

**STATE COMPANY  
'INDĖLIŲ IR INVESTIJŲ DRAUDIMAS'**

**DEPOSIT INSURANCE FUND**

**ANNUAL FINANCIAL STATEMENTS**

**2019**

## CONTENT

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## MAIN DETAILS OF THE COMPANY ADMINISTRATING THE DEPOSIT INSURANCE FUND

Company name:	SC 'Indėlių ir investicijų draudimas'
Authorised capital:	EUR 8,995,358
Registration date:	16 December 1996
Corporate code:	110069451
Institution implementing rights and obligations of the owner:	Ministry of Finance of the Republic of Lithuania
Registered office address:	Algirdo g. 31, LT-03219, Vilnius
Legal form:	State Company
Date of registration of valid Articles of Association:	15 July 2019
Phone:	(8-5) 213 56 57
E-mail address:	idf@idf.lt
Website:	www.iidraudimas.lt
Management bodies of the Company:	Council and Director of the Company

As of 31 December 2019, the Company's Council consisted of 5 members:

Chairwoman of the Council:	Vilma Mačerauskienė, Director of the Financial Markets Policy Department of the Ministry of Finance
Deputy Chairwoman of the Council:	Lina Frejutė, Deputy Head of the Project Management Division of the Ministry of Finance
Members of the Council:	Audrutė Dziskienė, Advisor of the Credit and Payment Markets Division of the Ministry of Finance; Renata Bagdonienė, Director of the Prudential Supervision Department of the Supervision Service of the Bank of Lithuania Gediminas Šimkus, Director of the Economics and Financial Stability Service of the Bank of Lithuania
Director of the Company:	Aurelija Mažintienė
Bank:	Luminor Bank AS Lithuanian Branch

## DEPOSIT INSURANCE FUND

Administrator – SC ‘Indėlių ir investicijų draudimas’, corporate code 110069451  
Algirdo g. 31, LT-03219 Vilnius, data collected and stored in the Register of Legal Entities

### STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2019

10 March 2020

2019	<i>Presentation currency and accuracy: EUR</i>			
Seq. No	Items	Note No	31 12 2019	31 12 2018
<b>A.</b>	<b>FIXED ASSETS</b>		<b>126,817,040</b>	<b>102,036,138</b>
I.	Intangible assets			
II.	Tangible fixed assets			
III.	Long-term financial assets	1,2	126,817,040	102,036,138
IV.	Other fixed assets			
<b>B.</b>	<b>BIOLOGICAL ASSETS</b>			
<b>C.</b>	<b>CURRENT ASSETS</b>		<b>78,349,039</b>	<b>97,326,113</b>
I.	Inventories			
I.1	Inventories, excluding tangible fixed assets and biological assets held-for-sale			
I.2	Tangible fixed assets and biological assets held-for-sale			
II.	Prepayments	3	1,228,976	3,237,093
III.	Amounts receivable within one year	4	19,137,080	43,803,424
III.1	Short-term financial receivables			
III.2	Receivable taxes and social contributions			
III.3	Financing receivables			
III.4	Receivables for use of assets, sold goods, assets and services			
III.5	Accumulated receivables			
III.6	Other receivables		19,137,080	43,803,424
IV.	Short-term investments		0	0
V.	Cash and cash equivalents	5	57,982,983	50,285,596
	<b>TOTAL ASSETS:</b>		<b>205,166,079</b>	<b>199,362,251</b>
<b>D.</b>	<b>FINANCING AMOUNTS</b>			
I.	From the State Budget			
II.	From the municipal budget			
III.	From the EU, foreign countries and international organisations			
IV.	From other sources			
<b>E.</b>	<b>LIABILITIES</b>		<b>1,379,655</b>	<b>5,706,650</b>
I.	Long-term liabilities			
I.1	Long-term financial liabilities			
I.2	Long-term provisions			
I.3	Other long-term liabilities			
II.	Short-term liabilities	6	1,379,655	5,706,650
II.1	Long-term provisions (current year's portion) and short-term provisions			
II.2	Long-term liabilities (current year's portion)			

II.3	Short-term financial liabilities			
II.4	Payable subsidies, grants and financing amounts			
II.5	Amounts payable to the EU budget			
II.6	Amounts payable to budgets and funds			
II.7	Payable social benefits			
II.8	Refundable taxes, contributions and their overpayments			
II.9	Trade payables			
II.10	Accrued payables		1,351,655	5,682,719
II.11	Other short-term liabilities		28,000	23,931
<b>F.</b>	<b>NET ASSETS</b>		<b>203,786,424</b>	<b>193,655,601</b>
I.	Reserves			
II.	Effects of the equity method			
III.	Accrued surplus or deficit	7	203,786,424	193,655,601
III.1	Surplus or deficit of the current year		10,130,823	(34,670,323)
III.2	Surplus or deficit of the previous year		193,655,601	228,325,924
	<b>TOTAL FINANCING AMOUNTS, LIABILITIES AND NET ASSETS:</b>		<b>205,166,079</b>	<b>199,362,251</b>

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

## DEPOSIT INSURANCE FUND

Administrator – SC ‘Indėlių ir investicijų draudimas’, corporate code 110069451  
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### STATEMENT OF OPERATING RESULTS 31 DECEMBER 2019

