

STATE ENTERPRISE “INDĒLIŅU IR INVESTICIJŪ DRAUDIMAS”

DEPOSIT INSURANCE FUND

SET OF ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR 2021

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KEY INFORMATION ABOUT THE COMPANY ADMINISTERING THE DEPOSIT INSURANCE FUND

Company name:	SE “Indėlių ir investicijų draudimas”
Authorised capital	EUR 8 995 358
Date of registration:	16/12/1996
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
Date of registration of applicable Articles of Association:	19/03/2021
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.

By 31 December 2021 the Council of the Company consists of 5 members:

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
Bank:	Luminor Bank AS, Lithuanian Office

DEPOSIT INSURANCE FUND

Administrator - State Enterprise "Indėlių ir investicijų draudimas", company code 110069451
Algirdo Str. 31, LT-03219 Vilnius, data are collected and stored in the Register of Legal Entities

31 DECEMBER 2021 FINANCIAL SITUATION REPORT

14 March 2022

2021

Currency and accuracy: euros

Row No.	Items	Comment No.	31/12/2021	31/12/2020
A.	FIXED ASSETS		156 870 600	141 838 585
I.	Intangible assets			
II.	Fixed tangible assets			
III.	Non-current financial assets	1.2	156 870 600	141 838 585
IV.	OTHER FIXED ASSETS			
B.	BIOLOGICAL ASSETS			
C.	CURRENT ASSETS		51 976 937	65 809 986
I.	Inventories			
I.1	Inventories except for fixed tangible and biological assets for sale			
I.2	Fixed tangible biological assets for sale			
II.	Advance payments	3	528 639	837 480
III.	Amounts receivable within one year	4	5 201 941	23 137 175
III.1	Current financial amounts receivable			
III.2	Taxes and social contributions receivable			
III.3	Financing amounts receivable			
III.4	Amounts receivable for use of assets, sold goods, assets, services			
III.5	Accumulated amounts receivable			
III.6	Other amounts receivable		5 201 941	23 137 175
IV.	Short-term investments		8 006 420	5 999 847
V.	Cash and cash equivalents	5	38 239 937	35 835 484
	TOTAL ASSETS:		208 847 537	207 648 571

Row No.	Items	Comment No.	31/12/2021	31/12/2020
D.	FINANCING AMOUNTS			
I.	From the state budget			
II.	From the municipal budget			
III.	From the European Union, foreign state and international organisations			
IV.	From other sources			
E.	LIABILITIES		2 279 605	2 775 202
I.	Non-current liabilities			
I.1	Non-current financial Liabilities			
I.2	Non-current deferrals			
I.3	Other non-current liabilities			
II.	Current liabilities	6	2 279 605	2 775 202
II.1	Part of non-current deferrals for the current year and current deferrals			
II.2	Part of the non-current liabilities for the current year			
II.3	Current financial liabilities			
II.4	Subsidies, donations and financing amounts payable			
II.5	Amounts payable to the European Union budget			
II.6	Amounts payable to the budgets and funds			
II.7	Social benefits payable			
II.8	Returned taxes, contributions and overpayments			
II.9	Amounts payable to suppliers			
II.10	Accumulated amounts payable		2 278 835	2 718 593
II.11	Other current liabilities		770	56 609
F.	NET ASSETS		206 567 932	204 873 369
I.	RESERVES			
II.	Effect of the equity method			
III.	Accumulated surplus or deficit	7	206 567 932	204 873 369
III.1	Surplus or deficit for the current year		1 694 563	1 086 945
III.2	Surplus or deficit for the previous year		204 873 369	203786424
	TOTAL FINANCING AMOUNTS, LIABILITIES AND NET ASSETS:		208 847 537	207 648 571

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

DEPOSIT INSURANCE FUND

Administrator - State Enterprise "Indėlių ir investicijų draudimas", company code 110069451
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31 DECEMBER 2021 ACTIVITY OUTCOME REPORT

14 March 2021

2021

Currency and accuracy: euros

Row No.	Items	Comment No.	31/12/2021	31/12/2020
A.	OPERATING INCOME		15 311 169	12 646 622
I.	FINANCING INCOME			
II.	INCOME FROM TAXES AND SOCIAL CONTRIBUTIONS			
II.1.	Net value of tax income			
II.1.1.	Tax income			
II.1.2.	Amount of taxes to be transferred			
II.2.	Net value of income from social contributions			
II.2.1.	Income from social contributions			
II.2.2.	Amount of social contributions to be transferred			
III.	OPERATING INCOME	8	15 311 169	12 646 622
III.1.	Other operating income		15 311 169	12 646 622
III.2.	Amount of other operating income to be transferred			
B.	OPERATING EXPENSES	9	(13 602 877)	(11 622 843)
I.	DEPRECIATION AND WRITE-OFF AMOUNTS		(12 999 700)	(8 518 982)
II.	SOCIAL BENEFITS			
III.	FINANCING			
IV.	OTHER		(603 177)	(3 103 861)
C.	OPERATING SURPLUS OR DEFICIT	10	1 708 292	1 023 779
D.	OTHER ACTIVITY OUTCOME			
I.	OTHER ACTIVITY INCOME			
II.	OTHER ACTIVITY INCOME TO BE TRANSFERRED TO THE BUDGET			
III.	OTHER ACTIVITY EXPENSES			
E.	OUTCOME OF FINANCIAL AND INVESTMENT ACTIVITIES	11	(13 729)	63 166
F.	IMPACT OF CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF SIGNIFICANT ACCOUNTING ERRORS			
G.	NET SURPLUS OR DEFICIT BEFORE THE EFFECT OF THE EQUITY METHOD			
H.	EFFECT OF THE EQUITY METHOD			
I.	NET SURPLUS OR DEFICIT		1 694 563	1 086 945

