

STATE ENTERPRISE “INDĒLIŅU IR INVESTICIJŪ DRAUDIMAS”

RESOLUTION FUND

SET OF ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR 2021

TABLES OF CONTENT

Information on the administering undertaking (Company) 3

Financial Situation Report of the Resolution Fund 4

Activity Report of the Resolution Fund 6

Statement of Changes in Net Assets of the Resolution Fund 7

Cash Flow Statement of the Resolution Fund 8

Explanatory Note 9

KEY INFORMATION ABOUT THE COMPANY ADMINISTERING THE RESOLUTION FUND

Name of the Company:	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 board 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 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 Company 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:	AB Swedbank:

RESOLUTION 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			
I.	Intangible assets			
II.	Fixed tangible assets			
III.	Non-current financial assets			
IV.	Other fixed assets			
B.	BIOLOGICAL ASSETS			
C.	CURRENT ASSETS		7 000	6 000
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			
III.	Amounts receivable within one year			
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			
IV.	Short-term investments			
V.	Cash and cash equivalents	1.	7 000	6 000
	TOTAL ASSETS:		7 000	6 000
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			
I.	Non-current liabilities			
I.1	Non-current financial Liabilities			
I.2	Non-current deferrals			
I.3	Other non-current liabilities			

II.	Current liabilities			
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			
II.11	Other current liabilities			
F.	NET ASSETS		7 000	6 000
I.	RESERVES			
II.	Effect of the equity method			
III.	Accumulated surplus or deficit	2	7,000	6,000
III.1	Surplus or deficit for the current year		1 000	1 000
III.2	Surplus or deficit for the previous year		6 000	5 000
	TOTAL FINANCING AMOUNTS, LIABILITIES AND NET ASSETS		7 000	6 000

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė

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31 DECEMBER 2021 ACTIVITY OUTCOME REPORT

14 March 2022

2021

Currency and accuracy: euros

Row No.	Items	Comment No.	31/12/2021	31/12/2020
A.	OPERATING INCOME		1 000	1 000
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	3	1 000	1 000
III.1.	Other operating income		1 000	1 000
III.2.	Amount of other operating income to be transferred			
B.	OPERATING EXPENSES			
I.	DEPRECIATION AND WRITE-OFF AMOUNTS			
II.	SOCIAL BENEFITS			
III.	FINANCING			
IV.	OTHER			
C.	OPERATING SURPLUS OR DEFICIT		1 000	1 000
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			
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		1 000	1 000
H.	EFFECT OF THE EQUITY METHOD			
I.	NET SURPLUS OR DEFICIT		1 000	1 000

Director

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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						5 000	5 000	
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						1 000	1 000	
9.	Balance by 31 December 2020						6 000	6 000	
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						1 000	1 000	
17.	Balance by 31 December 2021						7 000	7 000	

Director

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Chief Accountant

Laima Tankevičiūtė

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31 DECEMBER 2021 CASH FLOW STATEMENT

14/03/2022

2021

Currency and accuracy: euros

Row No.	Items	Comment No.	31/12/2021	31/12/2020
A.	CASH FLOWS FROM OPERATING ACTIVITIES		1 000	1 000
I.	Receipts		1 000	1 000
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		1 000	1 000
II.	Transferred funds			
II.1	To the state budget			
II.2	To the municipal budgets			
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			
III.1	Social benefits			
III.2	From acquisition of other services			
III.3	Interest paid			
III.4	Other payments			
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
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			
IV.	Disposal on non-current financial assets			
V.	Increase (decrease) of time deposits			
VI.	Dividends received			
VII.	Other cash flows from investing activities			
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			
I.	Increase (decrease) of cash and cash equivalents		1 000	1 000
II.	Cash and cash equivalents at the beginning of the reporting period		6 000	5 000
III.	Cash and cash equivalents at the end of the reporting period		7 000	6 000

Director

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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 Resolution 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.

Resolution Fund is a Fund that accumulates funds to finance the resolution actions of a financial sector undertaking, which are provided for in Article 103 of the Law on Financial Sustainability of the Republic of Lithuania of 22 July 2009.

Participants of the Resolution Fund shall mean the undertakings not included in the scope defined in Article 2 of the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OL 2014 L 225, p. 1). Other undertakings referred to in paragraph 2 of Article 1 of the Law on Financial Sustainability of the Republic of Lithuania shall pay contributions to the General Resolution Fund in accordance with Regulation (EU) No. 806/2014 and its implementing legislation.

Funds of the Fund shall be comprised of (paragraph 2 of Article 32):

- Regular (*ex ante*) contributions, including payment obligations to the Resolution Fund;
- Special (*ex post*) contributions;
- Loans received from the financial institutions and other third parties, including the financing structures of the other Member States;
- Income from investment of funds of the Resolution Fund;
- Share of costs incurred for the purposes established in Article 103 of Law on Financial Sustainability of the Republic of Lithuania, which shall be recovered during resolution;
- Funds received from the financing structures of other Member States in repayment of a loan granted by the Resolution Fund, including interest and late payment interest;
- Late payment interest paid by the institutions paying contributions;
- Other type of funds established in legal acts.

Funds of the Fund shall be used for (paragraph 3 of Article 32):

- Costs incurred for the purposes established in Article 103 of Law on Financial Sustainability of the Republic of Lithuania;
- Costs of investment of funds of the Resolution Fund;
- Repayments of loans received from the financing structures, bodies or other third parties of other Member States, including interest and late payment interest.

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.

2.2 Compliance of financial statements with standards

The financial statements of the Fund for the year 2021 have been prepared in accordance with the Public Sector Accounting and Financial Reporting Standards in force in 2021 (hereinafter referred to as VSAFAS) and as provided for in paragraph 2 of Article 45 of the Law.

2.3 Currency of Financial Statements

The Company keeps accounting of the Fund and provides all amounts in these financial statements in the currency of the Republic of Lithuania - euros.

2.4 Amounts receivable

Following VSAFAS 17 “Financial assets and financial liabilities”, amounts receivable are initially recognized at acquisition cost.

2.5 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.

In the Cash Flow Statement, cash and cash equivalents comprise cash at a bank account.

2.6 Debt liabilities

Following BAS 17 “Financial assets and financial liabilities”, debts are initially recognized at fair 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.

2.7 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 insured 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.

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.

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.

2.8 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.

2.9 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 accumulated 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.

3. Comments to the Explanatory Note

Comment 1. Cash and Cash Equivalents

Funds of the Fund are stored at a separate bank account. By 31 December 2021 the cash balance on the bank account of the Fund was 7 000 euros.

Table 1. 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	7 000	6 000
3.1.	Cash on bank accounts	7 000	6,000
3.2.	Cash on frozen accounts		
3.3.	Impairment of cash on frozen accounts		
3.4.	Deposits with a maturity of three months or less		
3.5.	Other cash equivalents		
4.	Total cash and cash equivalents	7 000	6 000
5.	Including resource funds	7 000	6 000

Comment 2. Accumulated surplus or deficit

“Accumulated surplus or deficit”, the amount of which is 7 000 euros, is the insurance premiums paid by one participant of the Resolution Fund for the years 2015-2021, which in accordance with the “Description of the Resolution Fund administration procedure”, approved by the Resolution No. 03-216 of the Council of the Bank of Lithuania of 13 April 2017, that does not fall within the scope of EU Regulation No. 804/2014, to the Resolution Fund administered by the Company.

Comment 3. Other operating income

In 2021, the amount of insurance contributions paid to the Fund amounted to 1 000 euros. Insurance contributions were paid to the Fund by one financial brokerage firm. Considering this fact, operating income of the Fund in 2021 was 1 000 euros.

Table 3. Other operating income

Row No.	Item name	31/12/2021	31/12/2020
1	2	3	4
1.	Calculated other operating income	1 000	1,000
1.1.	Income from duties		
1.2.	Income from administrative penalties		
1.3.	Income from contributions to funds payable under the Law on Insurance of Deposits and Liabilities to Investors of the Republic of Lithuania.		
1.4.	Income from sale of inventories		
1.5.	Profit from sale of fixed tangible, intangible and biological assets		
1.6.	Revenue from services rendered		
1.7.	Other	1 000	1 000
2.	Other operating income to be transferred to the budget		
3.	Other operating income	1 000	1 000

Comment 4. Post balance sheet events

Beside everything mentioned above, after the end of the financial year, before the approval of these financial statements, no other post-reporting events occurred that would affect the financial statements or should be disclosed in the financial statements by 31 December 2021.

Director

Aurelija Mažintienė

Chief Accountant

Laima Tankevičiūtė