SiCRED
Life Insurance Company

ANNUAL REPORT

2012

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CONTENT OF ANNUAL REPORT 2012:

CLIENT IS
OUR FOCUS

I. GENERAL INFORMATION ON SiCRED GROUP

I.1 About us

Founded on October 7th, 2003, SiCRED sh.a. is the first and the only private insurance company in Albania, with 100 % local capital and which meets the necessary qualifications to operate in the Life Insurance field.

In February 2011, SiCRED sh.a. purchased 75 % of the shareholders' package of Sigma IPP sh.a., a company that dealt with voluntary pension management. The main objectives of such purchase were to promote further the diversification of the activity, to respond more adequately to the ongoing market competitiveness, to increase the share of profits, and also to gain more market territory. In November 2011,the company, which underwent a transformation from a two-tier management company into a one-tier management company, in accordance with the provisions of the Law No. 10197, dated 10.12.2009 "On voluntary pension funds", was licensed by the Albanian Financial Supervisory Authority (AFSA). At present, the Company is referred to as the Pension Fund Management Company of SiCRED sh.a., and manages the Voluntary Pension Fund "SiCRED Pensions".

On 29thJune 2012, the General Assembly of Shareholders decided to establish SiCRED Assistance sh.p.k., whose capital is totally owned by SiCREDsh.a.. The primary objective of SiCRED Assistance is to provide assistance and advisory services to private companies on the implementation of current legislation as well as interpretation of technical guidelines to ensure staff welfare and also to provide assistance and advisory services for the assessment, identification and prevention of risks at work, in accordance with relevant legislation.

Hence, the three companies operate as part of a single group, and share the same philosophy, goals and values.

Our vision

Our main focus is our Client. Our future vision is to become the principal support and the unquestionable choice of our client.

Our Mission

We aim to work by the highest standards of ethics as the only acceptable way to build a good reputation, based on our engagement to build and foster accountability, and to strive to the best of our clients needs. With our products, we aim to nurture a new insurance climate in the Albanian society. Our clients and business partners should be thoroughly pleased with their choice and the trust bestowed upon us for choosing SiCRED sh.a..

I.2 SiCRED GROUP STRATEGY

Life is sacred and it should be protected! This is the main philosophy that guides the activity of SiCRED Group. Our journey started 10 years ago with standard products of life insurance, and we grew steadily in a difficult business environment. We successfully overcome this phase, by positioning our company as the first private company providing life insurance services in

Albania, and ranking second country-wise in the local insurance market. In this context, we decided to broaden the range of our services with more products and financial services, such as Pension Fund and Health and Safety at Work.
The main purpose of our Group activities is to preserve and improve the living standards of the Albanian citizens. In our daily work we are guided by three main principles:

- CARE
- PROTECTION
- WARRANTY

SiCRED STRATEGY

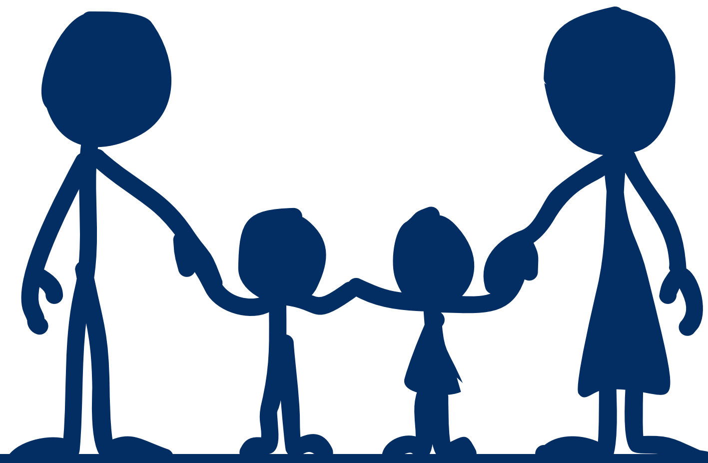
SiCRED Life Insurance Company was established with a clear purpose: to provide high standard products for life and health insurance and to meet clients' needs in the best possible way. This is a difficult and challenging approach, but we believe that this is the right path to follow. Therefore we promised, from the very beginning, to stand by our clients in every step and provide continuous assistance and advice. But our path to success was not always easy.
Our strategic goal is to provide personalized and dedicated insurance products that will meet the needs of the insured, by making a thorough and accurate risk evaluation, as well as balancing in righteous proportion the insured risk versus the provided profits.

· **Dedicated products.**
Different people have different insurance needs and as such a standard product cannot be sufficient for all the people involved. At SiCRED sh.a., we try to make an accurate needs assessment and guarantee the provision of a tailor-made insurance for our client, aiming to fulfills his/ her needs.

· **Tangible profits.**
SiCRED sh.a. products, mainly health insurance products, provide for a wide range of profits, so the insured person gets hold of the insurance profits in the course of his/her lifetime, making it a realistic assistance in difficult moments.

· **Advisory services.**
We are not pleased with just the issuing of 'a piece of paper' to our client. Our work is to ensure that our client is well-informed on the real value of his/ her insurance, by keeping continuous contacts and by advising and directing him/ her so that they take the outmost from our products.

· **Client-oriented approach.**
The insurance contract in itself represents a long-term relationship with the client. Just like any



other human relation is based upon trust, we are conscious that the success of our long-time agreement with our clients is based on the fact that we have gained their trust. Not only being transparent, but also paying attention to our clients' needs, share the same importance. We continuously seek feedback from our clients on how to improve their insurance terms.

I.3 OWNERSHIP AND MANAGEMENT ARRANGEMENTS OF THE COMPANY

The core management bodies of the company are organized as follows:
Assembly of Shareholders
Supervisory Council
General Directorate
A. The Assembly of Shareholders of SiCRED sh.a.is as follows, ranked as per the quota of shares:

	Shareholder	Quota
1.	Mr. Aleksandër PILO	46.30 %
2.	Mr. Renis TËRSHANA	30.10 %
3.	Mr. Artan SANTO	4.74 %
4.	Mr. Maltin KORKUTI	4.74 %
5.	Mrs. Monika MILO	4.74 %
6.	Mr. Gjergj KRALI	4.13 %
7.	Mr. Arben TAIPI	2.10 %
8.	Mr. Petraq SHOMO	2.10 %
9.	Mr. Artan XHORI	1.05 %

B. Members and functions of the Supervisory Council of SiCRED sh.a.:

1.	Mr. Artan SANTO	Chairman
2.	Mr. Artan XHORI	Member
3.	Mr. Selman LAMAJ	Member

C. General Directorate:

1.	Mr. Genc KOXHAJ	General Director

II. MAIN DEVELOPMENTS FOR 2012

II.1) General Developments and progress of insurance products

In November 2011, AMF licensed the Pension Fund Management Company of SiCRED sh.a., as well as the Voluntary Pension Fund "SiCRED Pensions". As per previously-agreed commercial terms, in 2012 SiCRED sh.a. increased the capital of the Management Company, to meet the requests of the law on minimal capital. Given the fact that 2012 was the initial year of activity for the Management Company, the financial outcome of the company was negative, and the loss was covered by the mother company, SiCRED sh.a..
On January 01st, 2011, the Group changed the accounting policy related to the recognition of incomes from written premiums, from contractual-based to installment-based, for insurance policies covering risks longer than a calendar year. The Group recognizes as

accounts receivables the contractual written premiums, and recognizes as deferred income the remaining income of written premiums that refer to later financial reporting periods. The Group believes that the recognition of installment-based income represents better the financial performance of the insurance business. This change in the accounting policy is applied in retrospective by making the necessary adjustments in the financial position statement, as well as in the comprehensive income statement, to allow the successful implementation of the new accounting policy.

At present, SiCRED sh.a. provides for 11 different insurance products, that are licensed by AFSA (Albanian Financial Supervisory Authority).

Our products are as follows:

1. Credit Life Insurance
2. Life and Health Insurance (CASH PLAN)
3. Pupil and Student Life Insurance
4. Group Life and Accidents Insurance
5. Travel Life and Health Insurance
6. Student Life and Health Insurance
7. Life with saving Insurance
8. Combined Life Insurance
9. Depositor Life Insurance
10. Visitor Life and Health Insurance
11. Sport man Life and Health Insurance

During 2012 were issued 46,909 insurance contracts with gross written premium that account for 308,975,277 ALL. While premiums representing income from previous years contracts, together with the premium of the existing year belonging to renewed contracts, in 2012 reached the amount of 207,263,993 ALL. The progress on the main company products is noted as follows:

1. Credit Life Insurance

The main product of SiCRED sh.a. continues to remain the "Credit Life Insurance", considered from the volume of sales. However, due to the current economic situation and the decrease of credit in the Albanian economy, there was a decrease in the income generated from the insurance premium of this product, in comparison to premiums written in 2011. Out of the volume of income generated by insurance in 2012, 11.29% belong to contracts issued during the 2010 – 2011 period, which reflects the strategy of the company to promote and preserve long-term relations with the client.

2. Life and Health Insurance (CASH PLAN)

Sales for CASH PLAN insurance were broadly introduced in June 2011. The year 2012 was the year of presenting and testing this product properly. "Life and Health Insurance (CASH PLAN)" marketing during this year has provided SiCRED sh.a. with the possibility to gain reliable information on client behavior, as well as to get the necessary client feedback to develop this product further.
During this year we noticed an increase in the written premiums as well as in the number of contracts signed for the "Life and Health Insurance (CASH PLAN)" product. The written premium was increased with 32%, in comparison with the previous year, while the paid claims increased with 90%, compared to 2011. The sales increase for this product came as the result of the product upgrade by extending further the range of benefits, but also as a consequence of following a more business-oriented policy toward private health insurance.

3. Pupil and Student Life Insurance

A considerable increase this year was noted in the number of contracts issued for Student Life Insurance. The number of students that were insured in 2012 reached 6.800 people. This came as the result of policies that were followed by the private institutions of higher education in the country that provided for extra profits for their students and helped to increase the value of services provided by these institutions.

Sales according to the insurance products:

The following table presents the gross written premium by SiCRED sh.a., as per the given insurance products:

Products	2008	2009	2010	2011	2012
					Amount in ALL
Credit Life Insurance	99,825,181	93,378,939	157,593,591	247,325,667	228,736,872
Group Life and Accident Insurance	7,018,617	41,009,085	41,549,466	34,712,520	4,959,910
Travel Life and Health Insurance	23,755,781	21,497,875	24,162,310	29,245,164	18,226,866
Life and Health Insurance CASH PLAN	0	0	0	18,245,998	23,756,435
Life with saving Insurance	9,606,369	14,804,547	12,429,995	16,230,394	19,130,450
Combined Life Insurance	595,320	8,631,278	550,800	0	0
Pupil and Student Life Insurance	4,045,600	351,000	388,530	821,700	14,071,900
Student Life and Health Insurance	126,962	147,628	61,880	136,855	92,675
Sportman Life and Health Insurance	18,500	0	15,000	0	0
Total	**144,992,330**	**179,820,352**	**236,751,572**	**346,718,298**	**308,975,108**

The following table presents the annual written premium by SiCRED sh.a. as per the given insurance products:

Products	2008	2009	2010	2011	2012
					Amount in ALL
Credit Life Insurance	99,825,181	93,378,939	117,120,889	121,658,817	127,025,757
Group Life and Accident Insurance	7,018,617	41,009,085	41,549,466	34,712,520	4,959,910
Travel Life and Health Insurance	23,755,781	21,497,875	24,162,310	29,245,164	18,226,866
Life and Health Insurance CASH PLAN	0	0	0	18,245,998	23,756,435
Life with Saving Insurance	9,606,369	14,804,547	12,429,995	16,230,394	19,130,450
Combined Life Insurance	595,320	8,631,278	550,800	0	0
Pupil and Student Life Insurance	4,045,600	351,000	388,530	821,700	14,071,900
Student Life and Health Insurance	126,962	147,628	61,880	136,855	92,675
Sportman Life and Health Insurance	18,500	0	15,000	0	0
Total	**144,992,330**	**179,820,352**	**196,278,870**	**221,051,448**	**207,263,993**

II.2) MARKET INDICATORS 2008 – 2012

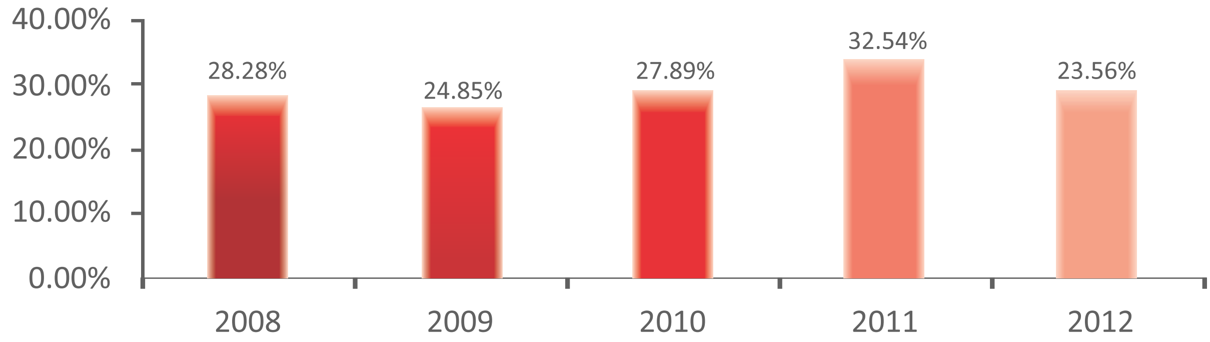
There are three companies operating in the life insurance market in Albania.
The following graph displays the data of life insurance market during the last five years:

Gross Written Premium and Paid Claims

Year	2008	2009	2010	2011	2012
Gross written premium in the life insurance market	512,652,000	723,648,000	848,804,000	1,065,511,000	880,304,000
Written premium of SiCRED sh.a.	144,992,000	179,820,510	236,750,510	346,718,238	207,369,000

*Source of data: AFSA (Albanian Financial Supervisory Authority) Statistical Bulletin

Market share owned by SiCRED sh.a. through the years



The following table presents the progress of paid claims in the life insurance market during the 5-year period.

In numbers

Year	2008	2009	2010	2011	2012
Total of Paid Claims in the life insurance market	85	77	101	142	821
Paid claims by SiCRED sh.a.	42	40	58	87	159

*Source of data: Albanian Financial Supervisory Authority (AFSA) Bulletin of Statistics

In Value

Year	2008	2009	2010	2011	2012
Total of Compensated Indemnities in the life insurance market	44,869,000	79,089,000	71,899,000	116,107,000	158,323,000
Compensated Indemnities by SiCRED sh.a.	9,375,789	20,874,310	30,560,342	22,987,054	23,550,635

*Source of data: Albanian Financial Supervisory Authority (AFSA) Bulletin of Statistics

II.3) FINANCIAL INDICATORS OF SiCRED SH.A. COMPANY 2008 - 2012

2012 was not an easy year for the local business and the Albanian economy at large, having so a deep impact on the activity of our company. The most important product of our company is the Credit Life Insurance that is directly affected by the business credit lines, as well as individual credit lines. According to the official sources of Bank of Albania, the local business continues to face liquidity problems, causing the increase of bad credit, and this fact implies harsher measures of credit institutions in terms of credit issuance.

The key financial and non-financial data of SiCRED sh.a. for the period 2008 – 2012, are presented as follows:

No.	Indicators	2008	2009	2010	2011	2012
1	Gross written premium	144,992,330	179,820,352	236,750,502	346,718,235	308,975,277
2	Financial year premium	144,992,330	179,820,352	196,278,871	221,051,448	207,263,993
3	Gross Paid Claims	9,375,789	20,874,310	30,560,342	22,987,054	23,550,635
4	Total income	161,595,165	162,075,038	200,282,396	229,933,010	192,490,391
5	Net profit	51,366,904	25,921,830	46,507,543	39,430,427	4,507,664
6	Gross dividend for the given year	20,000,000	12,500,000	8,300,000	3,900,000	0
7	Total assets	486,395,676	559,661,505	645,739,588	829,786,697	1,003,704,656
8	Financial investments	419,071,633	456,362,105	487,768,095	510,385,766	531,464,944
9	Registered capital	370,000,000	386,406,820	400,000,000	405,500,000	405,500,000
10	Technical reserves	40,366,375	93,051,196	111,830,922	128,997,501	168,066,546
11	Net capital return in %	16%	7%	12%	10%	1%
12	No. of staff	33	38	42	46	50

II. 4) INSURANCE CARDS

For the first time, in 2012, the insured clients of SiCRED sh.a. were equipped with personalized insurance cards. Having an insurance card, leaving aside benefits received from the insurance contract, provides every card-holder the opportunity of receiving discounts on health services in all medical institutions, private hospitals or clinics, partnered with SiCRED sh.a., discounts that currently reach up to 40%. Furthermore, the availability of these cards has facilitated a number of procedures that were applied in order to obtain insurance benefits, thus creating a friendlier environment for both the client, and SiCRED sh.a. employees.

INSURANCE CARD
a good opportunity

III. .5) JOINT PRODUCT WITH CREDINS BANK

In June 2012, SiCRED sh.a. in cooperation with CREDINS Bank, presented for the first time in Albania, a joint bank-insurance product, a product that already exists in many international financial markets.

This cooperation came in the form of an offer provided to all VISA Card holders, clients of CREDINS Bank. The product provides for two main profits:

1.Free life insurance
2.Discounts available within the medical network cooperating with SiCRED sh.a.

We strongly believe that the combination of different financial products, increases significantly not only the direct profits of clients, but also diversifies the services that provide for their overall needs. Having noticed the huge success of this product throughout 2012, with almost 2000 clients that decided to take advantage of this opportunity, the product will continue to be offered to the CREDINS Bank clients even during 2013, with the change that it will be extended not only to the VISA card-holders, but to all the depositors of CREDINS Bank.

III. OBJECTIVES FOR 2013

Currently, SiCRED sh.a. Company ranks second in the life insurance market, with a steady growth and persistent stability in all its market and financial indicators. The long-term objective of SiCRED sh.a. is to become the leading company in the life and health insurance market in Albania, an objective that goes hand-in-hand with the vision of the company. The main goals of the company for the year 2013 are as follows:

I. Improvement of the information technology structure. In 2012 we initiated a project for the implementation of the integrated programme, which will be extended further even in 2013. This programme will thoroughly support the staff of SiCRED sh.a. and will provide for an improved and a faster client service.

II. During 2012 we continued to work on the improvement and restructuration of SiCRED sh.a. branch network. In 2013 we plan to finish the restructuration of the head offices and 3 company branches. All these efforts will translate into the provision of more adequate facilities and quality support to our clients, aiming to offer our services at a much higher quality.

III. In 2013 we will focus on the further improvement of some of our products by developing more options. This will diversify the range of the provided benefits so that we successfully meet the expectations of our clients and continue to provide more genuine and satisfactory products.

IV. In 2013 we will continue to increase the number of employees of SiCRED sh.a.

V. Staff training will continue during 2013 for SiCRED sh.a. employees, in order to improve their technical and sales skills. The main subjects for these training will be the development of insurance products, the insurance risk assessment, as well as building expertise on claims assessment. Our employees remain our main value, and we will provide continuous training opportunities for our employees in 2013, so that they get hold of the later knowledge and developments in the insurance field.

IV. Consolidated financial reports for the year ended on 31.12. 2012 (with independent auditor's opinion attached)

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Independent Auditors' Report

To the shareholders of
Sicred Sh.A.

Tirana, 31 May 2013

We have audited the accompanying consolidated financial statements of Sicred Sh.a ("the Company"), which comprise the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2012, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Albania Shpk

KPMG Albania Sh.p.k.
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Tirana
Albania

Consolidated Statement of Financial Position as of 31 December 2012

(all amounts are expressed in Lek, unless otherwise stated)

ASSETS	Notes	31 December 2012	31 December 2011 Restated*	1 January 2011
Cash on hand and at banks	9	12,886,249	14,400,472	8,388,544
Term deposits	10	533,733,970	520,669,341	487,768,096
Investments Securities	11	15,270,009	-	-
Reinsurance assets	12	14,325,043	13,178,401	14,236,132
Goodwill	8	8,727,180	8,727,180	-
Tangible assets, net	13	35,286,920	23,632,047	25,022,085
Investment in Subsidiary	8	100,000	-	-
Insurance and reinsurance receivable	14	351,979,323	232,940,798	98,400,515
Deferred acquisition cost		3,532,927	2,613,558	1,435,021
Income tax receivable		12,138,432	10,701,220	801,356
Due from related parties	15	5,443,902	141,902	-
Other assets	16	6,451,255	5,619,802	9,687,839
Receivables from Fund		79,515	973,807	
TOTAL ASSETS		**999,954,725**	**833,598,528**	**645,739,588**
LIABILITIES				
Liabilities for losses and loss adjustment expense	17	5,481,534	6,084,629	672,171
Unearned premium reserve	18	97,207,896	74,736,533	75,840,121
Other reserves	19	65,377,114	48,176,339	35,318,630
Deferred income	14	268,088,844	165,699,503	40,668,664
Insurance and reinsurance payable	14	5,279,438	5,932,325	8,326,590
Borrowings	20	26,415,485	-	-
Other liabilities	21	22,785,474	19,176,132	5,564,151
Total Liabilities		**490,635,785**	**319,805,461**	**166,390,327**
EQUITY				
Paid-up capital	22	405,500,000	405,500,000	400,000,000
Subscribed, not registered capital	22	67,800,000	-	5,500,000
Legal reserves	22	1,916,149	1,916,149	1,916,149
Security reserves	22	31,363,539	25,425,570	25,425,569
Retained earnings		(3,669,393)	77,023,757	46,507,543
Equity attributable to owners of the Company		**502,910,295**	**509,865,476**	**479,349,261**
Non-controlling Interest	8	6,408,645	3,927,591	-
Total Equity		**509,318,940**	**513,793,067**	**479,349,261**
TOTAL LIABILITIES AND EQUITY		**999,954,725**	**833,598,528**	**645,739,588**

These financial statements have been approved by the management of SiCRED sh.a. on 30 April 2013 and signed on its behalf by:

Genc Koxhaj
General Director

Teuta Locaj
Head of Finance and
accounting department

Consolidated Statement of Comprehensive Income for the year ended 31 December

(all amounts are expressed in Lek, unless otherwise stated)

	Notes	2012	2011 Restated*
Gross written premiums	23	207,263,993	221,051,448
Premium ceded to reinsurer	24	(16,768,337)	(17,638,437)
Net written premiums		190,495,656	203,413,011
Change in reserve for unearned premiums	18	(22,471,363)	1,103,588
Change in other reserves	19	(17,200,777)	(12,857,709)
Change in reserve for reinsures	12	1,146,642	(1,057,731)
Net change in deferred policy acquisition costs		919,369	1,178,537
Net earnedpremiums		**152,889,527**	**191,779,696**
Finance income	25	29,764,530	28,458,484
Finance expense	25	(1,049,861)	(148,158)
Foreign exchange (loss)/gain	25	(822,259)	1,138,832
Revenues from management fee		706,728	-
Other operating income		12,537,906	8,524,969
Total income		**194,026,571**	**229,753,823**
Losses and loss adjustment expense	17	(22,974,540)	(28,399,512)
Acquisition costs	26	(51,853,096)	(53,814,597)
Administrative expenses	27	(117,597,787)	(104,573,826)
Depreciation	13	(6,133,696)	(5,201,051)
Total expenses		**(198,532,119)**	**(191,988,986)**
(Loss)/profit before tax		**(4,505,548)**	**37,764,837**
Income tax expense	28	(1,070,579)	(4,563,257)
(Loss)/profit for the year		**(5,576,127)**	**33,201,580**
Other comprehensive income		-	-
(Loss)/profitattributable to:			
Owners of the Company		(3,055,180)	34,758791
Non-controlling interests		(2,520,947)	(1,557,212)
(Loss)/profit for the year		**(5,576,127)**	**33,201,580**
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(3,055,180)	34,758791
Non-controlling interests		(2,520,947)	(1,557,212)
Total comprehensive (loss)/income for the year		**(5,576,127)**	**33,201,580**

Consolidated Statementof Changes in Equity for the year ended 31 December 2012

(all amounts are expressed in Lek, unless otherwise stated)

	Share capital	Subscribed, not registered capital	Legal reserve	Other capital reserves	Retained earnings	Total	Non-controlling interest	Total Equity
Balance at 1 January 2011	**400,000,000**	**5,500,000**	**1,916,149**	**25,425,569**	**83,113,977**	**515,955,695**	**-**	**515,955,695**
Impact of change in accounting policy (note 2.e)	-	-	-	-	(36,606,434)	(36,606,434)	-	(36,606,434)
Restated balance at 1 January 2011 (Restated)	**400,000,000**	**5,500,000**	**1,916,149**	**25,425,569**	**46,507,543**	**479,349,261**	**-**	**479,349,261**
Current year profit	-	-	-	-	34,758,792	34,758,792	(1,557,212)	33,201,580
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**34,758,792**	**34,758,792**	**(1,557,212)**	**33,201,580**
Transactions with owners of the Company, Recognized directly in equity								
Increase in paid up capital	5,500,000	(5,500,000)	-	-	-	-	-	-
Paid dividend	-	-	-	-	(8,300,000)	(8,300,000)	-	(8,300,000)
Acquisition of Subsidiary with non-controlling interest								
Appropriation of Due to Shareholder	-	-	-	-	4,057,422	4,057,422	1,352,474	5,409,896
Non-controlling interest at acquisition date	-	-	-	-	-	-	1,721,940	1,721,940
Non-controlling interest on post acquisition capital increase	-	-	-	-	-	-	2,410,391	2,410,391
Total transactions with owners of the Company	**5,500,000**	**(5,500,000)**	**-**	**-**	**(4,242,578)**	**(4,242,578)**	**5,484,805**	**1,242,227**
Balance at 31 December 2011	**405,500,000**	**-**	**1,916,149**	**25,425,569**	**77,023,757**	**509,865,475**	**3,927,593**	**513,793,067**
Balance at 1 January 2012	**405,500,000**	**-**	**1,916,149**	**25,425,569**	**77,023,757**	**509,865,475**	**3,927,593**	**513,793,068**
Impact of change in accounting policy (note 2.e)	-	-	-	-	-	-	-	-
Restated balance at 1 January 2012 (Restated)	**405,500,000**	**-**	**1,916,149**	**25,425,569**	**77,023,757**	**509,865,475**	**3,927,593**	**513,793,068**
Current year loss	-	-	-	-	(3,055,180)	(3,055,180)	(2,520,948)	(5,576,128)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(3,055,180)	(3,055,180)	(2,520,948)	(5,576,128)
Transactions with owners of the Company, Recognized directly in equity								
Increase in paid up capital	-	67,800,000	-	-	(67,800,000)	-	-	-
Increase in other reserves	-	-	5,937,970	-	(5,937,970)	-	-	-
Paid dividend	-	-	-	-	(3,900,000)	(3,900,000)	-	(3,900,000)
Non-controlling interest								
Non-controlling interest	-	-	-	-	-	-	5,002,000	5,002,000
Total transactions with owners of the Company	**-**	**67,800,000**	**5,937,970**	**-**	**(77,637,970)**	**(3,900,000)**	**5,002,000**	**1,102,000**
Balance at 31 December 2012	**405,500,000**	**67,800,000**	**7,854,119**	**25,425,569**	**(3,669,393)**	**502,910,295**	**6,408,645**	**509,318,939**

Consolidated Statement of Cash Flows for the year ended 31 December

(all amounts are expressed in Lek, unless otherwise stated)

	Note	2012	2011 *Restated
Cash flows from operating activitiesNet (loss)/profit for the year		**(4,505,548)**	**37,764,836**
Adjustments for:			
Depreciation	13	6,133,696	5,201,051
Loss on disposal of tangible assets	13	1,491,589	297,019
Change in reserve for unearned premiums	18	22,471,363	(1,103,588)
Change in reserve for reinsures	12	(1,146,642)	1,057,731
Change in other reserves	19	17,200,775	12,857,709
Change in losses and loss adjustment expense	17	(603,095)	5,412,458
Allowance for impairment	14	31,040	40,920
Interest Expense	25	1,058,223	148,158
Interest income	25	(30,801,111)	(30,048,703)
Changes in operating assets and liabilities:			
Increase in deferred acquisition costs		(919,369)	(1,178,537)
Deferred income for future periods	14	102,389,341	125,030,839
Change in insurance and reinsurance receivable	14	(119,069,565)	(134,581,203)
Change in other assets	16	(831,453)	4,753,247
Change in receivables from Fund		894,293	385,673
Change in restricted cash	9	(196,110)	(53,271)
Change in insurance and reinsurance payable	14	(652,887)	(2,394,265)
Change in due from related parties	15	(5,441,914)	-
Change in other liabilities	21	3,609,342	583,316
Change in income tax receivable		(1,437,212)	(6,034,013)
Interest received	25	29,482,826	31,421,507
Income tax paid	25	(1,070,579)	(8,429,107)
Cash flow generated from operating activities		**18,087,003**	**41,131,777**
Cash flows from investing activities			
Purchases of tangible assets	13	(19,280,158)	(3,708,873)
Increase in term deposits	10	(11,746,344)	(24,101,653)
Change in investment securities	11	(14,977,906)	-
Cash flows used in investing activities		**(46,004,408)**	**(27,810,526)**
Cash flows from financing activities			
Dividend paid	22	(3,900,000)	(8,300,000)
Borrowing	20	26,415,485	(1,274,985)
Proceeds from non-controlling interest on post acquisition capital increase		3,887,697	2,410,390
Cash flows used in financing activities		**26,403,182**	**(7,164,595)**
Net (decrease)/increase in cash and cash equivalents		**(1,514,223)**	**6,156,656**
Cash and cash equivalents at beginning of the year		**14,400,472**	**8,243,816**
Cash and cash equivalents at the end of the year (note 9)		**12,886,249**	**14,400,472**

1. GENERAL

SiCRED Sh.a (the "Company") was established on 7 October 2003 as a life insurance company based in Albania. The company is licensed by the Insurance Supervisory Authority and started the insurance underwriting operation on 1 October 2004. The Company has branches in Tirana, Durres, Shkoder, Fier, Vlora, Gjirokaster, Elbasan, and Korce. The insurance market in Albania is regulated by the Law "On the Activity of Insurance, Reinsurance and Intermediary in Insurance and Reinsurance" no. 9267 dated 29 July 2004 in the Republic of Albania (hereinafter the "Insurance Law") and its regulatory entity is the Financial Supervisory Authority (hereinafter the "Authority").

As at 1 February 2011, the Company purchased 75% of the shares of Sigma IPP owned by Sigma VIG. The share transfer was registered at the National Registration Center on 24 May 2011.

On June 14, 2011, in the General Meeting of Shareholders Assembly, the name of the acquired entity was changed from Sigma I.P.P. sh.a." to "Shoqëria Administruese e Fondit të Pensionit SiCRED sh.a" ("Sicred Pension"). The Subsidiary acts as a Management Company for a Defined Contribution Fund for voluntary pension funds in collection and investment of voluntary pension funds and in processing pension payments, based on decision no. 173 dated 13 December 2011, the Authority approved "Fondi i Pensionit Vullnetar SiCRED Pensions" ("the Pension Fund") which while not having a legal form received its license from the Authority on 21 December 2011.

On 29 June 2012 in the General Meeting of Shareholders Assembly it was decided the establishment of a further entity: Sicred Assistance which is fully owned by the Company. The objective of the Company is to provide assistance and consultancy to companies for implementation of legislation and technical regulations to ensure welfare of employees, as well as providing assistance and consulting to analyze, identify and prevent risks at work, in accordance with the requirements of relevant legislation.
The consolidated financial statement comprises the Company and Subsidiary (together referred to as the "Group"). At 31 December 2012, the Group employed a total of 56 staff and senior management (2011:53).

2. BASIS OF PREPARATION

a) Statement of Compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

b) Basis of measurement
The financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency
These consolidated financial statements are presented in Lek, which is the Group's functional currency. Except as indicated, financial information is presented in Lek.

d) Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 17, 18 and 19.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group.

e) Change in accounting policies

Starting from 1 January 2012 the Subsidiary-Shoqëria Administruese e Fondit të Pensionit SiCRED sh.a changed its accounting policies in respect of presentation of financial statements by disagree gating the activities of the Company and those of the Fund.

The Subsidiary acts as a Management Company for a Defined Contribution Fund "SiCRED Pensions" which does not have a legal form according to the new law and cannot be registered as a separate legal entity. However, requirements of Law no. 10197 "On voluntary pension funds", dated 10.12.2009 include responsibility of the Subsidiary to prepare separate financial statements for the Company and the Fund.

As a result, assets and liabilities of the Pension Fund as at 31 December 2011 were included in the consolidated financial statements because the license from the Regulator was obtained within ten days of the reporting period.

From 1 January 2012, the results of the Pension Fund are no longer included in the consolidated financial statements. This change in accounting policy was retrospectively applied. The Group has represented comparative information for the consolidate financial statements to comply with the revised policy.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group.

a) Basis of Consolidation

(I) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus

· the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.
When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(II) Subsidiaries
Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(III) Transaction eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency translation
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.
Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

c) Classification of insurance and investment contracts
Contracts under which the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder against a specified uncertain future event (the insured event) which adversely affects the policyholder are classified as insurance contracts. Insurance risk is the risk other than the financial risk. Financial risk is the risk of a possible future change in one or more of specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of non-financial variable that the variable is not specific to party to the contract. Insurance contracts may also transfer some financial risk.

d) Recognition and measurement of contracts

Premiums

Life insurance premiums

Gross written premiums comprise the amounts due during the financial year in respect of direct insurance regardless of the fact that such amounts may relate wholly or in part to a later accounting period. Premiums are disclosed gross of commission payable to intermediaries and exclude taxes based on premiums. The earned portion of premiums received is recognized as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of reinsurance service received. If an insurance policy is cancelled the premium remaining to be paid is reversed in premium income

The movement of insurance liabilities is recognized as income net of reinsurers' share, if any. Investment income is presented gross. The interest on time deposits and investment securities is accrued based on effective interest method.

Unearned premium reserve

Unearned premiums are calculated in respect of the renewable single premium payment business. They represent that portion of the gross written premiums which relates to insurance coverage under policies issued by the Group, which extend to future periods beyond the reporting date.

Deferred acquisition costs

Deferred acquisition costs are the amount of acquisition costs that are deducted in calculating unearned premium reserve. They are defined as part of the acquisition costs set as a percentage in the insurance technical plan and relating to periods between the end of the reporting period and the expiry date of the insurance contract. Current acquisition costs are recognized in full as an expense in current period.

Claims

Claimed incurred on life insurance

Claims incurred comprise all payments made throughout the financial year, together with the change in the provision for outstanding claims during the year. Gross claims paid include all the expenses made for settling those claims which are calculated by using triangles method.

Provisions for outstanding claims

Provisions for outstanding claims are the sum of all the claims incurred during the current and previous financial periods, which are not paid as of the end of the fiscal year. The provision includes incurred but not reported claims, calculated as a percentage over reported but not settled claims based on market and group prior period claim history.

Long term business (Other reserve)

Long term business reserve relates to Life with Savings product and is measured as the full amount of the fund accumulated as at the reporting date.

Reinsurance

The Group ceded reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Reinsurance arrangements do not relieve the Group from its direct obligations to its policy holders. Premiums ceded and benefits reimbursed are presented in the statement of comprehensive income and statement of financial position on a gross basis. Contracts that give rise to a significant transfer of insurance risk are accounted for as insurance. Amounts recoverable under such contracts are recognized in the same year as the related claim. Reinsurance assets include balances due from reinsurance companies for ceded insurance liabilities.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsured policy.

Amounts recoverable under reinsurance contracts are assessed for impairment at each date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Liability Adequacy Test
At each reporting date the Group performs tests to ensure the adequacy of claim reserves. The primary tests performed are Claim Ratio Analysis and Run-off analysis of claim reserves. The claim ratio analysis is performed annually on the major lines of business individually. The calculation is performed on claims alone as well as claims including acquisition costs and any other external claim handling costs. In performing this analysis the Group takes into account current estimates of cash outflows. The Group does not discount these estimated cash flows because most claims are expected to be settled within one year.

In addition, the Group performs annually a run-off analysis of claim reserves to assess its reserving methodology. The run-off analysis is performed on RBNS and IBNR separately as well as on combined basis. In case the analysis shows major discrepancies, adjustments are made to the reserving methodology. If a deficiency is identified it will be charged immediately to profit or loss by establishing an unexpired risk provision from losses arising from Liability Adequacy Test.

e) Investment Income
Investment income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. Investment income presented in profit or loss includes interest on financial assets invested from Group.

f) Financial Instruments

(I) Recognition
The Group initially recognises loans and advances and deposits on the date that they originate. All other financial assets and liabilities are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

(II) Classification
See accounting policies 3(g)and (h).

(III) De recognition
The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

(IV) Offsetting
Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(V) Amortized cost measurement
The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(VI) Fair Value measurement
The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models.

(VII) Identification and measurement of impairment
At each reporting date the Group assesses whether there is objective evidence that financial assets are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably. The Group considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively

assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.
Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a debtor will enter bankruptcy or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

g) Cash and cash equivalent

Cash and cash equivalents comprise cash balances on hand, cash deposited with banks and short-term highly liquid investments with maturities of three months or less when purchased.

h) Term Deposits

Term deposits are stated in the statement of financial position at the amount of principal outstanding and are classified as those with maturities more than three months.Interest is calculated using effective interest method and interest receivable is included in term deposits with banks.

i) Investment securities

Investment securities are debt investments that the Group has the intent and ability to hold to maturity and are classified as held-to-maturity assets. Investments, which have fixed or determinable payments and which are intended to be held-to-maturity are subsequently measured at amortized cost, less provision for impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition. Premiums and discounts on investments designated as held-to-maturity are amortized on a systematic basis to maturity using the effective interest method and recorded in interest income.

j) Property and Equipment

(I) Recognition and measurement

Items of property and equipment (or "tangible assets") are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(II) Subsequent cost

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(III) Depreciation

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful life of the assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Fine art is not depreciated. The estimated useful lives for the current period is as follows:

Property (Kiosk)	20 years
Office equipment	5 years
Fixture and fittings	4 years
Vehicles	5 years
Leasehold improvements	up to 6 years (based on lease contract)

k) Impairment of non financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Receivables

Insurance receivable are initially recognised at fair value and subsequently measured at their amortised cost less impairment losses. Insurance receivables are assessed for impairment on each reporting date.

m) Share capital

Share capital is stated at par value.

n) Revenue

The accounting policy for recognizing revenue of insurance operations is presented in note 3.d.

o) Expenses

Operating lease payments

Payments under operating leases are recognized in profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense.

p) Policy acquisition costs

Acquisition costs are defined as the costs arising on the acquisition of new insurance contracts, including direct costs, such as acquisition commissions and the cost of drawing up the insurance document, and apportioned administrative expenses connected with processing of proposals and issuing of policies. Policy acquisition costs are expensed as incurred.

q) Employee benefits

(I) Compulsory social security

The Group makes compulsory social security contributions that provide pension benefits for employees upon retirement. The respective social insurance authorities are responsible for providing the legally set minimum threshold for pension under a defined contribution pension plan. The Group's contribution to the benefit pension plan is charged to profit and loss as incurred.

(II) Paid annual leave

The Group recognizes as a liability the un discounted amount of the estimated costs related to annual leave expected to be paid in exchange for the employee's service for the period completed.

r) Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit and loss on a straight-line basis over the period of the lease.

s) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years in accordance with the Albanian tax legislation. Taxable income is calculated by adjusting the statutory profit before taxes for certain income and expenditure items as required under Albanian law.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

t) New standards and interpretation not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after 1 January 2012, and have not been early applied earlier in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Group, except for IFRS 9 Financial Instruments, which becomes mandatory for the Group's 2015 financial statements and could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

4. INSURANCE RISK MANAGEMENT

a) Risk management objectives and policies for mitigating insurance risk

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The Group accepts insurance risk through its insurance contracts and certain investments contracts where it assumes the risk of loss from persons or organizations that are directly subject to the underlying loss. The Group is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

Reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Group is exposed. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio.

b) Underwriting strategy

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

c) Terms and conditions of insurance contracts

The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contract are set out below.

Nature of risk covered

Substantially, all products under written by the Group cover mortality risk as well as additional risk such as temporary and/or permanent disability, medical expenses cover, repatriating and hospitalization expenses. Products other than Debtor life and Life with Savings have similar characteristics of short tail products and are renewable every year with an option to change the premium by the Group.

Life with savings policies incorporate both saving and risk element. The benefit in case of death is equal to the sum of the savings part of the reserve and the sum assured which is in the range of EUR 5,000 and 10,000. The benefit in case of maturity is equal to the savings part of the reserve. Premium is split into two parts, the risk part set at the beginning of the contract, and the savings part.

Health and other insurance policies represent term policies with no savings element and no surrender value. The benefit under permanent health insurance policies is payable upon death of the insured, or upon permanent or temporary disability within a specified period.

d) Reinsurance and concentration risk

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The Group has ceded insurance risk to limit exposure to underwriting losses and to minimize the effect of losses from credit life insurance, by way of major reinsurance treaty.The following table reports the year-end aggregated insured benefits for the credit life insurance contracts by age category as at 31 December 2012 and 2011. The analysis of such contractual exposures is considered the best indicator of the insurance risk concentration.

Age for Credit Life Insurance	31 December 2012	%
Up to 29	3,116,080,962	11%
30 –39	7,496,597,940	26%
40 –49	11,650,340,333	41%
50 –59	5,446,595,685	19%
Over 60	970,924,059	3%
Total	**28,680,538,979**	**100%**

Age for Credit Life Insurance	31 December 2011	%
Up to 29	3,421,815,914	8%
30 –39	7,919,850,624	18%
40 –49	15,537,846,864	35%
50 –59	5,961,096,344	13%
Over 60	11,529,600,412	26%
Total	**44,370,210,158**	**100%**

e) Exposure relating to catastrophic events

The Group considers that it has not accumulated significant exposures in its major insurance activity related to catastrophic events.

5. FINANCIAL RISK MANAGEMENT

Transactions with financial instruments result in the Group assuming financial risks. These include market risk, credit risk (including reinsurance credit risk) and liquidity risk. Each of these financial risks is described below, together with a summary of the ways in which the Group manages these risks.

a) Market risk

Market risk includes three types of risk:

Currency risk-the risk that the value of a financial instrument will fluctuate because of change in foreign exchange rates.
Fair value interest rate risk-The risk that the value of a financial instrument will fluctuate because of changes in market interest rates.
Price risk-the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Market risk embodies not only the potential for loss but also the potential for gain.

The rates used as of 31 December 2012 and 2011 are the official rates of Bank of Albania (LEK to the foreign currency unit) as set out below:

Lek to the foreign currency unit	31 december 2012	31 december 2011
USD	105.85	107.54
EUR	139.59	138.93

Asset/liability matching

The Group actively manages its assets using an approach that balances quality, diversification, asset/liability matching, liquidity and investment return. The goal of the investment process is to optimize the after-tax, risk-adjusted investment income and risk-adjusted total return, whilst ensuring that the assets and liabilities are managed on a cash-flow and duration basis.
The nature of the insurance risk underwritten, their maturity and the structure of the denomination of the insurance liabilities currencies are required to settle impacts on the Group's investment Strategy. Also the Group should meet the limits established from the regulator requiring that the financial assets invested with non-financial institutions should not exceed a limit of 10% of the share capital.
The Group establishes target asset portfolios for each major insurance product, which represents the investment strategies used to profitably fund its liabilities within acceptable levels of risk. These strategies include objectives for effective duration, yield curve, sensitivity, liquidity, asset sector concentration and credit quality. The estimates used in determining the approximate amounts and timing of payments to or on behalf of policyholders for insurance liabilities are regularly re-evaluated.
Many of these estimates are inherently subjective and could affect the Group's ability to achieve its asset/liability management goals and objectives.The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.
The Group has minimal exposure to currency risk as the Group's financial assets are primarily

matched to the same currencies as its insurance and investment contract liabilities. As a result, foreign exchange risk arises from other recognized assets and liabilities denominated in other currencies.

b) Foreign currency risk management

Assets and liabilities in foreign currencies as of 31 December 2012(amounts translated to Lek) are composed of the following:

Assets	in LEK	in EUR	in USD	Total
Cash on hand and at banks	11,206,225	1,574,891	105,133	**12,886,249**
Term deposits	352,995,803	135,555,473	45,182,694	**533,733,970**
Investment securities	15,270,009	-	-	**15,270,009**
Reinsurance assets	2,305,277	11,580,806	438,960	**14,325,043**
Insurance and reinsurance receivable	186,091,343	165,164,416	723,564	**351,979,323**
Deferred acquisition cost	771,064	2,761,863	-	**3,532,927**
Income tax receivable	12,138,432	-	-	**12,138,432**
Due from related parties	5,443,902	-	-	**5,443,902**
Other assets	5,722,382	728,873	-	**6,451,255**
Total Assets	**591,944,437**	**317,366,322**	**46,450,351**	**955,761,110**
Liabilities and Equity				
Liabilities for losses and loss adjustment expense	2,360,581	3,120,953	-	**5,481,534**
Unearned premium and other reserves	46,356,483	115,775,806	425,721	**162,585,010**
Deferred income	110,598,789	156,850,357	639,698	**268,088,844**
Insurance and reinsurance payable	202,320	5,048,538	28,580	**5,279,438**
Borrowings	-	26,415,485	-	**26,415,485**
Other liabilities	10,151,597	12,629,749	4,128	**22,785,474**
Total Liabilities	**169,669,770**	**319,840,888**	**1,125,127**	**490,635,785**
Net Position	**422,274,667**	**(2,474,566)**	**45,325,224**	**465,152,325**

Assets and liabilities in foreign currencies as of 31 December 2011(amounts translated to Lek) are composed of the following:

Assets	in LEK	in EUR	in USD	Total
Cash on hand and at banks	3,211,163	10,770,265	419,044	**14,400,472**
Term deposits	354,963,550	119,782,463	45,923,328	**520,669,341**
Investment securities	-	-	-	**-**
Reinsurance assets	2,571,127	9,990,317	616,957	**13,178,401**
Insurance and reinsurance receivable	120,741,462	110,972,880	1,226,456	**232,940,798**
Deferred acquisition cost	361,500	2,252,058	-	**2,613,558**
Income tax receivable	10,701,220	-	-	**10,701,220**
Due from related parties	141,902	-	-	**141,902**
Other assets	4,367,913	1,251,889	-	**5,619,802**
Total Assets	**497,059,837**	**255,019,872**	**48,185,785**	**800,265,494**
Liabilities and Equity				
Liabilities for losses and loss adjustment expense	2,108,452	3,976,177	-	**6,084,629**
Unearned premium and other reserves	36,282,193	85,958,769	671,910	**122,912,872**
Deferred income	64,491,388	100,286,946	921,169	**165,699,503**
Insurance and reinsurance payable	661,288	5,256,196	14,841	**5,932,325**
Contribution payable	-	-	-	**-**
Other liabilities	3,450,843	15,725,289	-	**19,176,132**
Total Liabilities	**106,994,164**	**211,203,377**	**1,607,920**	**319,805,461**
Net Position	**390,065,673**	**43,816,495**	**46,577,865**	**480,460,033**

c) Interest rate repricing analysis

The following tables present the Group's financial assets and liabilities analyzed according to repricing periods determined as the earlier of remaining contractual maturity and contractual repricing. The tables are management's estimate of the interest rate risk for the Group as at 31 December 2012 and 31 December 2011 and are not necessarily indicative of the positions at other times but also provide some indication of the sensitivities of the Group's earnings to movements in interest rates. Earnings will also be affected by the currency of the assets and liabilities and equity. The Group has a significant proportion of interest-earning assets in foreign currency.

2012	Effective interest rate	Up to 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Amounts subject to fixed rates	Non-interest bearing	Total
Financial assets									
Cash and cash equivalents		-	-	-	-	-	-	12,886,249	12,886,249
Term deposits	6.09%	410,190,205	123,543,765	-	-	-	-	-	533,733,970
Investments Securities		-		15,270,009	-	-	-	-	15,270,009
Total financial assets		**410,190,205**	**123,543,765**	**15,270,009**	**-**	**-**	**-**	**12,886,249**	**561,890,228**
Financial liabilities									
Borrowings	6.80%	18,113,189	1,707,316	3,565,903	3,029,077				**26,415,485**
Other liabilities		-	-	-	-	-	-	-	
Total financial liabilities		**18,113,189**	**1,707,316**	**3,565,903**	**3,029,077**				**26,415,485**

2011	Effective interest rate	Up to 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	Amounts subject to fixed rates	Non-interest bearing	Total
Financial assets									
Cash and cash equivalents		-	-	-	-	-	-	14,400,472	14,400,472
Term deposits	5.72%	394,452,814	126,216,527	-	-	-	-	-	520,669,341
Investments Securities		-	-	-	-	-	-	-	-
Total financial assets	**394,452,814**	**126,216,527**	**-**	**-**	**-**	**-**	**-**	**-**	**535,069,813**
Financial liabilities									
Other liabilities	-	-	-	-	-	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

d) Credit risk

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk on its term deposits, insurance and reinsurance receivables. Management considers that credit risk related to term deposits is not significant.

The Group manages its exposure to credit risk on a regular basis by closely monitoring its insurance and reinsurance receivables.

Insurance and reinsurance receivable as of 31 December 2012 by maturity are as follows:

	31 december 2012	%
less than 1 month	54,358,394	15%
1 to 3 months	9,313,300	3%
3 months to 1 year	35,097,191	10%
more than 1 year	253,210,438	72%
Total	**351,979,323**	**100%**

Insurance and reinsurance receivable as of 31 December 2011 by maturity are as follows:

	31 december 2011	%
less than 1 month	13,824,066	6%
1 to 3 months	46,187,821	20%
3 months to 1 year	16,332,275	7%
more than 1 year	156,596,636	67%
Total	**232,940,798**	**100%**

e) Liquidity risk

Liquidity risk is the risk that the Group cannot meet its obligations associated with financial liabilities as they fall due.

The Group has adopted an appropriate liquidity risk management framework for the management of the Group's liquidity requirements. The Group manages liquidity risk by maintaining banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The Group is exposed to liquidity risk arising from clients on its insurance contracts.

Liquidity management ensures that the Group has sufficient access to funds necessary to cover insurance claims and maturing liabilities.

Exposure to liquidity risk as of 31 December 2012 (amounts discounted) is presented as follows:

Monetary assets	Less than 1 month	1-3 month	3 months to 1 year	1 – 5 years	More than 5 years	Total
Cash on hand and at banks	12,886,249	-	-	-	-	12,886,249
Term deposits	259,609,452	55,000,010	219,124,508	-	-	533,733,970
Investment securities	-	-	15,270,009	-	-	15,270,009
Reinsurance assets	14,325,043	-	-	-	-	14,325,043
Insurance and reinsurance receivable	20,040,250	9,313,300	69,415,335	112,012,533	141,197,905	351,979,323
Due from related parties	5,143,902	300,000	-	-	-	5,443,902
Income tax receivable	12,138,432	-	-	-	-	12,138,433
Other assets	-	4,541,598	1,109,451	800,206	-	6,451,255
	324,143,328	**69,154,908**	**304,919,303**	**112,812,739**	**141,197,905**	**952,228,183**

Monetary liabilities						
Liabilities for losses and loss adjustment expense	-	2,952,163	2,529,371	-	-	**5,481,534**
Unearned premium reserve and other reserves	415,378	416,474	39,288,223	81,259,262	41,205,673	**162,585,010**
Deferred income for future periods	854,702	1,709,405	21,567,338	112,012,533	131,944,866	**268,088,844**
Insurance and reinsurance payable	5,279,438	-	-	-	-	**5,279,438**
Borrowings	270,307	545,013	19,005,239	6,594,926	-	**26,415,485**
Other liabilities	22,785,474	-	-	-	-	**22,785,474**
	29,605,299	**5,623,055**	**82,390171**	**199,866,721**	**173,150,539**	**490,635,785**
Net Maturity GAP	**294,538,029**	**63,531,853**	**222,529,132**	**(87,053,982)**	**(31,952,634)**	**461,592,398**
Accumulated effect	**294,538,029**	**358,069,882**	**580,599,014**	**493,545,032**	**461,592,398**	**-**

Exposure to liquidity risk as of 31 December 2011(amounts discounted) is presented as follows:

Monetary assets	Less than 1 month	1-3 month	3 months to 1 year	1 – 5 years	More than 5 years	Total
Cash on hand and at banks	14,400,472	-	-	-	-	**14,400,472**
Term deposits	237,554,280	42,429,151	240,685,910	-	-	**520,669,341**
Reinsurance assets	13,178,401	-	-	-	-	**13,178,401**
Insurance and reinsurance receivable	13,783,146	46,187,821	16,332,276	54,706,768	101,930,787	**232,940,798**
Due from related parties	141,902	-	-	-	-	**141,902**
Income tax receivable	10,701,220	-	-	-	-	**10,701,220**
Other assets	718,357	103,166	4,599,363	198,916	-	**5,619,802**
	290,477,778	**88,720,138**	**261,617,549**	**54,905,684**	**101,930,787**	**797,651,936**

Monetary liabilities						
Liabilities for losses and loss adjustment expense	3,976,177	-	2,108,452	-	-	**6,084,629**
Unearned premium reserve and other reserves	520,428	901,869	28,778,237	26,405,225	66,307,113	**122,912,872**
Deferred income for future periods	755,162	1,510,325	6,796,461	54,706,768	101,930,787	**165,699,503**
Insurance and reinsurance payable	5,932,325	-	-	-	-	**5,932,325**
Other liabilities	6,029,477	6,946,500	6,200,155	-	-	**19,176,132**
	17,213,569	**9,358,694**	**43,883,305**	**81,111,993**	**168,237,900**	**319,805,461**
Net Maturity GAP	**273,264,209**	**79,361,444**	**217,734,244**	**(26,206,309)**	**(66,307,113)**	**477,846,475**
Accumulated effect	**273,264,209**	**352,625,653**	**570,359,897**	**544,153,588**	**477,846,475**	**-**

f) Technical interest

The technical interest rate of 6.00% p.a. referring to 1 year Treasury Bills deducted by a security margin of 20% to 30% is used when calculating the mathematical reserve. The technical interest rate is the minimum guaranteed return for every life insurance contract. There is a risk that income from investments will not cover the minimum guaranteed return. In 2012 the generated net income on investments (including mathematical reserves) covers the minimum guaranteed income, granting additional profit above the technical interest.

g) Reserves and actuarial assumptions adequacy test

The Group calculates and charges a life insurance reserve (mathematical reserve) to provide for future payments under long term insurance policies. Many factors affect the calculation of these reserves including, mortality, cancellations and technical interest. Life insurance reserve is calculated based on current assumptions for the basic parameters.
The liability adequacy test is limited to analysis of the main parameters that have the most significant impact on the reserve calculation.
"Mortality" is the risk covered by all insurance products, under written by the Group. "Mortality" risk occurrence data for 2012 are as follows:

Number of people susceptible to the risk of death	47,637 people
Range of age of people susceptible to the risk of death	18-70 years
Number of payments following deaths of insured in 2011	41 cases
Estimated range of number of deaths in 1,000 people	0.35 up to 33.06
Number of deaths in 1,000 people	0.86

Therefore, the actual "Mortality" risk occurrence shown on this table is within the expectation.

h) Reinsurance risk

The Group cedes insurance risk to limit exposure to underwriting losses under separate agreements for each type of insurance. These reinsurance agreements spread the risk and minimize the effect of losses. The amount of each risk retained depends on the Group's evaluation of the specific risk, subject in certain circumstances to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, the Group remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.
When selecting a reinsurer the Group considers their relative security. The security of the reinsurer is assessed from public rating information and from internal investigations. The current reinsurer has a Standard and Poor's rating of A.

i) Sensitivity Analysis

The main factors affecting the profit of the Group are the level of claims ratio and expenses.

Situation as at 31 December 2012		Net Equity
Current		502,910,294
Increase in claims incurred	(7,000,000)	495,910,294
Increase in expenses (+10%)	(11,759,779)	484,150,515

The table above presents a simulation, taking into account changes to claims incurred or increases in expenses, and its effect on the net equity of the Group and the available solvency margin. For the purpose of the simulation, the model uses a claims increase equal to the corresponding largest claim incurred in the last two years, and administrative expenses increase by 10%.

j) Capital management

The Group's objectives when managing capital are to comply with the insurance capital requirements required by the regulators of the Albanian insurance market maintaining a share capital above the minimum requested regulatory capital; to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group's regulator Albanian Financial Supervisory Authority ("AFSA") sets and monitors capital requirements to maintain at any time the capital of the insurance undertaking conducting non-life and life insurance activities is at least equal to the required level of margin of solvency of the insurance undertaking. In accordance with the Albanian insurance law the regulatory capital is composed of the basic capital and additional capital. The basic capital includes the following:

- paid share capital;
- insurance reserve, which does not belong directly to the effective insurance contracts or those which have been effective;
- statutory reserves;
- accumulated and current year profit;

The basic capital does not include the following:

- unpaid share capital;
- intangible assets;
- accumulated and current year losses

The basic capital does not include contribution in kind and should be not less than the defined guarantee fund. The guarantee fund is Lek 370 Million.

The additional capital includes the following:

- Share capital paid on the basis of preferential accumulated shares:
- Subordinated debt;
- Perpetual securities

The Group can invest its share capital in property and financial assets. The Group's exposure with a single bank should not exceed 25% of the regulatory capital and 10% for non-banking entities. The Group has been complying with these limits as of 31 December 2012.

6. USE OF ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgments are continually evaluated and are based on available relevant market information and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(I)Calculation of Insurance Liabilities
See note 3.d.

(II) Determining fair values

The Group's accounting policy on fair value measurement is discussed in accounting policy 3.f.(vi). The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

-Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

-Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

-Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and based on a current yield curve appropriate for the remaining term to maturity. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

(iii) Calculation of corporate income tax

Starting from 1 January 2008 the Group has applied as its statutory accounting framework the International Financial Reporting Standards. Accordingly, the application of International Financial Reporting Standards provides the basis for the underlying records when an entity is subject to corporate tax. However, at the date of release of these financial statements there are limited amendments to the existing income tax law and respective guidelines on the tax on profit calculation which might offer guidance following the introduction of the International Financial Reporting Standard as a statutory framework. Management believes that the tax on profit provision calculation is appropriate given the uncertainty of the Albanian tax environment and existing legislation in force and any future tax audit will not have a significant effect on the Group's financial position, results of operations, or cash flows.

7. FAIR VALUE DISCLOSURES

Fair value estimates are basedon existing statement of financial position financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities not considered financial instruments.

Due from Banks accounts - Due from Banks accounts, which comprise cash at bank and time

deposits, include inter-bank placements and items in the course of collection. As deposits are short term and at floating rates their fair value is considered to approximate their carrying amount.
Investment securities-Treasury bills bonds are interest-bearing assets held to maturity. Because no active market exists for these securities, the fair value has been estimated using a discounted cash flow model based on a current yield curve appropriate for the remaining term to maturity.

31 December 2012	Held-to-maturity	Loans and receivables	Other amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	-	12,886,249	-	12,886,249	12,886,249
Time deposits	-	533,733,970	-	533,733,970	533,733,970
Investment securities	15,270,009	-	-	15,270,009	15,270,009
31 December 2011					
Cash and cash equivalents	-	14,400,472	-	14,400,472	14,400,472
Time deposits	-	520,669,341	-	520,669,341	520,669,341
Investment securities	-	-	-	-	-

8. ACQUISITIONS OF SUBSIDIARY

Acquisition of Subsidiary
On 30 June 2011 the Group obtained control of Sigma I.P.P. Pension fund by acquiring 75% of the shares and voting interests in the company. In the six months to 31 December 2011 Sigma I.P.P contributed investment income of Lek 959 thousand and loss of Lek6,229 thousand to the Group's results.
On 29 June 2012 the Shareholders Assembly decided to establish a new Company "Sicred Assistance Sh.p.k". The registered capital contributed as at 31 December 2012 is Lek 100,000 and is owned 100% from Sicred Sh.a. During the year 2012 the new established subsidiary had a limited business activity consisting in revenues and incurred only personnel expenses in the amount Lek 311,279.

Consideration transferred
The Company has agreed to pay a total amount of EUR 100,000 based on the share purchase agreement dated 31 January 2011.The payment of the consideration will be made in two equal installments of EUR 50,000 respectively on 31 January 2012 and within a period of six months from the date of the first payment.
Contingent Consideration
The share purchase agreement was to be valid if Sigma I.P.P achieved the license to operate from the Albanian Financial Supervisory Authority ("AFSA") within 31 December 2011. The license was obtained on 23 November 2011. This license was notified and submitted to the Subsidiary officially from AFSA on 14 December 2011.
Change in accounting policy of Subsidiary and assets acquired and liabilities assumed
The financial statements of the Subsidiary and those of the Fund have been prepared separately for the year ended 31 December 2012 and comparative information has been re-presented to conform with the revised policy. The revision of the policy has also effected the

assets acquired and liabilities assumed in the acquisition of the Subsidiary. Restated identifiable assets acquired and liabilities assumed are as follows:

	30 June 2011
Cash & cash equivalents	10,027,670
Due from Shareholders	141,902
Other assets	685,207
Trade receivables from Fund	1,359,480
Property and Equipment	399,159
Due to Shareholders	(5,409,896)
Other liabilities	(315,762)
Total	**6,887,760**

Goodwill	31 December 2012 and 2011
Total consideration transferred	13,893,000
Non-controlling interest	1,721,940
Fair value identifiable net assets	(6,887,760)
Impairment	-
Total	**8,727,180**

Non-Controlling interest	31 December 2012	31 December 2011
Net assets at acquisition Date	1,721,940	1,721,940
Post acquisition retained loss	(5,00245)	(1,557,212)
Post acquisition increase in share capital	8,334,476	2,410,390
Post acquisition appropriation of due to shareholder	1,352,474	1,352,474
Non-controlling interest at year end	**6,408,645**	**3,927,592**

9. CASH ON HAND AND AT BANKS

Cash and cash equivalents consist of the following:

	31 December 2012	31 December 2011
Cash on hand	444,780	629,493
Cash at banks		
in foreign currency	1,276,668	10,608,066
in Lek	10,770,692	2,964,914
Subtotal of cash at banks	12,047,360	13,572,980
Cash and cash equivalents	**12,492,140**	**14,202,473**
Restricted balances	394,109	197,999
Total	**12,886,249**	**14,400,472**

Cash and cash equivalent at banks in foreign currency as of 31 December 2012 and 2011 consisted of the following:

	31 December 2012	31 December 2011
EUR denominated	1,171,535	10,189,022
US Dollar denominated	105,133	419,044
Total	**1,276,668**	**10,608,066**

10. TERM DEPOSITS

Term deposits are composed as follows:

	31 December 2012	31 december 2011
Guarantee deposits	397,273,107	397,685,902
Term deposits	54,229,500	56,946,510
Saving accounts	64,800,753	47,569,738
Accrued interest	17,430,610	18,467,191
Total	**533,733,970**	**520,669,341**

Guarantee deposits represent one year maturity term deposits denominated in Lek, Euro and USD placed in local banks which are restricted and held as guarantee to conform to the requirements set by the Financial Supervisory Authority.

11. INVESTMENT IN SECURITIES

	31 December 2012	31 December 2011
Purchase price	14,977,906	-
Accrued interest	292,103	-
Total	**15,270,009**	**-**

Investments in securities as at 31 December 2012 are Held-to-Maturity treasury bills of Government of Albania. The Treasury bill has a nominal value of Lek 16 Million, and matures on 13 September 2013 with a yield of 6.9%.

12. REINSURANCE ASSETS

The Group cedes insurance premiums and risks in the normal course of business for debtor life insurance to limit the potential for losses arising from longer and more severe claim exposures. Such reinsurance includes treaty basis, excess of loss and quota share. The Group cedes insurance to other companies and these reinsurance contracts do not relieve the Group from its obligations to policyholders. Thus a credit exposure exists with respect to reinsurance ceded to the extent that any reinsure is unable to meet the obligations due under the reinsurance agreements. The Group does not hold collateral under its reinsurance agreements. At 31 December 2012 the amount of Lek14,325,043(2011: Lek13,178,401) represents the reinsurance share on unearned premium insurance liabilities. M ovement of reinsurance assets for year ending 31 December 2012is as follows:

	31 December 2012	31 December 2011
At the beginning of the year	13,178,401	14,236,132
Change for the year	1,146,642	(1,057,731)
Total	**14,325,043**	**13,178,401**

13. TANGIBLE ASSETS, NET

	Office equipment	Fixture and Fittings	Vehicles	Vehicles under finance lease	Property (Kiosk)	Fine art	Leasehold improvements	Computer installation	Total
Cost									
Balance at 1 January 2011	**9,726,512**	**11,317,349**	**4,444,048**	**3,428,000**	**595,000**	**33,333**	**14,137,219**	**-**	**43,681,461**
Acquisitions through business combinations	203,336	-	-	-	-	-	-	195,823	399,159
Additions	2,934,560	478,952	-	-	-	-	-	295,361	3,708,873
Disposals	(516,332)	(58,920)	-	-	-	-	-	(126,489)	(701,741)
Reclassifications	-	-	1,353,000	(1,353,000)	-	-	-	-	-
Balance at 31 December 2011	**12,348,076**	**11,737,381**	**5,797,048**	**2,075,000**	**595,000**	**33,333**	**14,137,219**	**364,695**	**47,087,752**
Additions	3,824,421	1,703,248	-	11,735,586	-	-	2,016,903	-	19,280,158
Disposals	(152,640)	(419,680)	(4,444,047)	-	-	-	-	-	(5,016,367)
Reclassifications	-	-	2,075,000	(2,075,000)	-	-	-	-	-
Balance at 31 December 2012	**16,019,857**	**13,020,949**	**3,428,001**	**11,735,586**	**595,000**	**33,333**	**16,154,122**	**364,695**	**61,351,543**
Accumulated depreciation									
Balance at 1 January 2011	**5,060,714**	**5,603,246**	**2,396,234**	**1,193,178**	**58,428**	**-**	**4,347,576**	**-**	**18,659,376**
Charge for the period	1,487,239	1,152,124	409,563	446,964	26,829	-	1,634,352	43,980	5,201,051
Disposals	-	-	671,810	(671,810)	-	-	-	-	-
Reclassifications	(359,780)	(44,942)	-	-	-	-	-	-	(404,722)
Balance at 31 December 2011	**6,188,173**	**6,710,428**	**3,477,607**	**968,332**	**85,257**	**-**	**5,981,928**	**43,980**	**23,455,705**
Charge for the period	1,999,069	1,102,132	575,280	519,857	25,487	-	1,844,812	67,059	6,133,696
Reclassifications	-	-	1,023,666	(1,023,666)	-	-	-	-	-
Disposals	(136,934)	(309,009)	(3,078,835)	-	-	-	-	-	(3,524,778)
Balance at 31 December 2011	**8,050,308**	**7,503,551**	**1,997,718**	**464,523**	**110,744**	**-**	**7,826,740**	**111,039**	**26,064,623**
Carrying amount									
Balance at 31 December 2011	**6,159,903**	**5,026,953**	**2,319,441**	**1,106,668**	**509,743**	**33,333**	**8,155,291**	**320,715**	**23,632,047**
Balance at 31 December 2012	**7,969,549**	**5,517,398**	**1,430,283**	**11,271,063**	**484,256**	**33,333**	**8,327,382**	**253,656**	**35,286,920**

14. INSURANCE AND REINSURANCE RECEIVABLES

14.1 Insurance and reinsurance receivable, net

	31 December 2012	31 December 2011
Insurance receivable	352,010,363	232,981,718
Impairment of insurance receivable	(31,040)	(40,920)
Total	**351,979,323**	**232,940,798**

Insurance receivable is mainly composed of premiums related to insurance policies issued to ARMO Sh.a and Societe General Albanian Bank borrowers. As at 31 December 2012 and 2011 the Company has recognized as a receivable the contractual written premium and recognized as deferred income amounting to Lek268,088,840(2011:Lek165,699,503) that portion of the written premium comprising amounts due in subsequent financial reporting periods.

14.2 Insurance and reinsurance payable

	31 December 2012	31 December 2011
Insurance payable	831,834	1,562,269
Reinsurance payable	4,448,055	4,370,056
Total	**5,279,439**	**5,932,325**

15. DUE FROM RELATED PARTIES

	31 december 2012	31 December 2011
KURUM International	5,143,902	141,902
Sicred Assistance	300,000	-
Total	**5,443,902**	**141,902**

Due from related parties-KURUM International as at 31 December 2012 represent the balance of unpaid share capital of the Subsidiary as per Decision No. 10, dated 29 June 2012 of General Meeting of Assembly of Shareholders. Based on this decision the Subsidiary's share capital increased by Lek 20,008,000 following pre-agreed instalment. As at 31 December 2012, an amount of Lek12,500,000 was paid only from SiCRED Shoqëri SigurimiJete. Lek 141,902 represent the amount due from Kurum International sh.a. based on the Decision no. 13 dated 8 December 2009 of the Shareholders Assembly to offset the Company accumulated deficit.

Due from related parties-Sicred Assistance as at 31 December 2012 represent the balance of amounts due to the Group.

16. OTHER ASSETS

	31 December 2012	31 December 2011
Inventory of policies	2,560,635	3,885,116
Advances to employees	1,606,469	1,252,912
Other debtors	2,284,151	481,774
Total	**6,451,255**	**5,619,802**

17. LIABILITIES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

Movement of liabilities for losses and loss adjustment expenses is as follows:

	31 December 2012	31 december 2011
As at 1 January		
Gross insurance liabilities for losses and loss adjustment expenses	**6,084,629**	**672,171**
Reinsurance recoverable	-	-
Net insurance liabilities for losses and loss adjustment expenses	**6,084,629**	**672,171**
Losses and loss adjustment expenses incurred	22,947,540	28,399,512
Losses and loss adjustment expenses paid	(23,550,635)	(22,987,054)
Net insurance liabilities for losses and loss adjustment expenses as at 31 December	**5,481,534**	**6,084,629**
Reinsurance recoverable	-	-
Gross insurance liabilities for losses and loss adjustment expenses	**5,481,534**	**6,084,629**

Significant delays occur in the notification of claims and a substantial measure of experience and judgment is involved in assessing outstanding insurance liabilities, the ultimate costs of which cannot be assessed with certainty as of the reporting date. The insurance liabilities for losses and loss adjustment expenses are determined on the basis of information currently available; however, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent developments. As of31 December 2012 the Group has58unsettled claims (2011: 30) most of which relate to Life and Health in travel which need more time for investigation.

18. UNEARNED PREMIUM RESERVE

	2012	Change of the period	2011	Change of the period	2010
Debtor life	74,546,727	(27,198,426)	47,348,301	13,756,295	61,104,596
Group life and accidents	896,369	7,757,918	8,654,287	1,667,786	10,322,073
Travel life and health insurance	985,924	881,990	1,867,914	2,340,009	4207923
Student and pupil life insurance	2,611,695	(2,521,502)	90,193	18,565	108,758
Combined life	-	-	-	71,977	71,977
Students abroad	32,524	(3,627)	28,897	(5,168)	23,729
Sportsmen	-	-	-	1,065	1,065
Cash Plan	18,134,657	(1,387,716)	16,746,941	(16,746,941)	-
Total	**97,207,896**	**(22,471,363)**	**74,736,533**	**1,103,588**	**75,840,121**

19. OTHER RESERVES

Other reserves as at 31 December 2012amounting to Lek65,377,114 (2011: Lek48,176,339) representslife assurance reserve created for the Life with Savings product for which the Group accounts in full the amount of the fund accumulated as at the reporting date (also see note 3.d).

20. BORROWINGS

	31 December 2012	31 December 2011
Overdraft-refer to (a) below	16,478,481	-
Leases-refer to (b) below	9,937,004	-
Total	**26,415,485**	**-**

a. On 22 October 2012, the Company SicredSh.a. signed a credit agreement and obtained an overdraft of Eur 130,000 from Credins Bank. This overdraft bears annual interest at the Libor 6M+6.7%. The amount outstanding as at 31 December 2012 is Lek 16,478,481 (2011: Nil).

b. On 10 July 2012 and 12 October 2012, the Company signedfinancial lease agreement and obtained financial lease for the purchase of two new vehicles of Eur9,630 and Eur 66,132 respectively from SOGELEASE Albania Sh.a..These financial leases bears annual interest 6.5% for the first year and for the period up to maturity the interest rate is EuroLibor 12 M+4.5%..

21. OTHER LIABILITIES

	31 December 2012	31 December 2011
Share purchase consideration payable	6,979,500	13,893,000
Suppliers	11,272,351	2,499,103
Tax and social insurance	1,801,295	1,813,720
Taxes payable other than income tax	119,468	147,585
Other creditors	2,300,323	562,249
Consulting services	281,413	250,073
Other accrued expenses	23,860	-
Accrued expenses depository bank	5,811	-
Due to AFSA	1,453	10,402
Total	**22,785,474**	**19,176,132**

22. SHARE CAPITAL

22.1 Paid-up capital

On 23 June 2010, the Shareholder's Assembly, with Decision No.6 increased the registered capital through the accumulated profit transferred to the subscribed not-registered capital amounting to Lek 5,500,000,and consequently capital was increased to Lek 405,500,000. The above decisions has been reflected in the respective 2011 and 2012 financial statements.

Increase in capital in amount Lek 5,500,000 was registered in NRC based on regulations in force for te year 2011.
The shareholding structure of the Group is as follows:

	31 December 2012	31 December 2011
Aleksandër Pilo	46.30%	46.30%
Renis Tërshana	30.10%	30.10%
Gjergj Krajli	4.13%	4.13%
Artan Santo	4.74%	4.74%
Monika Milo	4.74%	4.74%
Maltin Korkuti	4.74%	4.74%
Petraq Shomo	2.10%	2.10%
Arben Taipi	2.10%	2.10%
Artan Xhori	1.05%	1.05%
Total	**100%**	**100%**

The guarantee fund as of31 December 2012 and 2011is invested as follows:

	31 December 2012	31 December 2011
Time deposits (note 11)	397,273,107	397,685,902
Total		

22.2 Subscribed, not registered capital

On 29 June 2012, the Shareholder's Assembly with Decision No.13 increased the registered capital through the accumulated profit transferred to the subscribed not-registered capital amounting to Lek 67,800,000. The share capital increase of Lek 67,800,000 is not registered in the National Registration Center as at 31 December 2012. The balance of subscribed-not registered capital as at 31 December 2011 was nil.

22.3 Legal reserve

The legal reserve was created to comply with the Albanian "Law On Commercial Companies" which requires companies to create reserves of 5% of net profit made in the previous year. Following the introduction of the Insurance Law such a reserve is no longer required. At the date of release of these Financial Statements no specific decision has been taken by the General Shareholder Assembly on the future use of this reserve.

22.4 Insurance risk reserve

Insurance risk reserve is created based on article 93 of the Insurance Law amounting to one third of the prior period profit if the profit is not used to cover accumulated losses inherited from the previous years. Such reserve is not increased by an amount greater than 30% of the average premiums collected in the last two years. This reserve is created to guarantee the solvency and guarantee fund.

22.5 Dividend paid

Dividend distributions are at the discretion of the shareholders and distributed in compliance with Law on Commercial Companies nr 9901, dated "14 April 2008" (amended). On 28 June 2012 the Assembly meetings Nr. 12 of the Sicred Sh.a. Shareholders approved the increase in capital and a dividend and profit distribution for the fiscal year 2011 as follows:

Net profit for 2011	39,430,426
Transfers to insurance risk reserves	5,937,970
Increase of share capital	67,800,000
Dividend paid in 2012	3,900,000

The Assembly meeting No. 11 of Sicred Sh.a. Shareholders dated 29 June 2012 approved the transfers to insurance risk reserve.

23. GROSS WRITTEN PREMIUMS

	Year ended 31 December 2012	Year ended 31 December 2011
Debtor life	127,025,757	121,658,817
Group life and accidents	4,959,910	34,712,520
Travel life and health insurance	18,226,866	29,245,164
Cash plan	23,756,435	18,245,998
Saving life insurance (Savings account)	16,921,839	14,278,380
Saving life insurance	2,208,611	1,952,014
Pupil and student life	14,071,900	821,700
Student abroad	92,675	136,855
Total	**207,263,993**	**221,051,448**

24. PREMIUM CEDED TO REINSURER

Premiums ceded to reinsures amounting to Lek16,768,337(2011: Lek17,638,437)relate to debtor life insurance product with reinsurer counter party Scor Global Life.

25. FINANCE INCOME, NET

	Year ended 31 December 2012	Year ended 31 December 2011
Finance income		
Interest income from time deposits	29,466,913	28,446,245
Interest income from treasury bills	292,103	-
Interest income from current accounts	5,514	12,239
	29,764,530	**28,458,484**
Finance expense		
Interest expense	1,058,223	148,158
	1,058,223	**148,158**
Foreign exchange gain/(loss)		
Foreign exchange gain	6,120,627	5,235,642
Foreign exchange loss	(6,942,886)	(4,096,811)
	(822,259)	**1,138,832**

26. ACQUISITION COSTS

	Year ended 31 December 2012	Year ended 31 December 2011
Commissions	24,335,228	27,837,938
Advertising costs	20,921,340	15,766,845
Examination expenses	5,573,816	9,033,440
Purchase of policies	1,022,712	1,176,374
Total	**51,853,096**	**53,814,597**

27. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2012	Year ended 31 December 2011
Personnel expenses	66,843,498	58,946,381
Rental expenses	13,303,781	12,641,485
External services	5,704,963	9,541,242
Fees, taxes and penalties	8,018,082	5,507457
Utilities and communication	4,390,096	3,920,942
Other	19,337,367	14,066,950
Total	**117,597,787**	**104,624,457**

28. INCOME TAX EXPENSE

The annual tax calculation is as follows:

	2012	2011
Profit before tax	(4,505,549)	37,764,837
Taxable profit of the year	**(4,505,549)**	**37,764,837**
Prima facie tax calculated at 10 % (2011: 10%)	(450,555)	3,776,484
Tax effect of non deductible expenses	1,521,134	786,773
Taxable profit 10%	**1,070,579**	**4,563,257**

In accordance with Albanian tax regulations, the applicable income tax rate for 2012 is 10% (2011: 10%). Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Albanian tax laws and regulations are subject to interpretation by the tax authorities. Disallowable expenses for tax purposes represent expenses not supported with adequate documentation or expenditures not considered eligible for fiscal purposes.
Based on the local accounting law, starting from 1 January 2008 Insurance Companies had to report in accordance with IFRS. In addition, Law No. 10364, dated 16.12.2010 provides for certain amendments (effective as of 24 January 2011). Based on these amendments, the insurance liabilities charged by insurance companies in accordance with IFRS shall be considered as tax deductible expenses.

29. COMMITMENT AND CONTINGENCIES

Legal

In the normal course of business the Group receives legal claims which are not related to insurance; the Group's management is of the opinion that no material losses will be incurred in relation to any such legal claims outstanding at 31 December 2012.

Capital commitments

The Company as at 31 December 2012 has contractual commitments of Lek9,937,004(2011: Nil) for future expenditures related to 2 transport vehicles (2011: Nil).

Operating lease commitments

Minimum future payments under key agreements are as follows:

	31 December 2012	31 December 2011
Not later than 1 year	14,942,497	12,913,063
Later than 1 year and not later than 5 years	37,787,448	29,038,169
More than 5 years	7,575,388	12,019,699
Total	**59,893,333**	**53,970,931**

30. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party on making financial or operational decisions, or the parties are under common control with the Group.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and at market rates. The volume of these transactions and outstanding balances at the end of respective periods are as follows:

	2012	2011
Assets		
Life insurance	518,212	793,581
KURUM International	5,143,902	141,902
Liabilities		
Claims paid	13,510	-
Administrative expenses		
Management remuneration	11,607,000	12,981,000

31. SUBSEQUENT EVENT

On 4 March 2013 the Shareholder Assembly of Subsidiary "Shoqeria Administruese e Fondit te Pensionit SiCRED sha "approved the new structure of share capital. Proportional par of SiCRED sha is 87.25% of share capital, equal to the amount Lek 26,726,670 and quota share is 65187 shares while Kurum International sha has 12.75% of share capital, equak to the amount Lek 3,906,890 and quota share is 9,529 shares. This This structure is approved from the shareholders of the Subsidiary.

The management of the Group is not aware of any other events after the reporting date that would require either adjustments or additional disclosures in the consolidated financial statements.

V. PENSION FUND MANAGEMENT COMPANY SICRED SH.A.

The Pension Fund Management Company SiCRED sh.a. was licensed by the Albanian Financial Supervisory Authority (AFSA) on 23.11.2011, to exercise the activity for the pool and investment of funds deriving from voluntary pensions schemes, as well as processing of pension payments. The Law no. 10197, dated 10.12.2009 "On the voluntary pension funds", approved by the Parliament of the Republic of Albania, and the supporting guidelines issued by the Albanian Financial Supervisory Authority, provide for the basis of the activities and daily operations of the Company.

The Company is one of the three companies that manage voluntary pension funds in Albania, and currently has in its possession a voluntary pension fund, named "SiCRED Pensions".

What is the purpose of the Fund?

Private Insurance schemes as efficient forms that are randomly intertwined with the Social Pension schemes are established with the aim to provide income upon one's reaching the age of pension. The main purpose of the private pension fund is to ensure supplementary pension income, in order to provide for a higher quality of life for the individual; once he/ she reaches the retirement phase. The income level of the individual upon his/her retirement, will sum up the income contemplated for participating in the obligatory Social Pension Scheme, adding up the contribution and the income generated by participating in the Private Pension Fund.

The voluntary pension fund is a well-known fragment of the international pension systems. This type of pension was created out of necessity for the simple fact that the common state-run pension fund systems do not provide the required income to people once they reach the retirement age.

SiCRED Pensions provides for a total asset management according to investments made throughout the persons' lifetime. This is closely related to our company's mission that is to ensure high life standards even during the pension phase.

The Management Company is dedicated to build a long-time relationship with the clients and is based on 3 main pillars:
1) Trust
2) Safety
3) Transparency

The Company aims to:

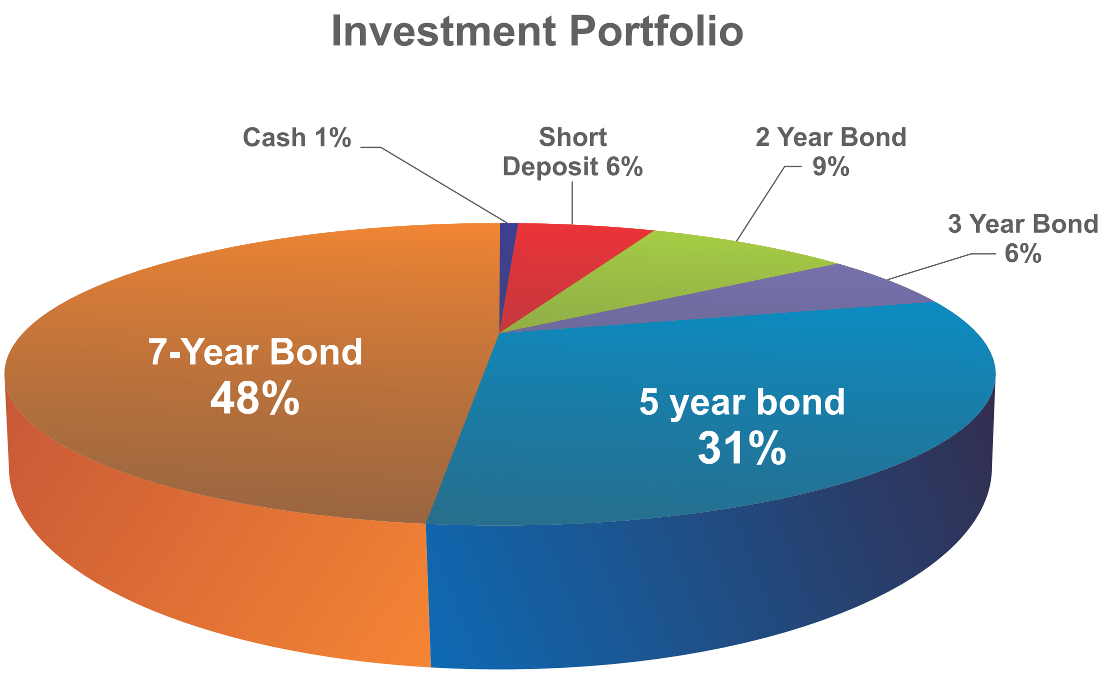
- Ø Encourage the Fund membership
- Ø Increase the awareness of our society on the need of supplementary pensions
- Ø Ensure the necessary resources to meet the involved obligations
- Ø Maximize the return from investments within the previously-agreed risk parameters
- Ø Ensure maximal care for the client
- Ø Improve the service in a continuous manner

Progress during 2012 and perspectives for 2013

The year 2012 was the first year of activity for the Company and as a consequence the Company Management was focused on establishing the necessary infrastructure to enable that activities were carried out according to the law and best practices for the successful management of the voluntary pension funds.

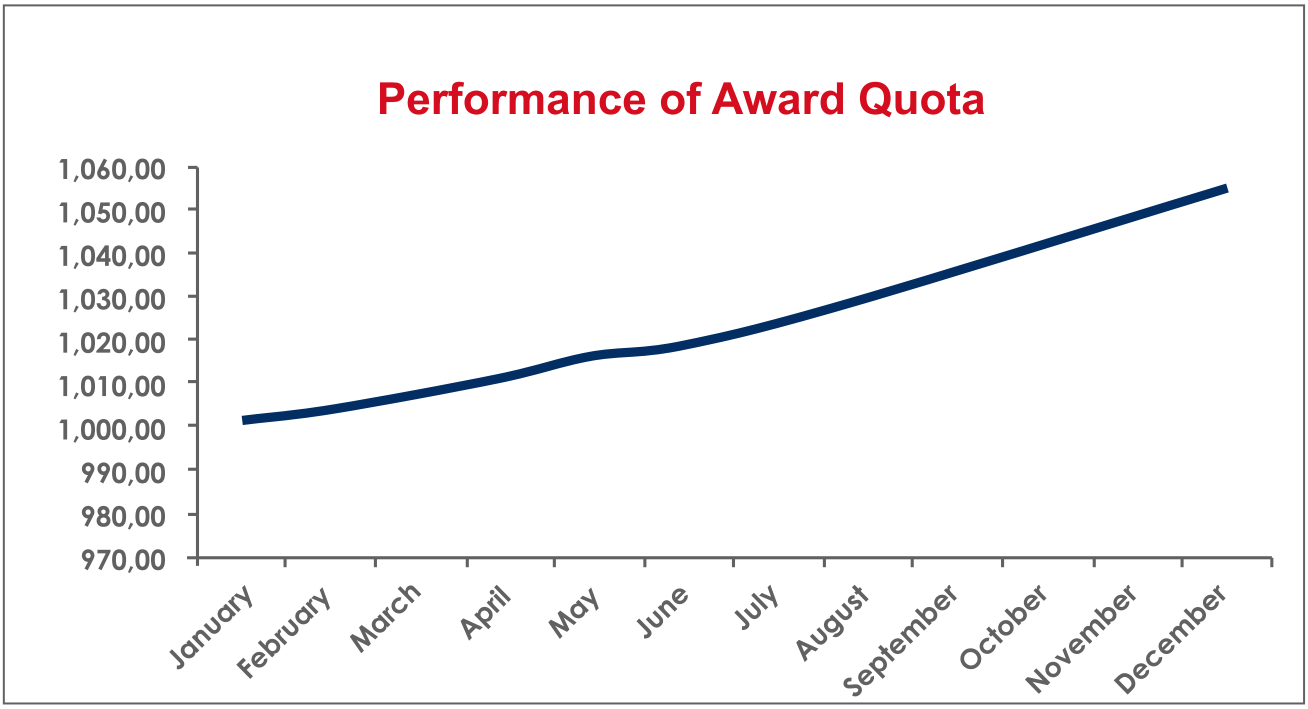
On 01st January, 2012, "SiCRED Pensions" Voluntary Fund accounted for a number of 1,093 members, while on 31st December 2012, the membership number reached 1,723 people, with a net increase of 630 members. The Net Value of Assets Fund on 31st December 2011 was 21,103,673.79 ALL, while on 31st December 2012, reached 34,867,856.27 ALL.

The greatest part of the Fund portfolio is invested in shares and bonds of the Albanian State.
The assets fund allocation as of 31.12.2012 is presented as follows:

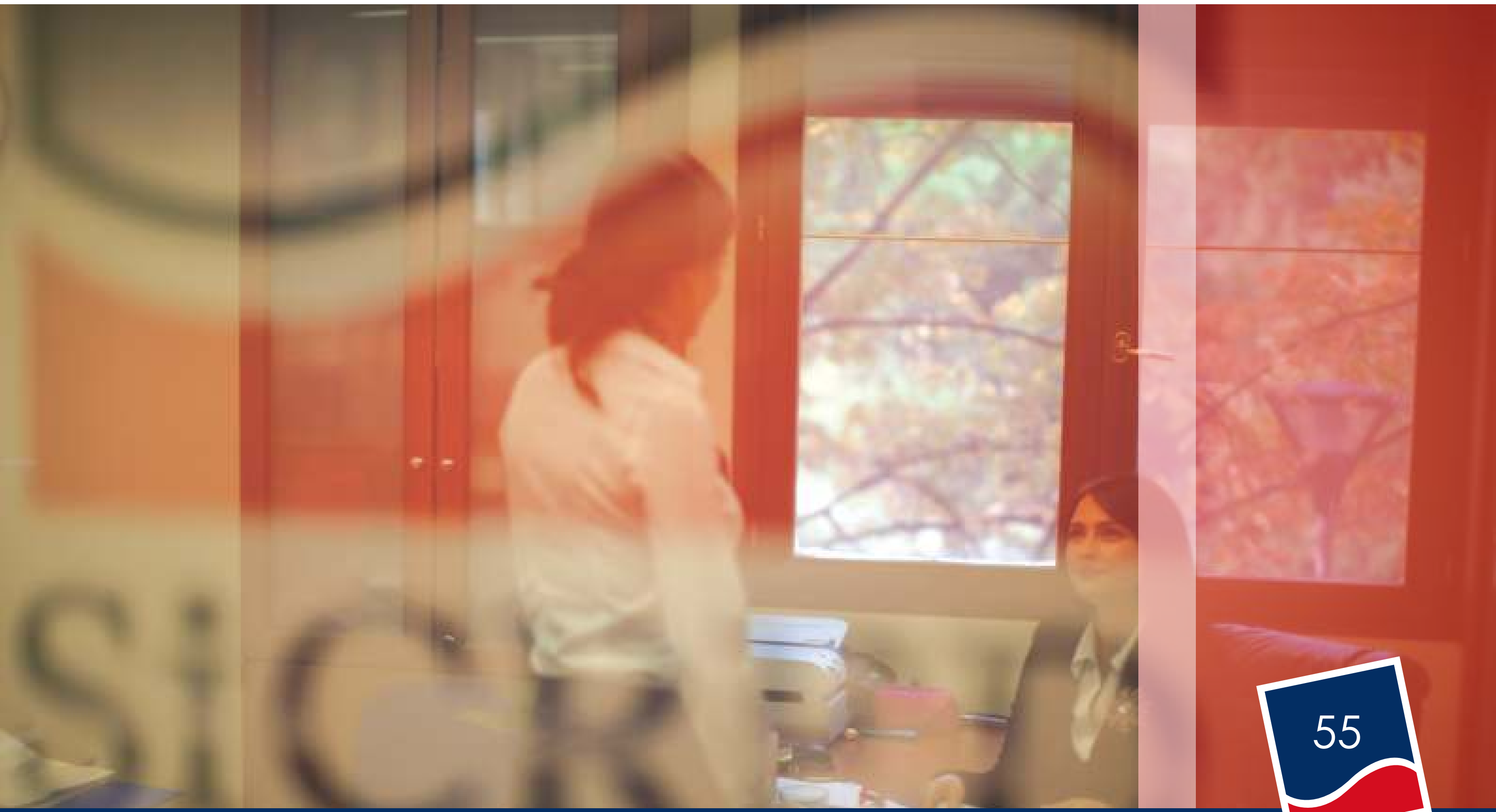


The value of assets per unit on 31st December 2011 was 1,000.00 ALL per unit, while on 31.12.2012 reached 1,054.95 ALL per unit. The average norm of Fund's returning portfolio during 2012 was 8.5%.

The progress of the price per unit until 31.12.2012 follows here with:



During 2013 the Company will continue its work to raise the awareness of the public opinion on the necessity of investing in the voluntary pension fund, aiming to increase the number of the members of "SiCRED Pensions" Fund. Moreover, the Company will also focus on the further improvement of the product range in order to meet the clients' requests to their best.



VI. SICRED ASSISTANCE SH.P.K.

SiCRED Assistance sh.p.k. (consulting company, with a 100% owned capital by the life insurance Company SiCREDsh.a.), was established on 29th June 2012, at the emerging request of the current legal situation in the country, as well as on the vision of the ownership group to meet this urgent legal request, that involved an economic opportunity in itself. The primary objective of the company is to provide assistance and advisory services to companies on how to implement the required legislation and technical guidelines for ensuring the wellbeing of employees at work, during the working hours, as well as for providing assistance and advisory services for the assessment, identification and the prevention of risks at work, in accordance with the requests of relevant legislation.

Mission

The mission of SiCRED Assistance is to assist employers to fulfill at their best the requisites of work legislation, and other requests for work safety, as required by state institutions. This will become an important factor for the private and/ or public subjects, with the aim to establish and preserve optimal working conditions.

Values

Competency. The Company has sufficient human and infrastructure capacities to fulfill its obligations versus the clients, in a timely and responsible fashion. The company staff engages highly qualified personnel, with lawyers, physicians, sociologists, engineers, etc. and experts highly experienced for their given profiles. The characteristics of every single profile meet the request for a thorough examination of the work factor, as well as the impact that this factor would have on the employee.

Accountability. We are aware of the obligations and the involved risks and we aim to provide a qualitative product that meets the expectations of our clients to their best.

Reliability. We commit to provide our services in full accordance with the contractual terms negotiated and agreed upon by both parties.

Communication. SiCRED Assistance aims to create and preserve continuous communication with the client, with the purpose to identify and build upon the needs and future necessities, and at the same time we are able to address the proper solution in the fastest possible manner.

Reliability. SiCRED Assistance aims to become an important and reliable partner for the contracting employer.

Company activity

During 2012, SiCRED Assistance sh.p.k. has undertaken the necessary procedural steps to establish its working structures. The expectations of the Company are to establish consultancy contracts as soon as the first months of 2013.

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Gjirokastra Branch:
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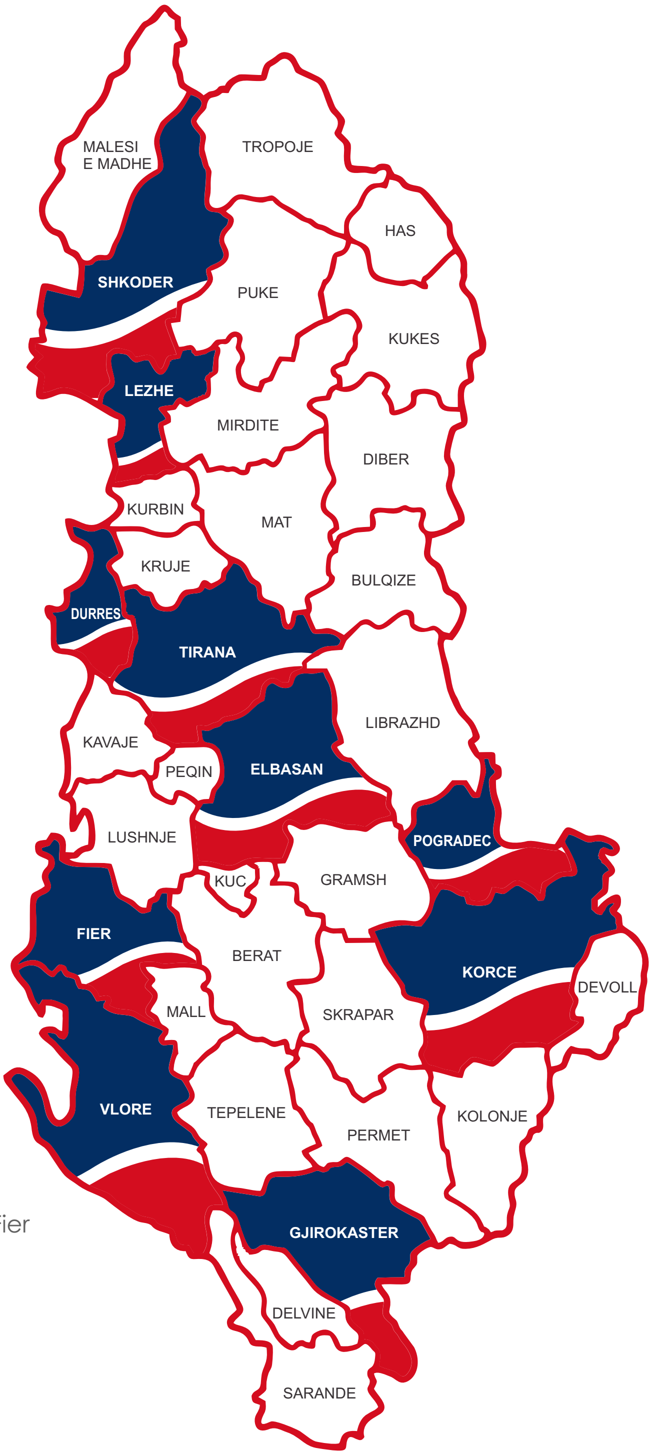
(Mbrapa Drejtorisë Tatimore RajonaleGjirokastër), Gjirokastër
Phone: +355 84 2 690 19
Mob: +355 69 20 46 460
email: sicredgjirokaster@gmail.com



SiCRED
Life Insurance Company