

**STATE ENTERPRISE
“INDĒLIŅU IR INVESTICIJŅU DRAUDIMAS”**

**SET OF ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR 2021**

*Klaida! Nežinomas dokumento ypatybės
pavadinimas.
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pavadinimas.*

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KEY INFORMATION ABOUT THE COMPANY

Name of the Company:	SE “Indėlių ir investicijų draudimas”
Authorised capital	EUR 8 995 358
Date of registration:	16 December 1996
Company code:	110069451
Institution exercising the rights and obligations of the Owner	The Ministry of Finance of the Republic of Lithuania
Registered office:	Algirdo Str. 31, LT-03219, Vilnius
Legal form:	State Enterprise
Data are collected and stored:	in the Register of Legal Entities
Date of registration of applicable Articles of Association:	19 March 2021
Phone number:	(8- 5) 213 56 57
E-mail address:	idf@idf.lt
WEB:	www.iidraudimas.lt
Management bodies of the Company:	The Council and the Manager of the Company.
Chairlady of the Council:	Vilma Mačerauskienė, the Director of the Financial Markets Policy Department of the Ministry of Finance
Deputy Chairlady of the Council:	Lina Frejutė, the Senior Advisor of the Project Management Division of the Ministry of Finance
Members of the Council:	Audrutė Dziskienė, the Advisor of the Credit and Payments Market Division of the Ministry of Finance Renata Bagdonienė, the Director of the Banking and Insurance Supervision Department of the Bank of Lithuania Jokūbas Markevičius, the Director of Financial Stability Department of the Bank of Lithuania
Director of the Company:	Aurelija Mažintienė
Auditor:	UAB “Provisus”
Bank:	AB “SEB Bankas”

STATE ENTERPRISE “INDĒLIŲ IR INVESTICIJŲ DRAUDIMAS”

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

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**31 DECEMBER 2021
BALANCE SHEET**

14 March 2022

2021

Currency and accuracy: euros

Row No.	ITEMS	Com ment No.	31/12/2021	31/12/2020
	ASSETS			
A.	FIXED ASSETS		13 986 995	9 322 174
1.	INTANGIBLE ASSETS	1.	13 440	3 850
1.1.	Development works			
1.2.	Software		11 372	14
1.3.	Concessions, patents, licences, trademarks, and similar rights			
1.4.	Other intangible assets		2 068	3 836
1.5.	Advance payments			
2.	TANGIBLE ASSETS	2, 3, 4	14 481	22 138
2.1.	Land			
2.2.	Buildings and other structures		5 443	8 180
2.3.	Machinery and equipment			
2.4.	Vehicles		0	0
2.5.	Other equipment, devices and tools		9 038	13 958
2.6.	Investment assets			
2.6.1.	Land			
2.6.2.	Buildings			
2.7.	Advance payments and tangible assets under construction (production)			
3.	FINANCIAL ASSETS	5	13 959 074	9 296 186
3.1.	Amounts receivable after one year			
3.2.	Other financial assets		13 959 074	9 296 186
4.	OTHER FIXED ASSETS			
4.1.	Assets of the deferred tax on profit			
4.2.	Biological assets			
4.3.	Other assets			
B.	CURRENT ASSETS		2 189 525	6 792 385
1.	INVENTORIES		275	166
1.1.	Raw materials, materials, and consumables			
1.2.	Production and works in progress	6	19	34
1.3.	Finished products			
1.4.	Goods for resale			
1.5.	Biological assets			
1.6.	Fixed tangible assets for sale			
1.7.	Advance payments	7	256	132
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	8	27 044	115 449
2.1.	Trade debtors			
2.2.	Other receivables		27 044	115 449
3.	SHORT-TERM INVESTMENTS	5,9	616 617	4 024 293
4.	CASH AND CASH EQUIVALENTS	10	1 545 589	2 652 477
C.	PREPAYMENTS AND ACCRUED INCOME	11	4 946	6 127
	TOTAL ASSETS		16 181 466	16 120 686

*Klaida! Nežinomas dokumento ypatybės pavadinimas.
Klaida! Nežinomas dokumento ypatybės pavadinimas.*

Seq. No.	EQUITY AND LIABILITIES	Comments No.	31/12/2021	31 December 2020
D.	EQUITY		16 094 063	16 038 802
1.	CAPITAL OF THE COMPANY OWNER		8 995 358	8 995 358
2.	CAPITAL CORRESPONDING TO ASSETS, WHICH UNDER LAWS CAN BE OWNED ONLY BY THE STATE			
3.	CAPITAL CORRESPONDING THE CENTRALLY MANAGED STATE ASSETS			
4.	REVALUATION RESERVE			
5.	RESERVES		7 043 444	6 983 691
5.1.	Compulsory		7 043 444	6 983 691
5.2.	Other reserves			
6.	RETAINED PROFIT (LOSS)	12	55 261	59 753
6.1.	Profit (loss) for the reporting year		55 261	59 753
6.2.	Profit (loss) brought forward			
E.	GRANTS AND SUBSIDIES			
F.	PROVISIONS			
1.	Provisions for pensions and similar obligations			
2.	Provisions for taxation			
3.	Other provisions			
G.	AMOUNTS PAYABLE AND OTHER LIABILITIES		87 403	81 884
1.	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER LONG-TERM LIABILITIES			
1.1.	Debenture loans			
1.2.	Amounts owed to credit institutions			
1.3.	Payments received on account			
1.4.	Trade creditors			
1.5.	Amounts payable under the bills and checks			
1.6.	Other amounts payable and long-term liabilities			
2.	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER SHORT-TERM LIABILITIES	13	87403	81884
2.1.	Debenture loans			
2.2.	Amounts owed to credit institutions			
2.3.	Payments received on account			
2.4.	Trade creditors		4 372	5 287
2.5.	Amounts payable under the bills and checks			
2.6.	Profit tax liabilities			
2.7.	Liabilities related to employment relations		83 031	76 597
2.8.	Other amounts payable and short-term liabilities			
H.	ACCRUALS AND DEFERRED INCOME			
	TOTAL EQUITY AND LIABILITIES		16 181 466	16 120 686

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

STATE ENTERPRISE “INDĖLIŲ IR INVESTICIJŲ DRAUDIMAS”

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31 DECEMBER 2021 INCOME STATEMENT

14 March 2022

2021

Currency and accuracy: euros

Row No.	Items	Comments	31/12/2021	31/12/2020
1.	Sales revenue	14	729 793	738 979
2.	Cost of sales			
3.	Fair value adjustments of the biological assets			
4.	GROSS PROFIT (LOSS)		729 793	738 979
5.	Selling expenses			
6.	General and administrative expenses	14	(729 793)	(738 979)
7.	Other operating results			
8.	Income from investments in the shares of parent, subsidiaries, and associated entities			
9.	Income from other long-term and short investments and loans			
10.	Other interest and similar income	15	59 703	63 492
11.	The impairment of the financial assets and short-term investments			
12.	Interest and other expenses	15	(4 442)	(3 739)
13.	PROFIT (LOSS) BEFORE TAX		55 261	59753
14.	Tax on profit			
15.	NET PROFIT (LOSS)		55 261	59753

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

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31 DECEMBER 2021

STATEMENT OF CHANGES IN EQUITY

14 March 2022

2021		<i>Currency and accuracy: euros</i>								
Row No.	Items	Capital of the Company Owner	Capital corresponding to assets, which under laws can be owned only by the state	Capital corresponding to the centrally managed state assets	Revaluation reserve		Compulsory reserve	Other reserves	Deferred profit (loss)	Total
					Fixed tangible assets	Financing assets				
1.	Balance at the end of the reporting (yearly) period before previous	8 995 358					6 928 675		55 016	15979049
2.	Result of changes in accounting policies									
3.	Result of correcting material errors									
4.	Recalculated balance at the end of the reporting (yearly) period before previous	8 995 358					6 928 675		55 016	15 979 049
5.	Increase (decrease) in the value of fixed tangible assets									
6.	Increase (decrease) in the value of effective hedging instruments									
7.	Profit (loss) not recognised in the profit (loss) account									
8.	Net profit (loss) of the reporting period								59 753	59 753
9.	Company's profit part payable to the State or Municipal budget									
10.	Increase (decrease) of capital corresponding to assets, which under laws can be owned only by the state									
11.	Increase (decrease) of capital corresponding to the centrally managed state assets									
12.	Formed reserves						55 016		(55 016)	
13.	Used reserves									
14.	Increase (decrease) of capital to Company owner									
15.	Balance at the end of the previous reporting (yearly) period	8 995 358					6 983 691		59 753	16 038 802
16.	Increase (decrease) in the value of fixed tangible assets									
17.	Increase (decrease) in the value of effective hedging instruments									
18.	Profit (loss) not recognised in the profit (loss) account									
19.	Net profit (loss) of the reporting period								55 261	55261
20.	Company's profit part payable to the State or Municipal budget									
21.	Increase (decrease) of capital corresponding to assets, which under laws can be owned only by the state									
22.	Increase (decrease) of capital corresponding to the centrally managed state assets									
23.	Formed reserves						59 753		(59 753)	
24.	Used reserves									
25.	Increase (decrease) of capital to Company owner									
26.	Balance at the end of the reporting period	8 995 358					7 043 444		55 261	16 094 063

Director

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Chief Accountant

Laima Tankevičiūtė

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31 DECEMBER 2021

CASH FLOW STATEMENT

14 March 2022

2021

Currency and accuracy: euros

Row No.	Items	Comments	31/12/2021	31/12/2020
1.	Cash flows from operating activities			
1.1.	Cash revenue within the reporting period (including VAT)		820 172	731 420
I.1.1.	Cash revenue from clients		820 172	731 420
I.1.2.	Other revenue		2 473	
1.2.	Payment in cash within the reporting period		(710867)	(710112)
I.2.1.	Cash paid to suppliers of raw materials, goods and services (including VAT)		(119639)	(119321)
I.2.2.	Payments related to the employment relationship		(579445)	(537366)
I.2.3.	Taxes paid to the budget		(3998)	(4998)
I.2.4.	Other payments		(7785)	(48427)
	Cash flows from operating activities		109 305	21 308
2.	Cash flows from investing activities			
2.1.	Acquisition of fixed assets, except for investments		(16 366)	(9 289)
2.2.	Disposal of fixed assets, except for investments			
2.3.	Acquisition of long - term investments		(5 313 690)	(2 345 623)
2.4.	Disposal of long - term investments		4 000 000	1 214 682
2.5.	Loans granted			
2.6.	Loans recovered			
2.7.	Interest received			
2.8.	Other increases in cash flows from investing activities		118 178	3 152 578
2.9.	Other decreases in cash flows from investing activities		(4 315)	(3 708)
	Net cash flows from investing activities		(1 216 193)	(2 008 640)
3.	Cash flows from financing activities			
3.1.	Cash flows related to Company Owners			
3.1.1.	Increase of capital of the Company Owner			
3.1.2.	Company's profit contribution payable to the State or Municipal budget			
3.2.	Cash flows related to other financing sources			
3.2.1.	Loans received			
3.2.2.	Loans returned			
3.2.3.	Interest paid			
3.2.4.	Leasing (financial lease) payments			
3.2.5.	Increase in other liabilities of the Company			
3.2.6.	Decrease in other liabilities of the Company			
3.2.7.	Other increases in cash flows from financing activities			
3.2.8.	Other decreases in cash flows from financing activities			
	Net cash flows from financing activities			
4.	Adjustments due to changes in exchange rates on the balance of cash and cash equivalents			
5.	Increase (decrease) of net cash flows		(1 106 888)	2 029 948
6.	Cash and cash equivalents at the beginning of the period		2 652 477	622 529
7.	Cash and cash equivalents at the end of the period	10	1 545 589	2 652 477

Director

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Chief Accountant

Laima Tankevičiūtė

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31/12/2021

EXPLANATORY NOTE

1. General Part

State Enterprise “Indėlių ir investicijų draudimas” (hereinafter referred to as the Company) is a Company founded in accordance with the procedure established by the Government of the Republic of Lithuania and legal acts on state assets. The institution exercising its rights and obligations is the Ministry of Finance of the Republic of Lithuania.

Nature of key activities of the Company is detailed in the Law No. XII-2054 on Insurance of Deposits and Liabilities of the Republic of Lithuania as of 19 November 2015 (hereinafter referred to as the Law). Paragraph 4 of Article 36 of the Law defines purposes of the Company – shall be to insure the depositor’s deposits, liabilities to investors in accordance with the procedures laid out in the Law and other legislation, to administer the Deposit Insurance Fund, the Fund of Insurance of Liabilities to Investors, and the Resolution Fund (hereinafter referred to as “the administered funds”), and to conduct other functions stipulated by the law.

Implementing the activity purposes and pursuant to Article 38 of the Law, the Company shall:

- Collect the contributions for deposit insurance, insurance of liability to investors, and resolution, and store them in a respective administered fund
- Calculate and pay out insurance compensation for deposits and insurance of liability to investors; invest the resources of administered funds and the resources of the equity capital of the insurance undertaking;
- Manage the accounting of the administered funds, prepare collections of financial reports, income and cost estimates, and provide them for approval to the institution exercising the rights and duties of the owner of the insurance undertaking;
- Supervise the adherence to this Law and the requirements of its implementing legislation by the participants of the deposit insurance system and the participants of the insurance system of liabilities to investors;
- Assess the terms and conditions of insurance (compensation) of deposits or liabilities to investors or other protection provided by branches of third countries, the credit authorities, financial brokerage firms, or servicers which are setting up in the Republic of Lithuania;
- Assess its own risks, as well as those of Deposit Insurance Fund, and the Insurance Fund of Liabilities to Investors;
- Cooperate and exchange information with administrators of the deposit insurance systems and supervisory authorities of other Member States and third countries, as well as the European Banking Authority;
- Conduct stress tests of the deposit insurance system;
- Carry out the functions designated to it under the Law and other legislation.

By 31 December 2021 the Company had no branches or representative offices.

By 31 December 2021 the Company did not acquire its own shares.

By 31 December 2021 the Company had no affiliated companies.

In 2021 average number of employees by the list was 17.

In 2020 average number of employees by the list was 16.

2. Summary of important accounting principles

Key accounting principles applied in the preparation of the financial statements of the Company for the year ended 31 December 2021 are as follows:

2.1 Form of Financial Statements

Financial statements of the Company are prepared in accordance with the Business Accounting Standards (hereinafter referred to as BAS), which include standards and clarifications approved by the Audit and Accounting Service under the Ministry of Finance of the Republic of Lithuania by 31 December 2021.

Financial year of the Company coincides with a calendar year.

2.2 Compliance of financial statements with standards

Financial statements of the Company for the year 2021 are prepared separately in accordance with BAS, as provided for in paragraph 1 of Article 45 of the Law.

2.3 Currency of Financial Statements

The Company keeps accounting and provides all amounts in these financial statements in euros.

2.4 Fixed intangible assets

Intangible assets are accounted in accordance with BAS 13 “Intangible Assets”. Intangible assets are recognized, if expected, that the Company will gain economic profit related to these assets in future, and the value of such assets may be reliably evaluated. After initial recognitions, intangible assets are accounted as the acquisition cost, deducting the accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over their estimated useful lives. Intangible assets of the Company are amortized over a period of 3 years.

Licenses

Amounts paid for licenses are capitalized and amortized over the term of the license.

Software

The cost of acquiring new software is capitalized and recognized as an intangible asset if it is not a part of the hardware. The software is amortized over a period of 3 years.

Expenses incurred in restoring or maintaining the expected economic benefits from the operation of existing software systems are recognized as an expense in the period in which the repairs and maintenance are performed.

2.5 Fixed tangible assets

Fixed tangible assets are accounted in accordance with BAS 12 “Fixed Tangible Assets”. Fixed tangible assets are accounted as the acquisition cost, deducting the accumulated depreciation and accumulated impairment losses, if any.

When an asset is sold or disposed of, its cost and accumulated depreciation are eliminated in the accounts and the profit or loss on disposal is recognized in the Income Statement.

The initial cost of fixed tangible assets comprises its purchase price, including non-refundable purchase taxes and all directly attributable costs related to preparation of the assets for operation and movement to its place of use.

Costs, such as repairs and maintenance, incurred after the fixed tangible assets have been put into operation are usually recognized in the Income Statement in the period in which they are incurred. Where it can be clearly demonstrated that these costs will increase the economic benefits from the use of these fixed tangible assets

and/or extend their estimated economic lives, the costs are capitalized by adding them to the acquisition cost of the fixed tangible assets.

Minimum value of fixed tangible assets applied by the Company is EUR 500.

Depreciation is calculated on a straight-line basis over the following average useful lives:

Premises	50 years;
Vehicles	6 years;
Office furniture	6 years;
Other fixed tangible assets	4 years;
Computer and communication equipment	3 years.

Useful lives are reviewed regularly to ensure that depreciation term complies with the estimated useful lives of fixed tangible assets.

2.6 Impairment of fixed intangible and tangible assets

On the date of financial statements the Company revises the balance value of the assets.

2.7 Investment

Following BAS 18 “Financial assets and financial liabilities” investments in government securities are treated by the Company as held-to-maturity securities.

Equity funds of the Company are invested in accordance with the Law, Articles of Association of the Company, the Equity Investment Policy approved by the Ministry of Finance of the Republic of Lithuania and other related legal acts.

Funds are invested in deposits and government securities in accordance with the criteria of security, liquidity and profitability.

Held-to-maturity investments are classified as non-current financial assets unless their maturity is more than twelve months after the balance sheet date.

Investments for sale are accounted as current assets if they are intended to be realized within twelve months after the balance sheet date.

All purchases and sales of investments are recognized on the purchase/sale date. At the time of acquisition, investments in the accounting are registered at acquisition cost, which is the fair value of the fee paid, but without including transaction costs.

Held-to-maturity investments are accounted at amortized acquisition cost using the effective interest method.

Government securities that will be redeemed within one year after the date of the financial statements are shown in the balance sheet in the line “Current investments” of the *item “Other current assets”*, and redeemed in one year or later - in the line “Other financial assets” of the item “Non-current financial assets”

Expenses related to the acquisition and safekeeping of securities are recognized as financial and investment expenses in the Income Statement.

2.8 Amounts Receivable and Loans Granted

Following BAS 18 “Financial assets and financial liabilities”, receivables are initially recognized at acquisition cost.

2.9 Inventories

Reserves shall be accounted in accordance with BAS 9 “Inventories”. When inventories are registered in the accounting and using the inventory method, they are evaluated at acquisition cost, and in the financial statements - at the balance value of the inventories. In calculating the cost of inventories used in the Company’s

operations or sold, the Company uses the FIFO method (assuming that the items of inventories that were purchased or produced first are used first). Economic inventory, which is used in the Company's operations for more than one year and costs from 50 to 500 euros, is accounted for in the off-balance sheet after commissioning and write-off to operating expenses.

2.10 Cash and Cash Equivalents

Following BAS 18 "Financial assets and financial liabilities", cash and cash equivalents comprise cash at the bank account of the Company. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of funds. The maturity of such investments does not exceed three months and the risk of changes in value is very insignificant.

In the Cash Flow Statement, cash and cash equivalents comprise cash at accounts, deposits at bank accounts, and other short-term highly liquid investments.

2.11 Administered assets

Pursuant to paragraph 4 of Article 36 of the Law, one of the purposes of the Company is to administer the Deposit Insurance Fund, the Fund of Insurance of Liabilities to Investors, and the Resolution Fund (hereinafter referred to as "the administered funds").

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

Administered funds are not being legal entities. They are administered by the Company, which acts on their behalf. Objects and nature of the administered funds are detailed in the second, third and fourth chapters of the Law.

Pursuant to paragraph 2 of Article 45 of the Law the Company shall conduct the accounting of the administered funds separately and shall compile separate financial statements for each fund in accordance with the procedure stipulated in the Law on Public Sector Accountability of the Republic of Lithuania.

2.12 Debt liabilities

Following BAS 18 "Financial assets and financial liabilities", debts of the Company are recognized at acquisition cost.

2.13 Equity of the Company

Equity capital of the Company is made in accordance with Article 43 of the Law. Whole profit of the Company is allocated to the compulsory reserve.

2.14 Recognition of income and costs of the Company

Income and expenses of the Company are accounted for and presented in the annual financial statements in accordance with the principle of accrual of income and expenses.

Following BAS 10 "Income", income of the Company is recognized and recorded in the accounts and presented in the financial statements in the period in which it is earned, regardless of when the cash is received.

Pursuant to Article 44 of the Law the following shall be recognized as income of the Company:

- Fee for the administration of funds (the Deposit Insurance Fund, the Fund of Insurance of Liabilities to Investors, and the Resolution Fund);
- Income from investment from the Company equity;
- Other income.

Following BAS 11 "Expenses", expenses are recognized and recorded in the accounts in the period in which they are incurred - when the related income is earned. Services are provided, actions are taken in the performance of assigned functions, regardless of the time of disbursement and when their value can be reliably determined.

Pursuant to Article 44 of the Law the following shall be recognized as costs of the Company:

- The administration costs of administered funds;
- The costs of investment of the Company capital;
- Other costs.

The amount of costs is usually estimated by the amount of funds paid or payable, including VAT. The expenses of the Company related to the funds entrusted to administration are divided into the Company's personnel maintenance expenses, administrative and property use and maintenance expenses and depreciation.

2.15 Impairment of financial assets

Following BAS 18 "Financial assets and financial liabilities", impairment of financial assets is assessed at each balance sheet date.

When it becomes apparent that the Company will not be able to collect all amounts due according to the original terms of receivables, an impairment loss is recognized in the Income Statement for financial assets accounted at amortized cost. Restoration of impairment losses recognized in previous periods shall be recognized when the impairment loss can be objectively related to an event occurring after the impairment was recognized. Such restoration is recognized in the Income Statement. However, the increase in accounted value is only to the extent that it does not exceed the amortized cost that would have been incurred had no impairment loss been recognized.

2.16 Taxes

The Company does not pay profit, real estate, and value added taxes. Since 2005 the Company pays a tax to the state budget for the use of state assets on a trust basis. The tax rate is 0.05 per cent from the capital of the Owner of the Company.

2.17 Foreign currency

Following BAS 22 "Changes in Foreign Exchange Rates", transactions denominated in foreign currencies are accounted at the official exchange rate applied on the date of the transaction. Profit and loss arising from such transactions and from balances of assets and liabilities denominated in foreign currencies at the balance sheet date are recognised in the income (loss) statement. Such balances are revalued at the exchange rate at the end of the reporting period.

2.18 Use of estimates in preparing financial statements

Following BAS 19 "Provisions, Contingent Liabilities and Contingent Assets, and Events after the Balance Sheet Date", certain assumptions and estimates must be done that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of uncertainties. Significant areas of these financial statements in which estimates are used include depreciation and impairment estimates. The result of such changes in estimates is not recognized in the financial statements of the Company as it has not been determined.

2.19 Associated parties

Associated parties are the Ministry of Finance of the Republic of Lithuania, members of the Company Council, who directly or indirectly control the Company and provided that this relationship allows one party to control the other party or exercise significant influence over the other party in making financial or management decisions.

2.20 Post balance sheet events

Post balance sheet-balance events that provide additional information about the status of the Company on the balance sheet date (adjusting events) are reflected in the financial statements. Post balance sheet events that are not deemed to be adjusting events are reflected in comments when needed.

2.21 Financial risk management policies

The Company is exposed to a variety of financial risks in its operations. Risk management methods are listed below:

Credit risk

Credit risk, or the risk of failure of the partner to fulfil the obligations, is controlled through the application of deadlines and control of procedures.

Currency risk

The Company is not exposed to foreign exchange risk due to purchases and sales that are denominated in currencies other than euro. In 2021, the Company had no foreign exchange risk.

Liquidity risk

The policy of the Company is to maintain a sufficient cash flow and cash equivalents. The funds are invested in government debt securities with a high debt rating, so there is an opportunity to sell the investment at the desired time.

Interest rate risk

For interest rate risk management, a modified duration indicator for investments in securities with a value not exceeding 7 is considered to be an acceptable level of risk (“Description of Procedure on Investment of Equity Capital Funds of the SE “Indėlių ir investicijų draudimas”, approved by Order No. 1K-437 of the Minister of Finance of the Republic of Lithuania of 2 February 2021).

3. Comments to the Explanatory Note

Comment 1. Fixed intangible assets

Table 1. Movement of intangible assets during 2020-2021

	Items	Development works	Goodwill	Patents, licenses and etc.	Software	Other intangible assets	Total
	Balance value at the end of the previous financial year by 31/12/2020				14	3 836	3 850
a)	Cost of acquisition of fixed intangible assets At the end of previous financial year Changes of the year 2020: - acquisition of assets - assets disposed to other entities and written off (-) - transcriptions from one item to another + / (-)				70 619	9 672	80 291
	At the end of previous financial year by 31/12/2020				70 619	9 672	80 291
b)	Amortization At the end of previous financial year Changes of the year 2020: - amortization of a financial year - restorative records (-) - amortization of assets disposed to other entities and written off (-) - transcriptions from one item to another + / (-)				67 942 2 663	3 636 2 200	71 578 4 863
	At the end of previous financial year by 31/12/2020				70 605	5 836	76 441
c)	Cost of acquisition of fixed intangible assets Changes of financial year 2021: - acquisition of assets - assets disposed to other entities and written off - transcriptions from one item to another +(-)				70 619 13 552 (4 730)	9 672 0	80 291 13 552 (4 730)
d)	At the end of the financial year by 31/12/2021				79 441	9 672	89 113
	Amortization At the end of previous financial year Changes of the year 2021: - amortization of a financial year - restorative records (-) - amortization of assets disposed to other entities and written off (-) - transcriptions from one item to another + / (-)				70 605 2 188 (4 724)	5 836 1 768	76 441 3 956 (4 724)
	At the end of the financial year by 31/12/2021				68 069	7 604	75 673
g)	Impairment At the end of previous financial year Changes of the year 2021: - amortization of a financial year - restorative records (-) - amortization of assets disposed to other entities and written off (-) - transcriptions from one item to another + / (-)						
	At the end of the financial year by 31/12/2021						
f)	Balance value at the end of financial year by 31/12/2021 (c)-(d)-(g)				11 372	2 068	13 440

The Company does not have fixed intangible assets created inside. Costs of amortization of intangible assets are included in general and administrative expenses in line 6 of the Income Statement.

Comment 2. Fixed tangible assets

Table 2. Movement of tangible assets during 2020-2021

	Items	Land	Buildings and structures	Plant and machinery	Vehicles	Other equipment, devices, tools and facilities	Constructi on in progress	Other tangible assets	Total
	Balance value at the end of the previous financial year by 31/12/2020		8 180		0	13 958			22 138
a)	Acquisition cost								
	At the end of previous financial year		100 408		16 798	84 042			201 248
	Changes of the year 2020:								
	- acquisition of assets					9 289			9 289
	- assets disposed of and written off (-)								
	- transcriptions from one item to another +/-(-)								
	At the end of previous financial year by 31/12/2020		100 408		16 798	93 331			210 537
b)	Depreciation								
	At the end of previous financial year		89 490		14 231	71 318			175 039
	Changes of financial year:								
	- depreciation of a financial year		2 738		2 567	8 055			13 360
	- restorative records (-)								
	- depreciation of assets disposed to other entities and written off (-)								
	- transcriptions from one item to another +/-(-)								
	At the end of previous financial year by 31/12/2020		92 228		16 798	79 373			188 399
c)	Acquisition cost								
	At the end of previous financial year		100 408		16 798	93 331			210 537
	Changes of financial year 2021:								
	- acquisition of assets					2 815			2 815
	- assets disposed of and written off (-)					(17 401)			(17 401)
	- transcriptions from one item to another +/-(-)								
	At the end of the financial year by 31/12/2021		100 408		16 798	78 745			195 951
d)	Depreciation								
	At the end of previous financial year		92 228		16 798	79 373			188 399
	Changes of financial year:								
	- depreciation of a financial year		2 737		0	7 725			10 462
	- restorative records (-)								
	- depreciation of assets disposed to other entities and written off (-)								
	- transcriptions from one item to another +/-(-)					(17 391)			(17 391)
	At the end of the financial year by 31/12/2021		94 965		16 798	69 707			181 470
e)	Impairment								
	At the end of previous financial year								
	Changes of financial year:								
	- impairment of financial year								
	- restorative records (-)								
	- assets disposed to other entities and written off (-)								
	- transcriptions from one item to another +/-(-)								
	At the end of the financial year by 31/12/2021								
f)	Balance value at the end of the financial year by 31/12/2021 (a)+(b)-(c)-(d)		5 443		0	9 038			14 481

Costs of depreciation of tangible assets are included in general and administrative expenses in line 6 of the Income Statement.

Depreciation is calculated on a straight-line basis over the following average useful lives:

Premises	50 years;
Vehicles	6 years;
Office furniture	6 years;
Other fixed tangible assets	4 years;
Computer and communication equipment	3 years.

Comment 3. Pledge of fixed tangible assets

By 31 December 2021 the Company did not have pledged fixed tangible assets.

Comment 4. Amortized and depreciated fixed tangible assets in use

The Company uses depreciated (amortized) fixed assets in its activities, *see Table 3*.

Table 3. Depreciated (amortized) assets used in the activity

Groups of fixed assets	Acquisition cost
Software	48 426
Vehicles	16 798
Furniture	22 911
Computer equipment	12 197
Communication and other equipment	11 291
Total	111 623

Comment 5. Other financial assets

Line 3 of Section A of the Balance Sheet Data provided in “FINANCIAL ASSETS” on long-term debt securities acquired by the Company and held to maturity, the maturity of which is one year or later, and on short-term debt securities, which are shown in line 3 “SHORT-TERM INVESTMENTS” of Section B of the Balance Sheet.

Table 4. Changes in held-to-maturity financial assets in 2020-2021

Row No.	Financial assets	Balance value at the beginning of the reporting period	During the reporting period								Balance value at the end of the reporting period
			Acquired - acquisition cost	Sold (balance value of the moment of sale)	Moved to (from) another group of financial assets	Amortization, accumulated coupon amount	Impact of change of currency exchange rate	Cash receipts	Write off	Depreciation	
1	2	3	4	5	6	7	8	9	10	11	12
1.	Fixed financial assets and loans granted in the year 2020	11 025 354	2 345 623		(4 024 293)	56 881		(107 379)			9 296 186
1.1.	Loans granted										
1.2.	Bonds	11 025 354	2 345 623		(4 024 293)	56 881		(107 379)			9 296 186
1.3.	Bills										
1.4.	Other non-equity securities										
2.	Current financial assets and loans granted	4 252 998			4 024 293	2 983		(4 255 981)			4 024 293
2.1.	Loans granted										
2.2.	Bonds	1 252 998			4 024 293	2 983		(1 255 981)			4 024 293
2.3.	Bills										
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
1.	Fixed financial assets and loans granted in the year 2021	9 296 186	5 313 690		(616 617)	58 793		(92 978)			13 959 074
1.1.	Loans granted										
1.2.	Bonds	9 296 186	5 313 690		(616 617)	58 793		(92 978)			13 959 074
1.3.	Bills										
1.4.	Other non-equity securities										
	Long-term time deposits										
2.	Current financial assets and loans granted	4 024 293			616 617	907		(4 025 200)			616 617
2.1.	Loans granted										
2.2.	Bonds	4 024 293			616 617	907		(4 025 200)			616 617
2.3.	Bills										
2.4.	Other non-equity securities										
2.5.	Short - term time deposits	0									0
3.	Total in 2021	13 320 479	5 313 690		-	58 700		(4 118 178)			14 575 691

Below one can find the information about the investments of the Company in securities (bonds) of Lithuanian Government.

Table 5. Investments of the Company in securities of the Government

VVP (ISIN No.)	Redemption date	Section size	Part in the portfolio	Nominal value per unit, EUR	Nominal value	Balance 31/12/2021 value, EUR
LT0000610065	28/02/2023	4.10%	3.94%	0.01	549 302	574 405
LT0000610073	26/04/2027	1.10%	2.77%	100	400 000	403 100
LT0000670028	23/08/2024	0.70%	5.67%	100	825 000	827 057
LT0000630063*	20/03/2022	0.10%	2.06%	100	300 000	300 234
LT0000670036	21/11/2025	0.80%	3.43%	100	500 000	499 903
LT0000670036	21/11/2025	0.80%	3.44%	100	500000	500 959
LT0000670036	21/11/2025	0.80%	3.45%	100	500 000	502 425
LT0000650053	17/04/2024	0.40%	2.06%	100	300 000	300 767
LT0000610073	26/04/2027	1.10%	1.96%	100	280 200	285 744
LT0000610073	26/04/2027	1.10%	2.10%	100	300 000	306 122
LT0000610057*	17/05/2022	5.50%	2.17%	100	300 000	316 382
LT0000650046	16/08/2023	0.40%	3.45%	100	500 000	503 506
LT0000610081	28/08/2029	0.20%	1.37%	100	200 000	199 668
LT0000610073	26/04/2027	1.10%	3.45%	100	500 000	503 269
LT0000650053	17/04/2024	0.40%	2.07%	100	300 000	302 141
LT0000610081	28/08/2029	0.20%	3.44%	100	500 000	501 861
LT0000610081	28/08/2029	0.20%	0.68%	100	100 000	99 202
LT0000610081	28/08/2029	0.20%	1.36%	100	200 000	197 882
LT0000610081	03/05/2028	1.20%	1.48%	100	200 000	216 135
LT0000610081	28/08/2029	0.20%	9.70%	100	1 400 000	1 413 774
LT0000612012	12/02/2032	0.30%	3.51%	100	500 000	511 380
LT0000612012	12/02/2032	0.30%	14.16%	100	2 000 000	2 063 944
LT0000612012	12/02/2032	0.30%	7.02%	100	1000000	1023781
LT0000612012	12/02/2032	0.30%	7.03%	100	1000000	1024800
LT0000612012	12/02/2032	0.30%	5.78%	100	823200	841938
LT0000612012	12/02/2032	0.30%	0.70%	100	100000	102276
LT0000610081	28/08/2029	0.20%	1.74%	100	250000	253036
		Total:	100%	--	14 327 702	14 575 691

*short-term investments

Comment 6. Reserves

Table 6. Reserves

Items	Raw materials and configuration items	Production in progress	Finished products	Total
At the end of 2021:				
a) Acquisition cost of reserves	19			19
b) Depreciation to net realizable value				
c) Net realizable value	19			19
At the end of 2020:				
a) Acquisition cost of reserves	34			34
b) Depreciation to net realizable value				
c) Net realizable value	34			34

At the end of the reporting period the reserves in the Company were 19 euros.

Comment 7. Advance payments

Line 1.7 “Advance payments” of Section B of the Balance Sheet contains data on the prepayments of the Company made to suppliers for services.

Table 7. Advance payments

Article No.	31/12/2021	31/12/2020
Other advance payments	256	132
Total:	256	132

Comment 8. Amounts receivable within one year

Line 2 “Amounts receivable within one year” of Section B of the Balance Sheet contains data on other amounts receivable: the amount receivable for IDF administration is EUR 26 758, the amount receivable for IIDF administration is EUR 286.

Table 8. Amounts receivable

Items	31/12/2021	31 December 2020
Other receivables	27 044	115 449
Total:	27 044	115 449

Comment 9. Short-term investments

At the end of the reporting period the Company had short-term investments: securities for EUR 616 617 (Tables 4, 5).

Comment 10. Cash and Cash Equivalents

Table 9. Monetary funds of the Company

Items	31/12/2021	31/12/2020
Cash on a bank account	1 545 589	2 652 477
Total:	1 545 589	2 652 477

Comment 11. Deferred expenses

Part C of the Balance Sheet provides the data on deferred expenses of the Company.

Table 10. Deferred expenses

Article No.	31/12/2021	31/12/2020
Subscription, licenses	4 650	3 824
Insurance of assets	237	222
Qualification improvement	59	2 081
Total:	4 946	6 127

Comment 12. Profit (loss) distribution project

According to Articles 43 of the Law, whole profit of EUR 59 753 recognized by the Company in 2020 was included in the compulsory reserve. Profit recognized in 2021 - EUR 55 261 - will be included in the compulsory reserve.

Table 11. Profit (loss) distribution in 2021

Items	31/12/2021	31/12/2020
Retained profit (loss) from the previous financial year at the end of the financial year	-	-
Net profit (loss) of the reporting year	55 261	59 753
Profit (loss) not recognised in the Income Statement for the reporting year		
Distributable result - profit (loss) - at the end of the financial year	55 261	59 753
Transfers from reserves;		
Profit (loss) to be distributed;		
Part of profit allocated to the compulsory reserve;	55 261	59 753
Part of profit allocated to reserves used for employee bonuses, social, cultural and similar purposes;		
Part of profit allocated to the other reserves		
Part of profit of the Company paid to the State or Municipal budget		
Retained result - profit (loss) - moved to another financial year		

Comment 13. Amounts payable and liabilities of the Company

Table 12. Amounts payable.

Items	31/12/2021	31/12/2020
Trade creditors	4 372	5 287
Received advance payments		
Liabilities related to employment relations	83 031	76 597
<i>including:</i>		
- other accumulated reserves	37 500	28 689
- leave reserve	45 531	47 923
- other employment-related liabilities		(15)
Other amounts payable and current liabilities:	-	
<i>Other liabilities</i>	-	
Total	87 403	81 884

Comment 14. Sales revenue - general and administrative expenses

Income of the Company consists of the funds of the Deposit Insurance Fund and the Liabilities to Investors Insurance Fund to cover the administration costs of these funds and the administration fees paid by the participants of the Resolution Fund.

Table 13. Sales revenue of the Company

Indicators	31/12/2021	31/12/2020
Sales revenue:		
<i>Fee for IDF administration</i>	727 153	736 979
<i>Fee for IIDF administration</i>	1 640	1 000
<i>PF administration contributions</i>	1 000	1 000
Total:	729 793	738 979

Table 14. Details of costs

Items	31/12/2021	31/12/2020
Costs related to payment to the personnel of the Company:	610 220	572 297
Salaries of employees, health insurance	599 960	560 575
Taxes related to salaries	10 260	11 722
Administrative and assets use and maintenance costs:	100 656	143 961
Administrative costs	80 401	128 658
Costs of use and maintenance of assets	20 255	15 303
Operating tax expenses	4 498	4 498
Costs related to depreciation and amortization of assets	14 419	18 223
Total:	729 793	738 979

Comment 15. Financial and investment activities

The information on financial and investment activities of the Company is provided. Income Statement demonstrates: Line 10 - other interest and similar income and line 12 - interest and other expenses.

Table 15. Outcome of financial and investment activities

	Items	31/12/2021	31/12/2020
a)	INCOME FROM FINANCIAL AND INVESTMENT ACTIVITIES	59 703	63 492
	<i>Details of significant amounts:</i>		
	Interest for VVP	59 701	59 865
	Interest for time deposits in a bank and funds on the account of the Company.	-	3 627
	Positive result of currency exchange rate change		
	Penalties and fines	2	
	Other income from financing activities		
b)	COSTS OF FINANCIAL AND INVESTMENT ACTIVITIES	(4 442)	(3 739)
	<i>Details of significant amounts:</i>		
	VVP storage fees and commissions	(4 442)	(3 739)
	Negative result of currency exchange rate change		
	Penalties and fines		
c)	OUTCOME OF FINANCIAL AND INVESTMENT ACTIVITIES (a-b)	55 261	59 753

Comment 16. Financial relations with the Company administration

In 2021 the Company administration consisted of 4 employees: a Director, a Deputy Director, a Chief Accountant and a Compliance Officer.

Table 16. Financial relations with the Company administration

Items	31/12/2021	31/12/2020
Amounts related to employment relationships calculated during the year	204 183	194 700
Average number of administration employees per year	4	4

Comment 17. Rights and obligations which have not been reflected in the Balance Sheet

Contingent assets are generally the assets that, due to events beyond control of the Company, may be attributable to the Company and provide economic benefits to the Company (for example, litigation in which the Company can expect to be reimbursed for legal costs).

Contingent assets shall not be demonstrated in the financial statements until it is clear that they give economic benefit to the Company. If economic benefits are expected, information about contingent assets is disclosed in the Explanatory Note.

Comment 18. Post balance sheet events

It should be noted that after evaluating the recommendation of the Organization for Economic Co-operation and Development to review the legal form of state-owned enterprises and reorganize a part of state-owned enterprises, the Ministry of Economics and Innovation prepared a plan of measures for centralization of state-owned enterprises, which was approved at the Meeting of the Government on 10 November 2021. The aim of the restructuring of state-owned enterprises is to promote efficiency and transparency in state-owned enterprises. In view of this, it is planned to transform the State Enterprise “Indēliņi ir investīciju draudimas” into a public institution.

Recent geopolitical events have not had a significant impact on the direct operations of the Company and the Funds it administers. In the opinion of the management, it is probable that the current geopolitical situation will not significantly affect the future operations of the Company and the administered Funds.

Comment 19. Administered Funds

The Company administers the Deposit Insurance Fund, the Fund of Insurance of Liabilities to Investors, and the Resolution Fund, not being legal entities. Assets of the Funds Administered by the Company by 31 December 2021 is EUR 211 743 937.

Table 17. Assets of the Funds Administered by the Company

Fund Administered by the Company	31/12/2021	31/12/2020
Deposit Insurance Fund	208 847 537	207 648 571
Fund of Insurance of Liabilities to Investors	2 889 400	2 823 400
Resolution Fund	7 000	6 000
Total	211 743 937	210 477 971

The accounting of the funds is managed in accordance with the Public Sector Accounting and Financial Reporting Standards. Sets of financial statements are prepared individually for each fund.

For more information on the financial condition of each fund and explanatory information, see the sets of financial statements of the administered funds for the year 2021.

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė