

**STATE COMPANY
DEPOSIT AND INVESTMENT INSURANCE
(INDĖLIŲ IR INVESTICIJŲ DRAUDIMAS)**

RESOLUTION FUND

ANNUAL FINANCIAL STATEMENTS

2020

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KEY INFORMATION ABOUT THE COMPANY ADMINISTRATING RESOLUTION FUND

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

As at 31 December 2020, Company's Board consisted of five members:

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;
Gediminas Šimkus, Board Member of the Bank of Lithuania.

Renata Bagdonienė, Director of the Banking and Insurance Companies Supervision Department of the Bank of Lithuania;

Director of the Company: Aurelija Mažintienė.

Bank: Luminor Bank AS Lithuanian Branch

RESOLUTION FUND

Administrated by State Company Indėlių ir investicijų draudimas, corporate code 110069451
Algirdo St. 31, LT-03219 Vilnius. Data are collected and stored in the Register of Legal Entities

STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2020

04.01.2020

Year 2020

Presented in the currency and accuracy of euros

No.	ITEMS	Note No.	31.12.2020	31.12.2019
A.	FIXED ASSETS			
I.	Intangible assets			
II.	Tangible fixed assets			
III.	Long-term financial assets			
IV.	Other fixed assets			
B.	BIOLOGICAL ASSETS			
C.	CURRENT ASSETS		6 000	5 000
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.	Advance payments			
III.	Amounts receivable within one year			
III.1	Short-term financial receivables			
III.2	Receivable taxes and social contributions			
III.3	Funding receivables			
III.4	Receivables for the use of assets, sold goods, assets, and services			
III.5	Accumulated receivables			
III.6	Other receivables			
IV.	Short-term investments			
V.	Cash and cash equivalents	1	6 000	5 000
	TOTAL ASSETS:		6 000	5 000

No.	Items	Note No.	31.12.2020	31.12.2019
D.	FINANCING AMOUNTS			
I.	From the state budget			
II.	From the municipal budget			
III.	From the EU, foreign countries, and international organisations			
IV.	From other sources			
E.	LIABILITIES			
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			
II.1	Long-term provisions (current year's share) and short-term provisions			
II.2	Long-term liabilities (current year's share)			
II.3	Short-term financial liabilities			
II.4	Payable subsidies, grants, and financing amounts			
II.5	Amounts payable to the European Union 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			
II.11	Other short-term liabilities			
F.	NET ASSETS		6 000	5 000
I.	Reserves			
II.	Effects of the equity method			
III.	Accrued surplus or deficit	2	6 000	5 000
III.1	Surplus or deficit of the current year		1 000	1 000
III.2	Surplus or deficit of the previous year		5 000	4 000
	TOTAL FINANCING AMOUNTS, LIABILITIES, AND NET ASSETS:		6 000	5 000

Director

Aurelija Mažintienė

Chief Accountant



Laima Tankevičiūtė

RESOLUTION FUNDS

Administrated by State Company Indėlių ir investicijų draudimas, corporate code 110069451
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STATEMENT OF OPERATING RESULTS 31 DECEMBER 2020

04.01.2021 No.

Year 2020

Presented in the currency and accuracy of euros

No.	Items	Note No.	31.12.2020	31.12.2019
A.	INCOME FROM OPERATING ACTIVITIES		1 000	1 000
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	3	1 000	1 000
III.1.	Other income from operating activities		1 000	1 000
III.2.	Amount of other transferrable income from operating activities			
B.	EXPENSES FROM OPERATING ACTIVITIES			
I.	AMOUNTS DEPRECIATED AND WRITTEN-OFF			
II.	SOCIAL BENEFITS			
III.	FINANCING			
IV.	OTHER			
C.	SURPLUS OR DEFICIT IN OPERATING ACTIVITIES		1 000	1 000
D.	RESULTS FROM OTHER ACTIVITIES			
I.	OTHER OPERATING INCOME			
II.	OTHER OPERATING INCOME TRANSFERRABLE TO THE BUDGET			
III.	OTHER OPERATING EXPENSES			
E.	RESULTS FROM FINANCING AND INVESTING ACTIVITIES			
F.	EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND OF CORRECTION OF MATERIAL ACCOUNTING ERRORS			
G.	NET SURPLUS OR DEFICIT BEFORE THE EFFECT OF EQUITY METHOD		1 000	1 000
H.	EFFECTS OF EQUITY METHOD			
I.	NET SURPLUS OR DEFICIT		1 000	1 000

Director

Aurelija Mažintienė

Chief Accountant



Laima Tankevičiūtė

RESOLUTION FUND

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STATEMENT OF CHANGES IN NET ASSETS 31 DECEMBER 2020

04.01.2021 No.

Year 2020

Presented in the currency and accuracy of euros

No.	Items	Note No.	Attributable to the parent entity					Total	Minority interest
			Stakeholders equity	Fair value reserve	Other reserves	Effects of equity method	Accrued surplus or deficit before the effects of equity method		
1	2	3	4	5	6	7	8	9	10
1.	Carrying amount as at 31 December 2018						4 000	4 000	
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 reserve increase (decrease)								
5.	Other created reserves								
6.	Other used reserves								
7.	Increase (decrease) amounts of stakeholders' equity								
8.	Net surplus or deficit of the reporting period						1 000	1 000	
9.	Carrying amounts as at 31 December 2019						5 000	5 000	
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 reserve increase (decrease)								
13.	Other created reserves								
14.	Other used reserves								
15.	Increase (decrease) amounts of stakeholders' equity								
16.	Net surplus or deficit of the reporting period	5					1 000	1 000	
17.	Carrying amount as at 31 December 2020						6 000	6 000	

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

RESOLUTION FUND

Administrated by State Company Indėlių ir investicijų draudimas, corporate code 110069451
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CASH FLOW STATEMENT 31 DECEMBER 2020

04.01.2021 No.

Year 2020

Presented in the currency and accuracy of euros

No.	Items	Note No.	31.12.2020	31.12.2019
1	2	3	4	5
A.	CASH FLOWS FROM OPERATING ACTIVITIES		1 000	991
I.	Inflows		1 000	1 000
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.	From provided services			
I.5.	Received interest			
I.6.	Other inflows:		1 000	1 000
II.	Transferred funds			9
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 and resources			
II.5.	To public sector entities			
II.6.	To other entities			9
III.	Payments			
III.1.	Social payments			
III.2.	Other services acquired			
III.3.	Interest paid			
III.4.	Other payments:			
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
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			
IV.	Disposal of long-term financial assets			
V.	(Increase) decrease in time deposits			
VI.	Received dividends			
VII.	Other cash flows from investing activities			
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
I.	Inflows from taken loans			
II.	Repayment of loans			
III.	Other cash flows from financing activities			
D.	EFFECTS OF EXCHANGE RATE CHANGES ON CARRYING AMOUNT OF CASH AND CASH EQUIVALENTS			
I.	Increase (decrease) in cash and cash equivalents		1 000	991
II.	Cash and cash equivalents at the beginning of the reporting period		5 000	4 009
III.	Cash and cash equivalents at the end of the reporting period	3	6 000	5 000

Director



Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

RESOLUTION FUND

Administrated by State Company Indėlių ir investicijų draudimas, corporate code 110069451
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EXPLANATORY NOTES 31 DECEMBER 2020

1. General Section

State Company Indėlių ir investicijų draudimas (hereinafter – IID) administers the Resolution Fund (hereinafter – the Fund) in accordance with the Statute No. XII-2054 of 19 November 2015 (hereinafter – the Statute) amending the Statute on Insurance of Deposits and Liabilities to Investors of the Republic of Lithuania No. IX-975 of 19 November 2015, which entered into force on 3 December 2015.

The Fund is not considered a legal entity. IID administers it and operates on the Fund's behalf, carries out accounting tasks and prepares financial statements. IID is a state company set up using state assets 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.

Resolution Fund is a fund that accumulates assets to finance resolution activities of the finance sector entity, which are provided for in Article 103 of the 22 July 2009 Statute on Financial Sustainability of the Republic of Lithuania.

Participants of the Fund are banks, the Central Credit Union, and financial brokerage firms who are subject to the requirements set forth in Article 12¹(2) of the Statute on Financial Instrument Markets of the Republic of Lithuania and that do not fall within the scope of Regulation (EU) No. 806/2014 of the European Parliament and European Council of 15 July 2014, which establishes uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms within the framework of a Single Resolution Mechanism and a Single Resolution Fund, which also amends the Regulation (EU) No. 1093/2010 (OJ 2014 L 225, p. 1), specified in Article 2 of this Regulation.

In the reporting period, the participant of the Resolution Fund was one financial brokerage company.

The Fund's resources are comprised of the following (Article 32(2) of the Statute):

- regular (*ex ante*) contributions, including payment obligations to the Fund;
- special (*ex post*) contributions;
- loans received from financial institutions or other third parties, including financing structures of other member states;
- income from investing the resources of the Fund;
- other resources;
- share of costs incurred for the purposes established in Article 103 of the Statute on Financial Sustainability of the Republic of Lithuania, which shall be recovered through the resolution actions;
- funds received from the financing structures of other member states in repayment of a loan granted by the Fund, including interest and penalties;
- penalties paid by the institutions making contributions;
- other amounts specified in the legislation.

Fund's resources are used for (Article 32(3) of the Statute):

- covering the costs incurred for the purposes established in Article 103 of the Statute on Financial Sustainability of the Republic of Lithuania;
- covering the costs of the Fund's investments;
- repayment of loans received from financing structures, financial institutions or other third parties of other member states, including interest and penalties.

2. Summary of relevant accounting principles

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

2.1. Form of financial statements

Fund's financial statements of 2020 are 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 2020.

Fund's financial year corresponds to the calendar year.

2.2. Financial statement compliance with standards

Fund's financial statements for the year 2020 were prepared separately according to the Public Sector Accounting and Financial Reporting Standards (hereinafter – PSAFRS) in effect in 2020, as provided for in Article 45(1) of the Statute.

2.3. Reporting currency

The Fund's accounting records are kept and all amounts in these financial statements are presented in the currency of the Republic of Lithuania, i.e. euros (EUR).

2.4. Receivables

According to PSAFRS 17 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 for at their discounted value less impairment losses.

2.6. Cash and cash equivalents

According to PSAFRS 17 Financial Assets and Financial Liabilities, cash and cash equivalents are comprised of cash held in the Fund's bank account.

In the cash flow statement, cash and cash equivalents are comprised of cash in bank accounts.

2.7. Debt liabilities

According to PSAFRS 17 Financial Assets and Financial Liabilities, the Fund's debt is initially recognised at the acquisition cost. Later, they are accounted for inclusive of their value impairment.

2.8. Recognition of income and expenses of the Fund

The Fund's income and expenses are accounted for and presented in the financial statements according to the principle of income and expenses accrual.

According to PSAFRS 10 Other Income, the Fund's income is recognised, accounted for, and presented in the financial statements in the reporting period in which it is earned, regardless of when the money is received.

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 income from operating activities.

According to PSAFRS 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.

The amount of expenses, as a rule, is measured at the paid or payable amount of money, inclusive of value added tax. Fund's expenses are attributed to other costs of services of the operating activities.

The estimate of income and expenses of the Fund is approved by the institution exercising the rights and obligations of the Company's owner, i.e. the Ministry of Finance of the Republic of Lithuania. Fund's administrative expenses are paid from the participant's administrative contributions

2.5. Foreign currency

PSAFRS 21 Foreign Currency Transactions establishes the requirements for the accounting of foreign currency transactions. Upon initial recognition, foreign currency transactions are accounted for at the official exchange rate of the date of transaction.

2.10. Closing period accounting

After accounting for all operations of the financial year, all income and expenses accounts are closed. The carrying amount of the last day of the financial year of all income and expenses accounts are accounted for in the line Accumulated surplus and deficit on the last day of the financial year. Surplus or deficit of the current year – Surplus earned or deficit experienced by the Fund in 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

PSAFRS 18 Provisions, Contingent Liabilities and Assets, and Events after the Balance Sheet Date requires making certain assumptions and estimates when preparing financial statements that influence the presented amounts of assets, liabilities, income and expenses, and the disclosure of contingencies, where circumstances change, additional information emerges, or other events occur that were previously used to make the evaluation. The results of changes in such estimates are accounted for in the financial statements when it is identified. Relevant information is given in the explanatory notes.

3. Explanatory notes

Note 1. Cash and cash equivalents

Fund's resources held in a separate bank account. As at 31 December 2020, the Fund's bank account held a carrying amount of EUR 6 000.

Table 1. Details on the carrying amount of cash and cash equivalents.

No.	Item	31.12.2020	31.12.2019
1	2	3	4
1.	Cash from the state budget		
2.	Cash from the municipal budget		
3.	Other cash and cash equivalents	6 000	5 000
3.1.	Cash held in banks	6 000	5 000
3.2.	Cash in frozen accounts		
3.3.	Depreciation of cash in frozen accounts		
3.4.	Deposits reaching maturity within 3 months		
3.5.	Other cash equivalents		
4.	Total cash and cash equivalents	6 000	5 000
5.	Of which resource funds	6 000	5 000

Note 2. Accumulated surplus or deficit

Accumulated surplus or deficit amounting to EUR 6 000 is the insurance contributions in the period of 2015–2020 paid by one participant of the Resolution Fund, in accordance with the Resolution No. 03-215 of 31 December 2015 on the Administration Schedule of the Resolution Fund of the Board of the Bank of Lithuania.

Note 3. Other income from operating activities

In 2020, the amount of insurance contributions paid into the Fund was EUR 1 000. Insurance contributions to the Fund were paid by one financial brokerage company. Given this, the Fund's income from operating activities in the year 2020 was EUR 1 000.

Table 3. Other income from operating activities

No.	Item	31.12.2020	31.12.2019
1	2	3	
1.	Estimated income from operating activities	1 000	1 000
1.1.	Income from fees		
1.2.	Income from administrative fines		
1.3.	Income from contributions paid into the Fund according to the Statute on the Insurance of Deposits and Liabilities to Investors of the Republic of Lithuania		
1.4.	Income from inventory sale		
1.5.	Profit from sale of tangible fixed assets, intangible assets and biological assets		
1.6.	Income from services provided		
1.7.	Other	1 000	1 000
2.	Other income from operating activities transferrable into the budget		
3.	Other income from operating activities	1 000	1 000

Note 4. Rights and liabilities not reflected in the statement of financial position

According to PSAFRS 18, the Company assessed the contingency of the Fund's debt / asset receivables and payables. No such rights or liabilities were identified.

Note 5. Events after the balance sheet date

As at 31 December 2020, there were no other events after the balance sheet date until the date of these financial statements that would have affected the annual financial statements or should have been disclosed therein.

Director



Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė