**STATE COMPANY**

**„INDĖLIŲ IR INVESTIJŲ DRAUDIMAS”**

|  |
| --- |
| **DEPOSIT INSURANCE FUND** |
|  |
| **ANNUAL FINANCIAL STATEMENTS** |
| **2017** |

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**MAIN DETAILS OF THE COMPANY ADMINISTRATING THE DEPOSIT INSURANCE FUND**

|  |  |
| --- | --- |
| Company name: | SC „Indėlių ir investicijų draudimas” |
| Authorised capital: | EUR 8,995,358 |
| Registration date: | 16 December 1996 |
| Corporate code: | 110069451 |
| Institution implementing rights and obligations of the owner: | Ministry of Finance of the Republic of Lithuania |
| Registered office address: | Algirdo g. 31, LT-03219, Vilnius |
| Legal form: | State Company |
| Date of registration of existing Articles of Association: | 23 December 2014 |
| Phone: | (8-5) 213 56 57 |
| E-mail address: | [idf@idf.lt](mailto:idf@idf.lt) |
| Website: | [www.iidraudimas.lt](http://www.iidraudimas.lt) |
| Management bodies of the Company: | Council and Director of the Company. |

As of 31 December 2017, the Company’s Council consisted of 5 members:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Chair of the Council: | Sigitas Mitkus, Director of Financial Markets Policy Department of the Ministry of Finance; | | | |
| Deputy Chair of the Council: | Lina Frejutė, Deputy Head of Project Management Division of the Ministry of Finance; | | | |
| Members of the Council: | Audrutė Dziskienė, Senior Advisor of Financial Markets Policy Department of the Ministry of Finance; | | | |
|  | Renata Bagdonienė, Director of Financial Services and Markets Supervision Department of the Supervision Service of the Bank of Lithuania; | | | |
|  | Gediminas Šimkus, Director of Economics and Financial Stability Service of the Bank of Lithuania; | | | |
| Director of the Company:  Bank: | Aurelija Mažintienė.  AB Luminor bank | | | |
|  | |  | |
|  | | |  | | |

**DEPOSIT INSURANCE FUND**

Administrator – SC „Indėlių ir investicijų draudimas”, corporate code 110069451

Algirdo g. 31, LT-03219 Vilnius, data collected and stored in the Register of Legal Entities

**STATEMENT OF FINANCIAL POSITION**

**31 DECEMBER 2017**

29 January 2018

*2017 Presentation currency and accuracy: EUR*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Seq. No** | **Items** | | **Note No** | | **31 12 2017** | **31 12 2016** |
| **A.** | **FIXED ASSETS** |  |  | | **130,839,800** | **115,840,000** |
| I. | Intangible assets |  |  | |  |  |
| II. | Tangible fixed assets |  |  | |  |  |
| III. | Long-term financial assets |  |  | |  |  |
| IV. | Other fixed assets |  | 1 | | 130,839,800 | 115,840,000 |
| **B.** | **BIOLOGICAL ASSETS** |  |  | |  |  |
| **C.** | **CURRENT ASSETS** |  |  | | **105,849,089** | **147,872,134** |
| I. | Inventories | |  | | 0 | 0 |
| I.1 | Inventories, excluding tangible fixed assets and biological assets held-for-sale | |  | |  |  |
| I.2 | Tangible fixed assets and biological assets held-for-sale | |  | |  |  |
| II. | Prepayments | | 2 | | 8,338,141 | 1,912,165 |
| III. | Amounts receivable within one year | | 3 | | 42,444,941 | 60,223,178 |
| III.1 | Short–term financial receivables | |  | |  |  |
| III.2 | Receivable taxes and social contributions | |  | |  |  |
| III.3 | Financing receivables | |  | |  |  |
| III.4 | Receivables for use of assets, sold goods, assets and services | |  | |  |  |
| III.5 | Accumulated receivables | |  | | 0 | 0 |
| III.6 | Other receivables | |  | | 42,444,941 | 60,223,178 |
| IV. | Short-term investments |  |  | | 0 | 0 |
| V. | Cash and cash equivalents | | 4 | | 55,066,007 | 85,736,791 |
|  | **TOTAL ASSETS:** |  |  | | **236,688,889** | **263,712,134** |
|  |  |  |  | | | |
|  |  |  |  | | | |
| **Seq. No** | **Items** | | **Note No** | **31 12 2017** | | **31 12 2016** |
| **D.** | **FINANCING AMOUNTS** |  |  |  | |  |
| I. | From the State Budget |  |  |  | |  |
| II. | From the municipal budget |  |  |  | |  |
| III. | From the EU, foreign countries and international organisations | |  |  | |  |
| IV. | From other sources |  |  |  | |  |
| **E.** | **LIABILITIES** |  |  | **8,362,965** | | **64,489,974** |
| I. | Long-term liabilities |  |  | 0 | | 62,264,594 |
| I.1 | Long-term financial liabilities | | 5 | 0 | | 62,264,594 |
| I.2 | Long-term provisions | |  |  | |  |
| I.3 | Other long-term liabilities | |  |  | |  |
| II. | Short-term liabilities | | 6 | 8,362,965 | | 2,225,380 |
| II.1 | Current year’s portion of long-term provisions and short-term provisions | |  |  | |  |
| II.2 | Current year’s portion of long-term liabilities | |  |  | |  |
| II.3 | Short-term financial liabilities | |  | 0 | | 290,672 |
| II.4 | Payable subsidies, grants and financing amounts | |  |  | |  |
| II.5 | Amounts payable to the EU budget | |  |  | |  |
| II.6 | Amounts payable to budgets and funds | |  |  | |  |
| II.7 | Payable social benefits | |  |  | |  |
| II.8 | Refundable taxes, contributions and their overpayments | |  |  | |  |
| II.9 | Trade payables | |  |  | |  |
| II.10 | Accrued payables | |  | 8,344,474 | | 1,898,718 |
| II.11 | Other short-term liabilities | |  | 18,491 | | 35,990 |
| **F.** | **NET ASSETS** |  |  | **228,325,924** | | **199,222,122** |
| I. | Reserves | |  |  | |  |
| II. | Effects of the equity method | |  |  | |  |
| III. | Accrued surplus or deficit | |  | 228,325,924 | | 199,222,160 |
| III.1 | Surplus or deficit of the current year | | 7 | 29,103,764 | | 29,476,428 |
| III.2 | Surplus or deficit of the previous year | | | 199,222,160 | | 169,745,732 |
|  | **TOTAL FINANCING AMOUNTS, LIABILITIES AND NET ASSETS:** | |  | **236,688,889** | | **263,712,134** |

Director Aurelija Mažintienė

Acting Chief Accountant Laima Tankevičiūtė

**DEPOSIT INSURANCE FUND**

Administrator – SC „Indėlių ir investicijų draudimas”, corporate code 110069451

Algirdo g. 31, LT-03219 Vilnius, data collected and stored in the Register of Legal Entities

**STATEMENT OF OPERATING RESULTS**

**31 DECEMBER 2017**

29 January 2018

*2017 Presentation currency and accuracy: EUR*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Seq. No** | **Items** | **Note No** | **31 12 2017** | **31 12 2016** |
| **A.** | **OPERATING ACTIVITY INCOME** |  | **21,986,526** | **32,471,519** |
| I. | INCOME FROM FINANCING |  |  |  |
| II. | INCOME FROM TAXES AND SOCIAL CONTRIBUTIONS |  | 0 | 0 |
| II.1. | Net income from taxes |  |  |  |
| II.1.1. | Income from taxes |  |  |  |
| II.1.2. | Amount of transferrable taxes |  |  |  |
| II.2. | Net income from social contributions |  |  |  |
| II.2.1. | Income from social contributions |  |  |  |
| II.2.2. | Amount of transferrable social contributions |  |  |  |
| III. | OTHER INCOME FROM OPERATING ACTIVITIES | 8 | 21,986,526 | 32,471,519 |
| III.1. | Other income from operating activities |  | 21,986,526 | 32,471,519 |
| III.2. | Amount of transferrable other income from operating activities |  |  |  |
| **B.** | **OPERATING ACTIVITY EXPENSES** | 9 | **7,954,264** | **(991,038)** |
| I. | AMOUNTS DEPRECIATED AND WRITTEN-OFF |  |  |  |
| II. | SOCIAL BENEFITS |  |  |  |
| III. | FINANCING |  |  |  |
| IV. | OTHER |  | 7,954,264 | (991,038) |
| **C.** | **OPERATING ACTIVITY SURPLUS OR DEFICIT** | 10 | **29,940,790** | **31,480,481** |
| **D.** | **RESULT OF OTHER ACTIVITIES** |  |  |  |
| I. | OTHER OPERATING INCOME |  |  |  |
| II. | OTHER OPERATING INCOME TRANSFERRABLE TO THE BUDGET |  |  |  |
| III. | OTHER OPERATING EXPENSES |  |  |  |
| **E.** | **FINANCING AND INVESTING ACTIVITY RESULT** | 11 | **(837,026)** | **(2,004,053)** |
| **F.** | **EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND OF CORRECTION OF MATERIAL ACCOUNTING ERRORS** |  |  |  |
| **G.** | **NET SURPLUS OR DEFICIT BEFORE EFFECTS OF APPLICATION OF EQUITY METHOD** |  |  |  |
| **H.** | **EFFECTS OF APPLICATION OF EQUITY METHOD** |  |  |  |
| **I.** | **NET SURPLUS OR DEFICIT** |  | **29,103,764** | **29,476,428** |

Director Aurelija Mažintienė

Acting Chief Accountant Laima Tankevičiūtė

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | | | | | | | | | |
| **DEPOSIT INSURANCE FUND**  Administrator – SC „Indėlių ir investicijų draudimas”, corporate code 110069451  Algirdo g. 31, LT-03219 Vilnius, data collected and stored in the Register of Legal Entities  **STATEMENT OF CHANGES IN NET ASSETS**  **31 DECEMBER 2017** | | | | | | | | | | | |
| 29 January 2018 | | | | | | | | | | | |
| *2017* | | |  | | | *Presentation currency and accuracy: EUR* | | | | | |
| **Seq. No** | **Items** | **Note No** | | **Attributable to the controlling entity** | | | | | | **Total** | **Minority interest** | | |
| **Stakeholders’ equity** | **Fair value reserve** | | **Other reserves** | **Effects of application of the equity method** | **Accrued surplus or deficit before effects of application of the equity method** |
| 1 | 2 | 3 | | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | | |
| **1.** | **Balance as at 31 December 2015** |  | |  |  | |  |  | **169,745,732** | **169,745,732** |  | | |
| 2. | Effects of fixed assets taken over from another pubic sector entity |  | |  |  | |  |  |  |  |  | | |
| 3. | Effects of fixed assets transferred or sold to another entity |  | |  |  | |  |  |  |  |  | | |
| 4. | Other amounts of increase (decrease) of reserves |  | |  |  | |  |  |  |  |  | | |
| 5. | Other formed reserves |  | |  |  | |  |  |  |  |  | | |
| 6. | Other used reserves |  | |  |  | |  |  |  |  |  | | |
| 7. | Amounts of increase (decrease) of stakeholders’ equity |  | |  |  | |  |  |  |  |  | | |
| 8. | Net surplus or deficit of the reporting period |  | |  |  | |  |  | 29,476,428 | 29,476,428 |  | | |
| **9.** | **Balance as at 31 December 2016** |  | |  |  | |  |  | **199,222,160** | **199,222,160** |  | | |
| 10. | Effects of fixed assets taken over from another pubic sector entity |  | |  |  | |  |  |  |  |  | | |
| 11. | Effects of fixed assets transferred or sold to another entity |  | |  |  | |  |  |  |  |  | | |
| 12. | Other amounts of increase (decrease) of reserves |  | |  |  | |  |  |  |  |  | | |
| 13. | Other formed reserves |  | |  |  | |  |  |  |  |  | | |
| 14. | Other used reserves |  | |  |  | |  |  |  |  |  | | |
| 15. | Amounts of increase (decrease) of stakeholders’ equity |  | |  |  | |  |  |  |  |  | | |
| 16. | Net surplus or deficit of the reporting period | 7 | |  |  | |  |  | 29,103,764 | 29,103,764 |  | | |
| **17.** | **Balance as at 31 December 2017** |  | |  |  | |  |  | **228,325,924** | **228,325,924** |  | | |

Director Aurelija Mažintienė

Acting Chief Accountant Laima Tankevičiūtė

**DEPOSIT INSURANCE FUND**

Administrator – SC „Indėlių ir investicijų draudimas”, corporate code 110069451

Algirdo g. 31, LT-03219 Vilnius, data collected and stored in the Register of Legal Entities

**CASH FLOW STATEMENT**

**31 DECEMBER 2017**

|  |
| --- |
| 29 January 2018 |

*2017*  *Presentation currency and accuracy: EUR*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Seq. No | Items | Note No | 31 12 2017 | 31 12 2016 |
| 1 | 2 | 3 | 4 | 5 |
| **A.** | **CASH FLOWS FROM OPERATING ACTIVITIES** |  | **(30,670,822)** | **97,358,172** |
| **I.** | **Receipts** |  | **70,408,430** | **120,148,859** |
| I.1. | Financing amounts for other expenses and inventories |  |  |  |
| I.1.1 | From the State Budget |  |  |  |
| I.1.2 | From the municipal budget |  |  |  |
| I.1.3 | From funds of the EU, foreign countries and international organisations |  |  |  |
| I.1.4 | From other sources |  |  |  |
| I.2 | From taxes |  |  |  |
| I.3 | From social contributions |  |  |  |
| I.4 | For provided services |  |  | 100 |
| I.5 | Received interest |  | 774 | 4,890 |
| I.6 | Other receipts: | 12 | 70,407,656 | 120,143,869 |
| **II.** | **Transferred funds** |  |  |  |
| II.1 | To the State Budget |  |  |  |
| II.2 | To municipal budgets |  |  |  |
| II.3 | To the EU, foreign countries and international organisations |  |  |  |
| II.4 | To other funds of resources |  |  |  |
| II.5 | To public sector entities |  |  |  |
| II.6 | To other entities |  |  |  |
| **III.** | **Payments** |  | **(101,079,252)** | **(22,790,687)** |
| III.1 | Social payments |  |  |  |
| III.2 | Other services acquired |  | (469,596) | (620,399) |
| III.3 | Interest paid |  | (1,128,236) | (1,718,637) |
| III.4 | Other payments: |  | (99,481,420) | (20,451,651) |
| **B.** | **CASH FLOWS FROM INVESTING ACTIVITIES** |  | **38** | **6991** |
| I. | Acquisition of fixed assets (excl. financial) and biological assets |  |  |  |
| II. | Disposal of fixed assets (excl. financial) and biological assets |  |  |  |
| III**.** | Acquisition of long-term financial assets |  |  |  |
| IV. | Disposal of long-term financial assets |  |  |  |
| V. | (Increase) Decrease in time deposits |  |  |  |
| VI. | Other cash flows from investing activities |  | 38 | 6,991 |
| **C.** | **CASH FLOWS FROM FINANCING ACTIVITIES** |  |  | **(20,525,137)** |
| I. | Receipts from taken loans |  |  |  |
| II. | Repayment of taken loans |  |  | (20,525,137) |
| III. | Other cash flows from financing activities |  |  |  |
| **D.** | **EFFECTS OF EXCHANGE RATE CHANGES ON BALANCE OF CASH AND CASH EQUIVALENTS** |  |  |  |
|  | (Increase) Decrease in cash and cash equivalents |  | (30,670,784) | 76,840,026 |
|  | Cash and cash equivalents at the beginning of the reporting period |  | 85,736,791 | 8,896,765 |
|  | Cash and cash equivalents at the end of the reporting period |  | **55,066,007** | **85,736,791** |

Director Aurelija Mažintienė

Acting Chief Accountant Laima Tankevičiūtė

**DEPOSIT INSURANCE FUND**

Administrator – SC „Indėlių ir investicijų draudimas”, corporate code 110069451

Algirdo g. 31, LT-03219 Vilnius, data collected and stored in the Register of Legal Entities

# EXPLANATORY NOTES

**31 DECEMBER 2017**

29 January2018

## General part

The State Company „Indėlių ir investicijų draudimas” (hereinafter – the Company) administrates the Deposit Insurance Fund (hereinafter – the Fund) since 3 December 2015 when the Law (No XII-2054) of the Republic of Lithuania amending the Law (No IX-975) on Insurance of Deposits and Liabilities to Investors of 19 November 2015 (hereinafter – the Law) entered into force.

The Fund is not a legal person. The Fund is administrated by Company which is established from the State assets in accordance with the procedure set forth by legal acts and is acting, handling the accounting and preparing the sets of financial statements on behalf of the Fund. The institution implementing the rights and obligations of the owner of the Company is the Ministry of Finance of the Republic of Lithuania.

The Fund – means the fund in which the assets are accumulated for payment of insurance compensations according to the Law.

Participants of the Deposit Insurance System (Article 11(1) 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;

- third-country banks that have established a branch in the Republic of Lithuania when deposits held in third countries are not insured or their protection is not guaranteed in any other way under legal acts of the third country to the jurisdiction of which the bank that has established a branch belongs;

- third-country banks that have established a branch in the Republic of Lithuania when deposits held in third countries are insured (compensated) or their protection is guaranteed in any other way under legal acts of the third country, but the Company’s Council determines that such deposit insurance (compensation) or other conditions guaranteeing their protection are less favourable than established in the Law on Insurance of Deposits and Liabilities to Investors;

- credit unions and the Central Credit Union established in the Republic of Lithuania.

The Fund’s proceeds consist of (Article 16(3) of the Law):

- regular (*ex ante*) contributions of deposit insurance, including payment obligations of the deposit insurance system participants to the Deposit Insurance Fund and special (ex post) contributions of deposit insurance;

- funds and/or assets received from an insolvent deposit insurance system participant during bankruptcy proceedings in accordance with the procedure laid down by laws;

- funds received after recovery of the proceeds used for the financing of resolution measures of the financial sector entities (hereinafter – resolution) under the Law of the Republic of Lithuania on Financial Sustainability;

- income from investments of the Deposit Insurance Fund;

- other funds.

The proceeds of the Deposit Insurance Fund are used for (Article 16(4) of the Law):

- deposit insurance compensations;

- financing of resolution tools within the meaning of Article 46 of the Law;

- financing of the transfer of assets, rights, transactions and liabilities of a credit union within the meaning of Article 47 of the Law;

- covering the costs of administration of the Fund.

In administrating the Fund, the Company performs the following main functions:

- collects and accumulates deposit insurance contributions;

- calculates and pays deposit insurance compensations;

- invests the proceeds of the Deposit Insurance Fund;

- handles the Fund’s accounting, prepares the sets of financial statements, the estimates of income and expenses and submits them for approval to the institution implementing rights and obligations of the insurance company;

- monitors the compliance of the deposit insurance system participants with the requirements established by the Law and its implementing legislation;

- evaluates the conditions of guaranteeing deposit insurance (compensation) or other type of security of third countries the credit institutions, financial brokerage firms or management companies of which establish branches in the Republic of Lithuania;

- assesses the risk of the Deposit Insurance Fund;

- cooperates and exchanges information with deposit insurance system administrators, supervisory authorities of other Member States and third countries and with the European Banking Authority;

- carries out stress testing of the deposit insurance system;

- performs other functions assigned to it by virtue of laws.

## Summary of significant principles of accounting

The main principles of accounting applied in preparing financial statements of the Fund for the year ended 31 December 2017 are as follows:

### **Form of financial statements**

The Fund’s financial statements of 2017 have been prepared according to the Public Sector Accounting and Financial Reporting Standards (hereinafter – PSAFRS), which include the standards and interpretations approved by the Minister of Finance of the Republic of Lithuania before 31 December 2017.

The financial year of the Fund corresponds to the calendar year.

### **Conformity of financial statements with the Standards**

The Fund’s financial statements of 2017 have been prepared according to the PSAFRS and in observance of Article 45(1) of the Law.

### **Reporting currency**

The Fund’s accounting records are kept and all amounts in these financial statements are presented in euro (EUR).

### **Prepayments**

According to 17 PSAFRS ‘Financial assets and financial liabilities’ amounts of prepayments in the statement of financial position are reflected at net value, having deducted depreciation from acquisition cost.

### **Receivables**

According to 17 PSAFRS ‘Financial assets and financial liabilities’ receivables are measured at acquisition cost upon initial recognition. Financial assets are recognised in the accounting when a public sector entity receives or becomes entitled to receive money or other financial assets. In observance of 18 PSAFRS ‘Provisions, contingent liabilities, contingent assets and events after the balance sheet date’ contingent assets of the public sector entity means possible assets that arise from past events and the existence of which 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 entity. Contingent assets are registered in the accounting by the public sector entity only when it certain that such assets will generate economic benefits to it.

Subsequently, short-term receivables are registered taking into account of value impairment and long-term receivables – at discounted value, net of impairment losses.

### **Cash and cash equivalents**

According to 17 PSAFRS ‘Financial assets and financial liabilities’ cash and cash equivalents comprise Fund’s cash held in the bank account. Cash of the Fund is kept in a separate bank account.

In the cash flow statement, cash and cash equivalents comprise cash with bank, other short-term highly liquid investments.

### **Debt liabilities**

According to 17 PSAFRS ‘Financial assets and financial liabilities’, on initial recognition, debts are recorded at acquisition value and subsequently – taking account of value impairment. Debts are classified as long-term when the financing agreement concluded before the date of approval of financial statements demonstrates that on the balance sheet date the liability was long-term according to its nature.

### **Recognition of income and expenses of the Fund**

###### The Fund’s income and expenses are recorded in the accounting and presented in financial statements according to the principle of accrual of income and expenses.

###### According to 10 PSAFRS ‘Other income’ the Fund’s income is recognised and recorded in the accounting and presented in financial statements during the reporting period in which it is earned, regardless of the time of receiving the money.

###### The Fund’s income is classified into other income from operating activities, income from financing activities and income from investing activities. Insurance contributions of the Fund’s insurers are attributed to other operating activity income.

###### According to 11 PSAFRS ‘Expenses’ expenses are recognised and recorded in the accounting during the period in which they are incurred – when related income is earned, services are provided, actions are carried out in performing the assigned functions, regardless of the time of spending the money and when their value can be reliably estimated.

###### Normally, the amount of expenses is measured at the consideration paid or payable, including value added tax. The Fund’s expenses are attributed to other costs of services of the operating activities. Expenses of the Fund include insurance compensations, administrative expenses, financing and investing activity expenses, etc.

###### The amount of expenses is measured at the consideration paid or payable, including value added tax. The Fund’s expenses are attributed to other costs of services of the operating activities.

###### The estimate of income and expenses of the Fund is approved by the institution implementing rights and obligations of the owner of the Company – the Ministry of Finance of the Republic of Lithuania. The estimate of administrative expenses is approved by the Council of the Company.

### **Foreign currency**

Requirements for the accounting of foreign currency transactions are established in 21 PSAFRS ‘Foreign currency transactions’. On initial recognition, foreign currency transactions are recorded in the accounting at the official exchange rate of the transaction day.

### **Accounting of the closing of period**

When all operations of the financial year are recorded, all accounts of income and expenses are closed. The balances of the last day of the financial year of all accounts of income and expenses are transferred to the account ‘Accumulated surplus or deficit’ on the last day of the financial year. The current year’s surplus or deficit – the surplus generated or the deficit incurred by the Fund in the current year. At the beginning of the financial year, the previous year’s surplus or deficit is recognised as the accumulated surplus or deficit of the previous year.

### **Use of estimates in preparing financial statements**

According to 18 PSAFRS ‘Provisions, contingent liabilities, contingent assets and events after the balance sheet date’ and in preparing financial statements certain assumptions and estimates are revised which influence the presented amounts of assets, liabilities, income and expenses and the disclosure of contingencies when the circumstances on the basis of which the estimate was made change or when additional information becomes available or other events occur. The result of change in such estimates is recorded in financial statements when it is established, presenting the information in the explanatory notes.

## Explanatory notes

**Note 1. Share of the credit claim receivable after one year and within one year**

The Company, acting on behalf of the Fund, participates in bankruptcy proceedings of ten credit institutions and, in the nearest future, upon approval of the Fund’s credit claims, the Fund will participate in bankruptcy proceedings of another three credit institutions the completion of which is preliminarily expected until 2021:

* 1. Bankruptcy of BAB bankas SNORAS. The insured event was declared on 24 November 2011. The disbursement of insurance compensations started on 14 December 2011, i.e. after 15 business days following the date of the insured event. Insurance compensations in the amount of EUR 1.20 billion were disbursed to the depositors of this insurer. By 31 December 2017, the Company succeeded in recovering EUR 827.87 million from these bankruptcy proceedings.
  2. Bankruptcy of BAB Ūkio bankas. The insured event was declared on 18 February 2013. The Company participated in the financing of the transfer of assets, rights, transactions and obligations of AB Ūkio bankas to AB Šiaulių bankas – for this purpose, the amount of EUR 269.38 million was used the major part of which (EUR 231.45 million) was borrowed by the Company from the Ministry of Finance of the Republic of Lithuania. By 31 December 2017, the Company succeeded in recovering EUR 51.46 from these bankruptcy proceedings.
  3. Bankruptcy of the National Credit Union. The insured event was declared on 24 January 2013. The insurance compensations amounted to EUR 34.85 million. By 31 December 2017, the amount of EUR 17.54 million had been successfully recovered from these bankruptcy proceedings.
  4. Bankruptcy of the Credit Union Švyturio taupomoji kasa. The insured event was declared on 24 January 2013. The insurance compensations to depositors amounted to EUR 4.95 million. By 31 December 2017, the amount of EUR 2.99 million had been successfully recovered from these bankruptcy proceedings.
  5. Bankruptcy of the Credit Union Laikinosios sostinės kreditas. The insured event was declared on 9 May 2013. The insurance compensations to depositors amounted to EUR 6.67 million. By 31 December 2017, the amount of EUR 2.09 million had already been successfully recovered from these bankruptcy proceedings.
  6. Bankruptcy of the Credit Union Vilniaus taupomoji kasa. The insured event was declared on 17 January 2014. The insurance compensations amounted to EUR 64.10 million. By 31 December 2017, the amount of EUR 33.28 million had already been successfully recovered from these bankruptcy proceedings.
  7. Bankruptcy of the Credit Union Naftininkų investicijos. The insured event was declared on 30 April 2014. The insurance compensations amounted to EUR 3.43 million. By 31 December 2017, the amount of EUR 1.37 million had been successfully recovered from these bankruptcy proceedings.
  8. Bankruptcy of the Credit Union Amber. The insured event was declared on 20 September 2016. The insurance compensations amounted to EUR 19.97 million. By 31 December 2017, the amount of EUR 10.00 million had already been successfully recovered from these bankruptcy proceedings.
  9. Bankruptcy of the Credit Union Žemaitijos iždas. The insured event was declared on 7 March 2017. The insurance compensations amounted to EUR 1.63 million. By 31 December 2017, the amount of EUR 0.56 million had been successfully recovered from these bankruptcy proceedings.
  10. Bankruptcy of the Credit Union Pajūrio kredito unija. The insured event was declared on 17 March 2017. The insurance compensations amounted to EUR 2.15 million.
  11. Bankruptcy of the Credit Union Baltija. The insured event was declared on 25 September 2017. The insurance compensations amounted to EUR 11.52 million.
  12. Bankruptcy of the Credit Union Namų kredito unija. The insured event was declared on 25 September 2017. The insurance compensations amounted to EUR 1.38 million.
  13. Bankruptcy of the Credit Union Vilniaus kreditas. The insured event was declared on 10 November 2017. The insurance compensations amounted to EUR 20.36 million.

*Table 1*. *Cash receipts to the Fund from realisation of assets of bankrupt credit institutions forecasted by bankruptcy administrators and additionally estimated by the Company, in EUR*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Seq. No** | **Credit institution** | **Amounts receivable after one year** | **Amounts receivable within one year** | **Total, EUR:** |
| 1 | 2 | 3 | 4 | 5 |
| 1. | BAB bankas SNORAS | 115,851,600 | 9,720,000 | **125,571,600** |
| 2. | BAB Ūkio bankas | 6,667,200 | 990,000 | **7,657,200** |
| 3. | BCC CU Vilniaus taupomoji kasa |  | 8,415,000 | **8,415,000** |
| 4. | BCC Nacionalinė kredito unija |  | 711,000 | **711,000** |
| 5. | BCC CU Švyturio taupomoji kasa |  | 279,000 | **279,000** |
| 6. | BC CU Laikinosios sostinės kreditas |  | 90,000 | **90,000** |
| 7. | BCU Naftininkų investicijos |  | 394,000 | **394,000** |
| 8. | BCU Amber |  | 5,000,000 | **5,000,000** |
| 9. | BCU Namų | 300,000 | 400,000 | **700,000** |
| 10. | BCU Žemaitijos iždas | 21,000 | 620,000 | **641,000** |
| 11. | BCU Baltija | 6,000,000 | 2,000,000 | **8,000,000** |
| 12. | BCU Pajūrio |  | 1,824,000 | **7,824,000** |
| 13. | BCU Vilniaus kreditas | 2,000,000 | 12,000,000 | **14,000,000** |
|  | **Total:** | **130,839,800** | **42,443,000** | **173,282,800** |

According to certificates submitted by bankruptcy administrators, forecasted estimates of receivables are likely to generate economic benefits to the public sector entity; therefore, these assets are recorded in the Fund’s accounting in the statement of financial position.

**Note 2. Prepayments**

Data about proceeds of insurance compensations transferred, but not collected by depositors and held in accounts with commercial banks (payment agents) are presented in detail in Table 2.

# *Table 2. Information on proceeds disbursed, but not collected by depositors, held in accounts with commercial banks*

|  |  |  |  |
| --- | --- | --- | --- |
| **Seq. No** | **Item** | **31 12 2017** | **31 12 2016** |
| 1 | 2 | 3 | 4 |
| **1.** | **Prepayments** |  |  |
| 1.6. | Other prepayments | **8,338,141** | **1,912,127** |
| *1.6.1.* | *Advance for insurance compensations to depositors of* BCC Nacionalinė kredito unija | *43,495* | *43,495* |
| *1.6.2.* | *Advance for insurance compensations to depositors of* BCC CU Švyturio taupomoji kasa | *4,310* | *4,310* |
| *1.6.3.* | *Advance for insurance compensations to depositors of* BCC CU Laikinosios sostinės kreditas | *10,767* | *18,469* |
| *1.6.4.* | *Advance for insurance compensations to depositors of* BCC CU Vilniaus taupomoji kasa | *151,987* | *308,200* |
| *1.6.5.* | *Advance for insurance compensations to depositors of* BCC CU Naftininkų investicijos | *19* | *19* |
| *1.6.6..* | *Advance for insurance compensations to depositors of* BCU Amber | *368,580* | *1,523,988* |
| *1.6.7.* | *Advance to the Company* | *0* | *13,645* |
| *1.6.8.* | *Advance for insurance compensations to depositors of* BCU Žemaitijos iždas | *4,085* |  |
| *1.6.9.* | *Advance for insurance compensations to depositors of* BCU Pajūrio | *93,129* |  |
| *1.6.10.* | *Advance for insurance compensations to depositors of* BCU Namų | *288,275* |  |
| *1.6.11.* | *Advance for insurance compensations to depositors of* BCU Baltija | *1,178,136* |  |
| *1.6.12* | *Advance for insurance compensations to depositors of* BCU Vilniaus kreditas | *6,195,358* |  |
| 1.7. | Deferred expenses for execution of non-public sector entities’ orders |  |  |
| **2.** | **Value impairment of prepayments** |  |  |
| **3.** | **Carrying amount of prepayments (1-2)** | **8,338,141** | **1,912,127** |

**Note 3. Amounts receivable within one year**

Amounts receivable within one year are detailed in Table 3. They include the share of EUR 42,443,000 of the credit claim receivable within one year and described in Note 1, other amounts of EUR 1,721 receivable under court orders as unduly paid insurance compensations, and interest of EUR 220 on insurance compensations awarded by court.

# *Table 3. Information on amounts receivable within one year*

|  |  |  |  |
| --- | --- | --- | --- |
| **Seq. No** | **Item** | **31 12 2017** | **31 12 2016** |
| 1 | 2 | 3 | 4 |
| **1.** | **Acquisition cost of amounts receivable within one year, total** | **42,444,941** | **60,223,178** |
| 1.1. | Financing receivables |  |  |
| 1.2. | Receivable taxes and social contributions |  |  |
| 1.3. | Receivables for use of assets, sold goods, assets, services |  |  |
| 1.4. | Receivables for confiscates assets, fines and other penalties |  |  |
| 1.5. | Accrued receivables | 42,443,000 | 60,221,000 |
| 1.5.1. | From the budget |  |  |
| 1.5.2. | Other: | 42,443,000 | 60,221,000 |
| *1.5.2.1* | *Receivable credit claim* | *42,443,000* | *60,221,000* |
| 1.6. | Other receivables: | 1,941 | 2,178 |
| *1.6.1.* | *According to insurance compensations awarded by court* | *1,721* | *1,721* |
| *1.6.2.* | *Interest on insurance compensations awarded by court* | *220* | *457* |
| **2.** | **Value impairment of amounts receivable within one year at the end of the reporting period** |  |  |
| **3.** | **Carrying amount of amounts receivable within one year (1-2)** | **42,444.941** | **60,223,178** |

### **Note 4. Cash and cash equivalents**

The Fund’s proceeds are held in a separate bank account. Claims according to the Company’s obligations may not be levied on these proceeds. As at 31 December 2017, cash balance in the bank account was EUR 55,066,007 (Table 4).

# *Table 4. Data on balance of cash and cash equivalents*

|  |  |  |  |
| --- | --- | --- | --- |
| **Seq. No** | **Item** | **31 12 2017** | **31 12 2016** |
| 1 | 2 | 3 | 4 |
| 1. | **Cash from the State Budget** |  |  |
| 2. | **Cash from the municipal budget** |  |  |
| 3. | **Other cash and cash equivalents** | **55,066,007** | **85,736,791** |
| 3.1. | Cash with banks | 55,066,007 | 85,736,791 |
| 3.2. | Deposits of up to 3 months |  |  |
| 3.3. | Other cash equivalents |  |  |
| 4. | **Total cash and cash equivalents** | **55,066,007** | **85,736,791** |
| 5. | **Of which proceeds of resource funds** | **55,066,007** | **85,736,791** |

**Note 5. Long-term financial liabilities**

During 2017, the loan taken from the Ministry of Finance of the Republic of Lithuania was repaid in full. As at 31 December 2016, the loan balance was EUR 62,264,594.

Interest was also paid according to this loan agreement and accounted for 2.801% of annual interest. In 2017, interest was paid in the amount of EUR 1,128,236 (interest amount accrued to expenses was EUR 837,564).

As at 31 December 2017, the Fund had no long-term debt liabilities.

**Note 6. Short-term liabilities**

At the end of the reporting period, short-term liabilities of the Fund totalled EUR 8,362,965, comprising:

- EUR 8,338,141 of accumulated payable insurance compensations not collected by depositors and held in accounts with commercial banks (payment agents);

- EUR 6,333 of payables of accrued procedural interest;

- EUR 12,779 of prepayments – overpaid insurance contributions from credit institutions (credit unions);

- EUR 5,712 of payables to the Company as the administrating entity.

# *Table 5. Information on certain short-term payables*

|  |  |  |  |
| --- | --- | --- | --- |
| **Seq. No** | **Item** | **31 12 2017** | **31 12 2016** |
| 1 | 2 | 3 | 4 |
| **1.** | **Payable subsidies, grants and financing amounts** |  |  |
| **2.** | **Liabilities related with employment relations** |  |  |
| **3.** | **Trade payables** |  |  |
| **4.** | **Accrued payables** | **8,344,474** | **2,189,390** |
| **4.1.** | Accrued funding expenses |  |  |
| **4.2.** | Accrued expenses for holiday pay |  |  |
| **4.3.** | Other accrued expenses | 8,338,141 | 1,898,718 |
| **4.4.** | Other accrued payables | 6,333 | 290,672 |
| **5.** | **Other short-term liabilities** | **18,491** | **35,990** |
| **5.1.** | Payable taxes on operations |  |  |
| **5.2.** | Received prepayments | 12,779 | 35,990 |
| **5.3.** | Other payables | 5,712 |  |
| **6.** | **Carrying amount of certain short-term payables (1+2+3+4+5)** | **8,362,965** | **2,225,380** |

Table 6 contains information on disbursed, collected and not collected insurance compensations from the Fund and their dynamics. The balance of insurance compensations disbursed, but not collected by depositors with credit institutions at the end of 2017 totalled EUR 1,898,482.

*Table 6. Paid insurance compensations held with credit institutions under payment service agreements (DIMA)*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Seq. No** | **Credit institution** | **Balance**  **as at 31 12 2016** | **Paid (collected) insurance compensations** | **Balance**  **as at 31 12 2017** |
| 1 | 2 | 3 | 4 | 5 |
| 1. | BCC CU Vilniaus taupomoji kasa | 308,200 | 164,614 | **151,987** |
| 2. | BCC Nacionalinė kredito unija | 43,495 |  | **43,495** |
| 3. | BCC CU Švyturio taupomoji kasa | 4,310 | 100,000 | **4,310** |
| 4. | BC CU Laikinosios sostinės kreditas | 18,469 | 7,701 | **10,767** |
| 5. | BCU Naftininkų investicijos | 19 |  | **19** |
| 6. | BCU Amber | 1,523,989 | 1,155,409 | **368,580** |
| 7. | BCU Namų | - | 1,092,998 | **288,275** |
| 8. | BCU Žemaitijos iždas | - | 1,630,535 | **4,085** |
| 9. | BCU Baltija | - | 10,342,623 | **1,178,136** |
| 10. | BCU Pajūrio | - | 2,054,753 | **93,129** |
| 11. | BCU Vilniaus kreditas | - | 14,163,589 | **6,195,358** |
|  | **Total:** | **1,898,482** | **30,712,222** | **8,338,141** |

**Note 7. Accumulated surplus or deficit**

Balances of the last day of the financial year of all income and expenses accounts are carried forward to the account of ‘Surplus or deficit of the current year’ on the last day of the financial year. The amount of EUR 29,103,764 of the ‘Surplus or deficit of the current year’ is calculated by deducting from (adding to) the total amount of income from operating activities of EUR 21,986,526 (see Note 8) the operating activity expenses of EUR 7,954,264 (see Note 9) and deducting the financing and investing activity result of (-) EUR 837,026 (see Note 11).

The amount of EUR 228,325,924 of the ‘Accumulated surplus or deficit’ is calculated by adding up amount of surplus of EUR 29,103,764 of the ‘Surplus or deficit of the current year’ and the amount of surplus of EUR 199,222,160 of the accumulated ‘Surplus or deficit of the previous year’.

**Note 8. Operating activity income**

As at 31 December 2017, deposits were insured by 6 commercial banks and 70 credit unions. The amount of insurance contributions calculated for the deposit insurance system participants in 2017 totalled EUR 21.99 million.

The annual amount of periodic (ex ante) deposit insurance contributions payable by all deposit insurance system participants to the Deposit Insurance Fund fixed by Order No 1K-210 of the Minister of Finance of the Republic of Lithuania of 31 May 2017 for the period between 1 July 2017 and 30 June 2018 was EUR 11.82 million. The annual amount of periodic (ex ante) deposit insurance contributions payable by all deposit insurance system participants to the Deposit Insurance Fund fixed by Order No 1-K 194 of the Minister of Finance of the Republic of Lithuania of 19 May 2016 on the setting of the annual amount of periodic (ex ante) deposit insurance contributions for the period between 1 July 2016 and 30 June 2017 was EUR 32.40 million.

# *Table 7. Operating activity income*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Seq. No** | | **Item** | **31 12 2017** | **31 12 2016** |
| 1 | | 2 | 3 | 4 |
| **1.** | | **Calculated income from operating activities** |  |  |
| **2.** | | **Other income from operating activities to be transferred into the Budget** |  |  |
| **3.** | | **Other income from operating activities:** | **21,986,526** | **32,471,519** |
| *3.1.* | | *Insurance contributions of banks* | *20,737,612* | *30,554,502* |
| *3.2.* | | *Insurance contributions of credit unions* | *1,248,914* | *1,917,017* |
|  | **Note 9. Operating activity expenses**  The amount of operating activity expenses totalled (-) EUR 37,708,036; the calculated share of credit claim – EUR 45,662,300 and the positive amount of expenses is EUR 7,954,264 (see Table 8).  *Table 8. Operating activity expenses*   |  |  |  |  | | --- | --- | --- | --- | | **Seq. No** | **Item** | **31 12 2017** | **31 12 2016** | | 1 | 2 | 3 | 4 | | 1. | Depreciation and written-off amounts |  |  | | 2. | Social benefits |  |  | | 3. | Financing |  |  | | 4. | Other | **7,954,264** | **(991,038)** | | *4.1.* | *Cash received from bankruptcy administrators of insurers under liquidation:* | ***45,662,300*** | ***7,445,000*** | | *4.1.1.* | *BCC CU Naftininkų investicijos* | *324,500* | *102,000* | | *4.1.2* | *BCC Amber* | *1,000,000* |  | | *4.1.3* | *BCC Žemaitijos iždas* | *555,000* |  | | *4.1.4* | *BCC Nacionalinė* | *203,000* |  | | *4.1.5.* | *Difference of recalculated credit claim* | *43,579,800* | *7,343,000* | | *4.2.* | *Insurance compensations paid in 2017:* | ***(37,217,736)*** | ***(20,441,924)*** | | *4.2.1.* | *Insurance and other compensations to depositors of BAB bankas SNORAS* | *(61,503)* | *(475,246)* | | *4.2.2* | *Insurance compensations to depositors of CU Amber* | *-* | *(19,966,678)* | | *4.2.3* | *Insurance compensations to depositors of CU Žemaitijos iždas* | *(1,634,620)* |  | | *4.2.4* | *Insurance compensations to depositors of CU Pajūrio* | *(2,147,883)* |  | | *4.2.5* | *Insurance compensations to depositors of CU Namų* | *(1,381,273)* |  | | *4.2.6* | *Insurance compensations to depositors of CU Baltijos* | *(11,520,740)* |  | | *4.2.7* | *Insurance compensations to depositors of CU Švyturio* | *(100,000)* |  | | *4.2.8* | *Insurance compensations to depositors of CU Vilniaus TK* | *(8,400)* |  | | *4.2.9* | *Insurance compensations to depositors of CU Vilniaus kreditas* | *(20,358,947)* |  | | *4.2.10* | *Insurance compensations to depositors of BAB bankas LITIMPEKS* | *(9,558)* |  | | *4.2.11* | *Recovered insurance compensations of CU Baltijos* | *5,188* |  | | *4.3.* | *Insurance compensations recovered through court* |  | ***159,546*** | | *4.4* | *Insurance compensations recovered after expiry of 5 years* |  | ***12,493,224*** | | *4.5.* | *Insurance compensation calculated for recovery through court* |  | ***1,721*** | | *4.6.* | *Interest accrued on insurance compensations recovered through court* |  | ***(235)*** | | *4.7.* | *Fee for administration of the Fund* | ***(488,953)*** | ***(605,528)*** | | *4.8.* | *Bank commissions* |  | ***(2)*** | | *4.9.* | *Negative results of previous periods* |  | ***(42,840)*** | | *4.10.* | *Insurance contributions of bankrupt CUs written down to expenses* | ***(1,347)*** |  | |  | **Operating activity expenses** | **7,954,264** | **(991,038)** |   taskaitinio 11 Note 10. Surplus or deficit from operating activities   Surplus from operating activities of EUR 29,940,790 is calculated as the sum of the amount of the operating activity income of EUR 21,986,526 and of the positive operating activity expenses of EUR 7,954,264 (see Note 9).  **Note 11. Financing and investing activity result**  In 2017, financing and investing activity income totalled EUR 538, i.e. interest income from funds held in a bank account and penalties paid by deposit insurance participants relating to insurance contributions. Financing and investing activity expenses comprised interest paid on the loan according to Agreement No 804 (see Note 5 for more information).  *Table 9. Financing and investing activity income and expenses*   |  |  |  |  | | --- | --- | --- | --- | | **Seq. No** | **Item** | **31 12 2017** | **31 12 2016** | | 1 | 2 | 3 | 4 | | **1.** | **Financing and investing activity income** | **538** | **5,256** | | 1.1. | Gains from exchange rate changes |  |  | | 1.2. | Income from fines and penalties |  |  | | 1.3. | Interest income: | 537 | 5,256 | | *1.3.1.* | *DIMA interest on funds held in bank accounts* | *537* | *537* | | *1.3.2.* | *Interest on deposits held with a bank* |  |  | | *1.3.3* | *Other interest income* |  | *4,681* | | *1.3.4* | *Interest on securities* |  | *38* | | 1.5. | Other financing and investing activity income | 1 |  | | 1.6. | Transferable financing and investing activity income |  |  | | **2.** | **Financing and investing activity expenses** | **(837,564)** | **(2,009,309)** | | 2.1. | Losses from exchange rate changes |  |  | | 2.2. | Expenses on fines and penalties |  |  | | 2.3. | Interest expenses | (837,564) | (2,009,309) | | 2.4. | Other financing and investing activity expenses |  |  | | **3.** | **Financing and investing activity result (1 - 2)** | **(837,026)** | **(2,004,053)** | | | | |

**Note 12. Other receipts**

Other receipts total EUR 70,407,656 and comprise EUR 48,440,500 received from bankruptcy proceedings (see Table 10), insurance contributions in the amount of EUR 21,959,468 and other proceeds in the amount of EUR 7,688.

*Table 10. Funds received from administrated bankruptcy proceedings in 2017*

|  |  |  |  |
| --- | --- | --- | --- |
| **Seq. No** | **Name** | **31 12 2017** | **31 12 2016** |
| 1 | 2 | 3 | 4 |
| 1. | BAB Snoras | 19,150,000 | 40,000,000 |
| 2. | BAB Ūkio bankas | 6,350,000 | 26.,100,000 |
| 3. | Nacionalinė BCC | 2,500,000 | 3,900,000 |
| 4. | BCC Švyturio taupomoji kasa | 70,000 | 500,000 |
| 5. | BCC Laikinosios sostinės kreditas | 0 | 430,000 |
| 6. | BCC Naftininkų investicijos | 365,500 | 102,000 |
| 7. | BCC Vilniaus taupomoji kasa | 9,450,000 | 8,200,000 |
| 8. | BCC Amber | 10,000,000 |  |
| 9. | BCC Žemaitijos iždas | 555,000 |  |
|  | **Total:** | **48,440,500** | **79,232,000** |

**Note 13. Rights and obligations not reflected in the statement of financial position**

According to 18 PSAFRS, the Company determined contingent assets of the Fund that are defined as possible assets which result from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund. These contingent assets are not reflected in the statement of financial position.

Table 11 shows credit claims of the Fund with bankrupt credit institutions according to the actual data as at 31 December 2017.

# *Table 11. Rights and liabilities not reflected in the statement of financial position*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Seq. No** | **Credit claim receivable from credit institutions** | **31 12 2017** | | **31 12 2016** | |
|  |  | **Line 2** | **Line 4** | **Line 2** | **Line 4** |
| 1 | 2 | 3 | 4 | 5 | 6 |
| 1. | BAB bankas SNORAS | 229,633,997 | 1,445,887 | 237,498,610 | 1,126,977 |
| 2. | BAB Ūkio bankas | 210,137,568 | 587,807 | 206,484,768 | 587,807 |
| 3. | BCC CU Naftininkų investicijos | 1,665,667 | 569 | 2,384,167 | 569 |
| 4. | BCC CU Švyturio taupomoji kasa | 1,780,770 | 677 | 1,942,770 | 677 |
| 5. | BCC CU Laikinosios sostinės kreditas | 4,490,194 | - | 4,426,194 |  |
| 6. | BCC Nacionalinės kredito unija | 16,605,930 | - | 17,519.,931 |  |
| 7. | BCC Vilniaus taupomoji kasa | 22,415,660 | - | 30,290,260 |  |
| 8. | BCC Amber | 4,966,678 | 50,453 | 10,966,678 | 50,453 |
| 9. | BCC Žemaitijos iždas | 438,620 | 1,414 |  |  |
| 10. | BCC Pajūrio | 323,883 | 2,725 |  |  |
| 11. | BCC Namų | 681,273 | 702 |  |  |
| 12. | BCC Baltija | 3,515,553 | 8,717 |  |  |
| 13. | BCC Vilniaus kreditas | 6,358,947 | 18,817 |  |  |
|  | **Total:** | **503,014,740** | **2,117,768** | **511,513,378** | **1,716,030** |
|  | **Claim secured by a financial security arrangement** | - | - | - | - |

###### **Note 14. Events after the balance sheet date**

###### In performing its functions, the Company participates in legal disputes related to claims brought with the Deposit Insurance Fund for disbursement of insurance compensations and/or annual interest of 5% for insurance compensations for deposit certificates of AB bankas SNORAS which, in the opinion of claimants, were disbursed with delay. The Company also participates in legal disputes regarding renewal of the overdue term of validity of the right to the insurance compensation (in the case of AB bankas SNORAS). As at 31 December 2017, the Company also participated in legal disputes according to the bankruptcy administrator’s complaints regarding the challenging of four resolutions of credit meetings/committee of credit institutions.

###### According to the data of 31 December 2017, the Company, as a defendant and third party, participated in 166 pending legal disputes the amount of claims of which is EUR 18.2 million.

###### The major part (76%) of cases were related to bonds issued by AB bankas SNORAS (both, bonds which had entered into force and that had not entered into force before the bankruptcy of the bank). Some claimants claim insurance compensations for deposits and/or liabilities to investors for funds paid in for the issue of shares of AB bankas SNORAS which has not entered into force.

###### Legal proceedings regarding shares issued by AB bankas SNORAS and bonds that have not entered into force have been suspended and will be renewed after the ruling of the Court of Justice of the European Union and explanations issued by the Supreme Court of Lithuania following the receipt of the preliminary ruling of the CJEU.

###### Having regard to explanations provided in the Ruling of the Supreme Court of Lithuania of 17 November 2015, on 14 December 2015, deposit insurance compensations were paid. In some cases disputes regarding deposit certificates are still pending and individuals claim from the Company the procedural interest of 5% from the amount of insurance compensation paid for deposit certificates. As explained by the Supreme Court of Lithuania in the Ruling of 28 July 2017 in the Civil Case 3K-3-325-684/2017, the Company may become obliged to pay procedural interest for insurance compensations not paid in due time for deposit certificates of AB bankas SNORAS. In analogous civil cases which had been suspended before adoption of the Ruling of the Supreme Court of Lithuania of 28 July 2017, the Company concluded peaceful settlement agreements.

In January 2018, the amount of procedural interest of EUR 90,500 was paid according to the ruling of Vilnius Regional Court.

After the end of the financial year until the approval of these financial statements, there were no other events after the balance sheet date, except for those mentioned above that could influence the financial statements or should be disclosed in the financial statements as at 31 December 2017.

Director Aurelija Mažintienė

###### Acting Chief Accountant Laima Tankevičiūtė