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

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Administrator - State Enterprise "Indėlių ir investicijų draudimas", company code 110069451
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31 DECEMBER 2021 STATEMENT ON CHANGES IN NET ASSETS

14 March 2022

2021

Currency and accuracy: euros

Row No.	Items	Comment No.	Referred to the controlling undertaking					Total	Minority share
			Stockholder capital	Fair value reserve	Other reserves	Effect of the equity method	Accrued surplus or deficit before the effect of the equity method		
1	2	3	4	5	6	7	8	9	10
1.	Balance by 31 December 2019						203 786 424	203 786 424	
2.	Effect of fixed assets accepted from another public sector undertaking								
3.	Effect of transferred or sold fixed assets to another undertaking								
4.	Other amounts of increase (decrease) in reserves								
5.	Other reserves formed								
6.	Other reserves used								
7.	Amounts of increase (decrease) in equity of stockholders								
8.	Net surplus or deficit of the reporting period						1 086 945	1 086 945	
9.	Balance by 31 December 2020						204 873 369	204 873 369	
10.	Effect of fixed assets accepted from another public sector undertaking								
11.	Effect of transferred or sold fixed assets to another undertaking								
12.	Other amounts of increase (decrease) in reserves								
13.	Other reserves formed								
14.	Other reserves used								
15.	Amounts of increase (decrease) in equity of stockholders								
16.	Net surplus or deficit of the reporting period	7					1 694 563	1 694 563	
17.	Balance by 31 December 2021						206 567 932	206 567 932	

Director

Aurelija Mažintienė

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	Comment No.	31/12/2021	31/12/2020
1	2	3	4	5
A.	CASH FLOWS FROM OPERATING ACTIVITIES		20 123 712	24 504 200
I.	Receipts	12	21 006 099	25 895 496
I.1.	Financing amounts:			
I.1.1	From the state budget			
I.1.2	From the municipal budget			
I.1.3	From the funds of the EU, foreign countries and international organisations			
I.1.4	From other sources			
I.2	From taxes			
I.3	From social contributions			
I.4	For the provided services			
I.5	Interest received			
I.6	Other receipts		21 006 099	25 895 496
II.	Transferred funds			
II.1	To the state budget			
II.2	To the municipal budget			
II.3	To the EU, foreign countries and international organisations			
II.4	To other resource funds			
II.5	To public sector undertakings			
II.6	To other undertakings			
III.	Benefits		(882 387)	(1 391 296)
III.1	Social benefits			
III.2	From acquisition of other services		(815 342)	(765 637)
III.3	Interest paid			
III.4	Other benefits:		(67 045)	(625 659)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		(17 719 259)	(46 651 699)
I.	Acquisition of fixed assets (except for financial) and biological assets			
II.	Disposal of fixed assets (except for financial) and biological assets			
III.	Acquisition of non-current financial assets		(23 945 458)	(46 931 811)
IV.	Disposal on non-current financial assets		5 999 847	
V.	Increase (decrease) of time deposits			
VI.	Dividends received			
VII.	Other cash flows from investing activities		226 352	280 112
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
I.	Revenue from loans received			
II.	Repayment of received loans			
III.	Other cash flows from financing activities			
D.	FOREIGN EXCHANGE RATE CHANGE INFLUENCE ON CASH AND CASH EQUIVALENT BALANCES			
	Increase (decrease) of cash and cash equivalents		2 404 453	(22 147 499)
	Cash and cash equivalents at the beginning of the reporting period	5	35 835 484	57 982 983
	Cash and cash equivalents at the end of the reporting period	5	38 239 937	35 835 484

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

DEPOSIT INSURANCE FUND

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31 DECEMBER 2021

EXPLANATORY NOTE

1. General Part

The State Enterprise "Indėlių ir investicijų draudimas" (hereinafter referred to as the Company) administers the Deposit Insurance Fund (hereinafter referred to as the Fund) in accordance with the Law on Insurance of Deposits and Liabilities to Investors of the Republic of Lithuania (hereinafter referred to as the Law).

The Fund is not a legal entity, the Company, being a state enterprise founded in accordance with the procedure established by legal acts on state assets, administers the Fund, acts on its behalf, keeps its accounting and prepares sets of financial statements. The institution exercising the rights and obligations of the Company Owner is the Ministry of Finance of the Republic of Lithuania.

Fund shall mean a fund containing the assets accumulated for paying insurance compensations under the Law.

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

- banks established in the Republic of Lithuania, including branches of these banks, established in the Republic of Lithuania and other Member States;
- Branches of banks of third countries established in the Republic of Lithuania when the Council of the insurance undertaking establishes that the protection of deposits held in the branch is not equivalent to the protection of deposits established in this Law. - The Council of the insurance undertaking, assessing the equivalence of the protection of deposits held in a branch of a third country bank established in the Republic of Lithuania, shall at least verify whether the depositors of the branch are guaranteed the same amount of deposit insurance and deposit insurance object as provided by the Law;
- Credit unions established in the Republic of Lithuania and the Central Credit Union.

Funds of the Fund shall be comprised of:

- Regular (*ex ante*) contributions to deposit insurance, including payment obligations of the participants of deposit insurance system to the Deposit Insurance Fund, and special (*ex post*) contributions to deposit insurance;
- Funds and (or) assets received from an insolvent participant of the deposit insurance system during bankruptcy proceedings in accordance with the procedures laid down in laws;
- Funds received after recovering the funds used for financing the resolution tools for actors in the financial sector (hereinafter referred to as "the resolution") under Law on Financial Sustainability of the Republic of Lithuania;
- Income from investment of funds of the Deposit Insurance Fund;
- Loans received by the Deposit Insurance Fund for the fulfilment of liabilities;
- Funds received for repayment to deposit insurance systems of other Member States by repaying the loan granted by the Deposit Insurance Fund, including interest and penalties;
- Other type of funds.

The funds of the Deposit Insurance Fund shall be used for: (paragraph 4 of Article 16 of the Law):

- Insurance compensations for deposits, including interest and penalties, payable under judgements;
- Financing the resolution tools, as provided for in Article 46 of the Law;

- Funds of the Deposit Insurance Fund to cover investment costs;
- Covering the costs of administration of the Deposit Insurance Fund;
- Repayments of loans received to fulfil the liabilities of the Deposit Insurance Fund, including interest and penalties;

When administering the Fund, the Company fulfils the following key functions:

- Collects and accumulates deposit insurance contributions;
- Calculates and pays out insurance compensation for deposits;
- Invests the funds of the Deposit Insurance Fund;
- Manages the accounting of the Fund, prepares sets of financial statements, income and cost estimates, and provides them for approval to the institution exercising the rights and obligations of the Owner of the Deposit Insurance Fund;
- Supervise the adherence to Law and the requirements of its implementing legislation by the participants of the deposit insurance system;
- Assess the terms and conditions of insurance (compensation) of deposits 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;
- Evaluates the risks of the Deposit Insurance Fund;
- Cooperates and exchanges 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;
- Carries out other designated functions.

2. Summary of important accounting principles

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

2.1 Form of Financial Statements

Financial statements of the Fund for the year 2021 are prepared in accordance with Public Sector Accounting and Financial Reporting Standards (hereinafter referred to as VSAFAS), which cover the standards and clarifications, approved by the Minister of Finance of the Republic of Lithuania by 31 December 2021.

Financial year of the Fund coincides with a calendar year.

2.2 Compliance of financial statements with standards

Financial statements of the Fund for the year 2021 are prepared separately in accordance with VSAFAS, as provided for in paragraph 2 of Article 45 of the Law.

2.3 Currency of Financial Statements

The accounting is kept and all amounts in the financial statements are provided in euros.

2.4 Financial Assets

Following VSAFAS 17 “Financial assets and financial liabilities”, during the initial recognition the financial assets are evaluated and accounted at acquisition cost. Financial assets are recognized when the public sector undertaking obtains or acquires the right to receive cash or another financial asset.

The assets of the Fund are invested in accordance with the Law, Articles of Association of the Company, the investment rules of the Fund approved by the Council and other related legal acts. Funds are invested in deposits in banks and government securities (hereinafter referred to as VVP) in accordance with the criteria of security, liquidity and profitability.

Investments with fixed or determinable payments that the Fund has the positive intent and ability to hold to maturity are classified as held-to-maturity. Investments in VVP are treated as held-to-maturity securities.

Held-to-maturity investments are classified as non-current financial assets unless their maturity is more than 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 are accounted at acquisition cost, which is equal to the fair value of the fee paid, but without including transaction costs.

Expenses related to VVP acquisition are recognized as financial and investment expenses in the Activity Outcome Report.

The difference between the acquisition value and the nominal value of VVP - discount or premium - is amortized over the period from acquisition to redemption and the acquisition value of VVP is increased (decreased) by the amount of amortized discount (premium). Coupons are recognized as income on an accrual basis and included in interest income and the value of VVP. The portion of amortization for the period is recognized in interest income on financial and investing activities in the Activity Outcome Report.

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

2.5. Amounts receivable

Following VSAFAS 17 “Financial assets and financial liabilities”, amounts receivable are initially recognized at acquisition cost. Financial assets are recognized when the public sector undertaking obtains or acquires the right to receive cash or another financial asset. “Provisions, contingent liabilities, contingent assets and contingencies” are contingent assets of the public sector undertaking that may arise from past events and which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the public sector undertaking. Contingent assets shall not be accounted for by a public sector undertaking until it is clear that it will provide an economic benefit to the public sector undertaking.

2.6 Cash and cash equivalents

Following VSAFAS 17 “Financial assets and financial liabilities”, cash and cash equivalents comprise cash at the bank account of the Fund. Funds of the Fund are stored at a separate bank account. In the Cash Flow Statement, cash and cash equivalents comprise cash at a bank account, and other short-term highly liquid investments.

2.7 Debt liabilities

Following BAS 17 “Financial assets and financial liabilities”, debts are recognized at acquisition value. Debts are classified as non-current if the financing agreement entered into before the date of

approval of the financial statements proves that the liability was long-term in nature on the Balance Sheet date.

2.8 Recognition of income and costs of the Fund

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

Following VSAFAS 10 "Other income", income of the Fund 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.

Income of the Fund is grouped into other operating income and into financial and investment income. The insurance contributions of the participants of the Fund are included in other operating income.

Following VSAFAS 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.

The amount of costs is usually estimated by the amount of funds paid or payable, including value added tax. Expenses of the Fund are included in other operating expenses for operating activities. Expenses of the Fund include: insurance benefits, administrative expenses, financial and investment expenses, etc.

The estimate of the Fund's income and expenses is approved by the institution implementing the rights and obligations of the Owner of the Company - the Ministry of Finance of the Republic of Lithuania. The Council of the Company approves the Fund's administration cost estimate.

2.9 Foreign currency

Requirements for accounting of transactions in foreign currency are defined in VSAFAS 21 "Transactions in foreign currency". During the initial recognition, transactions in foreign currency are registered on the account according to the official currency exchange rate valid on the date of transaction.

2.10 Period close accounting

Once all transactions for the financial year have been registered, all income and expense accounts are closed. The balances of the last day of the financial year in all income and expense accounts are moved to the "Accrued surplus or deficit" account on the last day of the financial year. Surplus or deficit of the current year - the surplus or deficit earned by the Fund during the current year. At the beginning of the financial year, the surplus or deficit of the previous year is recognized as the accumulated surplus or deficit of the previous year.

2.11 Use of estimates in preparing financial statements

Following VSAFAS 18 "Provisions, Contingent Liabilities, Contingent Assets and Subsequent Events", and reviewing the financial statements for certain assumptions and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of uncertainties if the circumstances in which the estimates were made change or additional information or other events occur. The effect of changes in such estimates will be recognized in the financial statements when disclosed in the Explanatory Note.

3. Comments to the Explanatory Note

Comment 1. Non-current financial assets (a part of the creditor's claim receivable after one year and within one year)

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

1. Bankruptcy of BAB "Bankas SNORAS". The insured event was published on 24 November 2011. 1.19 billion euros were paid to the depositors of BAB "Bankas SNORAS". By 31 December 2021 the Company managed to recover LTL 847.97 million euros from the bankruptcy proceedings.

2. Bankruptcy of BAB "Ūkio bankas". The insured event was published on 18 February 2013. The Company participated in financing of disposal of assets, rights, transactions and liabilities of AB "Ūkio bankas" to AB "Šiaulių bankas" - 269.25 million euros were used for this purpose. By 2021 m to 31 December the Company managed to recover 53.96 million euros from the bankruptcy proceedings;

3. Bankruptcy of the National Credit Union. The insured event was published on 24 January 2013. The amount of insurance benefits reached 34.84 million euros. By 2021 m to 31 December the Company managed to recover 19.61 million euros from the bankruptcy proceedings;

4. Bankruptcy of Credit Union "Švyturio taupomoji kasa". The insured event was published on 24 January 2013. Benefits to the depositors reached 5.04 million euros. By 2021 m to 31 December the Company managed to recover 3.30 million euros from the bankruptcy proceedings;

5. Bankruptcy of Credit Union "Laikinosios sostinės kreditas". The insured event was published on 9 May 2013. Benefits to the depositors reached 6.66 million euros. By 2021 m to 31 December the Company has already managed to recover 2.20 million euros from the bankruptcy proceedings;

6. Bankruptcy of Credit Union "Vilniaus taupomoji kasa". The insured event was published on 17 January 2014. The amount of insurance benefits reached 64.08 million euros. By 2021 m to 31 December the Company has already managed to recover 42.98 million euros from the bankruptcy proceedings;

7. Bankruptcy of Credit Union "Naftininkų investicijos". The insured event was published on 30 April 2014. The amount of insurance benefits reached 3.43 million euros. By 31 December 2021 the Company managed to recover 1.63 million euros from the bankrupt.

8. Bankruptcy of Credit Union "Amber". The insured event was published on 20 September 2016. The amount of insurance benefits reached 19.97 million euros. By 31 December 2021 the Company has already managed to recover 15.20 million euros from the bankrupt.

9. Bankruptcy of Credit Union "Žemaitijos išdas". The insured event was published on 7 March 2017. The amount of insurance benefits reached 1.64 million euros. By 31 December 2021 the Company managed to recover 1.03 million euros from the bankrupt.

10. Bankruptcy of Credit Union "Pajūrio". The insured event was published on 17 March 2017. The amount of insurance benefits reached 2.15 million euros. By 31 December 2021 the Company managed to recover 1.03 million euros from the bankrupt.

11. Bankruptcy of Credit Union "Baltija". The insured event was published on 25 September 2017. The amount of insurance benefits reached 11.53 million euros. By 31 December 2021 the Company managed to recover 5.06 million euros from the bankrupt.

12. Bankruptcy of Credit Union "Namu". The insured events was published on 25 September 2017. The amount of insurance benefits reached 1.38 million euros. By 31 December 2021 the Company managed to recover 0.73 million euros from the bankrupt.

13. Bankruptcy of Credit Union "Vilniaus kreditas". The insured events was published on 10 November 2017. The amount of insurance benefits reached 20.36 million euros. By 31 December 2021 the Company managed to recover 13.90 million euros from the bankrupt.

14. Bankruptcy of Credit Union "Centro taupomoji kasa". The insured event was published on 16 January 2018. The amount of insurance benefits reached 10.56 million euros. By 31 December 2021 the Company managed to recover 8.57 million euros from the bankrupt.

15. Bankruptcy of Credit Union "Taupkasė". The insured event was published on 13 February 2018. The amount of insurance benefits reached 18.68 million euros. By 31 December 2021 the Company managed to recover 18.68 million euros, i.e. the creditor's claims of the 2nd row was covered by 100 per cent.

3.	Total	96 624 092	23 945 458		-	164 630		(6 393 160)		114 341 020
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Non-current financial assets of the Fund include long-term receivables from bankrupt credit institutions in the amount of EUR 50 536 000 (*see Table 1, column 3*) and long-term investments in VVP in the amount of EUR 106 334 600 (*see Table 2*).

Comment 3. Advance payments

Insurance benefit funds intended for depositors of bankrupt credit institutions were transferred to banks - insurance benefits to payment agents (hereinafter referred to as DIMA), but not yet withdrawn by depositors and kept in their accounts until the end of payment agreements. The amount of outstanding insurance benefits at the end of the period amounted to EUR 528 639. (*see Table 3*).

Table 3. Information on funds paid to depositors but not withdrawn by them, stored on DIMA accounts

Row No.	Item name	31/12/2021	31/12/2020
1	2	3	4
1.	Prepayments		
1.6.	Other prepayments	528 639	837 480
1.6.1.	Advance for insurance benefits to BKU "Amber" depositors	0	120 285
1.6.2.	Advance for insurance benefits to BKU "Žemaitijos" depositors	1 682	3 489
1.6.3.	Advance for insurance benefits to BKU "Pajūrio" depositors	17 776	21 814
1.6.4.	Advance for insurance benefits to BKU "Namų" depositors	13 275	14 760
1.6.5.	Advance for insurance benefits to BKU "Baltija" depositors	35 570	47 486
1.6.6.	Advance for insurance benefits to BKU "Vilniaus kreditas" depositors	184 227	284 984
1.6.7.	Advance for insurance benefits to BKU "Centro taupomoji kasa" depositors	250 861	276 557
1.6.8.	Advance for insurance benefits to BKU "Taupkasės" depositors	25 248	68 105
1.7.	Deferred expenses for the transfers of non-public sector undertakings		
2.	Impairment of prepayments		
3.	Balance value of prepayments (1-2)	528 639	837 480

Comment 4. Amounts receivable within one year

Amounts receivable within one year are detailed Table 4. They consist of: the part of the creditor's claim of EUR 5 200 000 receivable per year (*see Comment 1, Table 1*), other amounts of EUR 1.721 and interests EUR 220, received under judgements.

Table 4. Information about the amounts receivable within one year

Row No.	Item name	31/12/2021	31/12/2020
1	2	3	4
1.	Acquisition cost of the amounts receivable within one year,	5 201 941	23 137 175
1.1.	Financing amounts receivable		
1.2.	Taxes and social contributions receivable		
1.3.	Amounts receivable for use of assets, sold goods, assets, services		
1.4.	Amounts receivable for confiscated assets, fines and other		
1.5.	Accrued amounts receivable	5 200 000	23 135 234
1.5.1.	From the budget		
1.5.2.	Other:	5 200 000	23 135 234
1.5.2.1	Creditor's claim received	5 200 000	23 135 234
1.6.	Other amounts receivable:	1 941	1941

1.6.1.	Awarded insurance benefits	1 721	1721
1.6.2.	Interest from the awarded insurance benefits	220	220
2.	Impairment of the amounts receivable within one year at the		
3.	Balance value of the amounts receivable within one year (1-2)	5 201 941	23 137 175

Comment 5. Cash and Cash Equivalents

Assets of the Fund are kept in separate deposit accounts of the Bank of Lithuania and other banks. Balance of cash of the Fund by 31 December 2021 on the bank accounts was 38 239 973 euros (Table 5).

Table 5. Information on balance of cash and cash equivalents

Row No.	Item name	31/12/2021	31/12/2020
1	2	3	4
1.	Cash from the state budget		
2.	Cash from the municipal budget		
3.	Other cash and cash equivalents	38 239 937	35 835 484
3.1.	Cash on bank accounts	38 239 937	35 835 484
3.2.	Deposits with a maturity of three months or less		
3.3.	Other cash equivalents		
4.	Total cash and cash equivalents	38 239 937	35 835 484
5.	Including resource funds	38 239 937	35 835 484

Comment 6. Current liabilities

Current liabilities of the Fund at the end of the reporting period reached 2 279 605 euros (Table 6), including:

- Accrued amounts receivable - 2 278 835 euros - consisting of:

- The accumulated insurance benefits payable not withdrawn by depositors and held in commercial bank (DIMA) accounts amounted to 528 639 euros;
- Accrued insurance benefits for outstanding shares and bonds of BAB Snoras - 1 541 092 euros;
- Accrued provisions for legal proceedings: 157 769 euros;
- The amount payable to Luminor bank, the securities storage fee is 8 230 euros;
- Amounts payable to the banks, cash balance fee - 16 347 euros;
- Amount payable to the administering undertaking (Company) - 26 758 euros.

- **Other current liabilities - 770 euros - consisting of:**

Prepayments - 770 euros, prepayments of insurance contributions of credit institutions (credit unions, banks)

Table 6. Information about current amounts payable

Row No.	Item name	31/12/2021	31/12/2020
1	2	3	4
1.	Subsidies, donations and financing amounts payable		
2.	Liabilities related to employment relations		
3.	Amounts payable to suppliers		
4.	Accumulated amounts payable	2 278 835	2 718 593
4.1.	Accumulated financing expenses		
4.2.	Accumulated leave expenses		
4.3.	Other accumulated expenses*	528 639	837 480
4.4.	Other the accumulated amounts payable	1 750 196	1 881 113
5.	Other current liabilities	770	56 609
5.1.	Operating taxes payable		

5.2.	Received advance payments	770	56 609
5.3.	Other payable amounts		
6.	Balance value of some current amounts payable (1+2+3+4+5)	2 279 605	2 775 202

*Detail information is provided in Table 7.

Table 7 provides information on insurance benefits paid out, withdrawn and not withdrawn from the Fund and their dynamics. Balance of insurance benefits paid but not withdrawn by depositors in credit institutions by the end of 2021 amounted to 528 639 euros.

Table 7. Paid insurance benefits in credit institutions under payment service agreements

Row No.	Credit institution	Balance by 31/12/2020	Not withdrawn insurance benefits returned to the Fund	Paid (withdrawn) insurance benefits	Balance by 31/12/2021
1	2	3	4	5	6
1.	BKU "Amber"	120 285	119 966	319	0
2.	BKU "Namų"	14 760		1 485	13 275
3.	BKU "Žemaitijos izdas"	3 489	-	1 807	1 682
4.	BKU "Baltija"	47 486	-	11 916	35 570
5.	BKU "Pajūrio"	21 814	-	4 038	17 776
6.	BKU "Vilniaus kreditas"	284 984	-	100 757	184 227
7.	BKU "Centro taupomoji kasa"	276 557	-	25 696	250 861
8.	BKU "Taupkasė"	68 105	-	42 857	25 248
	Total:	837 480	119 966	188 875	528 639

Comment 7. Accumulated surplus or deficit

The "Accumulated surplus or deficit" amounting to 206 567 932 euros is obtained by adding the amount of the "Surplus or deficit of the current year" of 1 694 563 euros with the accumulated surplus of the "Surplus or deficit of the previous year" of 204 873 369 euros.

The balances of the last day of the financial year in all income and expense accounts are moved to the "Current year surplus or deficit" account on the last day of the financial year. The amount of the "Surplus or deficit for the current year" of 1 694 563 euros is calculated by deducting from the total amount of operating income of 15 311 169 euros (see Comment 8) the operating expenses (EUR 13 602 877) (see Comment 9) and adding financial and investment income (EUR 13 729) (see Comment 11).

Comment 8. Other operating income

Deposits by 31 December 2021 insurance contributions were paid by 11 banks and 62 credit unions. During 2021, the amount of insurance contributions accrued to the participants of the deposit insurance system amounted to 15.31 million euros (see Table 8).

From 2021 July 1 the legal regulation of (*ex ante*) calculation of insurance contributions has changed.

When calculating *ex ante* insurance contributions for half I of 2021, one followed the Order No. 1-K 141 of the Minister of Finance of the Republic of Lithuania of 19 May 2000 "On Determining the Annual Amount of Periodic (*ex ante*) Deposit Insurance Contributions", which established the amount of annual (*ex ante*) deposit insurance contributions to be paid to the Deposit Insurance Fund by all participants in the Deposit Insurance System for the period from 1 July 2020 until 30 June 2021 amounted to 13.32 million euros.

When calculating ex ante insurance contributions for half II of 2021, one followed the Order No. 1K-226 of the Minister of Finance of the Republic of Lithuania of 29 June 2021 “On determination of the annual rate of insurance contributions for periodic (*ex ante*) deposits”, which established that the annual rate of periodic (*ex ante*) deposit insurance contributions payable to the Deposit Insurance Fund by all participants in the Deposit Insurance System for the period from 1 July 2021 until 30 June 2022 is 0.1 per cent of the sum of the deposits of all participants in the Deposit Insurance System. According to the contribution rate established by the order of the Minister of Finance of the Republic of Lithuania, the Company calculates *ex ante* insurance contributions payable by credit institutions on a quarterly basis.

Table 8. Operating income

Row No.	Item name	31/12/2021	31/12/2020
1	2	3	4
1.	Calculated operating income		
2.	Other operating income to be transferred to the budget		
3.	Other operating income:	15 311 169	12 646 622
3.1.	<i>Insurance contributions calculated by the banks</i>	<i>14 425 505</i>	<i>11 918 086</i>
3.2.	<i>Insurance contributions calculated by the credit unions</i>	<i>885 664</i>	<i>728 536</i>

Comment 9. Operating expenses

The amount of operating expenses was (-) 13 602 877 euros. Detail information on the expenses is provided in Table 9.

Table 9. Operating expenses

Row No.	Item name	31/12/2021	31/12/2020
1	2	3	4
1.	Impairment and writ-off amounts		
2.	Social benefits		
3.	Financing		
4.	Other	(13 602 877)	(11 622 843)
4.1	Creditor’s claim (received and accrued amounts)	(12 999 700)	(8 518 982)
4.1.1	<i>Difference of recalculated credit claim</i>	<i>(12 999 700)</i>	<i>(8 518 982)</i>
4.2	Accrued insurance benefits	14 308	(1 827 276)
4.2.1	<i>Insurance benefits to BAB “Bankas SNORAS” depositors</i>	<i>0</i>	<i>(68 062)</i>
4.2.2	<i>Insurance benefits to the depositors of the bankrupt credit unions</i>	<i>0</i>	<i>(6 229)</i>
4.2.3	<i>Provision for non-withdrawn insurance benefits (shares and bonds of BAB “Bankas SNORAS” that have not entered into force)</i>	<i>0</i>	<i>(1 566 923)</i>
4.2.4	<i>Provision according to court orders</i>	<i>0</i>	<i>(186 062)</i>
4.2.5	<i>Returned insurance benefits to BAB “Bankas SNORAS” depositors</i>	<i>14 308</i>	<i>0</i>
4.3.	Insurance benefits recovered after 5 years (BKU “Amber”)	119 966	0
4.4.	Procedural interest of BAB SNORAS	(10 298)	(539 606)
4.4.1	<i>Procedural interest paid</i>	<i>(12 919)</i>	<i>(539 606)</i>
4.4.2	<i>Procedural interest recovered</i>	<i>2 621</i>	<i>0</i>
4.5	Fee for Fund administration	(727 153)	(736 979)
	TOTAL	(13 602 877)	(11 622 843)

Comment 10. Operating surplus or deficit

Operating surplus, i.e. 1 708 292 euros, calculated from the Operating income of 15 311 169 euros, deducting the Operating expenses of (13 602 877) euros (see Comment 9).

Comment 11. Outcome of financial and investment activities

In 2021 income from financial and investment activities was 417 640 euros, i.e. VVP coupons of securities (bonds) accrued - 417 640 euros. The expenses of financial and investment activities amounted to 431 369 euros: the securities storage fee was 31,146 euros, the amortization of securities was 253 010 euros and the cash balance fee was 147 213 euros (see Table 10 for details).

Table 10. Income-expenses of financial and investment activities

Row No.	Item name	31/12/2021	31/12/2020
1	2	3	4
1.	Income from financial and investment activities	417 640	310 066
1.1.	Profit from currency rate change		
1.2.	Income from fines and penalties	0	11
1.3.	Income from interest:	417 640	310 055
1.3.1	<i>Securities interest (VVP coupons)</i>	<i>417 640</i>	<i>310 055</i>
1.4.	Dividends		
1.5.	Other income from financial and investment activities		
1.6.	Income from financial and investment activities to be transferred		
2.	Expenses from financial and investment activities	(431 369)	(246 900)
2.1.	Loss from currency rate change		
2.2.	Expenses from fines and penalties		
2.3.	Interest expenses (VVP amortization)	(253 010)	(183 707)
2.4.	Other expense from financial and investment activities	(178 359)	(63 193)
2.4.1.	<i>Investing expenses (VVP storage fee)</i>	<i>(31 146)</i>	<i>(20 577)</i>
2.4.2.	<i>Fee for cash balance in banks</i>	<i>(147 213)</i>	<i>(42 616)</i>
3.	Outcome of financial and investment activities (1- 2)	(13 729)	63 166

Comment 12. Receipts

Receipts amounted to 20 986 520 euros, including: 5 613 874 euros received from the bankrupt proceedings (see Table 11), 15 372 646 euros - actually paid amount of insurance contributions.

Table 11. Funds received from the administered bankrupt proceedings during 2021.

Row No.	Name	31/12/2021	31/12/2020
1	2	3	4
1.	BAB "SNORAS"	0	7 000 000
2.	BAB "Ūkio bankas"	1 000 000	0
3.	BKU "Nacionalinė"	0	0
4.	BKU "Švyturio taupomoji kasa"	0	0
5.	BKU "Laikinosios sostinės kreditas"	0	0
6.	BKU "Vilnius taupomoji kasa"	0	50 000
7.	BKU "Amber"	100 000	0
8.	BKU "Žemaitijos išdas"	0	0
9.	BKU "Namų"	0	0
10.	BKU "Pajūrio"	0	0
11.	BKU "Baltija"	400 000	710 184
12.	BKU "Vilniaus kreditas"	400 000	700 000
13.	BKU "Centro taupomoji kasa"	500 000	1 570 000
14.	BKU "Naftininkų investicijos"	0	0
15.	BKU "Taupkasė"	3 213 874	3 190 000

In total:	5 613 874	13 220 184
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Comment 13. Rights and obligations not reflected in the Financial Situation Report

The Company has identified the Fund's contingent assets in accordance with VSAFAS 18, which are understood that the assets may arise from past events and which existence will be confirmed only in the event of the occurrence or non-occurrence of contingencies that are not fully controlled by the Fund. These contingent assets are not recognized in the Financial Situation Report.

Table 12 shows claims of creditors of the Fund for bankruptcy of credit institutions according to actual data by 31 December 2021.

Table 12. Rights and obligations not reflected in the Financial Situation Report

Row No.	Creditor's claim receivable from credit institutions	31/12/2021		31/12/2020	
		Row 2	Row 4	Row 2	Row 4
1	2	3	4	5	6
1.	BAB "Bankas SNORAS"	294 038 040	1 445 887	277 711 169	1 445 887
2.	BAB "Ūkio bankas"	213 294 768	587 807	215 294 768	587 807
3.	BKU "Naftininkų investicijos"	1 799 652	569	1 799 652	569
4.	BKU "Švyturio taupomoji kasa"	1 745 460	677	1745460	677
5.	BKU "Laikinosios sostinės kreditas"	4 459 743	-	4459743	-
6.	BKU "Nacionalinė kredito unija"	15 227 256	-	15 227 256	-
7.	BKU "Vilnius taupomoji kasa"	20 813 019	-	20 843 019	-
8.	BKU "Amber"	3 846 712	50 453	4 766 678	50 453
9.	BKU "Žemaitijos išdas"	609 620	1 414	609 620	1 414
10.	BKU "Pajūrio"	1 113 620	2 725	1113620	2 725
11.	BKU "Namų"	651 273	702	651273	702
12.	BKU "Baltija"	4 871 739	8 717	4871739	8 717
13.	BKU "Vilniaus kreditas"	5 122 947	18 817	5 358 947	18 817
14.	BKU "Centro taupomoji kasa"	1 285 006	8 888	1 519 306	8 888
15.	BKU "Taupkasė"	-	5 827	-	5 827
	Total:	568 878 855	2 132 483	555 972 250	2 132 483
	The claim secured by the financial security agreement	-	-	-	-

Comment 14. Contingent liabilities

In the performance of its functions, the Company participates in legal disputes related to the claims against the Deposit Insurance Fund for the payment of insurance benefits. There are also claims regarding the award of compensatory interest and the renewal of the term set by the Law for receiving insurance benefits. According to the data available by 31 December 2021, the Company, as a defendant or a third party, participated in 7 pending litigation, the amount of which amounted to 6.98 million euros, 3 of these cases with claims amounting to 6.82 million euros is expected to be settled in favour of the Deposit Insurance Fund, 4 cases with claims amounting to 0.16 million euros - to form a provision.

Beside everything mentioned above, no other events have occurred before the date of preparation of these financial statements that would affect the annual financial statements or should be disclosed in the annual financial statements by 31 December 2021.

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė