cash withdrawals (€bn)	24.78	25.24	26.91	27.13	28.17	28.48	3.81%	-3.15%	-0.64%
- thereof values domestic (€bn)	24.29	24.70	26.26	26.51	27.59	27.92	4.05%	-2.46%	-0.50%
- thereof values abroad (€bn)	0.49	0.54	0.65	0.62	0.58	0.56	-6.39%	-27.58%	-6.25%
ATV per cash withdrawal on cards	€76.79	€78.71	€77.57	€78.11	€79.52	€78.87	1.81%	12.77%	2.43%
Total cash withdrawals per capita	31.3	31.2	33.7	32.8	33.1	33.8	0.85%	-17.40%	-3.75%
Total cash withdrawals value per capita	€2,406.74	€2,452.68	€2,613.10	€2,565.11	€2,633.77	€2,663.35	2.68%	-6.85%	-1.41%

Source: ECB, Banco de Portugal.

Card Use per Capita

In 2024, card payments per capita amounted to 272.0 (+14.88% vs 2023), up from 159.2 in 2020 (CAGR of 9.99%). Of these payments, there were 229.5 payments on cards with a debit/deferred debit function per capita and 42.5 payments on cards with a credit/delayed debit function. In addition, there were 33.1 cash withdrawals on cards per capita.

TABLE 13 Card Payments Per Capita in Portugal

	2020	2021	2022	2023	2024	GR 23/24	GR 5Y	CAGR 5Y
Debit and/or deferred debit card payments per capita	152.3	179.0	185.9	198.4	229.5	15.68%	42.75%	7.38%
Debit and/or deferred debit card value per capita	€7,579.25	€8,857.02	€9,581.33	€10,673.48	€11,535.41	8.08%	51.40%	8.65%
Credit and/or delayed debit card payments per capita	6.9	8.5	33.4	38.4	42.5	10.78%	419.17%	39.02%
Credit and/or delayed debit card value per capita	€282.48	€329.53	€1,326.35	€1,476.14	€1,584.61	7.35%	382.80%	37.01%
Total card payments per capita	159.2	187.5	219.3	236.8	272.0	14.88%	61.00%	9.99%
Total card value per capita	€7,861.73	€9,186.55	€10,907.68	€12,149.62	€13,120.01	7.99%	65.09%	10.55%

Source: ECB, Banco de Portugal.

Debit and/or Deferred Debit Card Use

Banco Portugal aligned its statistical reporting in 2013 to the new ECB standard. It shifted deferred debit cards from credit card reporting to debit card reporting. Thus, figures from 2013 are not comparable with the previous years.

In 2024, there were 25.83 million debit and/or deferred debit functions on debit cards, mostly MB cards with a co-badged deferred debit brand. There were 2.45 billion payments on cards with a debit/deferred debit function (+16.95%) with a total value of €123.37 billion (+9.27% from 2023). The ATV per debit card payment amounted to €50.26, and the Portuguese made on average 95.0 payments per debit card per year.

TABLE 14 Payments with Portuguese Debit Cards

	2020	2021	2022	2023	2024	2025F	GR 23/24	GR 5Y	CAGR 5Y
Cards with debit and/or deferred debit function	20,785,239	19,897,450	20,352,155	21,013,420	25,835,875	27,481,261	22.95%	36.17%	6.37%
Ø payments per debit card per year	75.45	92.59	94.08	99.87	95.00	96.88	-4.88%	9.00%	1.74%
Ø payments value per debit card per year	€3,754.79	€4,581.31	€4,848.49	€5,373.04	€4,775.05	€4,697.13	-11.13%	15.60%	2.94%
Payments (m)	1,568.14	1,842.24	1,914.76	2,098.58	2,454.35	2,662.39	16.95%	48.42%	8.22%
Value of payments (€bn)	78.04	91.16	98.68	112.91	123.37	129.08	9.27%	57.41%	9.50%
ATV per debit card payment	€49.77	€49.48	€51.54	€53.80	€50.26	€48.48	-6.57%	6.06%	1.18%
Source: ECB, Banco de Portugal.									

Credit and/or Delayed Debit Card Use

Banco Portugal aligned its statistical reporting in 2013 to the new ECB standard. It shifted deferred debit cards from credit card reporting to debit card reporting. Thus, figures from 2013 are not comparable with the previous years.

In 2024, there were 9.93 million credit and/or delayed debit functions on cards, including Unibanco cards with a co-badged international brand. There were 454.69 million payments on cards with a credit/delayed debit function (+12.00%) with a total value of €16.95 billion (+8.53% vs 2023). The ATV per credit card payment accounted for €37.27, and there were on average 45.8 payments per credit card per year.

TABLE 15 Payments with Portuguese Credit/Delayed Debit Cards

	2020	2021	2022	2023	2024	2025F	GR 23/24	GR 5Y	CAGR 5Y
Cards with credit and/or delayed debit function	7,952,855	7,447,990	8,653,013	8,943,327	9,937,854	10,448,619	11.12%	28.48%	5.14%
Ø payments per credit/delayed debit card per year	8.91	11.79	39.79	45.40	45.75	60.97	0.79%	320.13%	33.25%
Ø payments value per cc/dd card per year	€365.74	€455.36	€1,578.63	€1,745.98	€1,705.29	€1,691.10	-2.33%	290.70%	31.33%
Payments (m)	70.89	87.79	344.28	405.99	454.69	637.03	12.00%	439.78%	40.10%
Value of payments (€bn)	2.91	3.39	13.66	15.61	16.95	17.67	8.53%	401.96%	38.08%
ATV per credit/delayed debit card payment	€41.03	€38.63	€39.68	€38.46	€37.27	€27.74	-3.09%	-7.01%	-1.44%
Source: ECB, Banco de Portugal.									

E-Money Use

In 2024, there were 96.16 million e-money purchases (+4.85%) on 3.63 million cards giving access to e-money accounts (+0.57%) with a total value of €2.60 billion (+18.09% on 2023). The ATV per e-money purchase accounted for €27.04. From 2013, cards with e-money functions include luncheon cards that can only be used in food-related merchant outlets.

TABLE 16

E-Money Use in Portugal

	2020	2021	2022	2023	2024	GR 23/24	GR 5Y	CAGR 5Y
E-money institutions	2	2	4	4	3	-25.00%	200.00%	24.57%
Outstanding values on e-money accounts (m)	156	173	181.65	190.73	200.27	5.00%	48.35%	8.21%
Cards giving access to e-money accounts	3,510,641	3,670,422	3,701,642	3,616,796	3,637,484	0.57%	0.12%	0.02%
- thereof cards loaded at least once	1,985,034	2,134,430	2,198,463	2,264,417	2,332,349	3.00%	10.73%	2.06%
E-money accepting terminals	369,363	403,203	421,444	396,064	412,172	4.07%	19.88%	3.69%
Payments on cards accessing e-money accounts (m)	68.07	69.50	85.46	91.71	96.16	4.85%	12.42%	2.37%
Payments value on cards accessing e-money accounts (€ bn)	1.61	1.74	2.19	2.20	2.60	18.09%	55.31%	9.20%
ATV per e-money payment	€23.69	€25.09	€25.60	€24.01	€27.04	12.63%	38.15%	6.68%
Note: from 2013, cards with e-money function include prepaid cards that can only be used in food-related merchant outlets.								
Source: ECB, Banco de Portugal.								

Leading Card Issuers in Detail – including digital channels

CGD – issues contactless MB debit cards branded Debit Mastercard or VISA Debit, credit cards branded Mastercard or VISA, and prepaid cards. In the cards sphere, CGD maintained its leadership in terms of payments and cards with 4.7 million bank cards in 2024. Card purchases grew by 9% in 2024, with a 35% increase in online purchases and 24% increase in the use of contactless technology. As of 2022, CGD had a 25.8% market share in debit cards in Portugal, surpassing the historic milestone of more than 3 million personal customers with a Caixa debit card. In December 2023, Caixa launched a virtual card with restricted use for service payment operations on the Caixadirecta Empresas digital channels and the respective app, with the offer of a commission, thus enabling these customers to maintain access to this type of operation. The average daily number of credit card agreements across the year was up 70% and debit cards increased 160,000 over 2019.

Partnerships to facilitate contactless payments and provide customers with enhanced security in the context of the pandemic have also been developed and include Apple Pay and Swatchpay, the latter exclusive to CGD. The acceptance of contactless technology was widespread and more than 1.2 million contactless debit cards were issued in 2020.

CGD has launched several card products, including the Caixa Gold ASJP card, for customers belonging to the Portuguese Judges' Union Association, the Order of Pharmacists card, the Caixa Classic ANET card, for members of the National Association of Engineering Operatives. CGD also has launched the HPP Saúde Card, a co-branded card targeted at customers interested in healthcare area benefits, the Caixa Leisure card through a partnership with the Go4Travel company, the Caixadrive card co-branded with Repsol, and the MTV credit card for the young people's segment.

In the deferred debit segment, CGD launched in 2009 Caixa Activa card for senior citizens. CGD also launched prepaid cards during 2008, including the PRO card for mass-market customers, the LOL card for young customers and LOL Júnior card. CGD continued to promote the LOL and LOL Junior cards, focusing on the launch of a savings function associated with the cards, which transfers amounts not spent by customers during the month into a savings account.

In 2015, CGD's rationalisation/optimisation policy on the portfolio of debit and credit cards for Caixa's individual customers were continued, with an 18 to 7 reduction in the different card models.

In 2017, CGD implemented strong 3D-Secure authentication mechanisms on Mastercard/Maestro and VISA/Electron network cards.

Millennium bcp reported that the number of cards issued in its Portuguese retail segment grew during 2016 to 3.22 million active cards out of 3.46 million cards, up from 2.91 million in 2012. Millennium issues contactless MB cards co-badged Debit Mastercard, VISA Debit, UnionPay Debit, or VISA; contactless credit cards co-badged Mastercard or VISA; and prepaid cards. Its card offering includes American Express, issued under a franchise agreement dating from 1995, renewed in 2005. In 2023, Millennium bcp reported that its card portfolio amounted to 3.4 million cards and increased by 132,000 cards (+4.0%) during the year. The credit card portfolio was reported to have increased to 494,000 cards – an increase of 9,000 cards (+1.8%), and this allowed the bank to increase its market share to 10.03%. The market share for credit card sales amounted to 12.7% on average. Thanks to intensive portfolio activities, spending on credit cards increased by 14% y/y, and Bank Millennium's market share in this respect increased to 10.3%.

In October 2017, Millennium bcp launched its new digital payment solution, the Millennium Moove app, which enables the acceptance of payments with cards and MB Way using a smartphone or tablet, with full user mobility.

In November 2018, Millennium bcp signed an agreement with China UnionPay. Under the agreement, Millennium bcp began issuing UnionPay cards to its customers and rolling out UnionPay QuickPass and online payment services in January 2019. The signing follows a memorandum of understanding agreed by the two organisations in 2017 and enables Millennium bcp to become the first European bank to issue UnionPay cards. With this agreement, Millennium bcp also becomes an acquirer for all UnionPay Cards, irrespective of the country of issuance.

In 2015, the total value of card payments amounted to €13.6 billion, up from €12.4 billion in 2012. Cash withdrawals on cards declined from 5.43 billion to €5.38 billion in 2013. In 2016, the number of payments with debit cards and credit cards went up by 10.6% and 10.5%, respectively while the payments value on credit cards (+4.4%) had a smaller increase against debit cards (10.5%).

In 2017, the number of payments with debit cards and credit cards went up by 8.6% and 8.5%, respectively while the payments value on credit cards (+5.7%) had a smaller increase against debit cards (8.3%).

Millennium bcp's card products include a co-branding arrangement with Portuguese airline TAP whereby customers can have two cards (VISA/Mastercard and American Express) with a single annual fee, credit limit and statement.

Although the bank did not provide an update on card numbers in 2018, it continued to increase its Active Digital Customers base, with a 39% growth in the number of App users, of which 23% already exclusively use the digital channel, 54% of the bank's new Customers in 2018 are digital. In 2018, the bank launched new digital tools, including 100% digital account opening on the Millennium app and login to the bank's website with Mobile Digital key, a secure authentication solution.

As of 2020, Millennium reported that the number of mobile customers had grown by 489,000, of which 216,000 were in Portugal, for a total of 3.21 million, while the number of internet banking customers stood at 2.45 million in 2020.

Banco Santander Totta, issues contactless Debit Mastercard cards, and Mastercard and VISA cards including co-branded cards together with retailers. In February 2011, it launched the exclusive Ferraris Mastercard card, intended for the affluent segment. Other card products are the Maestro student cards. In 2016, Banco Santander Totta reported 2.11 million active cards in circulation, but provided no subsequent update due to the merger with Banco Popular Portugal.

The bank did not provide any subsequent updates on its card numbers but did note that it had substantially upgraded its app functionality, including touch ID or Face ID for login, instant transfers, pension and tax payments, loan and mortgage balances and credit and debit card transaction reviews.

In 2021, with regard to POS terminals, Banco Santander Totta focused on developing and differentiating payment solutions, such as SmartPOS. The promotion and dissemination of the Payment Gateway, which allows the acceptance of cards, payments for services, and MB Way on a single platform, resulted in an increased number of merchants compared to 2020. In the POS Acquiring business, Santander focused, throughout 2022, on making the POS stock profitable, namely by activating inactive payment terminals and by cancelling others that were not at the merchants' service. During the second half of 2022 financial year, the Bank transferred the Acquiring Services business - provision of payment transaction acquisition services, to Getnet Europe. The transfer agreement was signed in August 2022, and the deal was completed in November 2022.

In 2021, with regard to regulatory compliance with PSD2, more than 2 million cards were enabled to carry out strong authentication of online purchases through the Santander app. Banco Santander Totta also provides the Digital Card, which allows customers to carry out operations immediately after being onboarded by the bank. As of 2021, it was possible to open an online bank account in five minutes from home, without any human intervention.

Novo Banco (previously BES Banco Espírito Santo) issues contactless debit cards co-badged VISA Debit; credit cards co-badged VISA; virtual MB cards, and prepaid cards. In 2021, Novo Banco reported 2 million active cards and a 12% market share of Portuguese cards in circulation. No update was provided for 2022 and 2023.

Banco BPI is particularly forthcoming among Portuguese banks on its card portfolios. It issues contactless MB cards co-badged VISA Electron, VISA or Mastercard, and it had 445,100 active credit cards in circulation at end-2018, a 1.4% increase over 2017. Credit card turnover grew by 12.88% to €1,092.5 billion. BPI reported credit card loans of €161.8 million at end-2017, compared with €187.5 million at end-2010.

The number of BPI-issued active debit cards passed one million during 2009 to 1.11 million in 2017. Billings on debit cards were €7.89 billion, up by 9.6% on 2016.

At the end of 2024, BPI had 1.9 million cards in circulation, corresponding to an increase of 1.7% from 2023. This increase was mainly driven by the offer of 'Valor' Accounts, which includes debit and credit cards, and by the increased provision of credit cards with pre-approved limits.

In merchant acquiring, in 2021 BPI launched its own acquiring VISA/Mastercard offer for SMEs, in partnership with Comercia Global Payments, a CaixaBank group company specialised in payments. This new offer allows, through a single contract, BPI POS terminals to accept transactions with most cards circulating in Portugal (including contactless by card or mobile phone) and introduced flexible pricing that automatically adjusts to the monthly turnover level of the business.

In 2022, in partnership with Comercia Global Payments, a specialised company of CaixaBank group, BPI launched the multicurrency acceptance service - Dynamic Currency Conversion (DCC), enriching its own offer of Acquiring Visa / Mastercard. This new functionality, which became available in all BPI Point of Sale (POS) terminals, enabled the acceptance of transactions with foreign cards in the currency of origin. In 2023, in partnership with Comercia Global Payments, BPI updated the multicurrency acceptance service - Dynamic Currency Conversion (DCC), with POS now accepting contactless DCC.

As of 2023, BPI reported 1,305 ATMs, 31,000 POS terminals in its network.

Unicre issues contactless Unibanco branded credit cards co-badged VISA or Mastercard and contactless credit cards branded Mastercard or VISA. In 2016, Unicre reported 570,000 cards managed of which 270,000 cards were Unibanco credit cards. In 2020, Unicre reported that its card numbers had reached almost 600,000 cards issued.

In 2010, Unicre launched its first pre-paid card and the first gift card for use throughout the entire VISA network in Portugal. The card was a solidarity card created in partnership with UNICEF. Unicre extended the Unibanco Experience loyalty programme developed in 2009 for Unibanco Gold cardholders to the Unibanco Metropolis cardholders. Cardholders could accumulate points providing access to a diverse range of prizes. Encouraging savings habits, Unicre launched the Bonus Money Box concept for all its cardholders, allowing them to "transform the Unibanco card into a 5% bonus money box". In 2010, Unicre took part in the pre-launch contactless pilot project and launched a contactless Unibanco Go On Mastercard card.

As of 2009, Unicre had 230,000 Unibanco credit cards issued. Until 2007, the number of cards had been declining. However, numbers increased during 2008 to 224,000 cards, passing 230,000 in 2009. The value of transactions on Unibanco cards was approximately €500 million in 2008, though it fell during 2009.

bancoCTT issues contactless VISA Debit cards and contactless Mastercard credit cards (2017: 49,454, 2016: 8,285), the latter in cooperation with Cetelem (F). g.

In December 2018, around 40% of Customers were active users of the bank's Digital Channel. The mobile channel grew considerably and now represents 76% of total digital channel access for Banco CTT. Close to 45% of Banco CTT's transfers, payments and term deposits are carried out through digital channels and, in the case of term deposits, this figure reaches 70%.

In 2020, around half of the bank's customers were frequent users of the digital solutions, including the MB WAY service. Use through mobile devices is increasingly significant, representing 85% of customer interactions. Half of the transfers and payments of the bank's customers were carried out by digital channels.

BarclayCard, the biggest European issuer of revolving credit cards, had issued VISA Classic, VISA Gold, VISA Platinum credit cards and VISA Electron MB cards in Portugal. Barclaycard began issuing in Portugal in 2004; parent Barclays has a network of branches in the country. In September 2009, Barclays announced the acquisition of Citibank's Portuguese credit card business. The transaction gave Barclays 400,000 credit card accounts and gross assets (mostly credit card receivables) of €644 million as at June 2009. Barclays Portugal's ambition had been to become one of the top five players in the Portuguese cards sector. However, in April 2016, Barclays Bank (UK) sold its BarclayCard consumer payments business in Portugal to bancopopular-e, a Spanish online bank rebranded as WiZink Bank.

Consumer Finance Credit Card Issuers

Banco Credibom – Portugal has become an important market for Crédit Agricole Consumer Finance, whose 100% subsidiary Credibom is the leader in POS financing for the automotive and house equipment markets. Outstanding loans were more than €1.3 billion at end-2009.

In 2009, new Credibom services included a range of financing solutions designed for Apple and a partnership agreement with Ixina, one of the largest European manufacturers of kitchens, present since September 2009 in Portugal.

In 2007, Credibom received the necessary authorisations for bank status, creating the opportunity to launch new commercial offers, including bank cards. Credibom launched its first general credit card, Cartão Credibom, in July 2008. The card was a VISA card with cardholders offered various promotions and discounts by partners.

In July 2005, Sofinco (now: Crédit Agricole Consumer Finance) expanded the size of its Portuguese operations with the purchase of Credilar, the non-auto POS consumer credit business previously carried out by Millennium bcp subsidiary CrédiBanco. Millennium bcp has reduced or sold its stakes in CrédiBanco and auto finance specialist Interbanco (to Santander Consumer Finance) as part of a divestment of consumer credit business carried out through non-banking channels.

Cetelem Portugal – In May 2008, LaSer Cofinoga and Cetelem (BNP Paribas Personal Finance) announced a reorganization of their business activities in Portugal by merging their subsidiaries. Cetelem Portugal acquired Credifin to create what Cetelem claimed was the No 1 player in the market. The merged company operated through all the main distribution channels – POS (retail and automobile), direct-to-customer and on-line credit. The sale by LaSer Cofinoga of its Portuguese businesses to BNP Paribas Personal Finance was completed in May 2009. As of late 2010, Cetelem was offering three Mastercard MB credit cards in Portugal under the brandings of 'White', 'Green', and 'Black'.

Oney Portugal, 100%-owned by Banque Accord, Auchan's banking subsidiary, was part owned by Cofinoga until 2005. Previously called Crediplus, Oney Portugal was a major player in the private card sector in Portugal. In July 2006, Crediplus was granted a bank license. During 2007, the Banque Accord branch business was incorporated in Portugal while the number of Crediplus customers passed 500,000. By 2009, the number of customers of Oney Portugal had reached 591,000.

Société Générale, which lost out to Banco Santander in the competition for BCP's 50.001% holding in auto finance company Interbanco, announced in July 2006 the launch of CrediAgora, a new Portuguese subsidiary specializing in consumer finance. SocGen said CrediAgora would offer products in the car financing and retailing sectors. In November 2007, SocGen selected First Data to provide issuing card processing services to support credit card programmes launched by CrediAgora in Portugal. First Data provided services to SocGen's consumer finance businesses in Greece, Poland, Romania, and Russia.

As of 2009, Portugal accounted for 2% of Santander Consumer Finance's loan book. Portugal is one of the markets in which SCF issues credit cards, though its main business is auto finance.

Appendix

Significant Events in Portuguese Banking – source: Yearbooks research

December 2018

December 2018

June 2017

Lone Star (US) provides €1 billion capital to Novo Banco

Caixabank acquired a 15.5% stake of Banco BPI and now owns 100%.

BancoBIC became rebranded as EuroBIC.