10 March 2020

2019

Presentation currency and accuracy: EUR

Seq. No	Items	Note No	31 12 2019	31 12 2018
<b>A.</b>	<b>OPERATING ACTIVITY INCOME</b>		<b>11,224,846</b>	<b>12,396,374</b>
I.	FINANCING INCOME			
II.	INCOME FROM TAXES AND SOCIAL CONTRIBUTIONS			
II.1.	Net income from taxes			
II.1.1.	Income from taxes			
II.1.2.	Amount of transferrable taxes			
II.2.	Net income from social contributions			
II.2.1.	Income from social contributions			
II.2.2.	Amount of transferrable social contributions			
III.	OTHER INCOME FROM OPERATING ACTIVITIES	8	11,224,846	12,396,374
III.1.	Other income from operating activities		11,224,846	12,396,374
III.2.	Amount of transferrable other income from operating activities			
<b>B.</b>	<b>OPERATING ACTIVITY EXPENSES</b>	9	<b>(1,155,116)</b>	<b>(47,069,423)</b>
I.	AMOUNTS DEPRECIATED AND WRITTEN-OFF			
II.	SOCIAL BENEFITS			
III.	FINANCING			
IV.	OTHER		(1,155,116)	(47,069,423)
<b>C.</b>	<b>OPERATING ACTIVITY SURPLUS OR DEFICIT</b>	10	<b>10,069,730</b>	<b>(34,673,049)</b>
<b>D.</b>	<b>RESULT OF OTHER ACTIVITIES</b>			
I.	OTHER OPERATING INCOME			
II.	OTHER OPERATING INCOME TRANSFERRABLE TO THE BUDGET			
III.	OTHER OPERATING EXPENSES			
<b>E.</b>	<b>FINANCING AND INVESTING ACTIVITY RESULT</b>	11	<b>61,093</b>	<b>2,726</b>
<b>F.</b>	<b>EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND OF CORRECTION OF MATERIAL ACCOUNTING ERRORS</b>			
<b>G.</b>	<b>NET SURPLUS OR DEFICIT BEFORE EFFECTS OF APPLICATION OF EQUITY METHOD</b>			
<b>H.</b>	<b>EFFECTS OF APPLICATION OF EQUITY METHOD</b>			
<b>I.</b>	<b>NET SURPLUS OR DEFICIT</b>		<b>10,130,823</b>	<b>(34,670,323)</b>

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

## DEPOSIT INSURANCE FUND

Administrator – SC ‘Indėlių ir investicijų draudimas’, corporate code 110069451  
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### STATEMENT OF CHANGES IN NET ASSETS 31 DECEMBER 2019

10 March 2020

2019

*Presentation currency and accuracy: EUR*

Seq. No	Items	Note No	Attributable to the parent undertaking				Accrued surplus or deficit before effects of application of the equity method	Total	Minority interest
			Stakeholders' equity	Fair value reserve	Other reserves	Effects of application of the equity method			
1	2	3	4	5	6	7	8	9	10
<b>1.</b>	<b>Balance as at 31 December 2017</b>						<b>228,325,924</b>	<b>228,325,924</b>	
2.	Effects of fixed assets taken over from another public sector entity								
3.	Effects of fixed assets transferred or sold to another entity								
4.	Other amounts of increase (decrease) of reserves								
5.	Other formed reserves								
6.	Other used reserves								
7.	Amounts of increase (decrease) of stakeholders' equity								
8.	Net surplus or deficit of the reporting period						(34,670,323)	(34,670,323)	
<b>9.</b>	<b>Balance as at 31 December 2018</b>						<b>193,655,601</b>	<b>193,655,601</b>	
10.	Effects of fixed assets taken over from another public sector entity								
11.	Effects of fixed assets transferred or sold to another entity								
12.	Other amounts of increase (decrease) of reserves								
13.	Other formed reserves								
14.	Other used reserves								
15.	Amounts of increase (decrease) of stakeholders' equity								
16.	Net surplus or deficit of the reporting period	7					10,130,823	10,130,823	
<b>17.</b>	<b>Balance as at 31 December 2019</b>						<b>203,786,424</b>	<b>203,786,424</b>	

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

## DEPOSIT INSURANCE FUND

Administrator – SC ‘Indėlių ir investicijų draudimas’, corporate code 110069451  
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### CASH FLOW STATEMENT

31 DECEMBER 2019

10 March 2020

2019

Presentation currency and accuracy: EUR

Seq. No	Items	Note No	31 12 2019	31 12 2018
1	2	3	4	5
<b>A.</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>45,515,955</b>	<b>7,197,255</b>
<b>I.</b>	<b>Inflows</b>	<b>12</b>	<b>49,074,791</b>	<b>44,527,052</b>
I.1.	Financing amounts for other expenses and inventories			
I.1.1	From the State Budget			
I.1.2	From the municipal budget			
I.1.3	From funds of the EU, foreign countries and international organisations			
I.1.4	From other sources			
I.2	From taxes			
I.3	From social contributions			
I.4	For provided services			
I.5	Received interest		0	87
I.6	Other inflows:		49,074,791	44,526,965
<b>II.</b>	<b>Transferred funds</b>			
II.1	To the State Budget			
II.2	To municipal budgets			
II.3	To the EU, foreign countries and international organisations			
II.4	To other funds of resources			
II.5	To public sector entities			
II.6	To other entities			
<b>III.</b>	<b>Payments</b>		<b>(3,558,836)</b>	<b>(37,329,797)</b>
III.1	Social payments			
III.2	Other services acquired		(750,589)	(556,014)
III.3	Interest paid		0	0
III.4	Other payments:		(2,808,247)	(36,773,783)
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(37,818,568)</b>	<b>(11,977,666)</b>
I.	Acquisition of fixed assets (excl. financial) and biological assets			
II.	Disposal of fixed assets (excl. financial) and biological assets			
III.	Acquisition of long-term financial assets		(37,922,055)	(11,977,666)
IV.	Disposal of long-term financial assets			
V.	(Increase) Decrease in time deposits			
VI.	Other cash flows from investing activities			
VII.	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>103,487</b>	
<b>C.</b>	<b>Inflows from taken loans</b>			
I.	Repayment of taken loans			
II.	Other cash flows from financing activities			
III.	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>D.</b>	<b>EFFECTS OF EXCHANGE RATE CHANGES ON BALANCE OF CASH AND CASH EQUIVALENTS</b>			
	(Increase) Decrease in cash and cash equivalents		(7,697,387)	(4,780,411)
	Cash and cash equivalents at the beginning of the reporting period	5	50,285,596	55,066,007
	Cash and cash equivalents at the end of the reporting period	5	<b>57,982,983</b>	<b>50,285,596</b>

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė



## DEPOSIT INSURANCE FUND

Administrator – SC ‘Indėlių ir investicijų draudimas’, corporate code 110069451  
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### EXPLANATORY NOTES

31 DECEMBER 2019

#### 1. General part

The State Company ‘Indėlių ir investicijų draudimas’ (hereinafter – the Company) administrates the Deposit Insurance Fund (hereinafter – the Fund) since 3 December 2015 when the Law (No XII-2054) of the Republic of Lithuania amending the Law (No IX-975) on Insurance of Deposits and Liabilities to Investors of 19 November 2015 (hereinafter – the Law) entered into force.

The Fund is not a legal person. The Fund is administrated by Company which is established from the State assets in accordance with the procedure set forth by legal acts and is acting, handling the accounting and preparing the sets of financial statements on behalf of the Fund. The institution implementing the rights and obligations of the owner of the Company is the Ministry of Finance of the Republic of Lithuania.

The Fund – means the fund in which the assets are accumulated for payment of insurance compensations according to the Law.

Participants of the Deposit Insurance System (Article 11(1) of the Law):

- banks established in the Republic of Lithuania, including branches of these banks, established in the Republic of Lithuania and other Member States;

- third-country banks that have established a branch in the Republic of Lithuania when deposits held in third countries are not insured or their protection is not guaranteed in any other way under legal acts of the third country to the jurisdiction of which the bank that has established a branch belongs;

- third-country banks that have established a branch in the Republic of Lithuania when deposits held in third countries are insured (compensated) or their protection is guaranteed in any other way under legal acts of the third country, but the Company’s Council determines that such deposit insurance (compensation) or other conditions guaranteeing their protection are less favourable than established in the Law on Insurance of Deposits and Liabilities to Investors;

- credit unions and the Central Credit Union established in the Republic of Lithuania.

The Fund’s proceeds consist of (Article 16(3) of the Law):

- regular (*ex ante*) contributions of deposit insurance, including payment obligations of the deposit insurance system participants to the Deposit Insurance Fund and special (*ex post*) contributions of deposit insurance;

- funds and/or assets received from an insolvent deposit insurance system participant during bankruptcy proceedings in accordance with the procedure laid down by laws;

- funds received after recovery of the proceeds used for the financing of resolution measures of the financial sector entities (hereinafter – resolution) under the Law of the Republic of Lithuania on Financial Sustainability;

- income from investments of proceeds of the Deposit Insurance Fund;

- other proceeds.

The proceeds of the Deposit Insurance Fund are used for (Article 16(4) of the Law):

- deposit insurance compensations;

- financing of resolution tools within the meaning of Article 46 of the Law;

- financing of the transfer of assets, rights, transactions and liabilities of a credit union within the meaning of Article 47 of the Law;

- covering the costs of administration of the Fund.

In administrating the Fund, the Company performs the following main functions:

- collects and accumulates deposit insurance contributions;
- calculates and pays deposit insurance compensations;
- invests the proceeds of the Deposit Insurance Fund;
- handles the Fund's accounting, prepares the sets of financial statements, the estimates of income and expenses and submits them for approval to the institution implementing rights and obligations of the insurance company;
- monitors the compliance of the deposit insurance system participants with the requirements established by the Law and its implementing legislation;
- evaluates the conditions of guaranteeing deposit insurance (compensation) or other type of security of third countries the credit institutions, financial brokerage firms or management companies of which establish branches in the Republic of Lithuania;
- assesses the risks of the Deposit Insurance Fund;
- cooperates and exchanges information with deposit insurance system administrators, supervisory authorities of other Member States and third countries and with the European Banking Authority;
- carries out stress testing of the deposit insurance system;
- performs other functions assigned to it by virtue of laws.

## **2. Summary of significant principles of accounting**

The main principles of accounting applied in preparing financial statements of the Fund for the year ended 31 December 2019 are as follows:

### **2.1 Form of financial statements**

The Fund's financial statements of 2019 have been prepared according to the Public Sector Accounting and Financial Reporting Standards (hereinafter – PSAFRS), which include the standards and interpretations approved by the Minister of Finance of the Republic of Lithuania before 31 December 2018.

The financial year of the Fund corresponds to the calendar year.

### **2.2 Conformity of financial statements with the Standards**

The Fund's financial statements of 2019 were prepared separately according to the PSAFRS and in observance of Article 45(1) of the Law.

### **2.3 Reporting currency**

The Fund's accounting records are kept and all amounts in these financial statements are presented in euro (EUR).

### **2.4 Financial assets**

According to 17 PSAFRS 'Financial assets and financial liabilities', the amounts of prepayments in the statement of financial position are presented at net value, after deducting the value impairment from acquisition cost.

Investments of the Fund are made in observance of the Law, the Articles of Association of the Company, the Rules of the Fund of Insurance of Liabilities to Investors approved by the Company's Council and other related legal acts. The Fund's investments into deposits and Government securities are based on security, liquidity and profitability criteria.

Investments with fixed or measurable payments which the Fund intends and can hold until maturity are attributed to the held-to-maturity investments. Investments into Government securities in the Company are treated as securities held-to-maturity.

Held-to-maturity investments are recorded as long-term financial assets, unless their maturity exceeds twelve months after the balance sheet date. All purchased and sold investments are recognised on the day of their purchase/sale. Upon acquisition, investments are recorded at acquisition value which is equal to the fair value of paid consideration, excluding the costs of conclusion of the transaction.

Costs related to the acquisition of securities are recognised in profit (loss) statements as financing and investing activity expenses.

The difference between the acquisition amount and nominal value of GSs – discount or premium – is amortised evenly during the period from the acquisition until redemption, and the acquisition amount of GSs is increased (reduced) by the amortised discount (premium) amount respectively increasing (reducing) interest income. Coupon income is recognised on accrual basis and included in interest income and in the value of GSs. The share of amortisation attributable to the reporting period is recognised in the item of interest on financing and investing activities of the report on operating results.

Government securities redeemable within one year after the financial reporting date are presented in the item of current assets of the statement of financial position, and GSs redeemable after one year and later – in the line of ‘Financial fixed assets’ of the item of ‘Financial fixed assets’ in the statement of financial position.

## **2.5 Receivables**

According to 17 PSAFRS ‘Financial assets and financial liabilities’ receivables are measured at acquisition cost upon initial recognition. Financial assets are recognised in the accounting when a public sector entity receives or becomes entitled to receive money or other financial assets.

## **2.6 Cash and cash equivalents**

According to 17 PSAFRS ‘Financial assets and financial liabilities’ cash and cash equivalents comprise the Fund’s cash held in the bank account. Cash of the Fund is kept in a separate bank account.

In the cash flow statement, cash and cash equivalents comprise cash with bank and other short-term highly liquid investments.

## **2.7. Debt liabilities**

According to 17 PSAFRS ‘Financial assets and financial liabilities’ debts are carried at acquisition cost. Debts are classified as long-term when the financing agreement concluded before the date of approval of financial statements demonstrates that on the balance sheet date the liability was long-term according to its nature.

## **2.8. Recognition of income and expenses of the Fund**

The Fund’s income and expenses are recorded in the accounting and presented in financial statements according to the principle of accrual of income and expenses.

According to 10 PSAFRS ‘Other income’ the Fund’s income is recognised and recorded in the accounting and presented in financial statements during the reporting period in which it is earned, regardless of the time of receiving the money.

The Fund’s income is classified into other income from operating activities, income from financing activities and income from investing activities. Insurance contributions of the Fund’s participants are attributed to other operating activity income.

According to 11 PSAFRS ‘Expenses’ expenses are recognised and recorded in the accounting during the period in which they were incurred – when related income was earned, services were rendered, actions were carried out in performing the assigned functions, regardless of the time of spending the money and when their value can be reliably measured.

Normally, the amount of expenses is measured at the paid or payable amount of money, including value added tax. The Fund's expenses are attributed to other costs of services of the operating activities. Expenses of the Fund include insurance compensations, administration expenses, financing and investing activity expenses, etc.

The estimate of income and expenses of the Fund is approved by the institution implementing the rights and obligations of the owner of the Company – the Ministry of Finance of the Republic of Lithuania. The estimate of administrative expenses is approved by the Council of the Company.

## **2.9. Foreign currency**

Requirements for the accounting of foreign currency transactions are established in 21 PSAFRS 'Foreign currency transactions'. Upon initial recognition, foreign currency transactions are recorded in the accounting at the official exchange rate of the transaction day.

## **2.10. Closing of accounts of the reporting period**

After recording of all operations of the financial year, all accounts of income and expenses are closed. The balances of the last day of the financial year of all income and expenses accounts are transferred to the account 'Accumulated surplus or deficit' on the last day of the financial year. The current year's surplus or deficit is the surplus generated or the deficit incurred by the Fund during the current year. At the beginning of the financial year, the previous year's surplus or deficit is recognised as the accumulated surplus or deficit of the previous year.

## **2.11. Use of estimates when preparing financial statements**

According to 18 PSAFRS 'Provisions, contingent liabilities, contingent assets and events after the balance sheet date' and in preparing financial statements certain assumptions and estimates are revised which influence the presented amounts of assets, liabilities, income and expenses and the disclosure of contingencies when the circumstances on the basis of which the estimate was made change or when additional information becomes available or other events occur. The result of change in such estimates is recorded in financial statements when it is established, presenting the information in the explanatory notes.

## **3. Explanatory notes**

### **Note 1. Long-term financial assets (share of the credit claim receivable after one year and within one year)**

The Company, acting on behalf of the Fund, participates in bankruptcy proceedings.

1. Bankruptcy of BAB bankas SNORAS. The insured event was declared on 24 November 2011. The disbursement of insurance compensations started on 14 December 2011, i.e. after 15 business days following the date of the insured event. EUR 1.19 billion were disbursed to the depositors of this insurer; the major part (EUR 899.64 million) of this amount was borrowed by the Company from the Ministry of Finance of the Republic of Lithuania. By 31 December 2019, the Company succeeded in recovering EUR 840.97 million from these bankruptcy proceedings.

2. Bankruptcy of BAB Ūkio bankas. The insured event was declared on 18 February 2013. The Company participated in the financing of the transfer of assets, rights, transactions and obligations of AB Ūkio bankas to AB Šiaulių bankas – for this purpose the amount of EUR 269.25 million was used the major part of which (EUR 231.45 million) was borrowed by the Company from the Ministry of Finance of the Republic of Lithuania. By 31 December 2019, the Company succeeded in recovering EUR 52.96 million from these bankruptcy proceedings;

3. Bankruptcy of the Credit Union Nacionalinė kredito unija. The insured event was declared on 24 January 2013. The amount of insurance compensations totalled EUR 34.84 million. By 31 December 2019, the amount of EUR 19.61 million was recovered from these bankruptcy proceedings;

4. Bankruptcy of the Credit Union Švyturio taupomoji kasa. The insured event was declared on 24 January 2013. The insurance compensations to depositors amounted to EUR 5.04 million. By 31 December 2019, the amount of EUR 3.30 million was recovered from these bankruptcy proceedings;
5. Bankruptcy of the Credit Union Laikinosios sostinės kreditas. The insured event was declared on 9 May 2013. The insurance compensations to depositors amounted to EUR 6.67 million. By 31 December 2019, the amount of EUR 2.20 million was already recovered from these bankruptcy proceedings;
6. Bankruptcy of the Credit Union Vilniaus taupomoji kasa. The insured event was declared on 17 January 2014. The amount of insurance compensations totalled EUR 64.08 million. By 31 December 2019, the amount of EUR 42.93 million was already recovered from these bankruptcy proceedings;
7. Bankruptcy of the Credit Union Naftininkų investicijos. The insured event was declared on 30 April 2014. The amount of insurance compensations totalled EUR 3.43 million. By 31 December 2019, the amount of EUR 1.63 million was recovered from these bankruptcy proceedings.
8. Bankruptcy of the Credit Union Amber. The insured event was declared on 20 September 2016. The insurance compensations amounted to EUR 19.97 million. By 31 December 2019, the amount of EUR 15.10 million was already recovered from these bankruptcy proceedings.
9. Bankruptcy of the Credit Union Žemaitijos išdas. The insured event was declared on 7 March 2017. The amount of insurance compensations totalled EUR 1.63 million. By 31 December 2019, the amount of EUR 1.03 million was recovered from these bankruptcy proceedings.
10. Bankruptcy of the Credit Union Pajūrio kredito unija. The insured event was declared on 17 March 2017. The amount of insurance compensations totalled EUR 2.15 million. By 31 December 2019, the amount of EUR 1.03 million was recovered from these bankruptcy proceedings.
11. Bankruptcy of the Credit Union Baltija. The insured event was declared on 25 September 2017. The amount of insurance compensations totalled EUR 11.53 million. By 31 December 2019, the amount of EUR 3.95 million was recovered from these bankruptcy proceedings.
12. Bankruptcy of the Credit Union Namų kredito unija. The insured event was declared on 25 September 2017. The amount of insurance compensations totalled EUR 1.38 million. By 31 December 2019, the amount of EUR 0.73 million was recovered from these bankruptcy proceedings.
13. Bankruptcy of the Credit Union Vilniaus kreditas. The insured event was declared on 10 November 2017. The amount of insurance compensations totalled EUR 20.36 million. By 31 December 2019, the amount of EUR 12.80 million was recovered from these bankruptcy proceedings.
14. Bankruptcy of the Credit Union Centro taupomoji kasa. The insured event was declared on 16 January 2018. The amount of insurance compensations totalled EUR 10.56 million. By 31 December 2019, the amount of EUR 6.50 million was recovered from these bankruptcy proceedings.
15. Bankruptcy of the Credit Union Taupkasė. The insured event was declared on 13 February 2018. The insurance compensations amounted to EUR 18.68 million. By 31 December 2019, the amount of EUR 12.28 million was recovered from these bankruptcy proceedings.

*Table 1. Cash inflows to the Fund from realisation of assets of bankrupt credit institutions forecasted by bankruptcy administrators and additionally estimated by the Company, in EUR*

Seq. No	Credit institution	Amounts receivable after one year	Amounts receivable within one year	Total
1	2	3	4	5
1.	BAB bankas SNORAS	74,344,500	4,500,000	<b>78,844,500</b>
2.	BAB Ūkio bankas	0	5,139,000	<b>5,139,000</b>
3.	BCC CU Vilniaus taupomoji kasa	0	585,000	<b>585,000</b>
4.	BCC Nacionalinė kredito unija	0	0	<b>0</b>
5.	BCC CU Švyturio taupomoji kasa	0	0	<b>0</b>
6.	BC CU Laikinosios sostinės kreditas	0	0	<b>0</b>
7.	BCU Naftininkų investicijos	0	0	<b>0</b>
8.	BCU Amber	0	630,000	<b>630,000</b>
9.	BCU Namų	0	0	<b>0</b>
10.	BCU Žemaitijos išdas	0	0	<b>0</b>
11.	BCU Baltija	0	1,364,639	<b>1,364,639</b>
12.	BCU Pajūrio	0	45,000	<b>45,000</b>
13.	BCU Vilniaus kreditas	0	1,350,000	<b>1,350,000</b>

14.	BCU Centro taupomoji kasa	31,500	2,515,500	<b>2,547,000</b>
15.	BCU Taupkasė	2,577,600	3,006,000	<b>5,583,600</b>
	<b>Total:</b>	<b>76,953,600</b>	<b>19,135,139</b>	<b>96,088,739</b>

According to certificates submitted by bankruptcy administrators, forecasted estimates of receivables are likely to generate economic benefits to the public sector entity; therefore, these assets are recorded in the Fund's accounting in the statement of financial position.

## Note 2. Long-term financial assets (securities)

Table 2. Information on changes in held-to-maturity financial assets (securities) (EUR)

Seq. No	Financial asset	Opening balance 31 12 2018	During 2019								Closing balance 31 12 2019
			Acquired (acquisition cost)	Sold (carrying amount at the amount at the	Transferred to (from) another group of	Amortisation amount, accrued coupon interest	Effects of currency exchange rate	Cash inflows	Written down	Depreciated	
1	2	3	4	5	6	7	8	9	10	11	12
<b>1.</b>	<b>Long-term financial assets and granted loans</b>	<b>11,980,618</b>	<b>37,922,055</b>			<b>70,366</b>		<b>(109,599)</b>			<b>49,863,440</b>
1.1.	Granted loans										
1.2.	Bonds	11,980,618	37,922,055			70,366		(109,599)			49,863,440
1.3.	Notes										
1.4.	Other non-equity securities										
	Long-term time deposits										
<b>2.</b>	<b>Short-term financial assets and granted loans</b>	<b>0</b>	<b>0</b>			<b>0</b>		<b>0</b>			<b>0</b>
2.1.	Granted loans										
2.2.	Bonds										
2.3.	Notes										
2.4.	Other non-equity securities										
2.5.	Short-term time deposits										
<b>3.</b>	<b>Total</b>	<b>11,980,618</b>	<b>37,922,055</b>			<b>70,366</b>		<b>0</b>			<b>49,863,440</b>

Long-term financial assets of the Fund comprise the receivable credit claim from bankrupt credit institutions in the amount of EUR 76,953,600 (see column 2 of Table 1) and EUR 49,863,440 long-term investments in GSs (see Table 2).

## Note 3. Prepayments

Proceeds of insurance compensations to depositors of bankrupt credit institutions were transferred to banks – payment agents of insurance compensations (hereinafter PAIC), but not yet withdrawn by depositors and held in their accounts until the expiry of payment agreements. During the reporting period, upon expiry of the payment period the amount of not withdrawn insurance compensations of BCU Vilniaus taupomoji kasa, and returned to the Fund's account was EUR 43.157, of BCU Naftininkų investicijos – EUR 15; the closing balance with banks totalled EUR 1,228,976 (see Table 3).

Table 3. Information on proceeds disbursed to, but not collected by, depositors held in accounts with commercial banks

Seq. No	Item	31 12 2019	31 12 2018
1	2	3	4
<b>1.</b>	<b>Prepayments</b>		
1.6.	Other prepayments	<b>1,228,976</b>	<b>3,237,093</b>
1.6.1.	Advance for insurance compensations to depositors of BCC Nacionalinė kredito unija	0	73,848
1.6.2.	Advance for insurance compensations to depositors of BCC CU Švyturio taupomoji kasa	0	15
1.6.3.	Advance for insurance compensations to depositors of BCC CU Laikinosios sostinės kreditas	236,132	265,793
1.6.4.	Advance for insurance compensations to depositors of BCC Nacionalinė kredito unija	3,597	3,968
1.6.5.	Advance for insurance compensations to depositors of BCC CU Švyturio taupomoji kasa	22,012	22,012
1.6.6.	Advance for insurance compensations to depositors of BCC CU Laikinosios sostinės kreditas	23,895	70,741
1.6.7.	Advance for insurance compensations to depositors of BCU Žemaitijos išdas	118,657	195,413
1.6.8.	Advance for insurance compensations to depositors of BCU Pajūrio	321,474	1,153,936
1.6.9.	Advance for insurance compensations to depositors of BCU Namų	294,759	766,601
1.6.10.	Advance for insurance compensations to depositors of BCU Baltija	208,450	684,766
1.7.	Advance for insurance compensations to depositors of BCU Vilniaus kreditas		
<b>2.</b>	Advance for insurance compensations to depositors of BCU Centro TK		
<b>3.</b>	Advance for insurance compensations to depositors of BCU Taupkasė	<b>1,228,976</b>	<b>3,237,093</b>

#### Note 4. Amounts receivable within one year

Amounts receivable within one year are specified in Table 4. They include the share of EUR 19,135,139 of the credit claim receivable within one year (see Note 1, Table 1), other receivables in the amount of EUR 1.721 and EUR 220 interest on insurance compensations awarded by court.

Table 4. Information on amounts receivable within one year

Seq. No	Item	31 12 2019	31 12 2018
1	2	3	4
<b>1.</b>	<b>Acquisition cost of amounts receivable within one year, total</b>	<b>19,137,080</b>	<b>43,803,424</b>
1.1.	Financing receivables		
1.2.	Receivable taxes and social contributions		
1.3.	Receivables for use of assets, sold goods, assets, services		
1.4.	Receivables for confiscates assets, fines and other penalties		
1.5.	Accrued receivables	19,135,139	43,801,483
1.5.1.	From the budget		
1.5.2.	Other:	19,135,139	43,801,483
1.5.2.1	Receivable credit claim	19,135,139	43,801,483
1.6.	Other receivables:	1,941	1,941
1.6.1.	According to insurance compensations awarded by court	1,721	1,721
1.6.2.	Interest on insurance compensations awarded by court	220	220
<b>2.</b>	<b>Value impairment of amounts receivable within one year at the</b>		
<b>3.</b>	<b>Carrying amount of amounts receivable within one year (1-2)</b>	<b>19,137,080</b>	<b>43,803,424</b>

## Note 5. Cash and cash equivalents

The Fund's proceeds are held in separate bank accounts. Claims according to the Company's obligations may not be levied on these proceeds. As at 31 December 2019, cash balance in bank accounts was EUR 57,982,983 (Table 5).

Table 5. Information on balance of cash and cash equivalents

Seq. No	Item	31 12 2019	31 12 2018
1	2	3	4
1.	<b>Cash from the State Budget</b>		
2.	<b>Cash from the municipal budget</b>		
3.	<b>Other cash and cash equivalents</b>	<b>57,982,983</b>	<b>50,285,596</b>
3.1.	Cash with banks	57,982,983	50,285,596
3.2.	Deposits of up to 3 months		
3.3.	Other cash equivalents		
4.	<b>Total cash and cash equivalents</b>	<b>57,982,983</b>	<b>50,285,596</b>
5.	<b>Of which proceeds of resource Funds</b>	<b>57,982,983</b>	<b>50,285,596</b>

## Note 6. Short-term liabilities

At the end of the reporting period, short-term liabilities of the Fund totalled EUR 1,379,655, of which:

**- Accumulated payables – EUR 1,351,655 – comprise:**

- a) Accumulated payable insurance compensations not withdrawn by depositors and held in accounts with commercial banks (payment agents) amounted to EUR 1,228,976;
- b) Accrued insurance compensations for inactive shares and bonds – EUR 11,749;
- c) Accrued procedural interest – EUR 13;
- d) Amount payable to Luminor Bank, the fee for safekeeping of securities – EUR 3,474;
- e) Amount payable to the Company as the administrating entity – EUR 107,443.

**- Other short-term liabilities – EUR 28,000 – comprise:**

- a) Prepayments – EUR 27,929: prepayments for insurance contributions of credit institutions (credit unions);
- b) Advance received from the Company – EUR 71.

Table 6. Information on short-term payables

Seq. No	Item	31 12 2019	31 12 2018
1	2	3	4
1.	<b>Payable subsidies, grants and financing amounts</b>		
2.	<b>Liabilities related with employment</b>		
3.	<b>Trade payables</b>		
4.	<b>Accumulated payables</b>	<b>1,351,655</b>	<b>5,682,719</b>
4.1.	Accumulated funding expenses		
4.2.	Accumulated expenses for holiday pay		
4.3.	Other accumulated expenses	1,228,976	3,237,093
4.4.	Other accumulated payables	122,679	2,445,626
5.	<b>Other short-term liabilities</b>	<b>28,000</b>	<b>23,931</b>
5.1.	Payable taxes on operations		
5.2.	Received prepayments	27,929	23,926
5.3.	Other payables	71	5
6.	<b>Carrying amount of certain short-term payables (1+2+3+4+5)</b>	<b>1,379,655</b>	<b>5,706,650</b>

\*Details are presented in Table 7.



Table 8 presents details on disbursed, withdrawn and not withdrawn insurance compensations of the Fund and their dynamics. The balance of the insurance compensations disbursed, but not withdrawn by depositors held with credit institutions at the end of 2019 totalled EUR 1,228,976.

*Table 7. Insurance compensations disbursed in credit institutions according to payment service agreements*

Seq. No	Bankrupt credit institution	Balance 31 12 2018	Additionally transferred	Disbursed (withdrawn, refunded) insurance compensations	Balance 31 12 2019
1	2	3	4	5	6
1.	BCC CU Vilniaus taupomoji kasa	73,848	-	73,848	<b>0</b>
2.	BCU Naftininkų investicijos	15	-	15	<b>0</b>
6.	BCU Amber	265,793	-	29,661	<b>236,132</b>
7.	BCU Namų	70,741	-	46,846	<b>23,895</b>
8.	BCU Žemaitijos izdas	3,968	-	371	<b>3,597</b>
9.	BCU Baltija	195,413	-	76,755	<b>118,657</b>
10.	BCU Pajūrio	22,012	-	-	<b>22,012</b>
11.	BCU Vilniaus kreditas	1.153,936	-	832,462	<b>321,474</b>
12.	BCU Centro TK	766,601	-	471,843	<b>294,759</b>
13.	BCU Taupkasė	684,766	-	476,316	<b>208,450</b>
	<b>Total:</b>	<b>3,237,093</b>	-	<b>2,008,117</b>	<b>1,228,976</b>

#### **Note 7. Accumulated surplus or deficit**

The amount of EUR 203,786,424 of the ‘Accumulated surplus or deficit’ was calculated as the sum of EUR 10,130,823 of the ‘Surplus or deficit of the current year’ and of EUR 193,655,601 of the ‘Surplus or deficit of the previous year’.

Balances of the last day of the financial year of all income and expense accounts are transferred to the account of ‘Surplus or deficit of the current year’ on the last day of the financial year. The amount of ‘Surplus or deficit of the current year’ of EUR 10,130,823 was obtained by deducting operating activity expenses (EUR 1,155,116) (see Note 9) from the total amount of the operating activity income (EUR 11,224,846) (see Note 8) and adding the financing and investing activity result (EUR 61,093) (see Note 11).

#### **Note 8. Other income from operating activity**

As at 31 December 2019, the deposit insurance contributions were paid by 5 banks and 65 credit unions. The amount of insurance contributions calculated for the deposit insurance system participants in 2019 totalled EUR 11.22 million.

The annual amount of periodic (ex ante) deposit insurance contributions payable by all deposit insurance system participants to the Deposit Insurance Fund fixed by Order No 1-K 154 of the Minister of Finance of the Republic of Lithuania of 20 May 2019 on the setting of the annual amount of periodic (ex ante) deposit insurance contributions for the period between 1 July 2019 and 30 June 2020 was EUR 11.93 million. Whereas the annual amount of periodic (ex ante) deposit insurance contributions payable by all deposit insurance system participants to the Deposit Insurance Fund fixed by Order No 1-K 190 of the Minister of Finance of the Republic of Lithuania of 20 May 2019 on the setting of the annual amount of periodic (ex ante) deposit insurance contributions for the period between 1 July 2018 and 30 June 2020 was EUR 13.04 million.

*Table 8. Income from operating activities*

Seq. No	Item	31 12 2019	31 12 2018
1	2	3	4
<b>1.</b>	<b>Calculated income from operating activities</b>		

<b>2.</b>	<b>Other income from operating activities transferrable into the Budget</b>		
<b>3.</b>	<b>Other income from operating activities:</b>	<b>11,224,846</b>	<b>12,396,374</b>
3.1.	<i>Calculated insurance contributions of banks</i>	<i>10,602,055</i>	<i>11,808,332</i>
3.2.	<i>Calculated insurance contributions of credit unions</i>	<i>622,791</i>	<i>588,042</i>

## Note 9. Expenses from operating activities

The amount of operating activity expenses was (-) EUR 1,155,116 and is itemised in Table 9.

Table 9. Operating activity expenses

Seq. No	Item	31 12 2019	31 12 2018
1.	Amounts depreciated and written down		
2.	Social benefits		
3.	Financing		
4.	Other	(1,155,116)	(47,069,423)
<b>4.1</b>	<b>Credit claim (amounts received and accrued)</b>	<b>10,884</b>	<b>(7,335,121)</b>
4.1.1	<i>Amounts received (accrued credit claim)</i>	<i>0</i>	<i>5,953,000</i>
4.1.2	<i>Recalculated credit claim difference</i>	<i>10,884</i>	<i>(13,288,121)</i>
<b>4.2</b>	<b>Calculated insurance compensations</b>	<b>(471,284)</b>	<b>(36,641,937)</b>
4.2.1	<i>Insurance compensations to depositors of BAB bankas SNORAS</i>	<i>(453,852)</i>	<i>(7,383,656)</i>
4.2.2	<i>Insurance compensations to bankrupt credit unions</i>	<i>(17,432)</i>	<i>(29,258,281)</i>
<b>4.3</b>	<b>Refunded insurance compensations</b>	<b>0</b>	<b>70</b>
<b>4.4.</b>	<b>Insurance compensations recovered after 5 years</b>	<b>43,173</b>	<b>29,979</b>
<b>4.5</b>	<b>Procedural interest of BAB bankas SNORAS</b>	<b>(3,020)</b>	<b>(149,095)</b>
<b>4.6</b>	<b>Insurance contributions of Luminor and Citadele banks to other DGS</b>	<b>0</b>	<b>(2,298,369)</b>
<b>4.7</b>	<b>Fee for administration of the Fund</b>	<b>(734,869)</b>	<b>(673,470)</b>
<b>4.8</b>	<b>Written down Insurance contributions of bankrupt CUs</b>	<b>0</b>	<b>(1,480)</b>
	<b>TOTAL</b>	<b>(1,155,116)</b>	<b>(47,069,423)</b>

## Note 10. Surplus or deficit from operating activities

The operating activity surplus, i.e. the amount of EUR 10,069,730 is calculated as the difference between operating activity income of EUR 11,224,846 and operating activity expenses (EUR 1,155,116) (Note 9).

## Note 11. Financing and investing activity result

In 2019, financing and investing activity income comprised EUR 126,359, i.e. interest calculated on securities (bonds) (coupon interest on GSs). Financing and investing activity expenses consisted of the fee for the safekeeping of securities – EUR 9,274 and amortisation of securities – EUR 55,993 (see Table 10 for more information)

Table 10. Financing and investing activity income – expenses

Seq. No	Item	31 12 2019	31 12 2018
1	2	3	4
<b>1.</b>	<b>Financing and investing activity income</b>	<b>126,359</b>	<b>2,257</b>
1.1.	Profit from exchange rate changes		

1.2.	Income from fines and penalties		
1.3.	Interest income:	126,359	2,257
1.3.1.	<i>DIMA interest on funds held in bank accounts</i>	0	87
1.3.2.	<i>Interest on securities (GSs coupon interest)</i>	126,359	2,170
1.4.	<i>Dividends</i>		
1.5.	Other financing and investing activity income		
1.6.	Transferable financing and investing activity income		
<b>2.</b>	<b>Financing and investing activity expenses</b>	<b>(65,266)</b>	<b>469</b>
2.1.	Loss from exchange rate changes		
2.2.	Expenses from fines and penalties		
2.3.	Interest expenses (amortisation of GSs)	(55,993)	469
2.4.	Other financing and investing activity expenses	(9,273)	
2.4.1.	<i>Investment expenses (fees for safekeeping of GSs)</i>	(9,273)	
<b>3.</b>	<b>Financing and investing activity result (1 - 2)</b>	<b>61,093</b>	<b>2.726</b>

## Note 12. Inflows

The amount of inflows totals EUR 49,074,791, of which EUR 37,779,149 – from bankruptcy proceedings (see Table 12), EUR 11,217,603 – the amount of actually paid insurance contributions; and EUR 78,039 – of other funds.

Table 11. Inflows from administrated bankruptcy proceedings in 2019

Seq. No	Item	31 12 2019	31 12 2018
1	2	3	4
1.	BAB Snoras	9,000,000	4,100,000
2.	BAB Ūkio bankas	1,200,000	300,000
3.	BCU Nacionalinė kredito unija	600,000	1,475,000
4.	BCU Švyturio taupomoji kasa	0	310,000
5.	BCU Laikinosios sostinės kreditas	0	113,000
6.	BCU Vilniaus taupomoji kasa	1,200,000	8,450,000
7.	BCU Amber	3,350,000	1,750,000
8.	BCU Žemaitijos izdas	60,000	410,000
9.	BCU Namų	310,000	420,000
10.	BCU Pajūrio	634,263	400,000
11.	BCU Baltija	484,886	3,462,676
12.	BCU Vilniaus kreditas	7,000,000	5,800,000
13.	BCU Centro taupomoji kasa	1,400,000	5,100,000
14.	BCU Naftininkų investicijos	260,000	0
15.	BCU Taupkasė	12,280,000	0
	<b>Total:</b>	<b>37,779,149</b>	<b>32,090,676</b>

## Note 13. Rights and obligations not reflected in the statement of financial position

According to 18 PSAFRS, the Company assessed assets of the Fund which are defined as assets likely to arise from past events and the existence of which will be confirmed only after occurrence or non-occurrence of future events not wholly controlled by the Fund. These contingent assets are not reflected in the statement of financial position.

Table 12 shows credit claims of the Fund with bankrupt credit institutions according to the actual data as of 31 December 2019.

Table 12. Rights and obligations not reflected in the statement of financial position

Seq. No	Credit claim receivable from credit institutions	31 12 2019		31 12 2018	
		Line 2	Line 4	Line 2	Line 4
1	2	3	4	5	6
1.	BAB bankas SNORAS	271,086,857	1,445,887	268,173,852	1,445,887
2.	BAB Ūkio bankas	211,155,768	587,807	210,744,768	587,807
3.	BCU Naftininkų investicijos	1,799,652	569	1,665,667	569
4.	BCU Švyturio taupomoji kasa	1,745,460	677	1,725,460	677
5.	BCU Laikinosios sostinės kreditas	4,459,743	-	4,459,743	-
6.	BCU Nacionalinės kredito unija	15,227,256	-	15,223,712	-
7.	BCU Vilniaus taupomoji kasa	20,571,791	-	20,586,060	-
8.	BCU Amber	4,236,678	50,453	4,616,678	50,453
9.	BCU Žemaitijos izdas	609,620	1,414	606,620	1,414
10.	BCU Pajūrio	1,068,620	2,725	937,883	2,725
11.	BCU Namų	651,273	702	560,273	702
12.	BCU Baltija	6,217,283	8,717	5,605,405	8,717
13.	BCU Vilniaus kreditas	6,208,947	18,817	4,232,947	18,817
14.	BCU Centro taupomoji kasa	1,508,006	8,888	2,115,006	8,888
15.	BCU Taupkasė	820,274	5,827	5,683,873	5,827
	<b>Total:</b>	<b>547,367,228</b>	<b>2,132,483</b>	<b>546,937,947</b>	<b>2,132,483</b>
	<b>Claim guaranteed by a financial security arrangement</b>	-	-	-	-

#### Note 14. Events after the balance sheet date

Claims are also be made regarding the award of compensatory interest and the renewal of the time limit set by law for receiving insurance compensations. As of 31 December 2019, the Company, as a defendant or third party, participated in 47 pending legal disputes the amount of actions in which totalled EUR 7.99 million.

Except for the above stated, there were no other events after the balance sheet date until the date of drawing up of these financial statements which would have affected or should have been disclosed in the annual financial statements as of 31 December 2019.

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė