

STATE COMPANY
DEPOSIT AND INVESTMENT INSURANCE
(INDĒLIŅŅ IR INVESTICIJŅ DRAUDIMAS)

ANNUAL FINANCIAL STATEMENTS

2020

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KEY INFORMATION ABOUT THE COMPANY

Company name:	SC Deposit and Investment Insurance (Indėlių ir investicijų draudimas)
Authorised capital:	EUR 8 995 358
Registration date:	16-12-1996
Corporate code:	110069451
Institution implementing rights and obligations of the owner:	Ministry of Finance of the Republic of Lithuania
Registered office address:	Algirdo St. 31, LT-03219, Vilnius
Legal form:	State Company
Data collected and stored in:	Registry of Legal Entities
Registration date of the current Articles of Association:	15-07-2019
Telephone:	(8-5) 213 56 57
E-mail:	idf@idf.lt
Website:	www.iidraudimas.lt
Management bodies of the company:	Company's Board and Director
Chairwoman of the Board:	Vilma Mačerauskienė, Director of the Financial Markets Policy Department of the Ministry of Finance;
Deputy Chairwoman of the Board:	Lina Frejutė, Project Management Division Adviser of the Ministry of Finance;
Members of the Board:	Audrutė Dziskienė, Credit and Payment Markets Division Adviser of the Financial Markets Policy Department of the Ministry of Finance; Renata Bagdonienė, Director of the Banking and Insurance Companies Supervision Department of the Bank of Lithuania; Gediminas Šimkus, Board Member of the Bank of Lithuania.
Director of the Company:	Aurelija Mažintienė.
Auditor:	Provisus JSC
Bank:	SEB Bankas PC

STATE COMPANY INDELIŲ IR INVESTICIJŲ DRAUDIMAS

Company code 110069451, Algirdo St. 31, LT-03219, Vilnius. Data are collected and stored in the Register of Legal Entities

BALANCE SHEET 31st DECEMBER 2020

19-01-2021

Year 2020

Presented in the currency and accuracy of euros

No.	ITEMS	Note No.	31.12.2020	31.12.2019
	ASSETS			
A.	FIXED ASSETS		9 322 174	11 060 276
1.	INTANGIBLE ASSETS	1	3 850	8 713
1.1.	Development works			
1.2.	Software		14	2 677
1.3.	Concessions, patents, licences, trademarks, and other rights			
1.4.	Other intangible assets		3 836	6 036
1.5.	Advances paid			
2.	TANGIBLE ASSETS		22 138	26 209
2.1.	Land	2,3,4		
2.2.	Buildings and structures		8 180	10 918
2.3.	Machinery and equipment			
2.4.	Vehicles		0	2 567
2.5.	Other equipment, devices, and tools		13 958	12 724
2.6.	Investment assets			
2.6.1.	Land			
2.6.2.	Buildings			
2.7.	Paid advances and ongoing tangible asset construction (production) works			
3.	FINANCIAL ASSETS	5	9 296 186	11 025 354
3.1.	Amounts receivable after one year			
3.2.	Other financial assets		9 296 186	11 025 354
4.	OTHER FIXED ASSETS			
4.1.	Deferred income tax assets			
4.2.	Biological assets			
4.	Other assets			
B.	CURRENT ASSETS		6 792 385	4 983 496
1.	INVENTORIES		166	233
1.1.	Raw materials, materials, and components			
1.2.	Incomplete production and ongoing works	6	34	62
1.3.	Production			
1.4.	Goods purchased for resale			
1.5.	Biological assets			
1.6.	Fixed tangible assets held for sale			
1.7.	Advances paid	7	132	171
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	8	115 449	107 736
2.1.	Trade receivables			
2.2.	Other receivables		115 449	107 736
3.	SHORT-TERM INVESTMENTS	5,9	4 024 293	4 252 998
4.	CASH AND CASH EQUIVALENTS	10	2 652 477	622 529
C.	DEFERRED EXPENSES AND ACCRUED INCOME	11	6 127	1 703
	TOTAL ASSETS		16 120 686	16 045 475

No.	EQUITY AND LIABILITIES	Note No.	31.12.2020	31.12.2019
D.	EQUITY CAPITAL		16 038 802	15 979 049
1.	COMPANY OWNER'S CAPITAL		8 995 358	8 995 358
2.	CAPITAL CORRESPONDING TO ASSETS WHICH, IN ACCORDANCE WITH THE LAW, MAY BE SOLELY OWNED BY THE STATE			
3.	CAPITAL CORRESPONDING TO CENTRALLY MANAGED STATE ASSETS			
4.	REVALUATION RESERVE			
5.	RESERVES		6 983 691	6 928 675
5.1.	Statutory		6 983 691	6 928 675
5.2.	Other reserves			
6.	RETAINED PROFIT (LOSS)	12	59 753	55 016
6.1.	Profit (loss) of the reporting year		59 753	55 016
6.2.	Profit (loss) of the previous year			
E.	GRANTS, SUBSIDIES			
F.	PROVISIONS			
1.	Provisions for pensions and other liabilities			
2.	Tax provisions			
3.	Other provisions			
G.	AMOUNTS PAYABLE AND OTHER LIABILITIES		81 884	66 426
1.	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER LONG-TERM LIABILITIES			
1.1.	Debt liabilities			
1.2.	Debt to credit institutions			
1.3.	Advances received			
1.4.	Trade payables			
1.5.	Amounts payable according to bills and checks			
1.6.	Other amounts payable and long-term liabilities			
2.	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER SHORT-TERM LIABILITIES	13	81 884	66 426
2.1.	Debt liabilities			
2.2.	Debt to credit institutions			
2.3.	Advances received			
2.4.	Trade payables		5 287	3.879
2.5.	Amounts payable according to bills and checks			
2.6.	Corporate income tax obligations			
2.7.	Liabilities related to employment relations		76 597	62 511
2.8.	Other amounts payable and short-term liabilities			36
H.	ACCRUED EXPENSES AND DEFERRED INCOME			
	TOTAL EQUITY CAPITAL AND LIABILITIES		16 120 686	16 045 475

Director

Aurelija Mažintienė

Chief Accountant




Laima Tankevičiūtė

STATE COMPANY INDELIŲ IR INVESTICIJŲ DRAUDIMAS

Company code 110069451, Algirdo St. 31, LT-03219, Vilnius. Data are collected and stored in the Register of Legal Entities

PROFIT (LOSS) STATEMENT 31st DECEMBER 2020

19-01-2021

Year 2020

Presented in the currency and accuracy of euros

No.	Items	Notes	31.12.2020	31.12.2019
1.	Sales income	14	738 979	737 043
2.	Cost of sales			
3.	Change in fair value of biological assets			
4.	GROSS PROFIT (LOSS)		738 979	737 043
5.	Sales expenses			
6.	General and administrative expenses	14	(738 979)	(737 043)
7.	Results from other activities			
8.	Income from investments in shares of the parent, subsidiary, and associate companies			
9.	Income from other long-term and short-term investments and loans			
10.	Other interest and similar income	15	63 492	58 033
11.	Decrease in value of financial assets and short-term investments			
12.	Interest expenses and other similar expenses	15	(3 739)	(3 017)
13.	PROFIT (LOSS) BEFORE TAXES		59 753	55 016
14.	Corporate income tax			
15.	NET PROFIT (LOSS)		59 753	55 016

Director

Aurelija Mažintienė

Chief Accountant



Laima Tankevičiūtė

STATE COMPANY INDELIŲ IR INVESTICIJŲ DRAUDIMAS

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**STATEMENT OF CHANGES IN EQUITY
31st DECEMBER 2020**

19-01-2021

Year 2020

Presented in the currency and accuracy of euros

		Company owner's capital	Capital corresponding to assets which, in accordance with the law, may be solely owned by the state	Capital corresponding to centrally managed state assets	Revaluation reserve		Statutory reserve	Other reserves	Retained profit (loss)	Total
					Fixed tangible assets	Financial assets				
1.	Balance at the end of the reporting period preceding the previous reporting (annual) period	8 995 358					6 883 319		45 356	15 924 033
2.	Effects of change in accounting policies									
3.	Effects of correction of material errors									
4.	Restated balance at the end of the reporting period preceding the previous reporting (annual) period	8 995 358					6 883 319		45 356	15 924 033
5.	Increase (decrease) in value of fixed tangible assets									
6.	Increase (decrease) in value of the effective hedge									
7.	Profit (loss) not recognised in profit (loss) statement									
8.	Net profit (loss) in the reporting period								55 016	55 016
9.	Share of the Company's profit paid into the state or municipal budget									
10.	Increase (reduction) of capital corresponding to assets which, in accordance with the law, may be solely owned by the state									
11.	Increase (reduction) of capital corresponding to centrally managed state assets									
12.	Formed reserves						45 356		(45 356)	
13.	Used reserves									
14.	Increase (reduction) of Company owner's capital									
15.	Balance at the end of the previous reporting (annual) period	8 995 358					6 928 675		55 016	15 979 049
16.	Increase (decrease) in value of tangible fixed assets									
17.	Increase (decrease) in value of the effective hedge									
18.	Profit (loss) not recognised in profit (loss) statement									
19.	Net profit (loss) of the reporting period								59 753	59 753
20.	Share of the Company's profit paid into the state or municipal budget									
21.	Increase (reduction) of capital corresponding to assets which, in accordance with the law, may be solely owned by the state									
22.	Increase (reduction) of capital corresponding to centrally managed state assets									
23.	Formed reserves						55 016		(55 016)	
24.	Used reserves									
25.	Increase (reduction) of Company owner's capital									
26.	Balance at the end of the reporting financial year	8 995 358					6 983 691		59 753	16 038 802

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

STATE COMPANY INDELIŲ IR INVESTICIJŲ DRAUDIMAS

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CASH FLOW STATEMENT 31st DECEMBER 2020

19-01-2021

Year 2020

Presented in the currency and accuracy of euros

No.	Items	Notes	31.12.2020	31.12.2019
1.	Cash flows from operating activities			
1.1.	Cash receipts in the reporting period (incl. VAT)		731 420	757 338
1.1.1.	Cash receipts from customers		731 420	752 983
1.1.2.	Other receipts			4 355
1.2.	Cash payments in the reporting period		(710 112)	(713 397)
1.2.1.	Payments to suppliers of raw materials, goods, and services (incl. VAT)		(119 321)	(145 282)
1.2.2.	Payments related to employment relations		(537 366)	(548 389)
1.2.3.	Taxes paid into the budget		(4 998)	(4 498)
1.2.4.	Other payments		(48 427)	(15 228)
	Net cash flows from operating activities		21 308	43 941
2.	Cash flows from investing activities			
2.1.	Acquisition of fixed assets, excl. investments		(9 289)	(13 021)
2.2.	Disposal of fixed assets, excl. investments			
2.3.	Acquisition of long-term investments		(2 345 623)	(5 162 403)
2.4.	Disposal of long-term investments		1 214 682	487 400
2.5.	Loans granted			
2.6.	Loans recovered			
2.7.	Interest received			
2.8.	Other increase in cash flows from investing activities		3 152 578	130 312
2.9.	Other decrease in cash flows from investing activities		(3 708)	(3 002 409)
	Net cash flows from investing activities		(2 008 640)	(7 560 121)
3.	Cash flows from financing activities			
3.1.	Cash flows related to the Company's owners			
3.1.1.	Increase of Company owner's capital			
3.1.2.	Contribution from Company's profit paid into the state and municipal budgets			
3.2.	Cash flows related to other sources of funding			
3.2.1.	Loans received			
3.2.2.	Loans repaid			
3.2.3.	Interest paid			
3.2.4.	Lease (financial lease) payments			
3.2.5.	Increase in other Company obligations			
3.2.6.	Decrease in other Company obligations			
3.2.7.	Other increase in cash flows from financing activities			
3.2.8.	Other decrease in cash flows from financing activities			
	Net cash flows from financing activities			
4.	Effect of exchange rate change on the balance of cash and cash equivalents			
5.	Net increase (decrease) in cash flows		2 029 948	(7 516 180)
6.	Cash and cash equivalents at the beginning of the period		622 529	8 138 709
7.	Cash and cash equivalents at the end of the period	10	2 652 477	622 529

Director



Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

STATE COMPANY INDELIŲ IR INVESTICIJŲ DRAUDIMAS

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EXPLANATORY NOTES 31st DECEMBER 2020

1. General Section

Deposit and Investment Insurance (Indėlių ir investicijų draudimas) State Company (hereinafter – the Company) is a company set up using state assets by the Government of the Republic of Lithuania in accordance with the procedure established by the legislation. The institution exercising the rights and obligations as the Company's owner is the Ministry of Finance of the Republic of Lithuania.

The nature of the operating activities of the Company is defined by the Statute of 19 November 2015 No. XII-2054 on the Insurance of Deposits and Liabilities of the Republic of Lithuania (hereinafter – the Statute). Article 36(4) of the Statute specifies the purposes of the Company's activities. These are as follows: to insure the depositor's deposits and liabilities to investors, to administrate the Deposit Insurance Fund, the Insurance Fund of Liabilities to Investors, and the Resolution Fund (hereinafter collectively referred to as the administered funds), and to perform other functions provided for by the legislation in accordance with the lawful procedure in the Statute and other legislation.

Implementing the objectives of Company's activities and observing Article 38 of the Statute require that the Company performs the following functions:

- collecting deposit insurance contributions, insurance of liabilities to investors contributions, and resolution contributions and storing them in the respective administered fund;
- calculating and paying deposit insurance compensations and insurance of liabilities to investors compensations;
- investing resources of the administered funds and the Insurance Company's equity capital;
- handling the accounting of the administered funds, preparing financial statements and estimates of income and expenses, and submitting them for approval to the institution exercising rights and obligations of the Insurance Company's owner;
- supervising the observance of the Statute and the requirements of its implementing legislation by the Deposit Guarantee Scheme participants and the participants of the Liabilities to Investors Guarantee Scheme;
- assessing the terms and conditions of deposit or liability to investors insurance (compensation) or any other security provided by credit institutions, financial brokerage firms and management companies of third countries that establish branches in the Republic of Lithuania;
- carrying out risk self-assessment and risk assessment of the Deposit Insurance Fund and the Insurance Fund of Liabilities to Investors;
- cooperating and exchanging information with the Deposit Guarantee Scheme administrators and supervisory authorities of other member states and third countries, as well as the European Banking Authority;
- conducting stress testing of the Deposit Guarantee Scheme in drastic economic scenarios;
- performing other functions provided for in the Statute and other legislation.

As at 31 December 2020, the Company had no branches or representative offices.

As at 31 December 2020, the Company had not acquired its own shares.

As at 31 December 2020, the Company had not set up any subsidiaries.

In 2020, the average payroll number of the Company's employees was 16.

In 2019, the average payroll number of the Company's employees was 17.

2. Summary of relevant accounting principles

The key accounting principles employed in preparing the Company's financial statements for the year ended 31 December 2020 are as follows:

2.1. Form of financial statements

Company's financial statements are prepared according to the Business Accounting Standards (hereinafter – BAS), which include the standards and interpretations approved by the Audit and Accounting Authority under the Ministry of Finance of the Republic of Lithuania before 31 December 2020.

Company's financial year corresponds to the calendar year.

2.2. Financial statement compliance with standards

Company's financial statements for the year 2020 were prepared separately according to BAS, as provided for in Article 45(1) of the Statute.

2.3. Reporting currency

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

2.4. Intangible fixed assets

Intangible assets are accounted for in accordance with BAS 13 Intangible Assets. Intangible assets shall be recognised where the Company may expect future economic benefits from the assets and the asset value can be assessed reliably. Following the initial recognition, intangible assets are accounted for at the acquisition cost, less accrued amortisation and accrued value impairment loss, if any. Intangible assets are amortised during their estimated useful life by applying the straight-line method. Company's intangible assets are amortised within 3 years.

Licences

Amounts paid for licences are capitalised and amortised during the licence validity period.

Software

New software acquisition costs are capitalised and recognised as intangible fixed assets when such costs are not a component part of computer equipment. Software is amortised within 3 years.

Expenses incurred in restoring or retaining expected economic benefits from operating available software systems are recognised as an expense in the period during which the works of repair and maintenance are carried out.

2.5. Tangible fixed assets

Tangible fixed assets are accounted for in accordance with BAS 12 Tangible Fixed Assets. Tangible fixed assets are accounted for at the acquisition cost, less accrued amortisation and accrued value impairment losses, if any.

When assets are sold or written-off, their acquisition cost and accrued depreciation shall be eliminated in the accounts, whereas profit or loss from sale shall be recognised in the profit (loss) statement.

The initial value of tangible assets is comprised of the acquisition cost, including non-refundable purchase taxes and all directly attributable expenses related to the asset preparation for operation or transfer to the location where the assets will be operated.

Costs of repair and operation incurred when tangible fixed assets are put into operation are normally recorded in the profit (loss) statement in the period during which they were incurred. In those cases when it can be clearly demonstrated that such costs will increase economic benefits with regards to the use of such tangible fixed assets and/or will extend their estimated useful economic life, these costs shall be capitalised by adding them to the acquisition cost of the tangible fixed assets.

The minimum value of tangible fixed assets as defined by the Company is EUR 500.

Depreciation is calculated during the asset's average useful life below by employing the straight-line method:

Premises	50 years
Vehicles	6 years
Office furniture	6 years
Other tangible fixed assets	4 years
Computers and means of communication	3 years

Useful life is regularly revised to ensure that the term of depreciation corresponds to the expected useful life of tangible fixed assets.

2.6. Value impairment of intangible and tangible fixed assets

On the reporting date, the Company revises the present asset value to determine whether there are any indications of value impairment. If such indications are identified, the Company estimates the recoverable amount of such assets in order to assess the value impairment (if any). As at 31 December 2020, the Company has not identified any value impairment.

2.7. Investments

According to BAS 18 Financial Assets and Financial Liabilities, the Company considers investments in Government securities as held-to-maturity securities.

Company's equity capital funds are invested in accordance with the Statute, Articles of Association of the Company, the Policy of Equity Capital Investment of the Lithuanian Ministry of Finance, and other relevant legislation.

The investment of funds into deposits and Government securities is based on security, liquidity, and profitability criteria.

Held-to-maturity investments are accounted for as long-term financial assets, unless their maturity does not exceed twelve months from the balance sheet date.

Investments for resale are accounted for as current assets where the intention is to realise them within 12 months of the balance sheet date.

All acquisitions and sales of investments are recognised on the day of their purchase or sale. Upon acquisition, investments are accounted for at their acquisition value, which is equal to the fair value of the payment, exclusive of the transaction conclusion costs.

Held-to-maturity investments are accounted at amortised acquisition cost using the effective interest method. The share of amortisation attributed to the reporting period is accounted for in the interest expenses items of the financing and investing activities in the profit (loss) statement.

Government securities reaching maturity within one year of the financial statement date are accounted for in the line 'Short-term investments' of the balance sheet item 'Other current assets'. Those reaching maturity after one year or later are accounted for in the line 'Other financial assets' of the balance sheet item 'Financial fixed assets'.

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

2.8. Receivables and granted loans

According to BAS 18 Financial Assets and Financial Liabilities, upon initial recognition, receivables are accounted for at their acquisition cost. Later, short-term receivables are accounted for inclusive of their value impairment, whereas long-term receivables are accounted at their discounted value less impairment losses.

2.9. Inventories

The accounting for inventories is carried out according to BAS 9 Inventories. Upon accounting for inventories and applying the perpetual inventory accounting method, they are evaluated at their acquisition cost. When preparing the financial statements, they are accounted for at the present inventory value. When estimating the cost of inventories used in the Company's activities or those sold, the Company applies the FIFO method (assuming that inventory items that were purchased or produced first are also used first). Maintenance inventory which is used in the Company's activities for more than one year whose price is between EUR 50 and EUR 500 is accounted for in the off-balance sheet after putting it into operation and writing-off the operating expenses.

2.10. Cash and cash equivalents

According to BAS 18 Financial Assets and Financial Liabilities, cash and cash equivalents are comprised of cash held in the Company's bank account. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash. Maturity of such investments is up to three months and they are subject to an insignificant risk of changes in value.

In the cash flow statement, cash and cash equivalents are comprised of cash in bank accounts, deposits in current accounts, and other short-term, highly liquid investments.

2.11. Administered assets

Pursuant to Article 36(4) of the Statute, the Company's purpose in terms of its activities includes the following:

- insurance of depositor's deposits and liabilities to investors;
- administration of the Deposit Insurance Fund, the Insurance Fund of Liabilities to Investors, and the Resolution Fund (hereinafter collectively referred to as the administered funds).

The company has been administering the Deposit Insurance Fund since 1996, the Insurance Fund of Liabilities to Investors – since 2002, and the Resolution Fund – since 2015.

Administered funds are not considered legal entities. The Company administers them and acts on their behalf. The type and objects of the administered funds are defined in Clauses II, III, and IV of the Statute.

Pursuant to Article 45(2) of the Statute, the Company keeps separate accounts for each administered fund and prepares separate financial statements for each of them in accordance with the procedure set forth in the Statute on Financial Accounts of the Public Sector of the Republic of Lithuania.

2.12. Debt liabilities

According to BAS 18 Financial Assets and Financial Liabilities, upon initial recognition, the Company's debt is recognised at the acquisition cost. Debt liabilities are revaluated every time financial statements are prepared by deducting impairment losses from the acquisition cost.

2.13. Equity capital of the Company

Company's equity capital is formed in accordance with Article 43 of the Statute. All profit of the Company is transferred to the statutory reserve.

2.14. Recognition of the Company's income and expenses

Income and expenses of the Company are accounted for and presented in the financial statements on the basis of income and expenses accrual.

According to BAS 10 Income, Company's income is recognised, accounted for and presented in the financial statements during the reporting period in which it is earned, regardless of the time of receiving the money.

Pursuant to Article 44 of the Statute, the Company recognises income as the following:

- fee for the administration of the funds (Deposit Insurance Fund, Insurance Fund of Liabilities to Investors, and Resolution Fund);
- income from investing Company's equity capital;
- other income.

According to BAS 11 Expenses, expenses are recognised and accounted for during the period in which they are incurred, i.e. when the respective income is earned, services are provided, and actions are carried out when performing the assigned functions, regardless of the time when the money is spent and when their value can be assessed reliably.

Pursuant to Article 44 of the Statute, the Company recognises expenses as the following:

- expenses of administration of the administered funds;
- costs of investment of the Company's equity capital;
- other expenses.

The amount of expenses, as a rule, is measured at the paid or payable amount of money, inclusive of VAT. Company's expenses related to the administered funds are classified into the Company's staff maintenance costs, administrative expenses, costs of use and maintenance of assets, and depreciation.

2.15. Value impairment of financial assets

According to BAS 18 Financial Assets and Financial Liabilities, the value impairment of financial assets is assessed at each balance sheet date.

When it is clear that the Company will not recover all amounts receivable by the agreed payment deadlines, the loss due to value impairment of financial assets carried at amortised costs and due to bad debts is recognised in the profit (loss) statement. Recovering the loss due to value impairment that had been recognised in previous periods is accounted for when the decrease of such loss can be objectively demonstrated by events occurring after the accounting of value impairment. Such recovery is reflected in the profit (loss) statement. However, the increase of the carrying amount should not exceed the amortised cost which would have applied if the impairment had not been recognised.

2.16. Taxes

The Company is not subject to paying corporate income tax, real estate tax and value added tax. Since 2005, the Company has been paying tax into the state budget for the right to be entrusted with the state assets at the tax rate of 0.05% of the Company owner's capital.

2.17. Foreign currency

According to BAS 22 Changes in Foreign Exchange Rates, foreign currency transactions are accounted for at the official exchange rate applicable on the date of the transaction. Profit and loss from such transactions and balances of assets and liabilities expressed in foreign currency on the balance sheet revaluation date are reflected in the profit (loss) statement. Such balances are revaluated by applying the currency exchange rate that is valid at the end of the reporting period.

2.18. Use of estimates in preparing financial statements

BAS 19 Provisions, Contingent Liabilities and Assets, and Events after the Balance Sheet Date requires making certain assumptions and estimates that influence the presented amounts of assets, liabilities, income and expenses, and the disclosure of contingencies. Significant areas of these financial statements in which the estimates are used include depreciation and value impairment estimates. The results of changes in such estimates are not accounted for in the financial statements of the Company because they have not been identified.

2.19. Related parties

Related parties are as follows: Ministry of Finance of the Republic of Lithuania and the Company's Board Members who, directly or indirectly, control the Company, provided that such relations allow one of the parties to exercise control or to have significant influence over the other party when making financial or management decisions.

2.20. Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Company's position on the balance sheet date (i.e. adjusting events) are reflected in the financial statements. Events after the balance sheet date that are non-adjusting events are described in the notes where relevant.

2.21. Management of financial risks

When performing its activities, the Company is exposed to different types of financial risks. Risk management methods are presented below:

Credit risk

Credit risk or risk that the partner will default on their obligations is controlled by applying credit time limits and procedure controls.

Currency risk

The Company is not exposed to the risk of change in foreign currency exchange rates in respect of purchase and sale amounts, which are accounted for in currencies other than euro. In 2020, the Company was not exposed to any foreign currency exchange change risks.

Liquidity risk

According to its policy, the Company aims at maintaining a sufficient flow of cash and cash equivalents. Funds are invested in debt securities of governments with a high borrowing rating. Therefore, investments can be sold when required.

Interest rate risk

For the purposes of managing interest rate risk, the modified duration ratio of investments in securities whose value does not exceed 5 is considered the acceptable risk level (Schedule of Procedure for Investing Equity Capital Funds of SC Indėlių ir investicijų draudimas was approved by Order No 1K-437 of the Minister of Finance of the Republic of Lithuania on 14 December 2018).

3. Explanatory notes

Note 1. Intangible fixed assets

Table 1. Changes of intangible assets during the year 2019-2020

	Items	Development works	Goodwill	Patents, licences, etc.	Software	Other intangible assets	Total
	Carrying amount at the end of the previous financial year as at 31.12.2019				2 677	6.036	8 713
a)	Intangible fixed assets at acquisition cost At the end of the previous financial year Changes in 2019: - acquisition of assets - assets disposed to other persons and written-off (-) - transfers across items +/-(-)				70 619	5 800 3 872	61 458 3 872
	At the end of the previous financial year, 31.12.2019				70 619	9 672	80 291
b)	Amortisation At the end of the previous financial year Changes in 2019: - amortisation in the financial year - reversing entries (-) - amortisation of assets disposed to other persons and written-off (-) - transfers across items +/-(-)				59 675 8 267	1 783 1 853	61 458 12 564
	At the end of the previous financial year as at 31.12.2019				67 942	3 636	71 578
c)	Intangible fixed assets at acquisition cost Changes in 2020: - acquisition of assets - assets disposed to other persons and written-off - transfers across items +/-(-)				70 619	9 672	80 291
	At the end of the previous financial year as at 31.12.2020				70 619	9 672	80 291
d)	Amortisation At the end of the previous financial year Changes in 2020: - amortisation in the financial year - reversing entries (-) - amortisation of assets disposed to other persons and written-off (-) - transfers across items +/-(-)				67 942 2 663	3 636 2 200	71 578 4 863
	At the end of the financial year as at 31.12.2020				70 605	5 836	76 441
g)	Value impairment At the end of the previous financial year Changes in 2020: - amortisation in the financial year - reversing entries (-) - amortisation of assets disposed to other persons and written-off (-) - transfers across items +/-(-)						
	At the end of the financial year as at 31.12.2020						
f)	Carrying amount at the end of the financial year as at 31.12.2020 (c)-(d)-(g)				14	3 836	3 850

The Company has no internally created intangible fixed assets. Amortisation costs of intangible fixed assets are accounted for as general and administrative expenses in line 6 of the Profit (Loss) Statement.

Note 2. Tangible fixed assets

Table 2. Changes of tangible assets during the year 2019-2020

	Items	Land	Buildings and structures	Machinery and Equipment	Vehicles	Other equipment, devices, tools and installations	Ongoing construction	Other tangible assets	Total
	Carrying amount at the end of the previous financial year as at 31.12.2019		10 918		2 567	12 724			26 209
a)	Acquisition cost At the end of the previous financial year Changes in 2019: - acquisition of assets - assets disposed and written-off (-) - transfers across items +/-(-)		100 408		16 798	75 243			192 449
						9 149 (350)			9 149 (350)
	At the end of the previous financial year, 31.12.2019		100 408		16 798	84 042			201 248
b)	Depreciation At the end of the previous financial year Changes in the financial year: - depreciation in the financial year - reversing entries (-) - depreciation of assets disposed to other persons and written-off (-) - transfers across items +/-(-)		86 752		11 432	64 083			162 267
			2 738		2 799	7 585 (350)			13 122 (350)
	At the end of the previous financial year as at 31.12.2019		89 490		14 231	71 318			175 039
c)	Acquisition cost At the end of the previous financial year Changes in 2020: - acquisition of assets - assets disposed and written-off - transfers across items +/-(-)		100 408		16 798	84 042			201 248
						9 289			9 289
	At the end of the previous financial year as at 31.12.2020		100 408		16 798	93 331			210 537
d)	Depreciation At the end of the previous financial year Changes in the financial year: - depreciation in the financial year - reversing entries (-) - depreciation of assets disposed to other persons and written-off (-) - transfers across items +/-(-)		89 490		14 231	71 318			175 039
			2 738		2 567	8 055			13 360
	At the end of the financial year as at 31.12.2020		92 228		16 798	79 373			188 399
e)	Value impairment At the end of the previous financial year Changes in the financial year: - value impairment in the financial year - reversing entries (-) - assets disposed to other persons and written-off (-) - transfers across items +/-(-)								
	At the end of the financial year as at 31.12.2020								
f)	Carrying amount at the end of the financial year as at 31.12.2020 (a)+(b)-(c)-(d)		8 180		0	13 958			22 138

The costs of depreciation of tangible assets are accounted for as general and administrative expenses inline 6 of the Profit (Loss) Statement.

Depreciation is calculated during the asset's average useful life below by employing the straight-line method:

Premises	50 years
Vehicles	6 years
Office furniture	6 years
Other tangible fixed assets	4 years
Computers and means of communication	3 years

Note 3. Mortgage of tangible fixed assets

As at 31 December 2020, the Company had no mortgaged tangible fixed assets.

Note 4. Amortised and depreciated tangible and intangible fixed assets in use.

Table 3. Depreciated (amortised) assets in use

Fixed asset groups	Acquisition cost
Software	51 521
Furniture	11 091
Computers	14 200
Means of communication, etc.	11 291
Total	88 103

Note 5. Other financial assets

Details on Company's held-to-maturity long-term debt securities whose maturity term is one year or later are reflected in line 3 of section A FINANCIAL ASSETS of the balance sheet, and short-term debt securities are reflected in line 3 of section B SHORT-TERM INVESTMENTS.

Table 4. Changes of held-to-maturity financial assets in during the year 2019-2020

No.	Financial asset	Carrying amount at the beginning of the reporting year	During the reporting period								Carrying amount at the end of the reporting period
			Purchased (at acquisition cost)	Sold (at carrying amount at the time of sale)	Transfers across financial asset groups	Amortisation amount	Effect of exchange rate changes	Cash inflows	Written-off	Depreciated	
1	2	3	4	5	6	7	8	9	10	11	12
1.	Fixed financial assets and granted loans in 2019	7 181 519	5 162 403		(1 252 998)	53 126		(118 696)			11 025 354
1.1.	Granted loans										
1.2.	Bonds	7 181 519	5 162 403		(1 252 998)	53 126		(118 696)			11 025 354
1.3.	Notes										
1.4.	Other non-equity securities										
2.	Current financial assets and granted loans	494 381	3 000 000		1 252 998	1 260		(495 641)			4 252 998
2.1.	Granted loans										
2.2.	Bonds	494 381			1 252 998	1 260		(495 641)			1 252 998
2.3.	Notes										
2.4.	Other non-equity securities										
2.5.	Short-term time deposits		3 000 000								3 000 000
3.	Total in 2019	7 675 900	8 162 403		-	54 386		(614 337)			15 278 352
1.	Fixed financial assets and granted loans in 2020	11 025 354	2 345 623		(4 024 293)	56 881		(107 379)			9 296 186
1.1.	Granted loans										
1.2.	Bonds	11 025 354	2 345 623		(4 024 293)	56 881		(107 379)			9 296 186
1.3.	Notes										
1.4.	Other non-equity securities										
	Long-term time deposits										
2.	Current financial assets and granted loans	4 252 998			4 024 293	2 983		(4 255 981)			4 024 293
2.1.	Granted loans										
2.2.	Bonds	1 252 998			4 024 293	2 983		(1 255 981)			4 024 293
2.3.	Notes										
2.4.	Other non-equity securities										
2.5.	Short-term time deposits	3 000 000						(3 000 000)			0
3.	Total in 2020	15 278 352	2 345.623		-	59 864		(4 363 360)			13 320 479

Information on the Company's investments in Lithuanian Government securities (bonds) is presented below.

Table 5. Company's investments in Government securities

GS (ISIN No.)	Maturity date	Coupon rate	Portfolio share	Nominal value per unit, EUR	Nominal value	Carrying amount as at 31.12.2020, EUR
LT0000610065	28.02.2023	4.10%	4.35%	0.01	549 302	579 772
LT0000607010	28.08.2021	2.10%	9.19%	100	1 200 000	1 224 364
LT0000610073	26.04.2027	1.10%	3.03%	100	400 000	403 118
LT0000630055	31.01.2021	0.00%	21.00%	100	2 800 000	2 799 929
LT0000670028	23.08.2024	0.70%	6.21%	100	825 000	827 057
LT0000630063	20.03.2022	0.10%	2.26%	100	300 000	300 731
LT0000670036	21.11.2025	0.80%	3.78%	100	500 000	502 936
LT0000670036	21.11.2025	0.80%	3.76%	100	500 000	501 093
LT0000670036	21.11.2025	0.80%	3.75%	100	500 000	499 765
LT0000650053	17.04.2024	0.40%	2.25%	100	300 000	300 231
LT0000610073	26.04.2027	1.10%	2.15%	100	280 200	286 391
LT0000610073	26.04.2027	1.10%	2.30%	100	300 000	306 849
LT0000610057	17.05.2022	5.50%	2.50%	100	300 000	332 569
LT0000650046	16.08.2023	0.40%	3.79%	100	500 000	505 203
LT0000610081	28.08.2029	0.20%	1.50%	100	200 000	199 607
LT0000610073	26.04.2027	1.10%	3.78%	100	500 000	503 178
LT0000650053	17.04.2024	0.40%	2.27%	100	300 000	302 704
LT0000610081	28.08.2029	0.20%	3.77%	100	500 000	502 059
LT0000610081	28.08.2029	0.20%	0.74%	100	100 000	99 090
LT0000610081	28.08.2029	0.20%	1.48%	100	200 000	197 587
LT0000610081	03.05.2028	1.20%	1.64%	100	200 000	218 428
LT0000610081	28.08.2029	0.20%	10.63%	100	1 400 000	1 415 446
LT0000612012	12.02.2032	0.30%	3.85%	100	500 000	512 373
Total:			100%	-	13 154 502	13 320 479

Note 6. Inventories

Table 6. Inventories

Items	Materials and components	Incomplete production	Completed production	Total
At the end of 2020:				
a) Inventory acquisition cost	34			34
b) Write-off to net realisable value				
c) Net realisable value	34			34
At the end of 2018:				
a) Inventory acquisition cost	62			62
b) Write-off to net realisable value				
c) Net realisable value	62			62

At the end of the reporting financial year, the value of the Company's inventory was EUR 34.

Note 7. Paid advances

Details on the advances paid by the Company to suppliers for their services are presented in the item Paid Advances in line 1.7, section B of the balance sheet.

Table 7. Advance payments

Items	31.12.2020	31.12.2019
Other advance payments	132	171
Total:	132	171

Note 8. Amounts receivable within one year

Details about other receivables (paid tax – EUR 500.00, amount receivable for fund administration – EUR 114 949) are presented in the item Amounts Receivable within One Year in line 2, section B of the balance sheet.

Table 8. Receivables

Items	31.12.2020	31.12.2019
Other receivable amounts	115 449	107 736
Total:	115 449	107 736

Note 9. Short-term investments

At the end of the reporting period, the Company held the following short-term investments: securities worth EUR 4 024 293 (Tables 4 and 5).

Note 10. Cash and cash equivalents.

Table 9. Company's cash funds

Items	31.12.2020	31.12.2019
Cash in bank accounts	2 652 477	622 529
Total:	2 652 477	622 529

Note 11. Deferred expenses

Details on the Company's deferred expenses are presented in section C of the balance sheet.

Table 10. Deferred expenses

Items	31.12.2020	31.12.2019
Subscription, licences	3 824	696
Property insurance	222	368
Professional training	2 081	639
Total:	6 127	1 703

Note 12. Profit (loss) distribution plan

Pursuant to Article 43 of the Statute, the total profit of the Company as recognised in 2019 was EUR 55 016 and accordingly added to the statutory reserve. The profit of EUR 59 753 as recognised in 2020 will be added to the statutory reserve.

Table 11. Profit (loss) distribution in 2020

Items	31.12.2020	31.12.2019
Retained profit (loss) of the previous financial year at the end of the reporting financial year	-	-
Net profit (loss) of the reporting financial year	59 753	55 016
Profit (loss) of the reporting financial year not recognised in the profit (loss) statement		
Distributable results – profit (loss) at the end of the reporting financial year	59 753	55 016
Transfers from reserves;		
Distributable profit (loss)		
Profit share transferred to the statutory reserve	59 753	55 016
Profit share transferred to reserves used for employee bonuses, social, cultural, etc. purposes		
Profit share transferred to other reserves		
Company's profit share paid into the state or municipal budgets		
Undistributed results – profit (loss) carried forward to the next financial year		

Note 13. Company's payable amounts and liabilities

Table 12. Amounts payable

Items	31.12.2020	31.12.2019
Trade payables	5 287	3 879
Received advance payments		
Liabilities related to employment relations:	76 597	62 511
of which:		
- other accumulated reserves	28 689	26 478
- holiday reserve	47 923	36 033
- other liabilities related to employment relations		
Other amounts payable and short-term liabilities:		36
Other liabilities	-	36
Total	81 884	66 426

Note 14. Sales income – general and administrative expenses

The Company's income is comprised of the resources in the Deposit Insurance Fund and the Insurance Fund of Liabilities to Investors that cover the costs of fund administration and the administrative contributions paid by the participants of the Resolution Fund.

Table 13. Company's sales income

Indicators	31.12.2020	31.12.2019
Sales income:		
Fee for the administration of DIF	736 979	734 869
Fee for the administration of IFLI	1 000	1 174
Contributions for the administration of RF*	1 000	1 000
Total:	738 979	737 043

* In accordance with paragraph 44 *Recognition of Income* of the Company's accounting policy, contributions for the administration of the Resolution Fund are recognised as income according to the Order No. 1K-297 of the Lithuanian Minister of Finance as of 3 August 2017 on the Approval of the Methodology for Annual Administration Contributions of the Resolution Fund, which approved the calculation methodology of the annual contributions for the administration of the Resolution Fund. The annual share of the contribution for the administration shall be no less than EUR 1 000.

Table 14. Itemisation of expenses

Items	31.12.2020	31.12.2019
Company staff maintenance costs	572 297	584 429
Employee wages and motivation means	560 575	574 757
Wage taxes	11 722	9 672
Administrative expenses, asset use and maintenance costs	143 961	124 874
Administrative expenses	128 658	107 949
Asset use and maintenance cost	15 303	16 929
Operating tax costs	4 498	4 498
Asset depreciation and amortisation costs	18 223	23 242
Total:	738 979	737 043

Note 15. Financing and investing activities

Information about the results of the Company's financing activities is given below. The profit (loss) statement includes the following: line 10 – other interest and similar income, line 12 – interest expenses and other expenses.

Table 15. Results of financing and investing activities

	Items	31.12.2020	31.12.2019
a)	INCOME FROM FINANCIAL AND INVESTING ACTIVITIES	63 492	58 033
	<i>Itemisation of significant amounts:</i>		
	Interest on GSs	59 865	54 385
	Interest on time deposits with the bank and funds in the Company's account	3 627	3 648
	Positive results of exchange rate changes		
	Penalties and fines		
	Other income from financing activities		
b)	EXPENSES IN FINANCING AND INVESTING ACTIVITIES	(3 739)	(3 017)
	<i>Itemisation of significant amounts:</i>		
	Fees and commissions for safekeeping of GSs	(3 739)	(3 017)
	Negative results of exchange rate changes		
	Penalties and fines		
c)	RESULTS FROM FINANCING AND INVESTING ACTIVITIES (a-b)	59 753	55 016

Note 16. Financial relationships with the Company's Administration

In 2020, Company's Administration had 4 employees: Director, Deputy Director, Chief Accountant, and Compliance Officer. Compared to 2019, the assigned employee number in 2020 increased by one, i.e. Compliance Officer.

Table 16. Financial relationships with the Company's Administration

Items	31.12.2020	31.12.2019
Annually calculated amounts related to employment relationships	194 700	162 784
Average annual number of administrative staff	4	3

Note 17. Rights and liabilities not reflected in the balance sheet

Contingent assets are usually comprised of assets which, due to events that are out of the Company's control, may belong to the Company and generate economic benefits (e.g. pending legal proceedings in which the Company can expect compensation for legal costs).

Contingent assets are not reflected in the financial statements if it is unclear whether they will generate economic benefits for the Company. When economic benefits are likely, the information on contingent assets is disclosed in the explanatory notes.

Note 18. Events after the balance sheet date

In performing its functions, the Company participates in legal disputes related to the exercise of the Deposit Insurance Fund's liabilities with regards to bankrupt credit institutions. According to the data of 31 December 2020, the Company, as a defendant or a third party representing the Deposit Insurance Fund, was part to 13 incomplete cases where the total sum of the claims was EUR 7.05 M.

Note 19. Administered funds

The Company administers the Deposit Insurance Fund, the Insurance Fund of Liabilities to Investors, and the Resolution Fund. They are not considered to be legal entities. As at 31 December 2020, the assets of the Company's administered funds make up EUR 210 477 971.

Table 17. Assets of the Company's administered funds

Fund administered by the Company	31.12.2020	31.12.2019
Deposit Insurance Fund	207 648 571	205 166.079
Insurance Fund of Liabilities to Investors	2 823 400	2 757 508
Resolution Fund	6 000	5 000
Total:	210 477 971	207 928 587

Accounting of the Funds is in accordance with the Public Sector Accounting and Financial Reporting Standards. Financial statements are prepared separately for each Fund.

Financial statements of the Funds of 2020 provide explanatory notes and detailed information on the financial position of each Fund.

Director



Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė