SiCRED
Shoqëri Sigurimi Jete

ANNUAL REPORT 2024





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SiCRED SH.A. STATISTICS (FOR THE YEAR ENDED 31 DECEMBER 2024)

Financial year premium
334,884,761 ALL

Number of clients
36,285.00 Clients

Total paid claims
69,761,478 ALL

Number of paid claims
1477 Claims

Shareholders Capital
498,293,927 ALL

Number of staff
46 Employees

Number of branches
2 Branches

Capital adequacy
Sufficient (+90,181,432 ALL above the legal limit)

Liquidity ratio 31.12.2024
2.28

Assets covering technical provisions
136.59%

1. MESSAGE FROM THE GENERAL DIRECTOR



Dear shareholders, clients and associates,

I am pleased to present to you the 2024 Annual Report of SiCRED, a summary of the efforts, developments, and achievements that have marked our journey throughout the past year.

During 2024, SiCRED recorded growth both in written premiums and in claims paid. These indicators reinforce our commitment to always be close to our clients, offering steady support and diligently fulfilling the responsibilities arising from our mission. The reliability of our products and our dedication to adapting to the real needs of individuals and families, as well as businesses and their employees, remain the foundation of our work.

One of the pillars of our development over the past year has been the improvement of the technological infrastructure of our dedicated insurance system. Investments in this direction have enabled more efficient, faster, and more secure management of insurance processes.

I confidently affirm that efforts to provide comprehensive products and exemplary service will continue to be our focus in 2025, remaining faithful to our mission in a dynamic and often unstable market.

In closing this brief message, I express my special gratitude to the SiCRED staff for their professionalism and dedication shown over the years, to the shareholders for their ongoing support, and to the clients for the valuable trust they place in us every day.

Furthermore, I invite you to browse the 2024 Annual Report to learn more about our results and future goals.

Sincerely,



Genc Koxhaj
General Director

2. ABOUT SiCRED SH.A.

SiCRED sh.a. was established on 7 October 2003, being the first and the sole private insurance company in Albania with a 100% local capital and licensed to act in the Life Insurance market. The Company operates in accordance with the legal requirements and the regulatory framework, based on the Authorization to act as Insurance Company No. 8, dated 19.07.2004 (replaced with Licence No. 8/2004, dated 22.06.2012), and also the License to Exercise the Insurance Activity, No. 8/1, dated 10.09.2004.

Aiming to provide a wider range of benefits to its clients, SiCRED sh.a. has invested in the companies below:

- **SiCRED ASSISTANCE sh.p.k.,** which provides services in accordance with the legislation in force, for Safety and Health at work; Mediation in Employment and Mediation in Health Services. SiCRED sh.a. owns 100% of the capital of this company.
- **SiCRED Distribution sh.p.k.** which is focused on the business of handicrafts, clothing and traditional Albanian products. SiCRED sh.a. owns 100% of the capital of this company.

1.1 Our vision

The client is our focus. Our vision for the future is to become the main support and the unquestionable choice of our clients.

2.2 Our mission

We aim to operate in view of the highest standards of ethics, as the only acceptable way to establish a good reputation, which is supported by our promise to convey credibility, and to aim the best for our clients. With our products, we aim to establish a new insurance climate in the Albanian market. Our clients and our business partners should be thoroughly satisfied with their matter of choice and the trust they bestowed upon us by committing to SiCRED sh.a. for their insurance policies.

3. OWNERSHIP AND MANAGEMENT BODIES OF SiCRED SH.A.

The management bodies of the company are as follows:[1]

A. Shareholder's Assembly

B. Supervisory Council

C. General Directorate

A. Shareholder's Assembly of SiCRED sh.a. has the following members, listed as per their shareholder quota:

		Shares
1.	Z. Aleksandër PILO	46.39 %
2.	Z. Renis TËRSHANA	30.16 %
3.	Z. Maltin KORKUTI	4.75 %
4.	Znj. Monika MILO	4.75 %
5.	Z. Kristino KROMIDHA	4.05 %
6.	Z. Egi SANTO	2.37 %
7.	Znj. Emi SANTO	2.37 %
8.	Z. Arben TAIPI	2.06 %
9.	Z. Petraq SHOMO	2.06 %
10.	Z. Artan XHORI	1.03 %

B. The members of the Supervisory Council of SiCRED sh.a. are as follows:

1.	Z. Artan XHORI	Member
2.	Z. Selman LAMAJ	Member
3.	Z. Egi Santo	Member

C. Drejtoria e Përgjithshme:

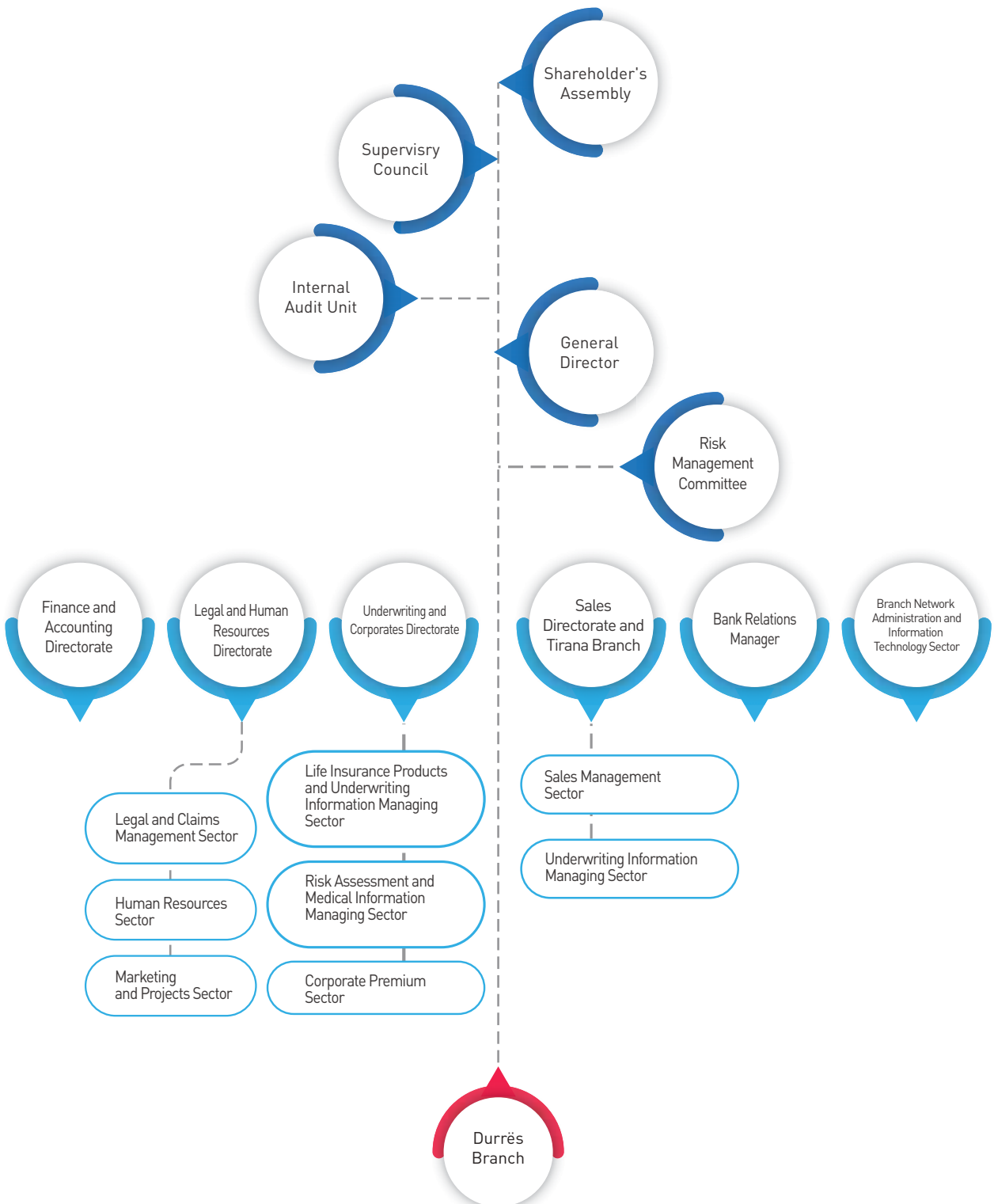
1.	Z. Genc KOXHAJ	General Director

Committees and other relevant bodies of SiCRED sh.a.:

1. **Auditing Committee/Internal Audit Unit** is an independent and objective entity, which exercises audits in the internal company system, to ensure the compatibility of the company's activity with the legal framework and the internal acts of SiCRED sh.a., and also to provide its specialised opinion on the improvement of the overall activity of the insurance company.
2. **Risk Management Committee** deals with risk identification and control, and carries out periodic relevant monitoring and reporting on each incident or fluctuation.
3. **Committee on Health and Safety at Work** makes sure that the working environments are safe and comfortable and also implements the provisions of law no. 10237, dated 18.02.2010 "On Health and Safety at Work" and its related by laws.
4. **Unit for Prevention of Money Laundering** ensures the implementation of the provisions of Law no.9917, dated 19.5.2008 "On prevention of money laundering and financing of terrorism", by means of effective systems that supervise the compatibility with best practices and recommendations from AFSA and other organizations.

1 Data available as of 31st December, 2024

SiCRED SH.A. ORGANIZATIONAL CHART



This Organigrama is endorsed with Decision No. 1, dated 09.02.2024, issued by the Supervisory Board of SiCRED sh.a..

BOARD OF DIRECTORS



GENC KOXHAJ

General Director



MATILDA THOMA

Internal Audit



GLADIOLA JANI

Director-Underwriting and Corporates Directorate



ONKITA KODRA

Director-Sales Directorate and Tirana Branch



PETRINA DUKA

Director Administration and Actuary Directorate



TEUTA LOCAJ

Director -Finance and Accounting Directorate



VJOSA BODO MUJO

Director -Legal and Human Resources Directorate



ERIK ÇELO

Head of Branch Network Administration and Information Technology Sector



ERJON LAMA

Head of Human Resources Sector



GRETA SEJDINAJ

Head of Marketing and Projects Sector

4. MAIN DEVELOPMENTS DURING 2024

4.1 Insurance Market Performance in 2024

During 2024, the insurance market continued its positive trend, recording growth in both the life insurance segment and the non-life insurance segment. Gross written premiums increased by 7.03% at the market level, reflecting a steady expansion of insurance activity.

At the same time, gross claims paid witnessed a significant increase, with an annual change of 24.38%. The majority of this increase came from the non-life insurance market, which grew by 24.88%. In total, 73,482 claims were paid during the year.

Below is a table summarizing the insurance market performance for the years 2023–2024, along with the respective percentage changes.

Insurance gross written premiums 2023-2024*

Activity	Gross written premiums (in thousand ALL)		Difference in %
	2023	2024	2024/2023
Life	1,859,195	2,070,422	11.36
Non-Life	21,023,727	22,424,827	6.66
Reinsurance	14,071	10,530	(25.16)
Total	**22,896,993**	**24,505,779**	**7.03**

*Source: Statistical Bulletin, Insurance Market, AFSA, Year 2024

Gross paid claims 2023-2024*

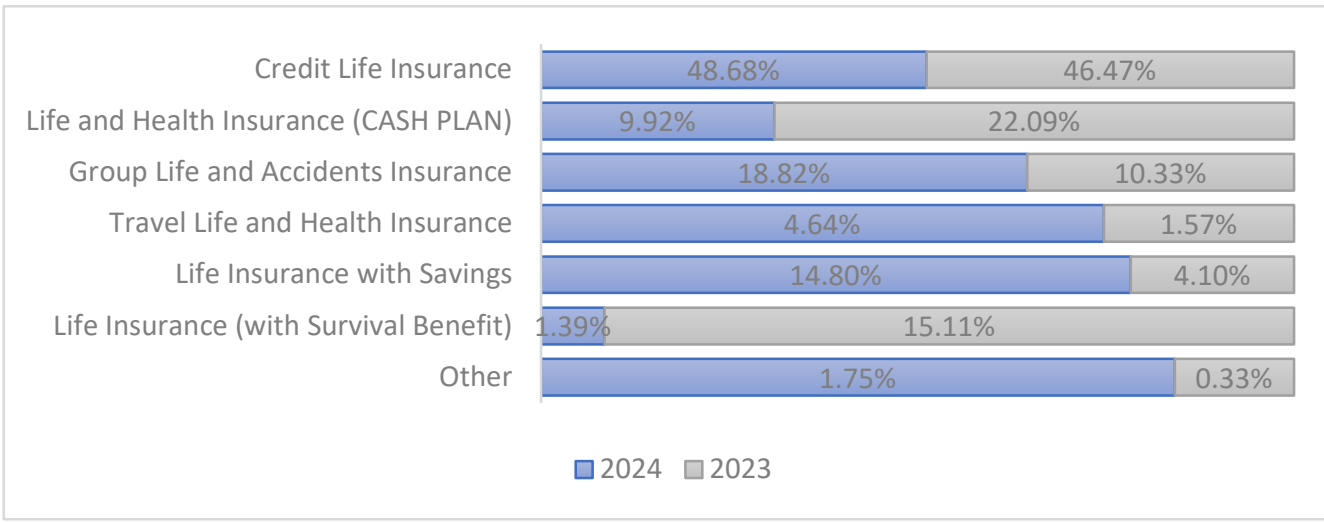
Activity	Gross paid claims (in thousand ALL)		Difference in %
	2023	2024	2024/2023
Life	282,490	334,167	18.29
Non-Life	6,294,455	7,860,217	24.88
Paid Claims for Compensation Fund	382,514	461,667	20.69
Total	**6,959,459**	**8,656,050**	**24.38**

*Source: Statistical Bulletin, Insurance Market, AFSA, Year 2024

4.2 List of products of the company SiCRED sh.a. at the end of 2024

1. **Credit Life Insurance** provides coverage in the event of loss of life of the insured due to natural or accidental causes. The insurance policy is a financial guarantee both for the credit institution as well as the creditor (the Insured person), as it releases the family of the creditor from paying the remaining credit amount.
2. **Life and Health Insurance (CASH PLAN),** which besides life insurance, provides a wide range of benefits such as the coverage of health expenditures in the event of illness or accidents, etc., that are completely personalized and in accordance with the insurance requests of the client.
3. **Life Insurance (with Survival Benefit)** is a long-term insurance and savings scheme. The Insured person pays the insurance premium every year, and a part of the premium is invested while the other part covers the life insurance. The insurance policy contains a pre-defined insurance amount that the person receives upon the insurance contract maturity, or which is obtained by his/her descendants should the Insured losses his/her life during the insurance period.
4. **Evolutive Life Insurance,** which insures the life of an individual interested in financially protecting the future of family members who are economically dependent on him.
5. **Life Insurance from Sudden Diseases and Accidents,** which is designed to provide financial protection for the descendants of the insured, if the latter loses his life unexpectedly from an illness or accident.
6. **Group Life and Health Insurance** provides financial support to the Insured in the event of accidents, coverage for medical expenditures, for temporary or permanent disability, etc.
7. **Pupils and Students Life Insurance** provides guarantee in the event of any accidental or unexpected health issue, risk coverage for critical illnesses, risk coverage for loss of life of the given person, etc.
8. **Travel Life and Health Insurance** provides coverage for a series of risks that may occur to persons travelling abroad.
9. **Students Life and Health Insurance** provides a financial guarantee for the health of students that choose to study abroad. The package covers expenditures for health issues due to illness or accidents, expenditures for emergency evacuation, repatriation, etc.
10. **Life Insurance with Savings** provides financial support to the Insured person that makes profits upon the contract maturity, or by granting profits to his/her descendants in the event of loss of life of the Insured.
11. **Combined Life Insurance** provides coverage to any sudden event, due to natural or accidental causes, due to manifestation of critical illnesses, etc.
12. **Depositor Life Insurance** represents a product that is subject to depositors in a second-tier bank. The product is provided in partnership with the involved bank institution.
13. **Visitors Life and Health Insurance** is offered to foreigners visiting Albania or staying in Albania for up to one year.
14. **Sportsperson Life and Health Insurance** provides coverage for health expenditures in the event of an accident, the risk of loss of life of the Insured (sportsperson) due to natural or accidental causes, the risk of physical (body) damage caused by the accident, etc.

4.3 The Gross Written Premium allocation by main products during 2023-2024



4.4 Main Financial Indicators[2] of SiCRED sh.a. for the period 2020-2024



2 In accordance with Separate Financial Sheets of SiCRED sh.a.

3 In accordance with Consolidated Financial Sheets of SiCRED sh.a.

4.5 Cooperation with Credins Invest

The members of the "Credins Pension" Pension Fund and the "Credins Premium" Investment Fund received the following benefits at no cost because of the multi-year collaboration between SiCRED sh.a. and CREDINS Invest sh.a. throughout 2024:

1. Life and Accident Insurance for one year!
2. The SiCRED Insurance Card.
3. Up to 50% discount at 275 SiCRED medical network clinics and hospitals.

4.6 Cooperation with Credins Bank

During 2024, a new project was launched by Credins Bank for all clients who withdraw their retirement pension through the bank. This category benefited FREE OF CHARGE from the SiCRED insurance card, which offers:

- Up to 50% discount at the most well-known hospitals and clinics, part of the SiCRED Medical Network.

In addition to the card, beneficiaries also received free of charge:

- One-year life insurance.

4.7 Expansion of SiCRED Medical Network

Offering high-quality medical care when needed is something we care about for each and every insured individual in SiCRED. Thus, as part of our strategy to develop health insurance products, we have expanded the SiCRED Medical network, so that every insured person, regardless of their location, obtains access to healthcare in the closest proximity to their location. In 2024, we added new clinics and laboratories in Albania, broadening the geographic scope of our collaborative hospitals and clinics.

At the end of 2024, SiCRED medical network counted 275 clinics and hospitals.

Within the territory of the Republic of Albania:

- 195 medical subjects (private hospitals, clinics and laboratories)

Outside the territory of the Republic of Albania:

- Kosovo – 8 clinics and hospitals
- Italy – 3 hospitals and a hospital group including 14 hospitals and medical centers
- Austria – 5 clinics
- Turkey – 27 hospitals and clinics
- Greece – 23 hospitals and clinics

The SiCRED Medical Network can be accessed at any time by scanning the QR code on the back of the insurance card, which is provided to all insured persons.

4.8 “Testimonial Videos” Project

During 2024, SiCRED successfully completed the “Testimonial Videos” project, an initiative aimed at collecting a series of authentic testimonials from our clients who have benefited from our insurance products. The testimonials focused on the following products: Life and Accident Insurance, Life and Health Cash Plan Insurance, Life Insurance with Survival Benefit, Evolutionary Life Insurance.

Clients shared their personal experiences, showing how these products have helped them face life’s challenges and secure financial support for themselves and their families.

Through this initiative, SiCRED emphasized its commitment to offering insurance products tailored to client needs that contribute to their long-term security and well-being. The videos also serve as an important tool for educating clients and increasing transparency, helping them make informed choices to protect their future.



4.9 “Evolutionary Life” Campaign

During 2024, SiCRED produced a new promotional spot for the “Evolutionary Life” product, designed to clearly and personally communicate the value this product brings to clients — focusing on the financial security of the family and the opportunity to build a more sustainable future.

The spot was broadcast on several media channels and digital platforms, contributing to increased awareness about the importance of life insurance and promoting products tailored to the pace and needs of modern life.

SiCRED
Shoqëri Sigurimi Jete

SIGURONI JETËN ME PRODUKTIN INOVATIV **JETË EVOLUTIVE!**

- GARANTONI TË ARDHMEN E FAMILJES SUAJ.
- PROCEDURA TË SHPEJTA, PRODUKT UNIK NË TREG.
- VETËM NGA SiCRED!

Për kë është ky sigurim?

Për prindërit që duan të mbrojnë të ardhmen e fëmijëve përballë të papriturave të jetës.

Për bizneset që investojnë në mirëqenien dhe stabilitetin e stafit të tyre.



www.sicred.com.al

Na ndiqni edhe në:

Kontaktoni me SiCRED

Tel: +355 4 22 37 549, Cel: +355 69 20 84 026
e-mail: contact@sicred.com.al

4.10 Social Responsibility

SiCRED views social responsibility not as an obligation, but as a natural commitment to the community in which it operates. Every action taken in this direction reflects our values as a financial institution that cares not only for the well-being of clients but also for society as a whole. Through supporting initiatives with cultural, educational, and social impact, we aim to contribute to building a fairer, more conscious, and more solidarity-driven environment for all.

4.10.1 Together We Appreciate Tirana's Architectural Heritage

As part of our commitment to supporting culture and promoting national heritage values, SiCRED contributed to the publication of the first Tirana Architectural Guide, prepared by architect and researcher Eled Fagu.

This publication represents a comprehensive journey through the architectural history of the capital, unveiling the distinctive features of historic buildings and the latest urban developments that shape today's appearance of Tirana. Designed as a guiding tool for residents, tourists, researchers, and architecture enthusiasts, the guide offers a valuable overview of the city's aesthetic and functional evolution.

SiCRED continues to support initiatives that encourage cultural development and strengthen civic identity, in line with our vision for a society more connected to its heritage.



4.10.2 Support for Albanian Talent and Representation on the International Stage

During 2024, SiCRED had the pleasure to support the Albanian Chess Federation in its participation at the World Chess Olympiad held in Budapest from September 10 to 23.

We are proud of Albania's dignified representation in an international competition where strategy, patience, and deep thinking are at the core of every move.

May this journey continue with many achievements and successful representations for Albania in the international arenas of sport and intellect.

4.10.3 Running for a Cause That Unites Us

For the second consecutive year, the SiCRED team participated in the Tirana Marathon, wholeheartedly supporting the cause of the Down Syndrome Albania Foundation.

Our participation was not just a sporting event but a symbolic act of solidarity and commitment to the children and families facing the challenges of Down syndrome.

We ran with the hope of positively impacting awareness raising and making a meaningful contribution to our community.



4.11 Human Resources Management

At the core of SiCRED's success are our employees. Our team consists of professionals with extensive and successful experience in the insurance market and beyond, who have been educated and trained in some of the best educational institutions both domestically and internationally.

The spirit of cooperation, dedication, positive energy, and the relatively young age of the staff form a combination that has strengthened the company's development over the years. Continuous investment in human resources is not only an added value for our services and products but also a guarantee for sustainability and growth in the future. The skills, integrity, and dedication of this team have helped build a strong reputation in the market.

4.11.1 Main statistics on human resources for SiCRED sh.a. (December 2024):



4.11.2 Participation in the 7th ELHUA Conference in Amsterdam

From September 22 to 25, 2024, representatives from the SiCRED staff participated in the 7th Conference of the European Life and Health Underwriters Association (ELHUA), held in Amsterdam.

The conference gathered professionals from across Europe to share the latest developments in life and health insurance, offering in-depth discussions on medical challenges, underwriting processes, and claims management.

Participation in this international event contributed to improving the professional knowledge of the staff, reflecting SiCRED's commitment to continuous development and improvement in service delivery.

4.11.3 Staff Activities

In 2024, we continued the tradition of organizing staff trips, providing an opportunity that not only strengthens team collaboration but also creates new memories and stories that deepen our professional and personal bonds.

Every year, we are grateful for the opportunity to spend time together, reinforcing the spirit of cooperation and trust that underpins our shared success. This collaboration has impacted not only SiCRED's achievements but also the creation of a work environment where every individual feels valued and motivated to give their best.



5. THE OBJECTIVES OF SiCRED SH.A. FOR 2026

- **Risk Management and Underwriting:** Our goal and daily work focus on the successful management of risk related to underwriting. We aim to operate under sound underwriting practices to accurately assess the risk of individuals or groups applying for insurance, setting appropriate premiums based on factors such as age, health status, lifestyle, and profession. Our objective is to balance the portfolio of insured clients.
- **Careful Cost Management and Profit Growth:** Our goal is to maintain a healthy ratio between expenses and revenues through efficient management of administrative costs and claims, as well as by determining premiums in accordance with the assessed risk. This helps increase product efficiency and improve the company's financial performance.
- **Quality Customer Service:** For us, customer retention and satisfaction are the foundation of sustainability. We are committed to providing fast, clear, and personalized service, adapting to the specific needs of each client and responding in real time in cases of claims or requests for information.
- **Expansion of the Medical Network:** We aim to further expand our medical network, both within Albania and abroad, to guarantee broader and higher-quality access across all specialties covered by insurance. The network expansion seeks to provide practical and financial support to our insured clients, wherever they choose to receive medical services.
- **Innovation and Technological Advancement:** To remain competitive and meet the evolving needs of clients, we continue to invest in new technologies. Our objectives include improving internal processes, enhancing user experience, and developing new products that meet today's market standards.
- **Employee Development and Training:** Our most important resource is our people. We focus on further developing their skills through continuous training, both domestically and internationally, promoting a positive work culture, and providing benefits that encourage motivation and long-term retention within the company.
- **Expansion of Life Products with Long-Term Investment Components:** Following the pace of development in the country's financial market, we aim to offer products that cover the long-term risks of our clients as well as provide security, guarantees, and maximization of returns for their long-term savings.
- **Promotion and Awareness of Insurance Products:** To support the growth and financial education of the public, we are committed to increasing our presence across communication channels. We aim to focus on promoting our products and values through informative, educational, and awareness campaigns, with the goal of raising public knowledge about the benefits offered by life and health insurance.

6. SUMMARY OF SICRED ASSISTANCE FOR THE YEAR ENDED ON 31.12.2024

Dear readers, the staff of SiCRED Assistance has been fully committed to addressing the unsettling challenges of the year ended on December 31, 2024.

Although fully dedicated to meeting the standards set in our labour market, this year we have faced serious challenges in delivering services to our clients due to staff turnover, financial pressures, and the need to manage a growing number of employers and employees with relatively complex occupational health and safety standard requirements.

Recognizing the difficulties faced by the Albanian labour market, we affirm that, in our role as legal advisors, we have closely observed the challenges experienced by many employers throughout 2024, particularly as they have turned to us for support in addressing these challenges.

Our strategy has focused on how we can better support our employer clients in addressing issues related to managing occupational health and safety risks with their employees, including matters of employee mobility, promotion, performance evaluation, workplace risk assessment, and professional risk management.

Our goal in advising employers has been strongly focused on how we can better assist our clients from the outset in addressing risks that arise in the workplace, by applying the principle that it is better to prevent risks than to solve problems after they occur.

In supporting a growing number of clients through this strategy, we have concluded that this approach is not only more beneficial for our employer clients, but it also enables us to provide them with higher quality services aimed at improving labour standards and workplace environments, including addressing work-related stress and stress arising within the work environment.

Following this approach, we have made the most efficient and productive use of our client service and human resource capacities, directing our employer clients' human resources more effectively toward their most immediate needs for support and high standards in workplace conditions

As a legal authority aligned with every new development that adaptability in this market offers, we have acted with confidence throughout 2024 as guardians of the occupational health and safety system in our clients' workplaces, providing them with legal services and high-quality legal advice across all areas permitted by the scope of our activity.

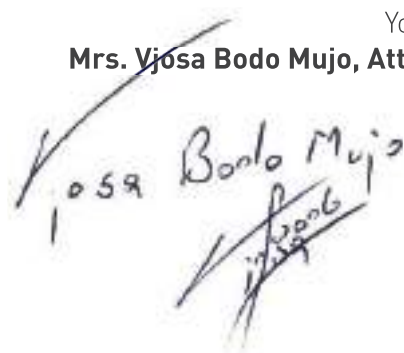
This has been made possible by providing safer occupational health and safety advice that helps prevent errors, using the data and experience accumulated over the years.

By offering our clients tailored legal advice on workplace safety issues and occupational risks in the best possible manner, our clear objective is not only to identify and manage health and safety risks in the work environment but also those related to the profession itself, while guiding them toward full compliance with the highest standards.

This is why we at SiCRED Assistance are continuously expanding and improving our legal advisory services across all the disciplines we cover, so that our clients can effectively address and take action in managing occupational health and safety matters.

It is an honour for me to have been able to navigate the challenges of a difficult year, relying on a dedicated and professional team, whose commitment has been essential to achieving these results at SiCRED ASSISTANCE.

Yours faithfully,
Mrs. Vjosa Bodo Mujo, Attorney at Law



7. SICRED DISTRIBUTION'S PERFORMANCE DURING 2024

Administrator's Address

The year 2024 has been an important year for consolidating and further developing our business, following clear objectives for expansion, modernization, and diversification of economic activities. In this phase, a careful evaluation of previous achievements was made, and strong foundations were laid for sustainable development in the coming years.

Performance during 2024

Expansion into the Real Estate Sector

One of the main achievements of this year was the active involvement of the company in the real estate sector. This step was taken with the aim of diversifying the investment portfolio and creating new sustainable sources of income. Concrete opportunities for investments and collaborations have been identified, opening the way for new developments in this direction.

Digital Platform and New Website Foundation

In line with the need for continuous improvement of online presence and interaction with clients, intensive work was done during 2024 to build a new digital platform. The structure and initial content for a new website were established, which will reflect the current developments of the brand and offer a more personalized and functional experience for users.

Launch of the Online Store on Amazon

Another key moment of this year was the launch of the online store on the Amazon platform, representing an important step toward the internationalization of the business and increased access to new markets. Through this platform, a new sales channel was enabled, strengthening our presence in the global market and giving consumers the opportunity to access our products in a simple and efficient way.

Forecast for 2025

In 2025, the company aims to continue its path of sustainable development and innovation. The objectives include:

- Further expansion in the real estate sector through concrete projects and strategic collaborations;
- Finalization and launch of the new website with advanced functionalities;
- Increasing logistical and operational capacities to handle the growing influx from online sales;
- Strengthening brand presence in foreign markets and expanding distribution networks.

These measures will serve as a strong foundation to ensure sustainable growth, strengthen market position, and create long-term value.

Onkita KODRA

Administrator of SiCRED Distribution sh.p.k.



8. EXIT FROM THE SHAREHOLDING STRUCTURE OF "CREDINS INVEST"

As part of the review and optimization of investment strategy, during 2024, SiCRED completed the process of exiting the shareholding structure of "Credins Invest," where it held 12% of the shares. This change in ownership occurred as a result of natural market movements and as a strategic step to further concentrate resources and investments in areas directly related to the company's core activities and its sustainable development.

The divestment of this shareholding was carried out in an orderly manner and in compliance with all applicable legal and regulatory requirements. SiCRED remains committed to careful and sustainable management of its assets and investments, in line with its vision for sustainable development and financial responsibility.

9. 2024 ANNUAL REPORT OF THE INTERNAL AUDIT UNIT

1 Legal basis

The Internal Audit Unit, in the exercise of its activities, relies on the following laws and sub-legal acts with the aim of achieving its objectives in performing its function:

- Law No. 52 dated 22.05.2014 "On Insurance and Reinsurance Activity."
- Regulation "On Procedures and Minimum Principles Regarding Internal Control and Other Aspects of the Information System of the Insurance Company," approved by the decision of the AFSA Board No. 135 dated 31.10.2014.
- Regulation "On the Activity of the Internal Audit Unit and the Audit Committee in the Insurance Company," approved by the decision of the AFSA Board No. 153 dated 23.12.2014.
- SiCRED sh.a. Instruction "On the Activity of the Internal Audit Unit and the Audit Committee," approved by the decision of the Supervisory Council No. 12 dated 10.08.2015.
- Law No. 9901 dated 14.04.2008 "On Traders and Commercial Companies," as amended.

2 Organisation

• Mission of Internal Audit

The mission of internal audit is to support senior management in fulfilling their responsibilities. This mission is accomplished by:

- Performing independent controls based on approved professional standards.
- Carrying out its functional duties independently and based on professional judgment.
- Assisting management by providing analyses, recommendations, advice, and information related to the units audited.
- Supporting management in achieving objectives.

The Internal Audit Unit performs its functions independently and objectively, providing a specialized opinion aimed at improving the company's activities. At the conclusion of the audit process, recommendations and proposals are provided to improve operations where necessary.

● Function of Internal Audit

- Internal audit includes, among other things, the creation, implementation, and maintenance of a risk-based audit plan to review and assess general or specific areas based on preventive measures.
- Conducting regular assessments for audit purposes and auditing internal systems, including necessary improvements.
- Ensuring that risk areas are appropriately selected for audit, such as accounting, financial policies, solvency capacity, expense analysis, insurance events, and claims to be paid, etc.
- Ensuring that identified risks and actions taken to address them are accurate and up to date.

● Objective of Internal Audit

The objective of internal audit consists of conducting in-depth and thematic controls at the relevant directorates and branches timely and effectively to enable timely risk assessment. Internal audit includes, among other things, the creation, implementation, and maintenance of a risk-based audit plan to review and assess general or specific areas based on preventive measures.

Internal audit controls and assesses information and reporting systems, including technology systems, as well as the information and accuracy of data.

It ensures that identified risks and the actions taken to address them are accurate and up to date, and that the risk management system is implemented by the company.

Conducting Regular Assessments for Audit and Internal System Audits Including Necessary Improvements:

Ensures that risk areas are selected as appropriate audit subjects, such as accounting, financial policies, solvency capacity, expense analysis, insurance events, claims to be paid, etc.

In determining whether the SiCRED sh.a. system for risk management processes and controls designed and presented by management are adequate and functioning, it guarantees that:

- Financial, managerial, and operational information is accurate and reliable in a timely manner.
- Risks are identified and managed appropriately.
- Resources are secured and used with proper documentation.
- Interaction between directorates, sectors, and branches in districts is maintained.
- Employee duties are performed in compliance with policies, standards, procedures, and applicable laws and regulations.
- Continuous improvement in the internal control process.
- Significant legislative and regulatory issues impacting SiCRED sh.a. have been duly acknowledged and addressed.

The internal audit, for all areas and issues reviewed during 2024, prepared reports to provide evidence over time.

● Organization of Human and Financial Resources of Internal Audit:

The internal audit operates under the law as a dedicated structure. The internal audit is an employee of the company appointed to the Internal Audit Unit. The Internal Control Committee consists of two employees approved by the Supervisory Council. The Audit Unit performs its duties independently and in an integrated manner by evaluating the governance process and risk management within the company. The audits for 2024 were conducted by an auditor appointed by the Supervisory Council. The company's internal auditor holds an economics profile and has 22 years of experience in the insurance field. The engagement at SiCRED sh.a. as an internal auditor has lasted for 14 years. Over these years, the auditor has followed professional audit trainings in "Economic-Financial Audit" and accounting standards, IFRS 17, as well as trainings related to changes in accounting and fiscal laws. The auditor has been registered

in the fiscal experts' registry under no. 184 since 2012. The long experience in the insurance and financial fields helps in professionally carrying out work within the company. In the auditing field, internal audits are conducted in compliance with the legal and sub-legal acts in force, as well as supporting the annual program approved by the Supervisory Council. The Internal Audit Unit is familiar with and adapts to changing legal requirements and internal regulations.

3 Analysis of the Internal Audit Activity

During 2024, the Internal Audit conducted its activities based on the annual plan approved by the Supervisory Council. The controls were carried out according to specific themes, focusing on the analysis of processes, risks, and data collected in the documentation used by SiCRED sh.a. A total of 15 audit missions were conducted in 2024. The audits were either full or partial depending on the themes. The audits primarily focused on the central offices where SiCRED sh.a. operates but also included the company's branches. Regarding the audits, high-risk indicators were taken into account in order to proactively address potential issues in a timely manner. Additionally, audits were conducted in response to recommendations given as well as problems that may have arisen during daily operations.

Furthermore, audits that were not planned but deemed necessary during the 2024 period were also performed. At the end of each report, appropriate recommendations were made. All recommendations provided by the audits were accepted by the management.

4 Statement of Independence

Internal auditing is conducted according to the legal and regulatory framework and is not subject to any other influence from individuals, including those in managerial positions within the company. The work of internal audit has been in compliance with legal policies and rules for legal conformity. The internal auditor respects the ethics and conducts rules within the company. The auditor maintains impartiality and avoids conflicts of interest. Internal audit, as a fundamental function for the internal control system at SiCRED sh.a., has operated as an independent unit since the company's establishment. In alignment with its form and functioning, the internal audit unit has been established in accordance with the approved regulation. Based on a methodological, chronological, and comprehensive program, the audit has reported in writing and effectively the work performed without being influenced by the organization. The auditor has demonstrated a high level of professional judgment in collecting, assessing, and communicating information about the audited processes. The audit has been conducted without influence from personal interests.

5 Audit Plan for 2025

The objectives of the 2025 audit plan will be achieved through harmonized in-depth and thematic controls by timely and effective risk assessment. The determination of risks that the company will face during 2025 will primarily be based on risks encountered in the previous year and recommendations from regulatory bodies. The audit includes the management of insurance and reinsurance risks, financial and accounting risks, legal risks, and risks related to insurance events. Regarding risk management, SiCRED sh.a. has established a Risk Management Committee. The Risk Management Committee operates under the law as a dedicated structure and functions as an independent and objective unit providing specialized opinions aimed at improving the company's activities. At the audit committee meeting held on 30.12.2024, the 2025 audit program was reviewed and approved by the Supervisory Council's decision No. 8 dated 05.12.2024.

For 2025, the audit work will include the following departments and branches:

1. Finance and Accounting Department
2. Legal and Human Resources Department
3. Underwriting and Corporate Department
4. Administration and Actuarial Department
5. Branch Network Management and IT Sector
6. Sales Directorate and Tirana Branch
7. Regional Branches

The audit also includes the management of the following risks:

Insurance and reinsurance risk

Financial and accounting risk

Legal risk

Risk related to insurance events

Controls with high risk:

- Analysis of operational expenses and minimizing costs affecting the company's results while maintaining an acceptable and market-comparable level.
- Liquidity ratio and maintaining it at the required level.
- Solvency, technical provisions, assets covering provisions.
- Administration of sold insurance policies, reconciliation of premiums with accounting.
- Implementation of the integrated program.

Controls with medium risk:

- Key financial statement indicators, statistical and accounting reports, analysis of administrative expenses and underwriting expenses, analysis of specific financial statement items.
- Control of collection requests and debtor obligations, their aging, payment deadlines, and timely collection.
- Administration of sold insurance policies, reconciliation of premiums with accounting, calculation of underwriting expenses, implementation of underwriting instructions.
- Practices of insurance events, implementation of law and internal instructions, their settlement.
- Procurement procedures and related expenses.
- Commissions paid (agent, insurance broker).
- Updating underwriting instructions for loan life products, life and health, saving life, life and accident.
- Underwriting, pricing, and administration of life insurance products, co-insurance contracts, facultative contracts.
- Inventory of sold policies and their status at the head office and branches whereby the activity of the company is carried out.
- Implementation of procedures for the safekeeping and administration of insurance policies as well as other monetary and material values, their documentation.
- Prevention of money laundering and terrorism financing.
- Monitoring of recommendations.

Controls with low risk:

- Recruitment procedures for new employees.
- Recruitment and dismissal decisions.
- Performance evaluation.
- Payroll, employee timekeeping, staff rewards.
- Inventory at branches.
- Administration of cancelled policies.
- Monitoring of recommendations.

6 Opinion of the Internal Audit Unit

The Internal Audit Unit has carried out the planned tasks based on the audit plan approved by the Supervisory Council for 2024. For each performed control, conclusions were drawn, and where improvements were needed, recommendations were given and accepted by management. By conducting relevant procedures and verifications, the Unit has contributed to identifying, controlling, and managing risks covered by each directorate or branch. During the internal audit activities, no findings or errors with high impact on the company's activity were identified. Despite areas for improvement, a satisfactory level of controls was observed throughout 2024.



Internal Audit Unit
Matilda THOMA

SiCRED sh.a.
Consolidated Financial Statements
as of and for the year ended 31 December 2024

with the independent Auditor's report thereon

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INDEPENDENT AUDITORS' REPORT

To the shareholders of SICRED sha

Opinion

We have audited the consolidated financial statements of SICRED sha ("the Group"), which include the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in capital and consolidated statement of cash flows for the year then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements have been prepared in all material respects in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the International Accounting Standards Board (IASB) and the ethical requirements of the Authorized Accounting Experts Institute in Albania (IEKA) which are applicable for the profession in Albania, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other information

Management is responsible for the other information. The other information comprises the Annual Report, prepared by the Management, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work that we have performed, we conclude that there is a material misstatement of this other information, then we are required to report that fact.

As of the date of this report, the Group did not yet publish the other information. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia AL

Statutory Auditor
Orjana Kalaja



Tirana, Albania
4 April 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 31 December 2024 (Amounts in Lek, unless otherwise stated)

	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	6	23,811,596	20,810,615
Restricted cash	7	115,105	100,000
Term deposits in banks	8	507,882,574	471,960,665
Investments in securities	9	174,093,884	175,950,987
Due from insurance and reinsurance, net	10	43,141,030	43,578,415
Reinsurance assets	11	21,604,225	19,503,331
Deferred acquisition costs	12	17,108,304	14,521,423
Prepaid income tax		1,901,874	-
Other assets	13	17,151,789	12,637,785
Investments in subsidiaries and associates	14	-	12,739,136
Property, plant and equipment	15	33,995,711	33,887,415
Right of use assets	15	21,399,656	32,068,018
Intangible assets	16	991,653	7,152,700
Total Assets		**863,197,400**	**844,910,490**
LIABILITIES			
Unearned premium reserves	17	130,369,954	132,768,340
Reserve for losses and loss adjustment expense	18	36,077,208	28,497,202
Mathematical reserve	19	121,754,403	98,298,989
Due to insurance and reinsurance	20	18,272,483	20,392,072
Lease liabilities	21	20,324,421	31,430,628
Income tax payable	33	-	3,424,900
Deferred tax liability	34	-	100,603
Due to financial institutions	22	4,934,826	6,926,825
Other liabilities	23	32,658,725	12,763,183
Total Liabilities		**364,392,020**	**334,602,742**
EQUITY			
Share capital	24	498,293,927	498,293,927
Retained earnings		(5,334,406)	(4,299,767)
Profit of the year		5,845,860	16,313,588
Total Equity		**498,805,381**	**510,307,748**
Total Liabilities and Equity		**863,197,401**	**844,910,490**

The notes on pages 39 - 70 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 31 December 2024 (Amounts in Lek, unless otherwise stated)

	Notes	For the year ended 31 December 2024	For the year ended 31 December 2023
Gross written premiums	25	334,884,760	297,608,152
Premium ceded to reinsurance	26	(22,395,076)	(19,109,773)
Gross income from written premium		**312,489,684**	**278,498,379**
Change in unearned premiums reserves	17	2,398,385	20,416,946
Change in mathematical reserves	19	(23,455,414)	(14,151,336)
Change in the reinsurer's premium reserve	11	2,100,893	8,556,531
Change in deferred acquisition costs	12	2,586,881	(6,368,239)
Net income from written premiums		**296,120,429**	**286,952,281**
Interest income	27	25,041,051	25,314,127
Gain on sale of shares		2,186,931	-
Profit from investments in subsidiaries and associates		2,065,889	1,600,224
Interest expenses		(1,673,176)	(2,481,580)
Foreign exchange gain/(loss)	32	(10,269,626)	(16,941,697)
Other income		14,053,396	8,336,213
Total other income		**31,404,465**	**15,827,287**
Net income		**327,524,894**	**302,779,568**
Paid insurance claims	28	(69,761,478)	(48,869,391)
Net insurance claims		**(69,761,478)**	**(48,869,391)**
Acquisition expenses	29	(106,110,230)	(93,752,519)
Personnel expenses	30	(82,038,104)	(78,466,321)
Administrative expenses	31	**(42,428,122)**	**(40,371,734)**
Depreciation expense	15,16	(18,296,195)	(19,480,351)
Total operating expenses		**(318,634,129)**	**(280,940,316)**
Profit before tax		**8,890,765**	**21,839,252**
Income tax expense	33	(3,044,905)	(5,481,668)
Income tax (expense)/benefit from deferred tax liability	34	-	(43,996)
Total income tax expense for the year		**(3,044,905)**	**(5,525,664)**
Profit for the year		**5,845,860**	**16,313,588**
Other comprehensive income			
Total comprehensive income for the year		**5,845,860**	**16,313,588**

The notes on pages 39 - 70 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as of 31 December 2024 (Amounts in Lek, unless otherwise stated)

	Share capital	Retained earnings	Profit of the year	Total
Balance as of 31 December 2022	**490,062,000**	**3,799,510**	**8,013,319**	**501,874,829**
Increase in share capital	8,231,927	(8,231,927)	-	-
Profit of the year	**-**	**-**	**16,313,588**	**16,313,588**
Total accumulated profits/(losses) for the period	-	-	-	-
Transferred from profit of the year to retained earnings		8,013,319	(8,013,319)	-
Dividends declared	**-**	**(7,880,669)**	**-**	**(7,880,669)**
Balance as of 31 December 2023	498,293,927	(4,299,767)	16,313,588	510,307,748
Increase in share capital	-	-	-	-
Profit of the year	**-**	**-**	**5,845,860**	**5,845,860**
Total accumulated profits/(losses) for the period	-	16,313,588	(16,313,588)	-
Transferred from profit of the year to retained earnings	-	-	-	-
Dividends declared	-	(17,348,228)	-	(17,348,228)
Balance as of 31 December 2024	**498,293,927**	**(5,334,406)**	**5,845,860**	**498,805,380**

The notes on pages 39-70 form an integral part of these consolidated financial statements. The consolidated financial statements were approved by the management of SiCRED sha Group, on 4 April 2025, and were signed on their behalf as follows:

Z. Genc Koxhaj

Drejtor i Përgjithshëm

Znj. Teuta Locaj

Drejtor i Financës

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024 (Amounts in Lek, unless otherwise stated)

	31 December 2024	31 December 2023
Cash flows from operating activities		
Profit after tax	**5,845,860**	**16,313,588**
Adjustments for:		
Depreciation expense for property, plant and equipment	18,296,195	19,480,351
Unearned premium reserves	(2,398,386)	(20,416,946)
Reserve for losses and loss adjustment expense	7,580,006	(3,587,273)
Mathematical reserves	23,455,414	14,151,336
Interest expenses	1,673,176	2,481,580
Interest income	(25,041,051)	(25,314,127)
Cash flow before changes in assets and liabilities	**29,411,215**	**3,108,509**
Changes in operating assets and liabilities:		
Restricted cash	(15,105)	-
Term deposits in banks	(35,921,909)	3,976,754
Assets held for sale	-	-
Due from insurance and reinsurance, net	437,385	(2,742,114)
Reinsurance assets	(2,100,894)	(8,556,531)
Deferred acquisition costs	(2,586,881)	6,368,239
Prepaid income tax	(1,901,874)	-
Deferred tax asset	-	-
Other assets	(4,514,004)	1,537,597
Investments in associates	12,739,136	(1,278,503)
Interest paid	(1,673,176)	(2,481,580)
Due to insurance and reinsurance	(2,119,589)	3,465,030
Income tax payable	(3,424,900)	3,063,681
Deferred tax liability	(100,603)	(43,996)
Other liabilities	19,895,542	2,616,163
Cash flows from operating activities	**8,124,344**	**9,033,249**
Cash flows from investing activities		
Interest received	25,041,051	25,314,127
Property, plant and equipment additions	(108,295)	(2,296,923)
Right of use assets additions	(7,627,834)	-
Intangible assets additions	6,161,047	-
Disposals in intangible assets	-	2,049,657
Investments in securities	1,857,103	(16,865,980)
Net cash used in investing activities	**25,323,071**	**8,200,881**
Cash flows from financing activities		
Lease liabilities	(11,106,207)	(15,315,806)
Due to financial institutions	(1,991,999)	(3,072,299)
Dividends	(17,348,228)	(7,880,669)
Net cash from financing activities	**(30,446,434)**	**(26,268,774)**
Net increase in cash and cash equivalents	**3,000,981**	**(9,034,644)**
Cash and cash equivalents at 1 January	20,810,615	29,845,259
Cash and cash equivalents at 31 December	**23,811,596**	**20,810,615**

The notes on pages 39-70 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

SiCRED sh.a. (hereinafter referred to as "the Group") was founded on 7.10.2003, and was registered on 30.9.2004 as a life insurance company with headquarters in Tirana at the address Rruga Brigada VIII, No. 3/1.

The Company is a joint stock company with joint capital, registered according to law no. 7638, dated November 19, 1992 "On Commercial Companies" and registered in the Commercial Register of Albania by decision of the District Court of Tirana, No. 30417, dated October 22, 2003, and registered with the National Business Center with unique identification number K42201801Q.

The Company operates according to the license issued by the Financial Supervision Authority (hereinafter referred to it as "FSA"), to carry out life insurance activities in accordance with law no. 52/2014, dated 22.5.2014 "On the Insurance and Reinsurance activity.", as well as other legal acts and by-laws in the life insurance. The authorization to undertake life insurance activities was obtained from FSA through Decision No. 9, dated 26.7.2004.

The company has branches in the cities: Tirana and Durrës, (December 2023: Tiranë, Durrës, Shkodër, dhe Korçë).

The members of the Supervisory Council of the Company during 2024 up to the signing of these consolidated financial statements are:

- Z. Artan Xhori - Chairman
- Z. Selman Lamaj - Member
- Z. Egi Santo - Member

The Company's share capital on 31 December 2024 and 2023 amounts to Lek 498,293,927 and consists of 498,294 shares with a nominal value of 1,000 Lek per share and is owned by the following shareholders:

	31 December 2024		31 December 2023	
	in %	Number of shares	in %	Number of shares
Aleksandër Pilo	46.39%	231,152	46.39%	231,152
Renis Tërshana	30.16%	150,274	30.16%	150,274
Monika Milo	4.75%	23,664	4.75%	23,664
Maltin Korkuti	4.75%	23,664	4.75%	23,664
Kristino Kromidha	4.05%	20,199	4.05%	20,199
Egi Santo	2.37%	11,832	2.37%	11,832
Emi Santo	2.37%	11,832	2.37%	11,832
Arben Taipi	2.06%	10,271	2.06%	10,271
Petraq Shomo	2.06%	10,271	2.06%	10,271
Artan Xhori	1.03%	5,135	1.03%	5,135
	100.00%	**498,294**	**100.00%**	**498,294**

The Company owns the following investments in other companies:

- Credins Invest sh.a. Shoqëri Administruese e Fondeve where SiCRED sh.a. owns 0% of the shares (31 December 2023: 12% of the shares);
- SiCRED Assistance, established on June 29, 2012, where SiCRED sh.a. owns 100% of the shares (31 December 2023: 100% of the shares);
- SiCRED Distribution, established on February 18, 2021, where SiCRED sh.a. owns 100% of the shares (31 December 2023: 100% of the shares).

The Company's Central Office is located in Tirana at Brigada VIII Street, Villa no. 3/1. On 31 December 2024, the Company had 46 employees and senior managers (2023: 52).

1. General Information (continued)

The company owns the following investments in subsidiaries and associates on 31 December 2024 and 2023:

	December 31, 2024		December 31, 2023	
	in %	Investment Book Value	in %	Investment Book Value
Credins Invest sh.a. Fund Management Company	-	-	12.00%	10,837,191
SiCRED Assistance	100.00%	1,801,945	100.00%	1,801,945
SiCRED Distribution	100.00%	100,000	100.00%	100,000
		1,901,945		**12,739,136**

Based on decision no. 5 dated September 24, 2024, the General Assembly of Shareholders of Credins Invest sh.a. decided to sell the 12% stake that SiCRED Company owned in it. The approval by the Financial Supervisory Authority regarding this change in the ownership structure of Credins Invest sh.a. was made through decision no. 208 dated December 24, 2024.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The company prepares standalone and consolidated financial statements. The company has investments in other companies as presented in Note 1 and prepares consolidated financial statements according to the requirements of IFRS 10 and IAS 28. The consolidated financial statements were approved by the management of SiCRED sha Company on 11 April 2024, and were authorized for approval by its Supervisory Council.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Albanian Lek, which is the Company's functional and presentation currency, and all amounts are expressed in Lek unless otherwise stated.

2.4 Going Concern

These consolidated financial statements have been prepared on a going-concern basis and do not include any adjustments to the carrying amount and classification of assets, liabilities and reported expenses that may otherwise be required if the going-concern basis were not appropriate.

The management of the Company believes that it has sufficient assets and that it has taken all the necessary measures to ensure sustainability and development of the business in the current conditions

2.5 Accounting judgments and estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying value of assets and liabilities, as well as income and expenses. Actual results may differ from those estimated. Estimates and related assumptions are constantly reviewed. Revisions to accounting estimates are recognized in the period at which these estimates are reviewed and in future periods if they are affected

3. SIGNIFICANT ACCOUNTING POLICIES

New and revised International Financial Reporting Standards
Newly effective standards for annual periods beginning on or after 1 January 2024 and that do not have a material effect on the Company financial statements:

- Non-current Liabilities with Covenants – Amendments to IAS 1, 1 January 2024;
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1, 1 January 2024;
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16, 1 January 2024;
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7, 1 January 2024.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2024

- Lack of Exchangeability – Amendments to IAS 21, 1 January 2025;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28, Available for optional adoption / effective date deferred indefinitely.

IFRS 17 "Insurance Contracts" (effective on or after 1 January 2023)

IFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless the type of the entity that issues them, as well as to certain guarantees and financial instruments with discretionary participation characteristics.

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (variable fee approach)
- A simplified approach (premium allocation approach) mainly for short duration contracts.

The Company is taking active steps to implement the requirements of the standard for the upcoming financial period, in accordance with the local deadlines specified by the regulator.

a) Subsidiaries and consolidation

Subsidiaries are legal entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operational policies of an entity in order to benefit from their activities. When assessing control, exercisable or convertible voting rights are considered.

The Company SICRED sha, prepares consolidated and standalone financial statements for public use in accordance with International Financial Reporting Standards ("IFRS").

Investment in subsidiaries in these consolidated financial statements are measured at amortized cost. More details on investment in subsidiaries are given in Note 14.

As at 31 December 2024 and 31 December 2023, the Company controls SiCRED Assistance and SiCRED Distribution, where it owns 100% of their shares.

Investments are tested for impairment whenever there is an indication that the carrying value of the investment might not be recoverable. If the recoverable amount of the investment (the higher of fair value less costs to sell and value in use) is less than its carrying value, the net book value is reduced to the recoverable amount.

The carrying amount of an investment is derecognized when it is disposed. The difference between fair value from the sale of investment and its net carrying amount is recognized in profit and loss as a gain or loss on sale. The same applies if the disposal results in the transition from the subsidiary to the joint venture or to an associate measured by cost.

3. Significant accounting policies (continued)

b) Foreign currency transactions

Foreign currency transactions are converted into Lek using the exchange rates on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies at the reporting date are not revalued at the year-end and are measured at their historical cost (converted to the functional currency using the rate of the transaction date) except for non-monetary assets and liabilities measured at market value which are converted into the functional currency using the exchange rate at the date when their market value was determined.

Foreign currency differences arising on translation such as translation of monetary assets and liabilities denominated in foreign currency are generally recognised in profit or loss, expect for the financial instruments at FVTPL, which are recognized as a component of net income from financial instruments at FVTPL.

The main exchange rates in Albanian Lek for 1 unit of foreign currency at the reporting date are as follows:

	31 December 2024	31 December 2023
EURO	98.15	103.88
USD	94.26	93.94

c) Classification of insurance contracts

Contracts under which the Company accepts a significant insurance risk from a counterparty (the policyholder) by agreeing to compensate the policyholder or other beneficiaries for a specific uncertain event (the insured event) which has adverse effects and affects the policyholder or other beneficiaries, it is classified as an insurance contract.

Insurance risk differs from the financial risk. Financial risk is the risk of possible future changes in one or more of specific interest rates, security prices, commodity prices, exchange rates, price or rate indexes, credit rating or credit indexes or other variables, provided in the case of non-financial variables when the variable is not specific to a party in the contract.

Subsequent to classification as an insurance contract, it remains an insurance contract for the remaining life time of the contract, even when the insurance risk is reduced significantly during the period, unless all the rights and obligations related to the contract expire.

d) Recognition and measurement of insurance contracts

i. Premiums

Life insurance premiums - short term

Gross written premiums include amounts obtained from insurance policies or insurance contracts entered into during the financial year related to the direct insurance, although that such amounts may be related in whole or partially to a later accounting period. Premiums are presented in gross without including broker fees and premium-based taxes. The earned premiums portion is recognized as income. Premiums are earned from the risk-taking date, over the insurance period, based on the signed risk model.

Life insurance premiums – long term

For insurance contracts that are contracted with debtors of commercial banks in Albania, and that have a duration of several years, to cover the loan during its repayment period, the Company recognizes in income the gross annual written premium at the time of issuing the insurance contract. For long-term contracts for which the Company collects the premium in total for the entire duration of the contract, the remaining part of the long-term insurance contract with the debtors, which is not recognized in the reporting period is reflected as the Company's commitment for future years.

3. Significant accounting policies (continued)

Unearned premium reserves

Unearned premiums include that portion of gross written premiums, with risk periods after the reporting date. The unearned premium is calculated from gross written premiums, and is deferred to be recognized in subsequent periods as a reserve for unearned premiums. For the calculation of the unearned premium reserve are considered contracts sold in all life insurance business lines. In calculating the unearned premium reserve, is used the method of exact days on the gross insurance premium and the returned or canceled policies were not considered in the calculations for the unearned premium reserve.

In regard to Debtors' life insurance, the premium reserve is calculated using actuarial methods for provisions, taking into account the amount of the debtor's life insurance as well as the mortality tables for each age and gender.

Reinsurance premiums

Reinsurance premiums are recognized as an expense in accordance with the model of service received from the reinsurer. If an insurance policy is canceled, the remaining premium payable is included in the premium income. The movement of insurance liabilities, if any, is recognized as the net income of the reinsurer. The Company has reinsurance arrangements for the Debtor's Life insurance exposures.

Income from investments

Interest income on securities and deposits is recognized in the statement of profit or loss, in the proportional amount that belongs to the reporting period and is calculated using the Effective Interest Rate (EIR) method. Fees and commissions that are an integral part of the effective yield of the financial asset are recognized as an adjustment to the NEI of the instrument. The company has investments in deposits and investment securities.

Deferred acquisition costs

Deferred acquisition costs for insurance are calculated based on life insurance with savings benefits premiums, regular terms and special terms. Deferred acquisition costs are deferred for the duration of the respective insurance policies. Acquisition costs are defined as costs arising from the purchase of new insurance contracts, including direct costs such as purchase commissions and the cost of preparing the insurance documents, and the administrative costs breakdown related to the processing of proposals and the issuance of insurance policies.

ii. Claims

Claims arising from life insurance contracts

Claims consist of payments made during the financial year and the change in the claims reserve. Gross paid claims include all expenses incurred for these claims. Advance recoveries from reinsurance are presented separately as assets.

Claims reserve

The claims reserve (RBNS) are all amount of claims incurred during the current and previous financial years that were not paid at the end of the fiscal year, based on the amount of the reserve calculated by the claims specialist. The reserve also includes claims incurred but not reported (IBNR) at that date, of which are calculated using triangulation methods.

Mathematical reserves

Mathematical reserves are related to the Life with Savings benefits insurance product and are measured as the full amount of the accumulated fund at the reporting date, including Life with Survival benefits insurance product.

3. Significant accounting policies (continued)

d) Recognition and measurement of insurance contracts (continued)

Reinsurance

The company cedes reinsurance in the normal course of business in order to limit the net loss through risk diversification. Reinsurance agreements do not relieve the Company from its obligations to the policyholders. Ceded premiums and refund benefits are presented in the statement of comprehensive income and statement of financial position on gross basis. Contracts from which an insurance risk transfer arises are accounted as insurance. Amounts recovered from these contracts are recognized in the same year as the claim.

Reinsured assets include liability balances from the reinsurance company for ceded premium liabilities as well as recoverable amounts from paid claims. These amounts, if any, are classified as receivables and are disclosed in the financial statements. Due from reinsurance contracts include reinsurance commissions from ceded reinsurer premiums and receivables from the reinsurance company in accordance with the paid claims. These are classified as accounts receivable and are disclosed separately. Reinsurance assets are assessed for impairment at each reporting date. These assets are impaired if there is objective evidence that an event arising after the initial recognition, for which the Company is unable to recover all amounts due, and for an event that has a reliably measured impact on the amounts which the Company will receive from the reinsurer.

iii. Liability adequacy test

At each reporting date the Company performs a reserve adequacy test which provides the Company with an assessment of whether the recognized insurance liabilities are sufficient. Also, the tests performed include the Claims Report Analysis and the Claims Development Analysis. The claims report analysis is performed annually and individually for all the main business lines. The calculation is made only for claims, and claims including acquisition costs and any other external costs such as maintenance costs.

To perform this analysis, the Company takes into consideration cash flow forecasts. The Company does not discount these projected cash flows because most claims are expected to be settled within the year.

Additionally, the Company conducts an annual analysis of the claims provision development to assess its reserves provisioning methodology. This analysis on RBNS (reported but not settled) and IBNR (incurred but not reported) is performed on an individual and combined basis. In cases that the analysis shows large discrepancies, appropriate corrections are made in the provisioning methodology. If an insufficiency of reserves is identified, it will be immediately charged to the expenses, by recognizing a reserve for unaddressed risk by the losses resulting from the Reserve Adequacy Test.

e) Financial instruments

(i) Recognition

The company initially recognizes investments and deposits on the date when the relevant rights and obligations arise. All financial liabilities and financial assets are recognized at the date of the transaction under which the Company becomes a party to the contractual obligations of the instrument.

(ii) Deregistration

The Company derecognises a financial asset if it loses control of the future cash flows or transfers rights to receive contractual cash flows from the financial assets to transactions in which all risk and rewards of the financial assets is transferred. Any interest on a transferred financial asset that is recognised or accounted by the Company is recognized as a separate asset or liability. The Company derecognises a financial liability when the contractual liabilities are disposed, canceled or matured.

3. Significant accounting policies (continued)

e) Financial instruments(continued)

(iii) Off-setting

Financial assets and liabilities are offset and the net amount are disclosed in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Income and expenses are presented offsetted when permitted by the Accounting Standards, or for gains and losses arising from transactions of a similar nature of the Company's activity.

(iv) Measurement at amortized cost

Amortized cost of a financial asset is the value at which the financial asset or financial liability is measured on initial recognition, less the installments paid, plus or minus the cumulative depreciation resulting from the use of the effective interest method including any difference in initially recognized value and value at maturity in impairment losses.

(v) Fair value measurement

The determination of the fair value of financial assets and liabilities is based on published market prices and indicators of financial instruments in active markets. For all other financial instruments, the fair value was determined using valuation techniques. Valuation techniques include techniques such as net realizable value, the present value of cash flows method, comparison with other similar securities for which prices are determined in active markets, and other valuation models.

(vi) Identification and measurement of impairment

At the financial statements preparation date, the Company assesses whether there is an objective evidence of impairment of financial assets. Financial assets are impaired when objective evidence indicates that an event with a consequential loss has occurred after the previous valuation of the asset, and that this event affects the cash flows that can be measured reliably.

The Company takes into consideration evidences of impairment for specific financial assets or groups of assets. All individually significant assets are tested separately for potential impairment, but that has not yet been identified. All assets that are not considered individually significant are grouped together and assessed for impairment together with assets with similar characteristics (held at amortized cost).

Objective evidence of a possible impairment of assets in the financial statements may be the non-timely payment or breach of terms by a debtor, the restructuring of a loan/advance provided by the Company on terms which otherwise would not be considered, indicators of possible bankruptcy of a debtor or other apparent data relating to a group of assets such as a deteriorating change in the receivable status of a debtor or creditor, or economic conditions affecting the deterioration of the group of assets.

f) Cash and cash equivalents

Cash and cash equivalents include cash balances, bank deposits in commercial banks and highly liquid short-term investments with maturities of up to three months or less from the purchase.

g) Term deposits

Term deposits are presented in the statement of financial position by their principal amount and are classified according to their maturity. Term deposits with a maturity of less than three months are classified as cash equivalents, those with a maturity between three and twelve months are classified as investments in term deposits.

3. Significant accounting policies (continued)

h) Investments in securities

Investment in securities are debt investments that the Company intends and has the ability to hold to maturity and that are classified as held-to-maturity assets. Investments which have fixed or determinable payments and which are intended to be held to maturity are therefore measured at amortized cost less any impairment. Depreciation cost is calculated by including any discounts or premiums on the purchase. Premiums and discounts on investments to be held to maturity are systematically amortized at maturity using the effective interest rate method and are recorded in interest income.

i) Due from insurance and others receivables

Loans and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less allowance for impairment. Allowance for impairment of loans and other receivables are recognised when there is objective evidence that the Company will not be able to collect all amounts under the original terms. Account receivables from insurance arising from insurance policyholders are also classified in this category and assessed for impairment as part of the review for impairment of loans and other receivables.

j) Revenue recognition

i. Gross written premiums

Gross written premiums are recognized as explained in Note 3.d.

ii. Interest income

Interest income on financial assets is recognized using the effective interest method.

k) Personnel expenses

The Company pays only the mandatory social security contributions which provide employees with pension benefits after leaving the job. Local authorities are responsible for setting the minimum pension limit in the respective countries according to a defined pension contribution plan. The Company's contributions to the pension plan are presented in the consolidated statement of comprehensive income when incurred.

Paid annual leave

The Company recognizes as a liability the undiscounted amount of costs foreseen in relation to the annual leave that is expected to be paid in exchange for employee services for the period. For 2023 the employees of the Company have received their annual leave.

l) Administrative expenses

Administrative expenses are recognized when incurred.

m) Other obligations

Other liabilities are recognized at cost.

3. Significant accounting policies (continued)

n) Property, plant and equipment

Recognition and measurement

Property, plant and equipment items are measured at cost less accumulated depreciation and impairment losses if any, except construction in progress which are measured at revalued amount. Historical 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 labor, any other costs associated with making the ready for use, and the costs of arranging the site in which the asset will be located. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. Gains and losses from the sale are determined by comparing the amounts received with the residual value, and including the difference in the statement of comprehensive income under the "Other gains/(losses)".

Subsequent costs

Subsequent costs are included in the value of the asset or recognized as a separate asset only when it is probable that future benefits will flow from this asset and the cost can be reliably measured. The carrying amount of the replaced item is not recognized. All repairs and maintenance are charged to the profit and loss of the financial period in which they are carried out.

Depreciation

Depreciation of the buildings and infrastructure improvements category is performed on a straight-line basis over the estimated life of the assets, while the depreciation of other units of property, plant and equipment is calculated using the declining balance method calculated on the net book value of the asset. Land and assets under construction are not depreciated. The estimated depreciation rates are as follows:

Building (Kiosk)	5 %
Furniture and office equipment	20 %
Computers and IT equipment	25 %
Intangible assets	25%
Vehicles	20 %
Leasehold Improvements	(according to the term of the lease contract)

o) Intangible assets

Intangible assets of the company, other than goodwill, have definite useful lives and mainly include capitalized software, patents, trademarks and licenses. Software licenses, patents and trademarks are capitalized based on the costs incurred to acquire and put them to use. Developments costs directly related to identifiable and unique programs controlled by the Company are recorded as intangible assets if the cash flow of incremental economic benefits exceeds the costs.

Amortization

Amortization is recognized in the statement of comprehensive income based on the net book value using the tax rates for amortization of intangible assets, one month after the acquisition of the asset. The useful life of the assets is reviewed, and the necessary adjustments are made, at each reporting date. The amortization rate is 15% based on the residual value of the asset. Gains or losses on sales are determined by comparing sales to net book value and the differences are included in the statement of comprehensive income.

3. Significant accounting policies (continued)

p) Impairment

The carrying amount of non-financial assets is reviewed at each reporting date to see if there is any indicator of impairment. If such indicator exists, management estimates the recoverable amount, which is defined as the higher between the fair value of the asset less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognized in profit or loss for the year.

An impairment loss recognized for an assets in previous years is reversed when appropriate if there has been a change in the accounting estimates used to determine the asset's value in use or fair value less costs to sell.

q) Insurance acquisition costs

Insurance acquisition costs are defined as costs arising from the purchase of new insurance contracts, including direct costs, such as purchase commissions and insurance document preparation costs and the part of administrative costs associated with the proposal process and issuance of policies. Insurance acquisition costs are recognized as expenses when incurred.

r) Equity

Equity shares are classified as equity. The Company's equity is held with the equivalent value in Lek of the contribution received in foreign currency using the exchange rate on the date of the transaction. The shareholder capital of the Company is recognized at its nominal value.

s) Provisions

A provision is recognized when the Company has a current or constructive legal obligation as a result of past events and it is possible that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting future cash flows at the pre-tax rate. Provisions reflect current market assessments of the time value of money and, where appropriate, the specific risks for the liability.

t) Taxation

Income tax is recognized in the consolidated statement of profit and loss and represents the amount of current and deferred tax.

(i) Current Income Tax

Current income tax is the tax payable on taxable profit for the year, which is calculated using the tax rates in force at the reporting date and any adjustments to tax payables in respect of previous years. Fiscal profit differs from net profit reported in the consolidated income statements because it excludes items of revenue and expenses that are taxable or deductible in other periods and also excludes items of revenue and expenses that are never considered taxable or deductible.

(ii) Deferred tax

Deferred tax is accounted using the the liability method and is calculated as the tax expected to be paid or collected from temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for fiscal purposes. The allowed amount of deferred tax is based on the expected realization or payment of the carrying amounts of the assets and liabilities, using the fiscal rates adopted or expected to be adopted with certainty at the reporting date.

(iii) Deferred tax assets and liabilities

Deferred tax liabilities are recognized for all temporary differences and deferred tax assets are recognized only if it is probable that future tax benefits will be available against which the temporary differences can be utilised. Deferred tax assets are reduced when it is not probable that the related tax benefits will be realized. Deferred tax is calculated at the tax rate that is expected to be applied in the period when the liability is paid or the asset is realized and charged to the consolidated statement of profit and loss, except when it is related to the items charged directly to equity. In such cases the deferred tax is also part of the equity.

3. Significant accounting policies (continued)

u) Related party transactions

Transactions with related parties include the shareholders and the directors of the Company, together with the entities they control, which may exert considerable influence on the operations and management of the Company. Considering each potential third party attention is given to the essence of the relationship and not just the legal form.

v) Subsequent events

Subsequent events provide additional information about the position of the company at the date of the statement of financial position (adjusting events) and they are disclosed in the financial statements. Subsequent events related to events that do not requires adjustments are disclosed in the notes when they are material.

w) Commitments and contingent liabilities

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes of the financial statements if the possibility of using resources with economic benefits is low. Contingent assets are not recognized in the financial statements but are disclosed in the notes when the possibility of economic benefits is possible.

The amount of the contingent loss is recognized as a provision if it is probable that future events will confirm the provision, a liability is recognized at the date of the statement of financial position when an acceptable estimate of the loss can be made reliably.

x) IFRS 16 Leases

IFRS 16 Leases is effective for annual periods beginning on or after 1 January 2019. IFRS 16 introduces a single accounting model for the presentation of leases on the balance sheet by lessees. A lessee recognizes a right-of-use asset that represents its right to use the underlying asset and a lease liability that represents its obligation to make lease payments. There are exceptions applied to recognize short-term leases and leases of low value assets. Accounting for the lessor will remain mainly unchanged and the distinction between operating and finance leases will be maintained.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and related assumptions are based on historical experience and other factors believed to be reasonable under the circumstances and information available at the date of preparation of the financial statements, the results of which form the basis for making judgments about the performance and assess those and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

Underlying estimates and assumptions are reviewed on an ongoing basis. Revision of accounting estimates is recognized in the period in which the estimate is revised if the change affects only that period or in the period of the revision and future periods if the change affects current and future periods.

Judgments made by management in applying IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

4. Accounting estimates and judgments (continued)

Impairment loss on receivables

The Company reviews insurance and other accounts receivable to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgments about whether there is any apparent evidence that there is a measurable decrease in the estimated future cash flows from a group of accounts receivable before the decrease that may have been identified with an individual debtor in that portfolio. This evidence may include data showing that there has been a negative change in the debtor's payment status related to shortfalls in group assets. Management uses estimates based on historical experience of losses for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when determining future cash flows.

Judgments and assessments on the effects of the pandemic on the principle of continuity

At the financial statements date, the company is operating, continues to fulfill its obligations on time and therefore continues to apply the going concern principle in the preparation of financial statements.

5. RISK MANAGEMENT

a) Insurance risk

The Company is exposed to actuarial risk and acquisition costs arising from a wide range of life products offered to consumers. Insurance risk is related to the uncertainty of the insurance business. The most important components of insurance risk are premium risk and reserve risk. This relates to the concern regarding the adequacy of the level of the insurance premium rate and the adequacy of provisions for insurance liabilities and the capital base.

Premium risk is present as soon as the insurance policy is issued, and it is the risk that the expenses and losses incurred will be higher than the premium received. Reserve risk represents the risk that the absolute level of technical reserves is underestimated or that actual claims will fluctuate around the estimated statistical value.

The risk components of life insurance business also include biometric risk (including mortality, longevity, morbidity and disability) and error risk. Risk of error relates to the higher unanticipated rate or lower rate of policy errors, cancellations, changes in payment status (cease of premium payment) and terminations.

Reinsurance is purchased by the Company to mitigate the potential risk of losses due to large individual events or catastrophes and also to enable risk specialists the access and assistance in capital management. Reinsurance policies are underwritten with approved reinsurers on a proportional basis or on a per loss basis.

Insurance events are random and the actual number of claims and benefits may vary from year to year from the level determined by statistical techniques. Experience shows that the larger the portfolio of identical insurance contracts, the smaller the relative variance of the results will be. Also, a more diversified portfolio is less likely to be affected by changes in the portfolio.

Reinsurance is used to manage insurance risk. However, this does not limit the responsibility of the Company as the main insurer. If the reinsurer does not pay a claim for various reasons, the Company is obliged to pay the policyholder for the liability. The solvency of the reinsurer is analyzed annually by reviewing their financial position before signing the contract. The company has ceded the insurance risk to limit exposure from losses from underwritten contracts and to minimize the effect of loss from life insurance, by signing reinsurance contracts.

5. Risk management (continued)

b) Reinsurance risk

The company cedes the insurance risk to limit the exposure of losses under separate agreements for each type of insurance. These reinsurance arrangements spread the risk and minimize the effect of the loss. The amount of each residual risk depends on the Company's assessment of specific risks, which, in some circumstances, is subject to maximum limits based on the characteristics of the coverage. Under the terms of the reinsurance agreement, the reinsurer agrees to reimburse the ceded amount in the event of claims paid.

However, the Company remains liable to its policyholders in respect of the ceded insurance if the reinsurer defaults on its obligations.

c) Interest rate risk

Interest rate risk is influenced by the risk of fluctuations in the values of financial instruments as a result of changes in the market interest rates and the risk that interest maturities related to assets differ from interest maturities related to liabilities used for these assets. The duration for which the interest rate is fixed on a financial instrument indicates to what level of interest rate risk it is exposed. The company's assets and liabilities have market interest rates.

The company holds a non-significant amount of interest-bearing liabilities and the risk of incurring significant costs due to an increase in interest rates is not significant. However, interest bearing assets have a fixed interest rate.

d) Risk of capital management

The capital structure of the Company consists of the share capital of the company which consists of share capital, reserves and retained earnings. The primary objectives of the Company regarding capital management are as follows:

- Compliance with the requirements of the insurance market regulatory ("FSA") by keeping capital above the required limit;
- Provide the means to going concern of the Company's activity so that it can generate profits for shareholders and benefits for other stakeholders.

In accordance with Albanian law no. 52/2014 "On insurance and reinsurance activity", dated 4 July 2014, the Insurance Company is obliged to meet the requirements of Articles 80 and 81. According to these requirements, the total equity of the Company must be at least the amount of the calculated solvency (i.e. higher guarantee fund and 150% of solvency calculated under the same law). The capital adequacy ratio of the Company is 124.4% in 2024 (2023: 122.3%).

The company manages capital to ensure an appropriate level of capital to be able to continue and meet regulatory capital requirements, while maximizing returns to shareholders through optimization of liabilities and equity.

e) Exchange rate risk

Premiums are issued in three main currencies (Lek, USD and Euro). The following table presents a quantitative analysis of the company's currency risk on 31 December 2024 and 2023 for possible fluctuations in exchange rates.

	Impact	2024 in Lek	2023 in Lek
EUR increases by 10% against Lek	Fitim	9,169,400	7,886,541
EUR decreases by 10% against Lek	Humbje	(9,169,400)	(7,886,541)
USD increases by 10% against Lek	Fitim	1,932,187	1,908,060
USD decreases by 10% against Lek	Humbje	(1,932,187)	(1,908,060)

5. Risk management (continued)

e) Exchange rate risk (continued)

The following table presents a quantitative analysis of the Company's currency risk as of 31 December 2024:

Financial Assets	LEK	EUR	USD	Total
Cash and cash equivalents	11,913,546	11,889,973	123,180	**23,926,699**
Term deposits in banks	262,423,896	226,270,957	19,187,721	**507,882,574**
Investments in securities	174,093,884	-	-	**174,093,884**
Due from insurance and reinsurance, net	36,807,663	6,318,267	15,100	**43,141,030**
Other assets	11,428,470	2,491,515	-	**13,919,985**
Total financial assets	**496,667,459**	**246,970,712**	**19,326,001**	**762,964,172**
Financial obligations				
Reserve for losses and loss adjustment expense	17,669,578	18,407,629	-	**36,077,207**
Mathematical reserve	-	121,754,403	-	**121,754,403**
Due to insurance and reinsurance	11,987,101	6,285,382	-	**18,272,483**
Income tax payable	-	-	-	**-**
Due to financial institutions	-	4,934,826	-	**4,934,826**
Other Liabilities	28,760,125	3,894,473	4,127	32,658,725
Total financial liabilities	**58,416,804**	**155,276,713**	**4,127**	**213,697,644**
Net position	**438,250,655**	**91,693,999**	**19,321,874**	**549,266,528**

The following table presents a quantitative analysis of the Company's currency risk as of 31 December 2023:

Financial Assets	LEK	EUR	USD	Total
Cash and cash equivalents, restricted cash	8,622,932	12,121,153	66,530	**20,810,615**
Term deposits in banks	262,319,361	190,543,586	19,097,718	**471,960,665**
Investments in securities	175,950,987	-	-	**175,950,987**
Due from insurance and reinsurance, net	38,460,603	5,111,123	6,689	**43,578,415**
Other assets	6,849,244	2,447,369	-	**9,296,613**
Total financial assets	**492,203,127**	**210,223,231**	**19,170,937**	**721,597,295**

Financial obligations	LEK	EUR	USD	Total
Reserve for losses and loss adjustment expense	12,770,934	15,726,268	-	28,497,202
Mathematical reserve	-	98,298,989	-	98,298,989
Due to insurance and reinsurance	12,841,977	7,550,095	-	20,392,072
Income tax payable	3,424,900	-	-	3,424,900
Due to financial institutions	-	6,926,825	-	6,926,825
Other Liabilities	9,817,210	2,855,639	90,334	12,763,183
Total financial liabilities	**38,855,021**	**131,357,816**	**90,334**	**170,303,171**
Net position	**453,348,106**	**78,865,415**	**19,080,603**	**551,294,124**

f) Liquidity risk

Liquidity risk is present in the Company's business as the assets purchased and liabilities sold have specific liquidity characteristics. But if the Company needed large liquidity within a short time, it would not be difficult to secure them. starting from the way of organizing the investment in diversified maturity periods, based on this analysis the management believes that it will not encounter difficulties in paying off the financial obligations.

Also, the Company monitors its liquidity situation every day, in order to fulfill its obligations at the right time.

5. Risk management (continued)
f) Liquidity risk

The liquidity risk exposure on December 31, 2024 is as follows:

31 December 2024	Less than 1 month	1 – 3 months	3 months up to 1 year	1 – 5 years	More than 5 years	Total
Financial Assets						
Cash and cash equivalent	23,926,701	-	-	-	-	**23,926,701**
Term deposits in banks	114,758,314	39,722,500	186,457,792	29,927,412	137,016,556	**507,882,574**
Investments in securities	45,700,000	-	14,393,884	65,000,000	49,000,000	**174,093,884**
Due from insurance and reinsurance, net	40,154,278	1,414,285	1,572,467	-	-	**43,141,030**
Other assets	11,033,141	273,024	2,164,725	449,096	-	**13,919,985**
Total financial assets	**235,572,434**	**41,409,808**	**204,588,868**	**95,376,508**	**186,016,556**	**762,964,174**
Financial Liabilities						
Reserve for losses and loss adjustment expense	1,168,635	653,658	20,007,786	-	14,247,129	**36,077,208**
Mathematical reserve	5,517,314	-	6,038,769	27,368,862	82,829,458	**121,754,403**
Due to insurance and reinsurance	18,272,483	-	-	-	-	**18,272,483**
Income tax payable	-	-	-	-	-	**-**
Due to financial institutions	263,400	358,369	1,612,662	2,700,395	-	**4,934,826**
Other Liabilities	10,356,599	273,542	20,527,831	1,500,753	-	**32,658,725**
Total financial liabilities	**35,578,431**	**1,285,570**	**48,187,048**	**31,570,009**	**97,076,586**	**213,697,645**
The maturity gap	**199,994,003**	**40,124,239**	**156,401,820**	**63,806,498**	**88,939,970**	**549,266,529**

5. Risk management (continued)

f. Liquidity risk (continued)

The liquidity risk exposure on December 31, 2023 is as follows:

31 December 2023	Less than 1 month	1 – 3 months	3 months up to 1 year	1 – 5 years	More than 5 years	Total
Financial Assets						
Cash and cash equivalents and restricted cash	20,810,615	-	-	-	-	**20,810,615**
Term deposits with banks	118,652,606	30,388,000	129,691,699	95,371,927	97,856,433	**471,960,665**
Investments in securities	45,000,000	-	16,950,987	65,000,000	49,000,000	**175,950,987**
Due from insurance and reinsurance, net	22,609,157	5,549,471	15,419,787	-	-	**43,578,415**
Other assets	7,611,339	116,666	1,435,268	133,340	-	**9,296,613**
Total financial assets	**214,683,717**	**36,054,137**	**163,497,741**	**160,505,267**	**146,856,433**	**721,597,295**
Financial Liabilities						
Reserve for losses and loss adjustment expense	529,810	223,209	13,013,923	-	14,730,260	**28,497,202**
Mathematical reserve	8,807,241	-	5,132,665	27,781,927	56,577,156	**98,298,989**
Due to insurance and reinsurance	12,692,243	2,370,484	5,329,345	-	-	**20,392,072**
Income tax payable	-	3,424,900	-	-	-	**3,424,900**
Due to financial institutions	188,537	358,369	1,612,662	4,767,257	-	**6,926,825**
Other Liabilities	6,714,098	273,542	4,518,595	1,256,948	-	**12,763,183**
Total financial liabilities	**28,931,929**	**6,650,504**	**29,607,190**	**33,806,132**	**71,307,416**	**170,303,171**
The maturity gap	**185,751,788**	**29,403,633**	**133,890,551**	**126,699,135**	**75,549,017**	**551,294,124**

The Company manages credit risk exposure on an ongoing basis by monitoring continuously receivables from insurance and reinsurance. The Company has established an internal rule where all unpaid insurance premiums under the terms of the relevant contracts are cancelled, unless there is certainty that the receivables will be cashed in.

The Company is exposed to credit risk on time deposits and receivables from the other party's insurance and reinsurance. Management believes that the credit risk associated with time deposits is not significant.

The Company manages its credit risk exposure by monitoring exposures to debt instruments and deposits. The company has not identified based indications for impairment of other financial assets on the reporting date, therefore management considers other financial assets such as as cash equivalents, term deposits and other assets as neither past nor depreciated.

5. Risk management (continued)

f. Liquidity risk (continued)

Due from insurance and reinsurance, net as of 31 December 2024 and 31 December 2023 based on their aging is as follows:

	31 December 2024		31 December 2023	
	in Lek	in %	in Lek	in %
1 - 90 days	40,154,278	93.08%	42,555,634	97.65%
91 - 365 days	1,414,285	3.28%	1,022,781	2.35%
> 365 days	1,572,467	3.64%	-	0.00%
Total	**43,141,030**	**100%**	**43,578,415**	**100%**

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 31 December 2024 and 31 December 2023 include current accounts in banks as follows:

	31 December 2024	31 December 2023
Cash on hand	34,605	59,018
Cash at banks	23,776,991	20,751,597
Cash at banks in foreign currency	11,978,549	12,179,232
Cash at banks in local currency	11,798,442	8,572,365
Mjete monetare ne arke dhe banke	**23,811,597**	**20,810,615**

7. RESTRICTED CASH

Restricted cash at 31 December 2024 amounts 115,105 Lek (2024: 100,000 Lek) was comprised of the registered capital of SiCRED Assistance.

8. TERM DEPOSITS IN BANKS

Term deposits in banks at 31 December 2024 and 31 December 2023 are detailed as follows:

	31 December 2024	31 December 2023
Guarantee fund deposit	314,019,500	316,534,000
Savings deposit	180,849,401	139,641,870
Other deposits	7,148,549	7,148,310
Accrued interest	5,865,124	8,636,485
	507,882,574	**471,960,665**

In accordance with the requirements of article 81 of Law no. 52/2014 "On Insurance and Reinsurance activity", the Company keeps restricted the guarantee fund, amounting to the highest between at least one third of the payment capacity or 370,000 thousand Lek. The guarantee fund should be invested in treasury bills or term deposits, with maturity not less than one year. Saving deposits are long-term deposits related to the investment of the insurance with survival benefits premiums "Life Insurance with Saving plan" and "Life Insurance with Survival benefits".

8. Term deposits in banks (continued)

Other deposits are comprised of unrestricted deposits with a duration of 5 years which are considered as bank guarantees for the overdraft accounts. Other deposits are comprised of two deposits with a duration of 3 years which are placed as bank guarantees:

- 2,558,310 Lek for overdraft account, and
- 4,590,000 Lek for the insurance of the Bank of Albania employees life insurance contract, which will be released 30 days after the termination of the insurance contract, 14 May 2025.

9. INVESTMENTS IN SECURITIES

During 2024 and 2023, the Company has not changed the policy for investments in securities, treasury bills and bonds, detailed as follows:

	31 December 2024	31 December 2023
Treasury bills (Guarantee Fund)	57,700,000	58,000,000
Discount to be amortized	(362,746)	(424,624)
Treasury bills, net	57,337,254	57,575,376
Bonds	114,000,000	114,000,000
Accrued interest	2,756,630	4,375,611
Bonds, net	116,756,630	118,375,611
	174,093,884	**175,950,987**

The table below presents the minimum and maximum interest rates that have been applied to securities held to maturity during 2024 and 2023, according to maturity.

	31 December 2024		31 December 2023	
Maturity	**Minimal interest rate**	**Maximal interest rate**	**Minimal interest rate**	**Maximal interest rate**
Treasury bill (Lek)				
12 months	2.85%	3.45%	3.10%	4.90%
Government bonds (Lek)				
5 years	3.70%	5.21%	3.70%	3.70%
7 years	4.08%	6.00%	4.08%	5.45%
10 years	6.25%	7.90%	6.25%	7.90%
15 years	8.39%	8.39%	8.39%	8.39%

10. DUE FROM INSURANCE AND REINSURANCE, NET

Due from insurance and reinsurance, net, based on the products ty as of 31 December 2024 and 31 December 2023 consist as follows:

	31 December 2024	31 December 2023
Group Life & Accidents	28,082,791	20,576,942
Cash Plan	2,829,119	14,767,070
Debtor's Life (for loans)	9,022,955	4,226,693
Life & Health in Travel	374,835	424,921
Life with survival benefits	1,942,456	2,282,415
Students and pupils life	1,529,000	1,529,000
Due from insurance, gross	**43,781,156**	**43,807,041**
Provision for receivables	(640,126)	(228,626)
Due from insurance, net	**43,141,030**	**43,578,415**

Movements in the insurance and reinsurance provision are presented below:

	31 December 2024	31 December 2023
Balance at the beginning of the year	228,626	852,980
Reverse of provision	411,500	(624,354)
Balance at the end of the year	**640,126**	**228,626**

11. REINSURANCE ASSETS

Movements in reinsurance assets at 31 December 2024 and 31 December 2023 are presented as follows:

	31 December 2024	31 December 2023
Unearned premium reserve at the beginning of the year	14,309,331	10,946,800
Change for the year	2,387,394	3,362,531
Unearned premium reserve at the end of the year	16,696,725	14,309,331
Claims reserve at the beginning of the year	5,194,000	-
Change for the year	(286,500)	5,194,000
Claims reserve at the end of the year	4,907,500	5,194,000
Total reinsurance assets	**21,604,225**	**19,503,331**

The company cedes insurance premiums and risk in the normal course of life insurance business in order to limit the losses potential arising from long-term and more severe exposures claims. These reinsurances include the basis of agreements, excess of losses and part of the shares. The company cedes insurance to other companies and these reinsurance contracts do not exempt the company from its liability to the policyholders. Therefore, there is a credit exposure related to the ceded reinsurance to the extent that a reinsurer is unable to fulfill its obligations under the reinsurance agreement. The Company doesn't hold collateral under reinsurance agreements. As at 31 December 2024, the amount of 16,696,725 Lek (2023: 14,309,331 Lek) represents the reinsurer's share of the liabilities for the unearned premium of debtor's life, life and health in travel, life and group accidents and life with survival benefits.

12. DEFERRED ACQUISITION COSTS

Deferred acquisition costs by products as at 31 December 2024 and 31 December 2023 are as follows:

	31.12.2024	Change for the year	31.12.2023	Change for the year
Life and health in travel	242,744	(25,306)	268,050	13,929
Abroad students' life and travel	1,683	1,683	-	-
Life and Health (Cash Plan)	16,860,942	2,609,345	14,251,597	(6,373,389)
Visitors life	2,935	1,159	1,776	(8,779)
	17,108,304	2,586,881	14,521,423	(6,368,239)

13. OTHER ASSETS

Other accounts receivable as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Prepaid expenses	992,558	1,218,399
Insurance policies inventory	2,005,866	1,823,644
Other materials inventory	233,380	299,129
Advances to employees	1,689,136	783,336
Rimbursements receivable	6,693,787	6,821,860
Other assets	5,537,062	1,691,417
Total, gross	**17,151,789**	**12,637,785**
Impairment of other assets	-	-
Total, net	**17,151,789**	**12,637,785**

14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Investment of the Company in Credins Invest is disclosed in the consolidated financial statements and accounted for using the net equity method. Below is presented the financial information of the investment as at 31 December 2024 and 31 December 2023:

Credins Invest	31 December 2024	31 December 2023
Short-term assets	-	51,026,902
Long-term assets	-	69,233,457
Short-term liabilities	-	(7,052,682)
Long-term liabilities	-	(7,048,207)
Capital	**-**	**106,159,470**
% of control	0%	12%
Accounting value of investment	**-**	**12,739,136**

Credins Invest	31 December 2024	31 December 2023
Income	-	70,240,127
Administrative expenses	-	(55,355,741)
Financial expenses	-	980,888
Corporate Income tax	-	(2,530,071)
Capital	**-**	**13,335,203**
% of control	0%	12%
Income/(loss) of the period from investment	**-**	**1,600,224**

The movement in accounting value of the investment is shown as follows:

Credins Invest	31 December 2024	31 December 2023
Investment at the beginning of the period	12,739,136	11,460,633
Investment at the end of the period	2,186,931	-
Change	14,805,026	12,739,136
Income/(loss) of the period from investment	**-**	**1,278,503**
From dividend distribution	-	1,600,224
	-	(321,721)

15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at 31 December 2024 and 2023 are presented as follows:

	Office and IT equipments	Furniture and other equipment	Vehicles	Temporary Constructions (Kiosk)	Artwork	General installations	Leasehold improvements	Right of use assets	Total
Historical cost									
Balance as at 01 January 2023	**23,583,842**	**21,484,227**	**29,847,565**	**428,496**	**463,668**	**574,380**	**53,029,742**	**85,231,402**	**214,643,322**
Additions	679,362	1,443,561	-	-	174,000	-	-	-	**2,296,923**
Disposals	-	-	-	-	-	-	-	(5,425,931)	**(5,425,931)**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Balance as at 31 December 2023	**24,263,204**	**22,927,788**	**29,847,565**	**428,496**	**637,668**	**574,380**	**53,029,742**	**79,805,471**	**211,514,314**
Additions	8,396,025	134,760	-	-	-	-	-	-	**8,530,785**
Disposals	-	-	-	-	-	-	-	(3,772,031)	**(3,772,031)**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Balance as at 31 December 2024	**32,659,231**	**23,062,546**	**29,847,565**	**428,496**	**637,668**	**574,380**	**53,029,742**	**76,033,440**	**216,273,068**
Accumulated depreciation									
Balance as at 01 January 2023	**(17,908,992)**	**(17,003,010)**	**(13,496,903)**	**(197,491)**	**-**	**(520,746)**	**(39,847,746)**	**(40,479,916)**	**(129,454,804)**
Depreciation for the year	(1,514,184)	(969,763)	(3,270,131)	(11,550)	-	(10,727)	(3,070,185)	(10,633,811)	**(19,480,351)**
Disposals	-	-	-	-	-	-	-	3,376,274	**3,376,274**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Balance as at 31 December 2023	(19,423,176)	(17,972,773)	(16,767,034)	(209,041)	-	(531,473)	(42,917,931)	(47,737,453)	**(145,558,881)**
Depreciation for the year	(3,015,816)	(1,004,915)	(1,308,052)	(10,972)	-	(8,580)	(3,074,155)	(9,873,706)	**(18,296,196)**
Disposals	-	-	-	-	-	-	-	2,977,375	**2,977,375**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Balance as at 31 December 2024	**(22,438,996)**	**(18,977,683)**	**(18,075,088)**	**(220,013)**	**-**	**(540,053)**	**(45,992,085)**	**(54,633,785)**	**(160,877,704)**
Net book value									
Balance as at 1 January 2023	**5,674,850**	**4,481,217**	**16,350,662**	**231,005**	**463,668**	**53,634**	**13,181,996**	**44,751,486**	**85,188,518**
Balance as at 31 December 2023	**4,840,028**	**4,955,015**	**13,080,531**	**219,455**	**637,668**	**42,907**	**10,111,811**	**32,068,018**	**65,955,433**
Balance as at 31 December 2023	**10,220,236**	**4,084,864**	**11,772,476**	**208,483**	**637,668**	**34,327**	**7,037,657**	**21,399,655**	**55,395,365**

There is no pledge or guarantee placed on the property, plants and equipment of the Company.

15. Property, plant and equipment (continued)

Right of use assets

Starting from 1 January 2019, the Company applied IFRS 16 Leases by recognizing a right-of-use asset and a liability for the leases previously classified as operating leases for premises in use. The initial measurement is made by present value of lease payments that have not been paid to date, using a discount rate of 5% for all leases. During the year, the Company has calculated and recognized in the Statement of Profit and Loss the amount of the calculated interest and the amount of depreciation for the right-of-use asset. Accordingly, the value of the right-of-use asset and the lease liability has been adjusted for contracts modifications in the payment of leases.

	31 December 2024	31 December 2023
Right-of-use assets (rent premises)	76,033,440	79,805,471
Accumulated depreciation	(54,633,785)	(47,737,453)
	21,399,655	**32,068,018**

16. INTANGIBLE ASSETS

Intangible assets include computer programs detailed as follows:

	Intangible Assets in process	Total
Historical Cost		
Balance as at 1 January 2023	**7,152,700**	**7,152,700**
Additions	-	**-**
Disposals	-	**-**
Balance as at 31 December 2023	**7,152,700**	**7,152,700**
Additions	-	**-**
Disposals	(6,161,046)	**(6,161,046)**
Balance as at 31 December 2024	**991,654**	**991,654**
Accumulated amortization		
Balance as at 1 January 2023	**-**	**-**
Amortization of the year	-	**-**
Disposals	-	**-**
Balance as at 31 December 2023	**-**	**-**
Amortization of the year	-	**-**
Reclassification	-	**-**
Balance as at 31 December 2024	**-**	**-**
Net book value		
Balance as at 31 December 2023	**7,152,700**	**7,152,700**
Balance as at 31 December 2024	**991,654**	**991,654**

The company has signed a contract for an integrated computer software with the "Infosoft SD" shpk. During the years 2019-2023, the contract was amended for additional services. The amount of the Intangible Assets in process amounts to 991,653 Lek (2023: 7,152,700 Lek).

17. UNEARNED PREMIUMS RESERVES

The unearned premiums reserves as at 31 December 2024 and 31 December 2023 consists of the following:

	31 December 2024	Change for year 2024	31 December 2023	Change for year 2023
Debtors' life insurance	73,065,250	1,452,739	71,612,511	1,059,777
Group Life & Accidents	3,402,154	56,584	3,345,570	262,815
Life & Health in Travel	539,432	107,093	432,339	(108,343)
Pupils & Students Life	46,699	44,291	2,408	(786,640)
Abroad Student's travel life & health	33,664	33,664	-	-
Life & Health ("Cash Plan")	43,233,185	(5,910,255)	49,143,440	(21,977,204)
Endowment	9,244,546	1,302,713	7,941,833	968,290
Visitor's life	22,573	9,901	12,672	(6,175)
Life with saving benefits	127,496	5,957	121,539	27,300
Evolutionary life	654,955	498,927	156,028	143,234
	130,369,954	**(2,398,386)**	**132,768,340**	**(20,416,946)**

18. RESERVE FOR LOSSES AND LOSS ADJUSTMENT EXPENSE

Reserve for losses and loss adjustment expense as at 31 December 2024 and 31 December 2023 consists of the following:

	31 December 2024	31 December 2023
Gross insurance liabilities for losses and loss adjustment expense	28,497,202	32,084,475
Net loss insurance liabilities and loss adjustment expense January 1	**28,497,202**	**32,084,475**
Losses and loss adjustment expense paid	(62,181,472)	(52,456,664)
Losses and loss adjustment expense incurred	69,761,478	48,869,391
Net loss insurance liabilities and loss adjustment expense at December 31	**36,077,208**	**28,497,202**
Gross insurance liabilities for losses and loss adjustment expense	**36,077,208**	**28,497,202**

Significant delays occur in reporting claims and a significant amount of experience and judgment is involved in estimating outstanding insurance liabilities, the ultimate costs of which cannot be estimated with certainty at the reporting date. Loss insurance liabilities and loss adjustment expenses are determined based on available information; however, due to the normal business activity that ultimate liabilities may vary as a result of subsequent developments. As at 31 December 2024 the Company has 323 outstanding claims (2023: 144) most of which relate to Cash Plan Life Insurance (313), which require more time for investigation.

Pending claims	31 December 2024	31 December 2023
Debtor's life insurance (loan)	1	3
Travel life and health insurance	8	2
Group's life and accidents insurance	-	-
"Cash Plan" insurance	313	138
Life insurance with saving benefits	1	1
Total	**323**	**144**

18. Reserve for losses and loss adjustment expense (continued)

Reserve for losses and loss adjustment expense according to the type of claim on 31 December 2024 and 31 December 2023 consists of the following:

	31 December 2024	31 December 2023
Reserves for pending claims of Debtor's life (loans)	14,226,970	14,664,677
Reserves for Life and Health in Travel Claims	1,822,293	753,019
Reserves for Group life and accidents claims		95,221
Claims reserves for Cash Plan	19,951,261	12,918,700
Claims Reserves for Life with savings benefits	20,160	65,585
	36,077,207	**28,497,202**

	31 December 2024	31 December 2023
Reported but not paid (RBNS)	21,122,879	14,664,677
Incurred but not reported (IBNR)	13,734,326	13,737,304
Claims reserves	1,220,002	95,221
	36,077,207	**28,497,202**

19. MATHEMATICAL RESERVES

	31 December 2024	31 December 2023
Life insurance with savings benefits	33,987,043	31,863,366
Life insurance with survivorship	87,767,360	66,435,623
	121,754,403	**98,298,989**

20. DUE TO INSURANCE AND REINSURANCE

Due to insurance and reinsurance as at 31 December 2024 and 31 December 2023 are presented as follows:

	31 December 2024	31 December 2023
Due to insurance activity	15,812,498	14,157,692
Due to reinsurance activity	2,459,985	6,234,380
	18,272,483	**20,392,072**

21. LEASE LIABILITIES

	31 December 2024	31 December 2023
Lease liabilities (for premises)	31,430,628	46,746,434
Changes in contracts	(720,709)	(1,979,636)
Accrued interest	1,316,625	2,041,533
Lease payments	(10,248,091)	(11,947,985)
Effect of the exchange rate	(1,454,032)	(3,429,718)
	20,324,421	**31,430,628**

22. DUE TO FINANCIAL INSTITUTIONS

	31 December 2024	31 December 2023
Account payable for leases	4,850,611	6,917,473
Opened Bank Accounts (Overdraft)	84,215	9,352
	4,934,826	**6,926,825**

In 2022, the Company purchased a vehicle under financial lease from Credins Bank according to the Agreement dated 01.07.2022, No. 1486 with a term of 60 months and an interest rate of 12M Euribor +4%, maximum 6%.

The balance as at 31 December 2024 of 84,215 lek (31 December 2023: 9,352 lek) represents the available amount of the credit card account "Mastercard Business" according to the overdraft contract no. 809 date 18.03.2020, duration of 12 months, limit of 15,000 Euros and an annual interest rate on the used funds of debtor's 12M Euribor + 4.87%.

23. OTHER LIABILITIES

Other liabilities as at 31 December 2024 and 31 December 2023 are detailed as follows:

	31 December 2024	31 December 2023
Suppliers	10,332,750	6,737,674
Personnel, social and health insurance, income tax payable	2,156,084	2,503,461
Other taxes	175,927	247,695
Prepayments from individuals in risk assessment	970,311	653,474
Dividend payable	15,960,370	-
Other creditors	3,063,283	2,620,879
Total	**32,658,725**	**12,763,183**

24. SHARE CAPITAL

The Company's share capital as at 31 December 2024 and 2023 is in the amount of ALL 498,293,927 and consists of 498,294 shares with a nominal value of ALL 1,000 per share and is owned by the following shareholders:

	31 December 2024		31 December 2023	
	in %	Shares value	in %	Shares value
Aleksandër Pilo	46.39%	231,152,000	46.39%	231,152,000
Renis Tërshana	30.16%	150,274,000	30.16%	150,274,000
Monika Milo	4.75%	23,664,000	4.75%	23,664,000
Maltin Korkuti	4.75%	23,664,000	4.75%	23,664,000
Kristino Kromidha	4.05%	20,199,000	4.05%	20,199,000
Egi Santo	2.37%	11,832,000	2.37%	11,832,000
Emi Santo	2.37%	11,832,000	2.37%	11,832,000
Arben Taipi	2.06%	10,271,000	2.06%	10,271,000
Petraq Shomo	2.06%	10,271,000	2.06%	10,271,000
Artan Xhori	1.03%	5,134,927	1.03%	5,134,927
	100.00%	**498,293,927**	**100.00%**	**498,293,927**

24. Share capital (continued)

According to the decision no. 06 dated 24.06.2020, the Shareholders' Assembly approved dividends distribution in the amount of Lek 11,797,234.

Based on the decision no. 7, dated 25 June 2021, the Shareholders' Assembly approved the capital increase from the profits of the year 2020 for the amount of 3,675,905 Lek, thus reaching the amount of 493,737,905 Lek without changing the capital structure. Based on decision no. 7 dated 25 June 2021, after the certification of the financial statements by the external auditor in the role of the authorized accounting expert, and after the approval by FSA, the approval is subject to registration according to the requirements of the commercial law at the National Business Center.

Based on the decision no. 5, dated 24 June 2022, the Shareholders' Assembly approved the capital increase from the profits of the year 2021 for the amount of 4,556,022 Lek, thus reaching the amount 498,293,927 Lek without changing the capital structure. Based on decision no. 5 dated 24 June 2022, after the certification of the financial statements by the external auditor in the role of the authorized accounting expert, and after the approval by FSA, is registered according to the requirements of the commercial law at the National Business Center.

25. GROSS WRITTEN PREMIUMS

Gross written premium for the period ended 31 December 2024 and 31 December 2023 is detailed as follows, based on product category:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Premiums from Debtor's Life Insurance (loans)	163,022,254	138,299,862
Premium from Life and Health Insurance (Cash plan)	33,232,101	65,732,710
Premiums from Group Life and Accident Insurance	63,031,186	30,730,074
Premiums from Life insurance with survival benefits (endowment)	4,658,707	44,953,167
Premium from Life Insurance with Savings plan (Fund)	48,141,459	10,753,916
Premiums from Travel Life and Health Insurance	15,541,859	4,682,128
Premiums from Debtor's Life Insurance with savings benefits	1,406,404	1,460,129
Premium from Visitor's Life Insurance	47,100	67,098
Premiums from Abroad Students Travel Health and Life Insurance	68,298	55,886
Premiums from Pupil and Student Life Insurance	67,300	13,200
Premiums from Evolutionary Life Insurance	5,668,092	859,982
	334,884,760	**297,608,152**

26. PREMIUMS CEDED TO REINSURANCE

	For the year ended 31 December 2024	For the year ended 31 December 2023
Debtor's life insurance (loan)	22,286,750	19,081,170
Evolutionary Life Insurance	108,326	28,603
	22,395,076	**19,109,773**

27. INTEREST INCOME

Interest income are presented as following:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Term deposits interests	18,292,119	14,956,125
Bonds interest	4,857,317	7,536,941
Treasury bills interests	1,890,265	2,625,982
Current accounts interests	1,350	25,832
Investment Fund's quotas income	-	169,247
	25,041,051	**25,314,127**

28. PAID INSURANCE CLAIMS

Paid insurance claims as at 31 December 2024 amount to 69,761,478 Lek (31 December 2023: 48,869,391 Lek).

	For the year ended 31 December 2024	For the year ended 31 December 2023
Claims expenses	50,089,864	38,454,414
Life insurance with saving benefits scheme exit expenses	12,091,607	14,002,250
Technical reserve	7,580,006	(3,587,273)
	69,761,478	**48,869,391**

29. ACQUISITION COSTS

Acquisition costs are detailed as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Commissions	72,408,161	56,396,293
Advertising expenses	15,840,502	20,171,512
Examinations expenses	17,621,358	16,922,174
Insurance policies expenses	240,208	262,540
	106,110,230	**93,752,519**

Acquisition costs for each product line are detailed as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Cash plan Life and Health insurance	25,680,826	20,307,551
Debtor's life insurance (loan)	54,807,906	49,706,479
Life insurance with survival benefits	13,892,462	14,645,656
Group's life and accidents insurance	7,057,024	5,290,624
Life and Travel insurance	2,093,959	2,914,919
Life insurance with saving plan	75,532	860,411
Abroad students life and health insurance	3,628	3,939
Students and pupils life insurance	13,448	12,250
Other life insurances	2,485,445	10,690
	106,110,230	**93,752,519**

30. PERSONNEL EXPENSES

	For the year ended 31 December 2024	For the year ended 31 December 2023
Salaries	66,036,543	61,469,565
Social and health insurance	8,915,583	8,877,549
Life insurance and pension contribution	4,391,904	3,298,646
Personnel bonuses	2,694,074	4,820,561
	82,038,104	**78,466,321**

31. ADMINISTRATIVE EXPENSES

Administrative expenses are detailed as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Bank commissions	3,756,065	5,237,656
Other administrative expenses	11,427,554	12,974,804
External services	8,111,185	2,897,076
Fees, taxes and penalties	5,263,989	6,434,709
Publicity and advertising	5,609,321	3,627,267
Utilities and communication	3,615,993	3,478,194
Representations expenses and gifts	2,357,919	3,360,739
Security services	1,737,252	1,737,252
Transfers, travels and per diems	491,845	564,871
Rent expenses	57,000	59,166
	42,428,122	**40,371,734**

32. OTHER INCOME

Other income are detailed as follows:

	For the year ended 31 December 2024	For the year ended 31 December 2023
Commission income from reinsurance	7,992,477	3,140,259
Other income from insurance activity	463,296	257,620
Other income	5,597,622	4,938,334
	14,053,396	**8,336,213**

33. CURRENT INCOME TAX EXPENSE

Më poshtë kemi paraqitur rakordimin e tatim fitimit të llogaritur me normën e aplikueshme të tatimit të fitimit:

	31 December 2024	31 December 2023
Profit before tax	**8,890,765**	**21,839,252**
Non-deductible expenses for tax purposes	**11,408,604**	**14,705,201**
Adjustment related to investment in subsidiaries	696,633	1,034,640
Undeductible invoices	260,592	365,847
Representation expenses	1,353,265	2,939,857
Provision for bad debt	411,500	4,804
Undeductible part of per diems	56,222	92,115
Fines, penalties, compensations	111,400	2,056,768
Personnel undeductible expenses	4,660,158	6,043,685
Other undeductible expenses	117,795	173,432
Depreciation of reconstructed assets IFRS	2,340,775	2,287,366
Allowed depreciation based on tax law with 5%	-	-
Deferred tax	942,242	(293,313)
Loss from disposal of property, plant and equipment	458,023	-
Taxable income	**20,299,369**	**36,544,453**
Non-taxable income	**-**	**-**
Taxable income for the year	**20,299,369**	**36,544,453**
Income tax expense	3,044,905	5,481,668
Deferred tax expense/(benefit)	-	43,996
Income tax expense for the current year	**3,044,905**	**5,525,664**

Income tax in Albania in 2024 is calculated by applying the rate of 15% (2023: 15%) on the profit before tax. Non-deductible expenses are all expenses not accompanied by supporting documents, as required by Albanian law, all expenses that are accompanied by supporting documents but un-deductible by the tax authorities and fines received for delays in declarations to the Tax Directorate. These expenses are recorded as such but are un-deductible for income tax purposes.

A reconciliation of current income tax expense as per tax law is presented as follows:

	31 December 2024	31 December 2023
Profit before tax	**8,890,765**	**21,839,252**
Non-deductible expenses for tax purposes	**11,408,604**	**14,998,514**
Adjustment related to income/loss from investment in subsidiaries	696,633	1,034,640
Undeductible invoices	260,592	365,847
Representation expenses	1,353,265	2,939,857
Provision for bad debt	411,500	4,804
Undeductible part of per diems	56,222	92,115
Fines, penalties, compensations	111,400	2,056,768
Personnel undeductible expenses	4,660,158	6,043,685
Other undeductible expenses	117,795	173,432
Depreciation of reconstructed assets as per IFRS	2,340,775	2,287,366
Depreciation and interest expense as per IFRS 16	11,190,333	-
Lease expense (operating)	(10,248,091)	-
Difference for staff life insurance	458,022	-
Taxable income	**20,299,369**	**36,837,766**
Taxable income for the year	**-**	**-**
Deferred tax expense/(benefit)	**20,299,369**	**36,837,766**
Income tax expense for the current year 15%	**3,044,905**	**5,525,664**

33. Current income tax expense (continued)

Income taxpayable for the year 2024 and 2023 is presented as follows:

	31 December 2024	31 December 2023
Payable as at 1 January	**(3,424,900)**	**(361,219)**
Payments for the period	8,371,680	2,461,983
Income tax expense for the year	(3,044,905)	(5,525,664)
Receivables/(Payables) net as at 31 December	**1,901,874**	**(3,424,900)**

34. DEFERRED TAX LIABILITY

The analysis of the "Deferred tax liability" account for the year 2024 and 2023 is presented as follows:

	31 December 2024	31 December 2023
Depreciation and interest expense according to IFRS 16	11,190,333	12,618,671
Rent expense (operating)	(10,248,091)	11,947,985
Permanent tax difference (deletion of deferred tax liability in 2024, and recognition as a non-deductible expense)	(942,242)	-
The difference	-	670,686
Tax %	**15%**	**15%**
Deferred tax liability	**-**	**100,603**

Change in deferred tax liability is as follows:

	31 December 2024	31 December 2023
Deferred tax liability as at 1 January	**100,603**	**144,599**
Change for the period	(100,603)	(43,996)
Deferred tax liability as at 31 December	**-**	**100,603**

35. RELATED PARTY TRANSACTIONS

Related parties are related if one party has the ability to control or have significant influence over the other party in taking financial or operational decisions, or the parties are under common control of the Company. The company has related party transactions with its shareholders and companies:

- CREDINS INVEST sha
- SiCRED Assistance
- SiCRED Distribution

An entity that uses a management company (an entity that provides significant personnel management services) is required to report expenses incurred for management services. The company has not received any management services from other entities.

A number of transactions are carried out with related parties in the normal course of business. These transactions were carried out on commercial terms and under the market conditions.

35. Related party transactions (continued)

The total compensation for the main managers of the Company, included in the administrative expenses as salary expenses for the end of the year 31 December 2024 is 8,125,000 Lek (2023: 8,450,000 Lek).

	31 December 2024	31 December 2023
receivables	**6,540,064**	**4,362,018**
SiCRED Assistance		-
SiCRED Distribution	6,540,064	4,362,018
Gross Written premiums	**3,405,905**	**3,015,808**
Life Insurance	3,405,905	3,015,808
Insurance Expenses	**2,371,398**	**880,133**
Claims paid	2,371,398	880,133
Dividend	**17,348,229**	**7,250,215**
Dividend paid	17,348,229	7,250,215
Other revenues	**302,119**	**1,241,043**
Other	302,119	1,241,043
Payables for contributions	**4,436,120**	**1,760,234**
Employer	1,979,360	881,746
Employee	2,456,760	878,488
Administrative expenses	**5,535,086**	**5,285,952**
SiCRED Assistance	462,000	462,000
Rent expenses	2,589,040	2,789,092
SiCRED Distribution	2,178,046	1,728,860
Payment for the Supervisory Board	306,000	306,000

36. COMMITMENTS AND CONTIGENT LIABILITIES

Litigations

During its normal bussines activity, the Company is involved in litigations. The management of the Company, based on the lawer's opinion, believes that there are no claims which need additional disclosure or adjustment in these financial statements in accordance with IFRS. The Company does not have significant commitments as of the reporting date.

37. SUBSEQUENT EVENTS

There are no events after the reporting date that may require adjustments or presentation of information in the Company's consolidated financial statements.

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