SiCRED
Shoqëri Sigurimi Jete

# ANNUAL REPORT 2025




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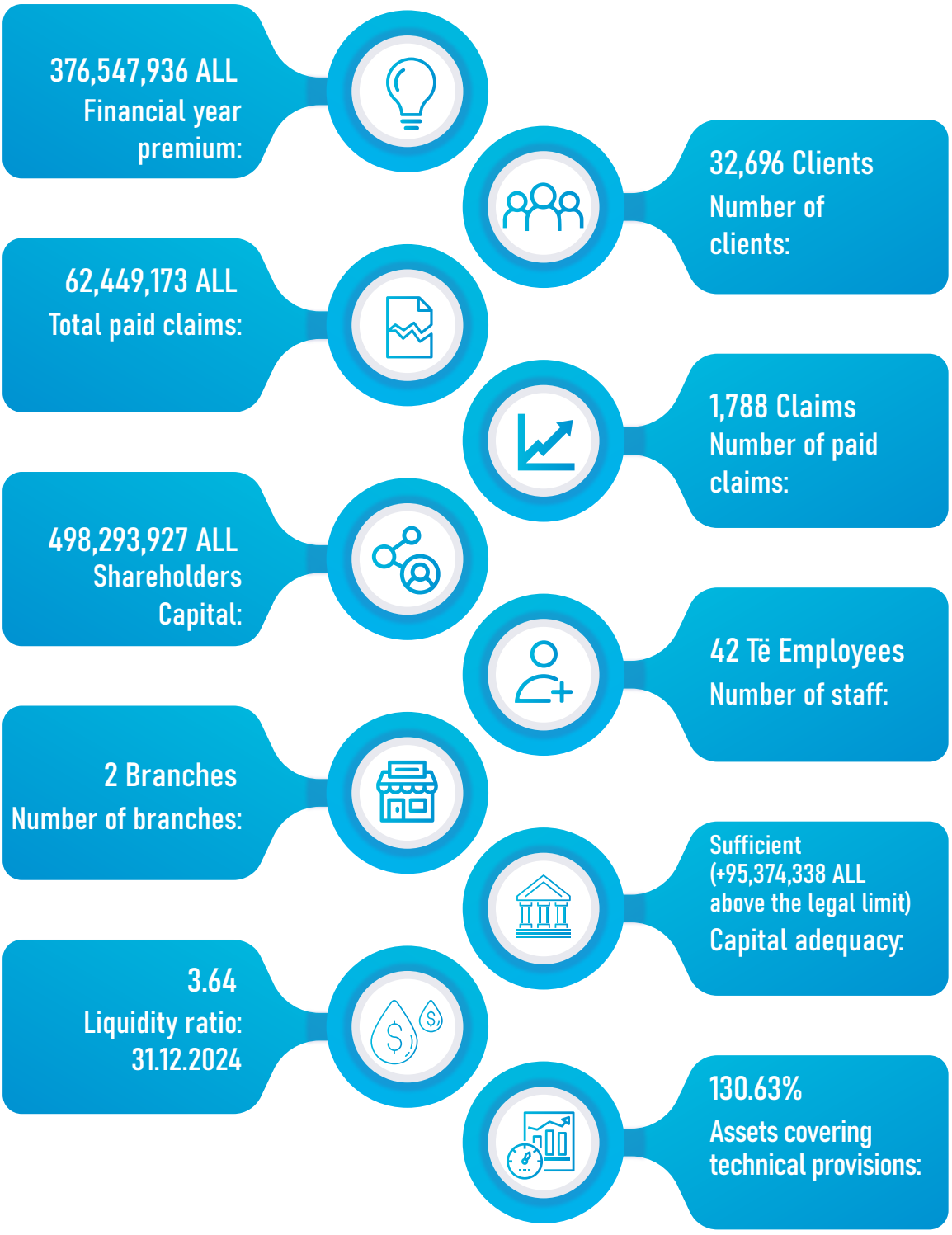
# SiCRED SH.A. STATISTICS (31 DECEMBER 2025)



# 1. MESSAGE FROM THE GENERAL DIRECTOR



Dear shareholders, customers and partners,

I am pleased to share with you SiCRED's 2025 Annual Report, which reflects our performance, key developments, and achievements that characterized the Company's activities during the year.

Throughout 2025, SiCRED continued to grow and consolidate its operations while maintaining financial stability. Gross written premiums increased during the year, supported by the expansion of our business activities and the sustained customer confidence in our products. At the same time, paid claims increased both in value and volume, demonstrating the Company's ongoing commitment to supporting its clients when they are most in need of financial security.

The year 2025 was also marked by significant developments aimed at enhancing the Company's technological infrastructure. The integrated system and fiscalization processes were expanded to include the "Life and Personal Accident" product, further increasing operational efficiency and the standardization of processes. In addition, the new SiCRED Distribution website was finalized and successfully introduced to the public, improving accessibility and enhancing the quality of service provided to our customers and partners.

Additionally, SiCRED continued its commitment to social responsibility by supporting initiatives in the fields of sports, social inclusion, and community development. These efforts demonstrate our dedication to supporting the welfare and sustainable development of the communities we serve.

In 2026, we will remain committed to reinforcing our financial strength, driving innovation across our products, and further strengthening our relationships with customers and partners.

Finally, I wish to thank the SiCRED team for their dedication and hard work, our shareholders for their steadfast support, and our customers for their valued trust.

I invite you to explore the 2025 Annual Report to gain a closer insight into our achievements and commitments throughout the year.

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 License 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.

## 2.1 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. | BFSE Holding B.V. | 49.18 % |
| 2. | Z. Aleksandër PILO | 36.88 % |
| 3. | Z. Kristino KROMIDHA | 4.05 % |
| 4. | Z. Egi SANTO | 2.37 % |
| 5. | Znj. Emi SANTO | 2.37 % |
| 6. | Z. Arben TAIPI | 2.06 % |
| 7. | Z. Petraq SHOMO | 2.06 % |
| 8. | Z. Artan XHORI | 1.03 % |

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

| | | |
|---|---|---|
| 1. | Mr. Artan XHORI | Member |
| 2. | Mr. Selman LAMAJ | Member |
| 3. | Mr. Egi Santo | Member |

**C. General Directorate:**

| | | |
|---|---|---|
| 1. | Mr. Genc KOXHAJ | General Director |

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

2. **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.

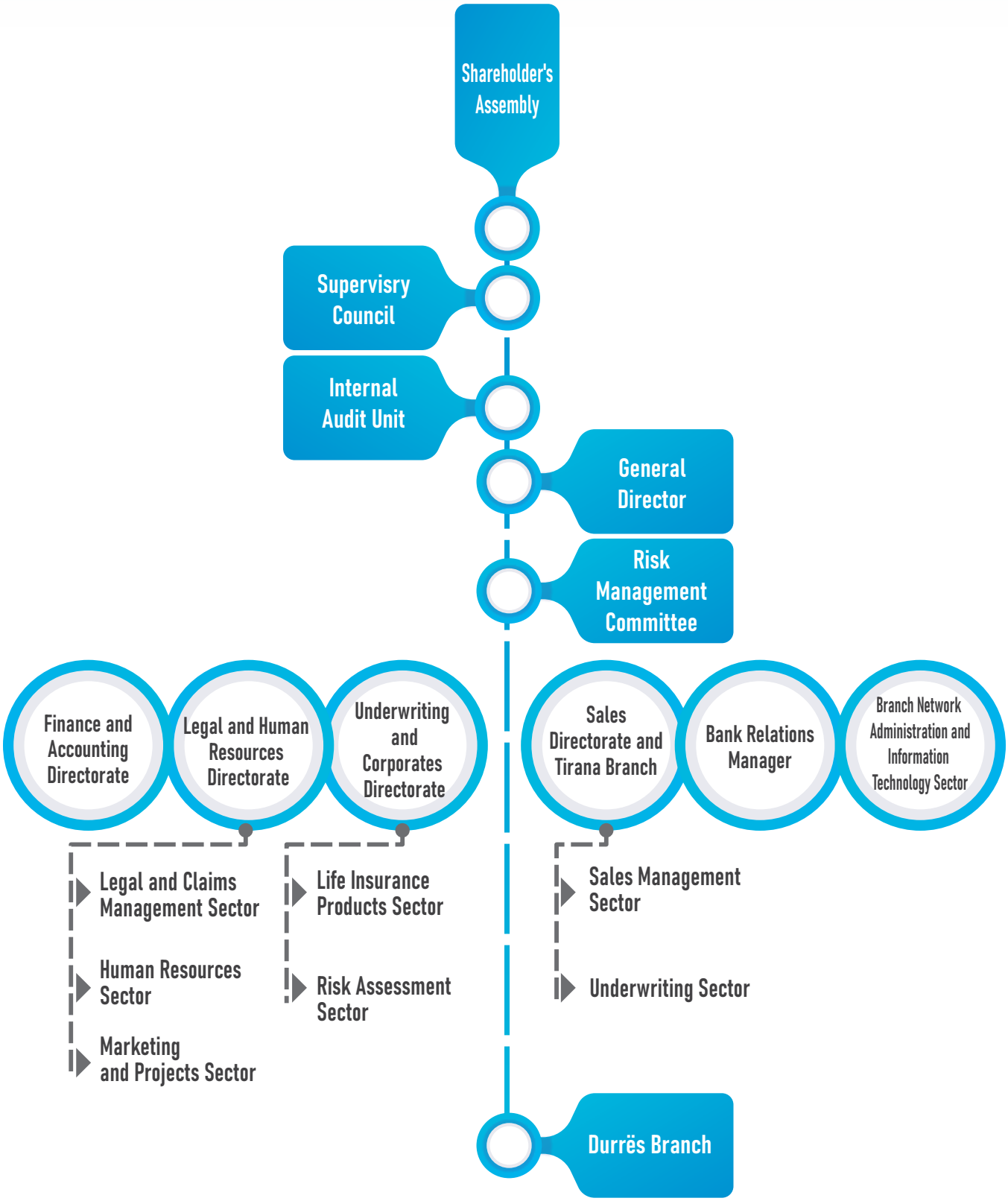
3. **Risk Management Committee** deals with risk identification and control, and carries out periodic relevant monitoring and reporting on each incident or fluctuation.

4. **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.

5. **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, 2025

# 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..

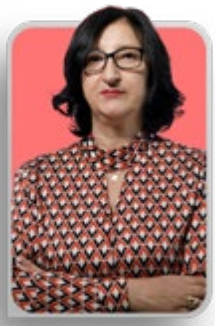
# BOARD OF DIRECTORS



GENC KOXHAJ
General Director



MATILDA THOMA
Internal Audit



TEUTA LOCAJ
Director – Finance and Accounting Directorate



VJOSA BODO MUJO
Director – Legal and Human Resources Directorate



PETRINA DUKA
Director – Administration and Actuary Directorate



GLADIOLA JANI
Director – Underwriting and Corporates Directorate



ONKITA KODRA
Head of Life Insurance Products and Underwriting Information Managing Sector



ERIK ÇELO
Head of Branch Network Administration and Information Technology Sector



GRETA SEJDINAJ
Head of Marketing and Projects Sector

# 4. MAIN DEVELOPMENTS DURING 2025

## 4.1 Insurance Market Performance in 2025

The insurance market in Albania continued to demonstrate steady growth in premium volumes during 2025, reflecting the expansion of market activity and increasing awareness of insurance products. According to data from the Financial Supervisory Authority (AFSA), gross written premiums reached approximately ALL 27.1 billion, representing an increase of 10.54% compared to 2024. The non-life insurance segment remained the main driver of market growth, generating premiums of ALL 24.6 billion and marking an increase of 9.91%. Meanwhile, the life insurance segment marked the strongest growth rate, expanding by 17.62% to ALL 2.4 billion, indicating growing demand for financial protection and long-term savings solutions. Meanwhile, reinsurance activity decreased by 35.47%, although it continued to represent only a limited share of the market.

The market maintained a relatively stable level of gross claims paid throughout 2025. Total claims paid reached ALL 8.59 billion, representing a slight decline of 0.75% compared to the previous year. Claims paid in the non-life insurance segment remained largely unchanged from 2024, increasing slightly by 0.35%, whereas the life insurance segment marked a 4.22% decrease. Claims paid in the non-life insurance segment remained largely unchanged from 2024, increasing slightly by 0.35%, whereas the life insurance segment recorded a 4.22% decrease. These developments indicate that, despite the growth in premium volumes, the market maintained a stable level of claims payments, reflecting the sector's operational resilience.

**Insurance gross written premiums 2024-2025***

| Activity | Gross written premiums (in thousand ALL) | | Difference in % |
|---|---|---|---|
| | 2024 | 2025 | 2025/2024 |
| Life | 2,070,422 | 2,435,255 | 17.62 |
| Non-Life | 22,424,827 | 24,647,706 | 9.91 |
| Reinsurance | 10,530 | 6,795 | -35.47 |
| **Total** | **24,505,779** | **27,089,756** | **10.54** |

*Source: Statistical Bulletin, Insurance Market, AFSA, Year 2025

**Gross paid claims 2024-2025***

| Activity | Gross paid claims (in thousand ALL) | | Difference in % |
|---|---|---|---|
| | 2024 | 2025 | 2025/2024 |
| Life | 334,167 | 320,070 | (4.22) |
| Non-Life | 7,860,217 | 7,887,627 | 0.35 |
| Reinsurance | - | 19,414 | - |
| Paid Claims for Compensation Fund | 461,667 | 363,640 | -21.23 |
| **Total** | **8,656,050** | **8,590,751** | **-0.75** |

*Source: Statistical Bulletin, Insurance Market, AFSA, Year 2025

## 4.2 List of products of the company SiCRED sh.a. at the end of 2025:

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. **Personal Accidents and Life Insurance,** which provides financial support to the Insured in the event of accidents, coverage of medical expenses, and coverage for temporary or permanent disability, etc. This is an individual policy designed for people who wish to be financially protected in the event of accidents or loss of life.
8. **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.
9. **Travel Life and Health Insurance** provides coverage for a series of risks that may occur to persons travelling abroad.
10. **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.
11. **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.
12. **Combined Life Insurance** provides coverage to any sudden event, due to natural or accidental causes, due to manifestation of critical illnesses, etc.
13. **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.
14. **Visitors Life and Health Insurance** is offered to foreigners visiting Albania or staying in Albania for up to one year.
15. **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.

SiCRED
Shoqëri Sigurimi Jete

# SIGURO TË ARDHMEN ME PLANET TONA TË SIGURIMIT

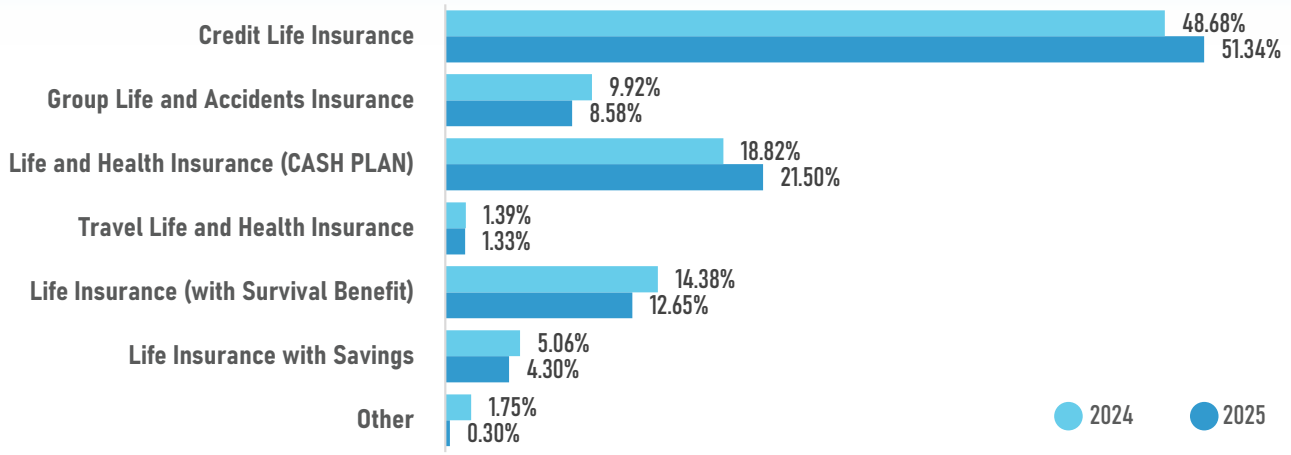
# SIGURIM

## JETE | SHËNDETI | NGA AKSIDENTET ME ELEMENTË KURSIMI

Kontaktoni me SiCRED

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

## 4.3 Gross Written Premium allocation by main products during 2024-2025




## 4.4 Main Financial Indicators[2] of SiCRED sh.a. for the period 2021-2025




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

During 2025, the consolidated cooperation between SiCRED sh.a. and CREDINS Invest sh.a. continued, under which members of the "Credins Pension" Pension Fund and the "Credins Premium" Investment Fund benefited from the following services free of charge:

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

## 4.6 Cooperation with Credins Bank

During 2025, cooperation with Credins Bank continued, under which customers receiving their old-age pension through the bank continued to benefit from the SiCRED insurance card free of charge, which provides the following benefits:

- 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 2025, we added new clinics and laboratories in Albania, broadening the geographic scope of our collaborative hospitals and clinics.

At the end of 2025, SiCRED medical network counted 289 clinics and hospitals.

**Within the territory of the Republic of Albania:**

- 209 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 Change in Shareholding Structure

During 2025, a new strategic shareholder, BFSE Holding B.V., joined the shareholding structure of SiCRED sh.a., holding 49.18% of the company's share capital.

BFSE Holding B.V. is a holding company headquartered in Amsterdam, the Netherlands, which invests in equity participations across companies operating in various sectors, with a particular focus on the financial services industry. Its experience includes investments in banks, non-bank financial institutions, payment companies, fintech firms, and other financial institutions, following a strategy oriented toward value creation and the long-term development of the companies in which it invests.

The inclusion of BFSE Holding B.V. in SiCRED's capital represents an important milestone in the company's development. The support of an investor with extensive experience in the financial sector creates opportunities to further strengthen corporate governance, facilitate the exchange of best practices, and support initiatives aimed at sustainable growth and the consolidation of SiCRED's position in the insurance market.

## 4.9 "Credit Life Insurance" Campaign

During 2025, SiCRED developed a promotional advertising campaign for the "Credit Life" insurance product, aimed at informing and raising awareness among customers about the importance of life insurance when obtaining a loan. Through a clear and practical message, the campaign emphasized the product's key benefits, including financial security, competitive pricing, flexible payment options, efficient procedures, worldwide coverage, and backing from international reinsurers.

The campaign was broadcast across multiple media channels and digital platforms, contributing to enhanced brand visibility and greater awareness of financial protection among individuals and their families.



## 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 Eagle Cup – An International Event Promoting Youth and Sport

During 2025, SiCRED supported the organization of the inaugural Eagle Cup by Viareggio Cup, an international football tournament for under-19 age groups, held in Albania from 8–14 June 2025.

This event marked an important milestone in promoting youth football and showcasing sporting talent at an international level. Organized by the ALBITSOL Foundation in cooperation with the Viareggio Cup—one of Europe's most prestigious youth football tournaments—the Eagle Cup brought an international-standard competition to Albania for the first time, featuring broad participation from teams across Europe and Africa.

Through this support, SiCRED reaffirmed its commitment to initiatives that foster youth development, promote sport, and encourage positive values within the community.



### 4.10.2 Supporting Play and Child Development

During 2025, SiCRED supported the sports activity "Come Play With Us 3", organized by Pro Talents Tirana, an initiative dedicated to school-aged children held in June.

The activity aimed to promote the importance of sport, physical activity, and social interaction in child development, creating an engaging and educational environment for participants. Through games and sporting activities, children had the opportunity to develop social skills, a sense of cooperation, and an active lifestyle.

The support of this initiative reflects SiCRED's continued commitment to initiatives and activities that contribute to the well-being and development of younger generations, while also promoting positive values within the community.




### 4.10.3 SiCRED supports the campaign "Pink Heart"

As part of its commitment to social responsibility and the promotion of healthcare awareness, SiCRED joined the "Pink Heart" campaign, an initiative organized by SOS Children's Villages during Breast Cancer Awareness Month.

Through this initiative, support was provided for the delivery of health insurance packages for women and girls, as part of family empowerment programs, conveying the importance of preventive health check-ups, solidarity, and personal well-being.

### 4.10.4 SiCRED at Tirana Marathon 2025

For the third consecutive year, SiCRED participated in the Tirana Marathon, in support of the Down Syndrome Albania Foundation's mission to strengthen the role of people with Down syndrome in society and raise awareness on the importance of equality and equal opportunities for all.

This collaboration has evolved into a meaningful tradition for the SiCRED team, with participation in the marathon regarded not only as a sporting event, but also as a symbol of promoting health, social inclusion, and respect for human diversity.




### 4.10.5 SiCRED Supports the "MALGA – Mal, Gur, Ajër" Initiative within "Giving Circles 2025"

During 2025, SiCRED participated in the 7th edition of Giving Circles Albania, organized by Partners Albania, an initiative that promotes philanthropy and supports projects with social and environmental impact in the community.

Within this framework, SiCRED supported the project "MALGA – Mal, Gur, Ajër", implemented by Network Albania, which aims to regenerate the "Lurë–Mountain of Dejë" National Park through natural and sustainable reforestation methods, involving the local community and youth from the area.

Through its participation in this initiative, SiCRED continued its commitment to supporting projects that contribute to sustainable development, environmental protection, and the strengthening of social responsibility within the community

### 4.10.6 SiCRED Supports "The Hearing Bench" Initiative within "Giving Circles 2025"

Within the framework of the 7th edition of Giving Circles Albania, organized by Partners Albania, SiCRED also supported the project "The Hearing Bench", an initiative of "Së Bashku" Foundation focused on promoting social inclusion and raising awareness about people with special needs.

The project aims to bring the stories and challenges of people with special needs closer to the community through the use of technology in urban public spaces, developing an innovative approach to communication and public awareness-raising.

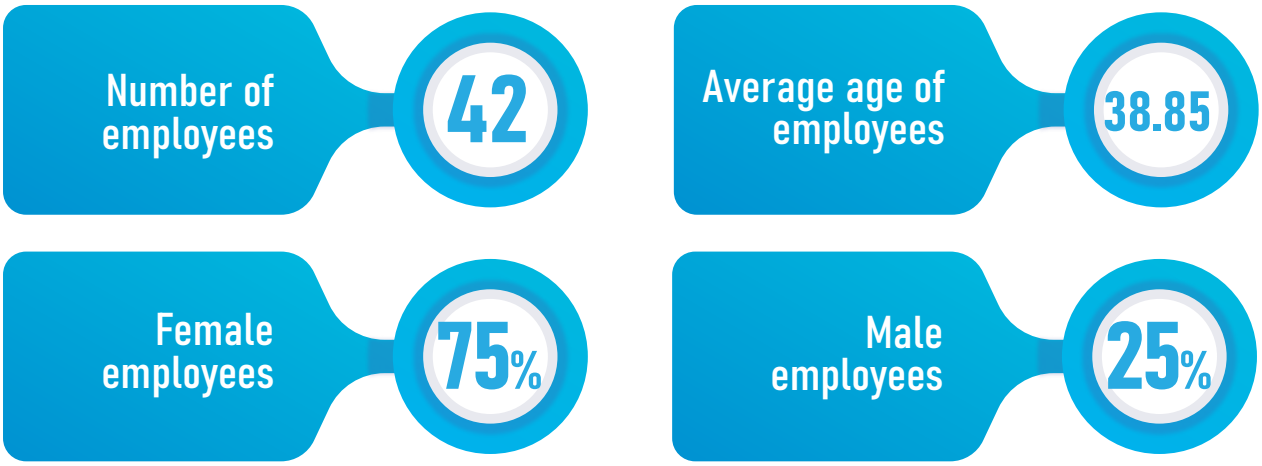
By supporting this initiative, SiCRED continued to demonstrate its commitment to initiatives that foster solidarity, human dignity, and social inclusion.

## 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 2025):




### 4.11.2 Staff Activities

In 2025, SiCRED organized its annual staff trip to the Dalmatian Coast, to create opportunities that strengthen relationships among colleagues outside the work environment. These activities remain an important part of our organizational culture, as they promote communication, team spirit, and a sense of belonging.

Through shared experiences, a positive environment, and time spent together, employees created new memories and strengthened both professional and personal relationships. We believe that a motivated and cohesive team is a key factor in the Company's sustainable development and ongoing success.



# 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.
- **Development of the Online Sales Module:** One of SiCRED's key priorities will be the development and introduction of an e-commerce module for the online sale of insurance products. This project aims to improve product accessibility, enhance customer experience, and enable faster, simpler, and more efficient insurance purchasing processes through digital channels.
- **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. OVERVIEW OF THE SiCRED ASSISTANCE SH.P.K. ACHIEVEMENTS DURING 2025

In the 2025 fiscal year, **SiCRED Assistance sh.p.k.** succeeded in delivering valuable services to its clients through the commercial activity carried out during the year.

The fiscal year of SiCRED Assistance experienced noticeable growth, reflecting both the company's performance and the assessments of the legal consulting services sector.

For this reason, I would like to congratulate the team, which, although limited in number, concluded the contractual commitments registered during the year with a high level of responsibility.

Dedication and responsibility have demonstrated the growth of the economic indicators, as identified in the annual report.

***Committed to Excellence***

I cannot say enough about the way the staff has embraced the strategy and commitment to adaptability and excellence in consulting for the occupational safety and health market.

Participation in initiatives related to the strategy, and learning new technologies and ways of working, have given the staff positive momentum.

In this completed fiscal year, as well as in the one ahead of us, within our objectives we will assess the potential for the growth of consulting services and expertise in our fields and areas of strength.

***Movement of Human Resources***

During the past year, it is a fact that we did not expand our workforce, but we brought new skills into the team following the departure of some of our colleagues.

The change with new members joining the Assistance Ltd. team has brought strong experience and new perspectives to the fields and disciplines they cover.

***Looking Ahead***

As we look ahead, we will continue to monitor geopolitical uncertainty, market instability, and other external factors that may affect our legal consulting activities, both from the perspective of risk and from that of opportunities.

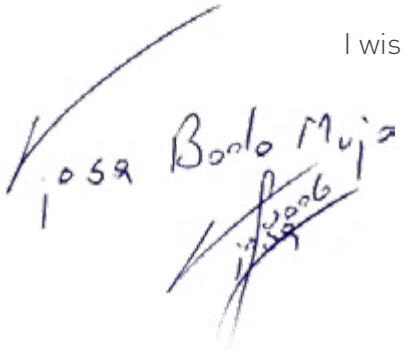
We are confident that our strategy is built to be sustainable, adaptable to evolving circumstances, and capable of fulfilling our objectives and mandate.

It has been a pleasure to work with the Assistance team, as well as with all the teams of the other entities, with whom we professionally exchanged experiences, advice, and expertise throughout 2025.

I appreciate everyone for the support and wise advice provided by each of them, including the challenges in finding appropriate solutions.

I would also like to thank my colleagues at Assistance for their commitment throughout the year.

Their dedication is inspiring as we chart the course of SiCRED Assistance to achieve its objectives in the following year and beyond.



I wish you all the best.
Yours faithfully,
**Atty. Vjosa Bodo**
Administrator

# 7. SiCRED DISTRIBUTION'S PERFORMANCE DURING 2025

**Administrator's Word**

The year 2025 was a significant year for the Company's continued development, with emphasis on strengthening existing segments and opening new opportunities. Through sustainable investments and innovation, the Company has strengthened its market position and laid the foundations for further expansion in the years ahead.

**Performance during 2025**

Real Estate Development

One of the key milestones of the year was the successful completion of a real estate brokerage qualification program by two Company employees. Following the successful completion of the examination, the relevant applications were submitted to the Ministry of Justice for licensing. This step represents an important milestone in diversifying the Company's activities and creating new revenue streams.

**Digital Platform and New Website**

During 2025, the new website for handmade products was launched online, providing an enhanced customer experience. Furthermore, the infrastructure for the real estate brokerage website was developed and is expected to be licensed and introduced in 2026.

**E-Commerce Integration**

Another significant achievement was the successful integration of e-commerce with Credins Bank, enabling online card payments for products listed on the website. This development has significantly improved transaction efficiency and strengthened the reliability of the customer service experience.

**Prospects for 2026**

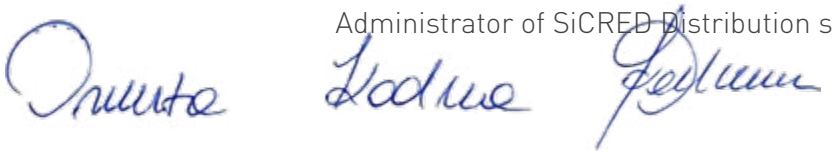
In 2026, the Company aims to further advance its strategic objectives:

- Obtaining a license from the Ministry of Justice for two Company employees as real estate brokers and expanding activities in this sector.
- Entering into a brokerage agreement with a third party for the identification of rental premises for the Company's registered office.
- Launching the Real Estate website following licensing, thereby creating a new channel of interaction with customers.
- Expanding distribution networks in foreign markets for handmade products.
- Investing in technology to enhance digital platforms and strengthen the security of online transactions.
- Strengthening logistical capacities to accommodate the growing volume of online sales.

These measures will provide a solid foundation for sustainable growth, strengthening the Company's market position, and generating long-term value.

**Onkita KODRA**

Administrator of SiCRED Distribution sh.p.k.



# 8. INTERNAL AUDIT UNIT ANNUAL REPORT 2025

## 1 Legal framework

The Internal Audit Unit, in the exercise of its activity, is guided by the following laws and by-laws in order to achieve its objectives in performing its function:

- Law No. 52, dated 22.05.2014, "On Insurance and Reinsurance Activity".
- Regulation "On the Minimum Procedures and Principles Related to Internal Control and Other Aspects of the Information System of Insurance Companies," approved by AMF Board Decision No. 135, dated 31.10.2014.
- Regulation "On the activities of the Internal Audit Unit and the Audit Committee in the insurance company" approved by AFSA Board Decision no. 153, dated 23.12.2014.
- Company Instruction of SiCRED sh.a. "On the Activity of the Internal Audit Unit and the Audit Committee," approved by Supervisory Council Decision No. 12, dated 10.08.2015.
- Law No. 9901, dated 14.04.2008, "On traders and trade companies", as amended.

## 2 Organization

### • Role of the Internal Audit Unit

The role of internal audit is to assist senior leadership in fulfilling their duties. The Internal Audit carries out this role by:

- Conducting independent reviews based on approved professional standards.
- Performing its functional duties independently, based on professional judgements.
- Supporting management by providing analyses, recommendations, advisory services, and information related to the audited entities.
- Assisting managers in achieving organizational objectives.

The Internal Audit Unit operates independently and objectively, providing specialized opinions aimed at improving the Company's operations. At the conclusion of each audit process, recommendations and proposals are issued to improve operations wherever necessary.

### • Internal Audit Function

- In addition, internal audit includes the establishment, implementation, and maintenance of a risk-based audit plan to review and assess general or specific areas based on preventive measures.
- It performs regular assessments in support of audit activities and internal system reviews, including necessary improvements.
- It ensures that high-risk areas are selected as appropriate subjects for audit, such as accounting, financial policies, solvency, expense analysis, insurance events, and claims payable, etc.
- It ensures that identified risks and the actions taken to address them are accurate and up to date.

## Objective of the Internal Audit

The objective of internal audit consists of in-depth and thematic controls carried out at the respective directorates and branches in a timely and effective manner, enabling the timely assessment of risks. In addition, internal audit includes the establishment, implementation, and maintenance of a risk-based audit plan to review and assess general or specific areas based on preventive measures.

The Internal Audit function evaluates information and reporting systems, including technology systems, as well as information integrity and data accuracy.

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

It performs regular assessments in support of audit activities and internal system reviews, including necessary improvements.

It ensures that high-risk areas are selected as appropriate subjects for audit, such as accounting, financial policies, solvency, expense analysis, insurance events, and claims payable, etc.

In assessing whether SiCRED sh.a's system for risk management processes and internal controls designed and implemented by management is adequate and operating effectively, it ensures that:

- Financial, managerial, and operational information is accurate, reliable, and timely.
- Risks are properly identified and managed.
- Resources are secured and used in a documented manner.
- Interaction between directorates, departments, and regional branches is effective.
- Employees' duties are performed in compliance with applicable policies, standards, procedures, laws, and regulations.
- Continuous improvement of the internal control process is ensured.
- Significant legislative and regulatory cases impacting SiCRED sh.a are properly acknowledged and addressed.

For all fields and issues reviewed during 2025, the Internal Audit function has prepared reports to ensure appropriate evidence over time.

## Organization of Human and Financial Resources of the Internal Audit

The internal audit operates in accordance with the law as a dedicated structure. The internal auditor is an employee of the Company appointed within the Internal Audit Unit. The Internal Control Committee consists of two employees approved by the Supervisory Board. The Internal Audit Unit performs its duties independently and in an integrated manner, assessing the governance process and risk management within the Company. The audits for 2025 were carried out by an auditor appointed by the Supervisory Board. The Company's internal auditor has an economics background and 23 years of professional experience in the insurance sector. The engagement at SiCRED sh.a in the role of internal auditor has been ongoing for 15 years. Over these years, the auditor has attended professional training in "Financial and Economic Audit," accounting standards, IFRS 17, as well as training related to changes in accounting and tax legislation. The auditor is registered in the register of tax experts under registration no. 184. Extensive experience in the insurance and financial sectors contributes to the professional execution of work within the Company. In the field of audit, internal audits have been carried out in compliance with the applicable legal and regulatory acts, as well as in accordance with the annual program approved by the Supervisory Board. The Audit Committee, pursuant to the provisions of Law No. 52, dated 22.05.2014, "On insurance and reinsurance activity", has exercised its functions independently. During 2025, the Audit

Committee held four meetings, which were documented through minutes recording the proceedings and discussions.

The financial budget of the Audit Unit consists of payroll costs, social insurance costs, per-diem and training allowances included in the relevant items of the draft budget for the entire staff of the company. Training expenses relate to ongoing and mandatory training programs approved by the General Director.

The Internal Audit Unit has been familiarized with and has adapted to the changing requirements of laws and internal regulations.

## 3 Analysis of Internal Audit Activity

During 2025, the Internal Audit function carried out its activities based on the Annual Plan approved by the Supervisory Board. The controls were conducted thematically, focusing on the analysis of processes, risks, and data collected from the documentation used by SiCRED sh.a. A total of 14 audit missions were performed during 2025. The audits were either full or partial, depending on the respective topics. The audits performed were mainly focused on the head office where SiCRED sh.a carries out its activities, as well as on the Company's branches. With regard to audits, high-risk indicators were considered in order to anticipate potential issues that may arise in a timely manner. Audits were also carried out in implementation of issued recommendations, as well as in response to issues identified during day-to-day operations.

In addition, unplanned audits were conducted when deemed necessary during the 2025 period. At the end of each report, the respective recommendations were issued. All recommendations provided by the audit function were accepted by management.

## 4 Independence Statement

Internal audit is conducted in accordance with the legal and regulatory framework and has not been subject to any other influence from individuals, including those in managerial positions within the Company. The work of the Internal Audit function has been carried out in compliance with legal policy and rules on legal compliance. The internal auditor complies with the Company's rules of ethics and conduct. The internal auditor maintains an impartial stance and avoids conflicts of interest. The internal audit function, as a fundamental component of the internal control system of "SiCRED" sh.a, has operated as an independent unit since the Company's establishment. In alignment with its structure and functioning, the Internal Audit Unit has been established in accordance with the approved regulation. Based on a methodological, chronological, comprehensive and adequate program, the audit has reported in writing and effectively on the work performed, without being influenced by the organizational structure. The auditor has demonstrated a high level of professional judgement in collecting, evaluating and communicating information on the processes audited. The audit has exercised control without being influenced by personal interests.

## 5 Auditing Plan for 2026

The objectives of the audit plan for 2026 will be achieved through the alignment of in-depth and thematic audits, by carrying out timely and effective risk assessments. In identifying the risks that the Company will face during 2026, the assessment will be primarily based on the risks encountered in the previous year as well as on the recommendations issued by the regulatory authorities. The audit also covers insurance and reinsurance risk management, financial and accounting risk, legal risk, and risk related to insurance events. With regard to risk management, the Company "SiCRED sh.a" has established the Risk Management Committee. The Risk Management Committee operates in accordance with the law as a dedicated structure and functions as an independent and objective unit, providing specialized opinions in support of improving the Company's operations. At the Audit Committee meeting held in December 2025, the audit program for 2026 was reviewed and approved by Supervisory Board Decision No. 5, dated 19.12.2025.

For 2026, the audit work will cover the following directorates and branches:

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

It also includes the management of the following risks:

Insurance and reinsurance risk

Financial and accounting risk

Legal risk

Insurance event risk

**High-risk controls**

- Analysis of operating expenses and minimization of expenses impacting the Company's results, while maintaining an acceptable level comparable with market standards.
- Liquidity ratio and its maintenance at the required level.
- Solvency, technical provisions, and assets covering provisions.
- Administration of issued insurance policies, reconciliation of premiums with accounting records.
- Implementation of the integrated programme.

**Medium-risk controls**

- Key indicators of the financial statements, statistical and accounting reports, analysis of administrative and underwriting expenses, and analysis of specific items in the financial statements.
- Control of receivables collection requests and debtor obligations, their creation date, payment terms, as well as timely collection.
- Administration of issued insurance policies, reconciliation of premiums with accounting records, calculation of acquisition costs, and compliance with underwriting guidelines.
- Insurance claims practices, compliance with laws and internal procedures, and claims settlement.
- Procurement procedures and related expenses.
- Commissions paid (agents, insurance brokers).
- Updating underwriting guidelines for life insurance products: credit life, life and health, savings life, and life and accident insurance.
- Underwriting, pricing, and administration of life insurance products, coinsurance contracts, and optional contracts.
- Inventory of issued and outstanding policies both at head office and at the branches where the Company operates.
- Implementation of procedures for the safeguarding and administration of insurance policies as well as other monetary and material assets, including their documentation.
- Prevention of money laundering and terrorist financing.
- Follow-up on recommendations.

**Low-risk controls**

- Procedures for the recruitment of new employees.
- Recruitment and termination decisions.
- Performance evaluation.
- Payroll, employee time tracking, staff bonuses.
- Branch inventory.
- Administration of cancelled policies.
- Follow-up on recommendations.

## 6 Opinion of the Internal Audit Unit

The Internal Audit Unit has carried out the planned tasks in full compliance with the Annual Audit Plan approved by the Supervisory Board for 2025. For each engagement, the respective reports have been prepared with conclusions and, where necessary, improvement recommendations have been issued, which have been followed up by the responsible structures. Through the procedures performed, a contribution has been made to strengthening the internal control framework as well as to the identification and management of risks covered by each directorate or branch. During the audit activity, no findings or errors with material impact on the Company's operations were identified. In conclusion, a satisfactory level of functioning of the internal control systems for the year 2025 is noted.



Internal Audit Unit
**Matilda THOMA**

**SiCRED sh.a.**

Consolidated Financial Statements
as of and for the year ended 31 December 2025

(with the independent Auditor's report thereon)

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Rr. Nikolla Tupe,
Nr.4, Kati 5,
Tirana, Albania
www.nexia.al

# 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 2025, 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.

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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 Albania shpk**

Statutory Auditor
Orjana Kalaja

Tirana, Albania
22 April 2026




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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**as of 31 December 2025** (Amounts in Lek, unless otherwise stated)

| | Notes | 31 December 2025 | 31 December 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 6 | 23,570,283 | 23,811,596 |
| Restricted cash | 7 | 100,000 | 115,105 |
| Term deposits in banks | 8 | 559,227,209 | 507,882,574 |
| Investments in securities | 9 | 174,134,724 | 174,093,884 |
| Due from insurance and reinsurance, net | 10 | 32,155,170 | 43,141,030 |
| Reinsurance assets | 11 | 20,684,776 | 21,604,225 |
| Deferred acquisition costs | 12 | 18,191,660 | 17,108,304 |
| Prepaid income tax | | 3,178,499 | 1,901,874 |
| Other assets | 13 | 13,446,995 | 17,151,789 |
| Investments in subsidiaries and associates | 14 | - | - |
| Property, plant and equipment | 15 | 29,431,930 | 33,995,711 |
| Right of use assets | 15 | 19,389,765 | 21,399,656 |
| Intangible assets | 16 | 411,654 | 991,653 |
| **Total Assets** | | **893,922,665** | **863,197,401** |
| | | | |
| **LIABILITIES** | | | |
| Unearned premium reserves | 17 | 163,624,923 | 130,369,954 |
| Reserve for losses and loss adjustment expense | | | |
| Mathematical reserve | 18 | 30,945,356 | 36,077,208 |
| Due to insurance and reinsurance | 19 | 153,306,986 | 121,754,403 |
| Lease liabilities | 20 | 8,982,910 | 18,272,483 |
| Income tax payable | 21 | 18,965,524 | 20,324,421 |
| Deferred tax liability | 33 | - | - |
| Due to financial institutions | 34 | - | - |
| Other liabilities | 22 | 3,062,688 | 4,934,826 |
| Total Liabilities | 23 | 15,968,067 | 32,658,725 |
| **Totali i Detyrimeve** | | **394,856,454** | **364,392,020** |
| | | | |
| **EQUITY** | | | |
| Share capital | 24 | 498,293,927 | 498,293,927 |
| Retained earnings | | (6,031,039) | (5,334,406) |
| Profit of the year | | 6,803,323 | 5,845,860 |
| **Total Equity** | | **499,066,211** | **498,805,381** |
| **Total Liabilities and Equity** | | **893,922,665** | **863,197,401** |

The notes on pages 37-69 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 2025** (Amounts in Lek, unless otherwise stated)

| | Notes | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|---|---|---|
| Gross written premiums | 25 | 376,547,936 | 334,884,760 |
| Premium ceded to reinsurance | 26 | (21,499,071) | (22,395,076) |
| **Gross income from written premium** | | **355,048,865** | **312,489,684** |
| Change in unearned premiums reserves | 17 | (33,254,969) | 2,398,384 |
| Change in mathematical reserves | 19 | (31,552,583) | (23,455,414) |
| Change in the reinsurer's premium reserve | 11 | (919,449) | 2,100,894 |
| Change in deferred acquisition costs | 12 | 1,083,356 | 2,586,881 |
| **Net income from written premiums** | | **290,405,220** | **296,120,429** |
| Interest income | 27 | 27,248,258 | 25,041,051 |
| Gain on sale of shares | | - | 2,186,931 |
| Profit from investments in subsidiaries and associates | | - | 2,065,889 |
| Interest expenses | | (1,425,009) | (1,673,176) |
| Foreign exchange gain/(loss) | | (5,785,519) | (10,269,626) |
| Other income | 32 | 15,070,392 | 14,053,396 |
| **Total other income** | | **35,108,122** | **31,404,465** |
| **Net income** | | **325,513,342** | **327,524,894** |
| Paid insurance claims | 28 | (57,317,322) | (69,761,478) |
| **Net insurance claims** | | **(57,317,322)** | **(69,761,478)** |
| Acquisition expenses | 29 | (127,714,956) | (106,110,230) |
| Personnel expenses | 30 | (78,025,173) | (82,038,104) |
| **Administrative expenses** | 31 | **(35,579,789)** | **(42,428,122)** |
| Depreciation expense | 15,16 | (17,701,783) | (18,296,195) |
| **Total operating expenses** | | **(316,339,023)** | **(318,634,129)** |
| **Profit before tax** | | **9,174,319** | **8,890,765** |
| Income tax expense | 33 | (2,370,996) | (3,044,905) |
| Income tax (expense)/benefit from deferred tax liability | 34 | - | - |
| **Total income tax expense for the year** | | **(2,370,996)** | **(3,044,905)** |
| **Profit for the year** | | **6,803,323** | **5,845,860** |
| Other comprehensive income | | - | - |
| **Total comprehensive income for the year** | | **6,803,323** | **5,845,860** |

The notes on pages 37-69 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**as of 31 December 2025** (Amounts in Lek, unless otherwise stated)

| | Share capital | Retained earnings | Profit of the year | Total |
|---|---|---|---|---|
| **Balance as of 31 December** | **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** | **(5,334,407)** | **5,845,860** | **498,805,380** |
| Increase in share capital | - | - | - | - |
| Profit of the year | - | - | 6,803,323 | 6,803,323 |
| **Total accumulated profits/(losses) for the period** | **-** | **5,845,860** | **(5,845,860)** | **-** |
| Transferred from profit of the year to retained earnings | - | - | - | - |
| Dividends declared | - | (6,542,492) | - | (6,542,492) |
| **Balance as of 31 December 2025** | **498,293,927** | **(6,031,039)** | **6,803,323** | **499,066,211** |

The notes on pages 37-69 form an integral part of these consolidated financial statements. The consolidated financial statements were approved by the management of SiCRED sha Group, on 17 April 2026, and were signed on their behalf as follows:

**Mr. Genc Koxhaj**

General Director

SHOQËRIA E SIGURIMIT TË JETËS
SiCRED
DREJTORIA E PËRGJITHSHME
TIRANË

**Mrs. Teuta Locaj**

Head of Finance and Accounting

# CONSOLIDATED STATEMENT OF CASH FLOWS

**for the year ended 31 December 2025** (Amounts in Lek, unless otherwise stated)

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Profit after tax** | **6,803,323** | **5,845,860** |
| Adjustments for: | | |
| Depreciation expense for property, plant and equipment | 17,701,783 | 18,296,195 |
| Unearned premium reserves | 33,254,969 | (2,398,386) |
| Reserve for losses and loss adjustment expense | (5,131,852) | 7,580,006 |
| Mathematical reserves | 31,552,583 | 23,455,414 |
| Interest expenses | 1,425,009 | 1,673,176 |
| Interest income | (27,248,258) | (25,041,051) |
| **Cash flow before changes in assets and liabilities** | **58,357,557** | **29,411,214** |
| Changes in operating assets and liabilities: | | |
| Restricted cash | 15,105 | (15,105) |
| Term deposits in banks | (51,344,635) | (35,921,909) |
| Assets held for sale | - | - |
| Due from insurance and reinsurance, net | 10,985,860 | 437,385 |
| Reinsurance assets | 919,449 | (2,100,894) |
| Deferred acquisition costs | (1,083,356) | (2,586,881) |
| Prepaid income tax | (1,276,625) | (1,901,874) |
| Deferred tax asset | - | - |
| Other assets | 3,704,794 | (4,514,004) |
| Investments in associates | - | 12,739,136 |
| Interest paid | (1,425,009) | (1,673,176) |
| Due to insurance and reinsurance | (9,289,573) | (2,119,589) |
| Income tax payable | - | (3,424,900) |
| Deferred tax liability | - | (100,603) |
| Other liabilities | (16,690,658) | 19,895,543 |
| **Cash flows from operating activities** | **(7,127,091)** | **8,124,343** |
| **Cash flows from investing activities** | | |
| Interest received | 27,248,258 | 25,041,051 |
| Property, plant and equipment additions | 4,563,783 | (108,295) |
| Right of use assets additions | (15,691,896) | (7,627,834) |
| Disposals in intangible assets | 580,000 | 6,161,047 |
| Investments in securities | (40,840) | 1,857,103 |
| **Net cash used in investing activities** | **16,659,305** | **25,323,072** |
| **Cash flows from financing activities** | | |
| Lease liabilities | (1,358,897) | (11,106,207) |
| Due to financial institutions | (1,872,138) | (1,991,999) |
| Dividends | (6,542,492) | (17,348,228) |
| **Net cash from financing activities** | **(9,773,527)** | **(30,446,434)** |
| | | |
| **Net increase in cash and cash equivalents** | **(241,313)** | **3,000,981** |
| Cash and cash equivalents at 1 January | 23,811,596 | 20,810,615 |
| **Cash and cash equivalents at 31 December** | **23,570,283** | **23,811,596** |

The notes on pages 37-69 are an integral part of these consolidated financial statements.

# 1. GENERAL INFORMATION

SiCRED sh.a. (hereinafter referred to as "the Group") was founded on 07.10.2003, 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 2024: Tiranë, Durrës).

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 2025 and 2024 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 2025 | | 31 December 2024 | |
|---|---|---|---|---|
| | in % | Number of shares | in % | Number of shares |
| BFSE Holding B.V. | 49.18% | 245,040 | 0% | - |
| Aleksandër Pilo | 36.88% | 183,714 | 46.40% | 231,152 |
| Renis Tërshana | 0% | - | 30.16% | 150,274 |
| Monika Milo | 0% | - | 4.75% | 23,664 |
| Maltin Korkuti | 0% | - | 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%** | **498,294** | **100%** | **498,294** |

As of 29 December 2025, the Company registered in the Company register (QKB), the supporting documentation with regards to the changes in shareholders as per above table, and based on the contract for shares transfer dated 3 December 2025.

BFSE Holding B.V. which as of 31 December 2025 holds 49.18% of the shares of the Company, is a limited liability company registered and operating in Holand.

## 1. General Information (continued)

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 2024: 0% of the shares);
- SiCRED Assistance, established on June 29, 2012, where SiCRED sh.a. owns 100% of the shares (31 December 2024: 100% of the shares);
- SiCRED Distribution, established on February 18, 2021, where SiCRED sh.a. owns 100% of the shares (31 December 2024: 100% of the shares).
- The Company's Central Office is located in Tirana at Brigada VIII Street, Villa no. 3/1. On 31 December 2025, the Company had 41 employees and senior managers (2024: 46).
- The company owns the following investments in subsidiaries and associates on 31 December 2025 and 2024:

| | December 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | in % | Investment Book Value | in % | Investment Book Value |
| Credins Invest sh.a. | 0% | - | 0% | - |
| SiCRED Assistance | 100% | 1,801,945 | 100% | 1,801,945 |
| SiCRED Distribution | 100% | 100,000 | 100% | 100,000 |
| | | **1,901,945** | | **1,901,945** |

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 17 April 2026, 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

**Standards and interpretations applicable for the annual period beginning on or after 1 January 2025**

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2026

- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027, but not yet endorsed in the EU)
- IFRS 19 Subsidiaries without Public Accountability – Disclosures (applicable for annual periods beginning on or after 1 January 2027, but not yet endorsed in the EU)
- Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments (applicable for annual periods beginning on or after 1 January 2026)
- Annual Improvements –Volume 11 (applicable for annual periods beginning on or after 1 January 2026, but not yet endorsed in the EU)
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity (applicable for annual periods beginning on or after 1 January 2026)

**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 of 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.

The accounting policies set out below have been applied consistently across all periods presented in these financial statements and have been applied by the Company, in accordance with the requirements of IFRS for financial reporting. Furthermore, by Order No. 106, dated May 10, 2023, the deadline for the application of International Financial Reporting Standard (IFRS) 17 "Insurance Contracts" was postponed beyond January 1, 2025. Additionally, according to the official announcement of the Financial Supervisory Authority (FSA), based on the Order of the Minister of Finance No. 140, dated November 7, 2025, the standard entered into force on January 1, 2028.

**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 2025 and 31 December 2024, 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.

**3. Significant accounting policies (continued)**
**a) Subsidiaries and consolidation (continued)**

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.

### 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, except 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 2025 | 31 December 2024 |
|---|---|---|
| EURO | 96.77 | 98.15 |
| USD | 82.46 | 94.26 |

### 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 lifetime 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.

**3. Significant accounting policies (continued)**
**d) Recognition and measurement of insurance contracts (continued)**

*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.

*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 assets 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.

**3. Significant accounting policies (continued)**
**d) Recognition and measurement of insurance contracts (continued)**

*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.

*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 2025 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.

### 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)".

**3. Significant accounting policies (continued)**
**n) Property, plant and equipment (continued)**

*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.

**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.

## 3. Significant accounting policies (continued)

### 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 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.

### 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 require adjustments are disclosed in the notes when they are material.

**3. Significant accounting policies (continued)**

### 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.

*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.

## 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.

## 5. Risk management (continued)

### 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 125.6% in 2025 (2024: 124.4%).

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 2025 and 2024 for possible fluctuations in exchange rates.

| | Impact | 2025 in Lek | 2024 in Lek |
|---|---|---|---|
| EUR increases by 10% against Lek | Fitim | 11,075,803 | 9,169,400 |
| EUR decreases by 10% against Lek | Humbje | (11,075,803) | (9,169,400) |
| USD increases by 10% against Lek | Fitim | 1,679,330 | 1,932,187 |
| USD decreases by 10% against Lek | Humbje | (1,679,330) | (1,932,187) |

The following table presents a quantitative analysis of the Company's currency risk as of 31 December 2025:

| Financial Assets | LEK | EUR | USD | Total |
|---|---|---|---|---|
| Cash and cash equivalents | 15,417,741 | 8,212,343 | 40,199 | **23,670,283** |
| Term deposits in banks | 272,702,697 | 269,771,407 | 16,753,105 | **559,227,209** |
| Investments in securities | 174,134,724 | - | - | **174,134,724** |
| Due from insurance and reinsurance, net | 28,523,763 | 3,631,407 | - | **32,155,170** |
| Other assets | 10,930,694 | 2,516,301 | - | **13,446,995** |
| **Total financial assets** | **501,709,619** | **284,131,458** | **16,793,304** | **802,634,381** |
| **Financial obligations** | | | | |
| Reserve for losses and loss adjustment expense | 16,856,483 | 14,088,873 | - | **30,945,356** |
| Mathematical reserve | - | 153,306,986 | - | **153,306,986** |
| Due to insurance and reinsurance | 8,982,910 | - | - | **8,982,910** |
| Due to financial institutions | - | 3,062,688 | - | **3,062,688** |
| Other Liabilities | 13,053,181 | 2,914,886 | - | 15,968,067 |
| **Total financial liabilities** | **38,892,574** | **173,373,433** | **-** | **212,266,007** |
| **Net position** | **462,817,045** | **110,758,025** | **16,793,304** | **590,368,374** |

## 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, restricted cash | 11,913,548 | 11,889,973 | 123,180 | **23,926,701** |
| 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** | **496,667,461** | **246,970,712** | **19,326,001** | **762,964,174** |

| Financial obligations | LEK | EUR | USD | Totali |
|---|---|---|---|---|
| Reserve for losses and loss adjustment expense | 17,669,579 | 18,407,629 | - | 36,077,208 |
| Mathematical reserve | - | 121,754,403 | - | 121,754,403 |
| Due to insurance and reinsurance | 11,987,101 | 6,285,382 | - | 18,272,483 |
| 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** | **58,416,805** | **155,276,713** | **4,127** | **213,697,645** |
| **Net position** | **438,250,656** | **91,693,999** | **19,321,874** | **549,266,529** |

## 5. Risk management (continued)

### 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.

The liquidity risk exposure on December 31, 2025 is as follows:

| 31 December 2025 | 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 | 23,670,283 | - | - | - | - | **23,670,283** |
| Term deposits in banks | 105,105,901 | 9,677,000 | 130,402,578 | 129,386,578 | 184,655,152 | **559,227,210** |
| Investments in securities | 65,000,000 | - | 15,134,724 | 35,000,000 | 59,000,000 | **174,134,724** |
| Due from insurance and reinsurance, net | 29,552,696 | - | 2,602,474 | - | - | **32,155,170** |
| Other assets | 11,319,468 | 248,340 | 1,854,187 | 25,000 | - | **13,446,995** |
| **Total financial assets** | **234,648,348** | **9,925,340** | **149,993,963** | **164,411,578** | **243,655,152** | **802,634,381** |
| **Financial Liabilities** | | | | | | |
| Reserve for losses and loss adjustment expense | 16,451 | 630,931 | 16,047,420 | - | 14,250,554 | **30,945,356** |
| Mathematical reserve | 7,182,902 | | 9,426,869 | 24,238,028 | 112,459,187 | **153,306,986** |
| Due to insurance and reinsurance | 8,982,910 | - | - | | | **8,982,910** |
| Income tax payable | - | - | - | - | - | **-** |
| Due to financial institutions | 211,282 | 333,841 | 1,502,284 | 1,015,281 | - | **3,062,688** |
| Other Liabilities | 8,778,057 | - | 6,019,093 | 1,170,917 | - | **15,968,067** |
| **Total financial liabilities** | **25,171,602** | **964,772** | **32,995,666** | **26,424,226** | **126,709,741** | **212,266,007** |
| **The maturity gap** | **209,476,746** | **8,960,568** | **116,998,297** | **137,987,352** | **116,945,411** | **590,368,374** |

## 5. Risk management (continued)
## f) Liquidity risk (continued)

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 equivalents and restricted cash | 23,926,701 | - | - | - | - | **23,926,701** |
| Term deposits with 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 | 11,033,140 | 273,024 | 2,164,725 | 449,096 | - | **13,919,985** |
| **Total financial assets** | **235,572,433** | **41,409,809** | **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** | **1,285,569** | **48,187,048** | **31,570,010** | **97,076,587** | **213,697,645** |
| **The maturity gap** | **199,994,002** | **40,124,240** | **156,401,820** | **63,806,498** | **88,939,969** | **549,266,529** |

**5. Risk management (continued)**

**g) Credit risk**

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 cash equivalents, term deposits and other assets as neither past nor depreciated.

Due from insurance and reinsurance, net as of 31 December 2025 and 31 December 2024 based on their aging is as follows:

| | 31 December 2025 | | 31 December 2024 | |
|---|---|---|---|---|
| | in Lek | in % | in Lek | in % |
| 1 - 90 days | 40,154,278 | 93.08% | 40,154,278 | 93.08% |
| 91 - 365 days | 1,414,285 | 3.28% | 1,414,285 | 3.28% |
| > 365 days | 1,572,467 | 3.64% | 1,572,467 | 3.64% |
| **Total** | **43,141,030** | **100%** | **43,141,030** | **100%** |

# 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 31 December 2025 and 31 December 2024 include current accounts in banks as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Cash on hand | 107,428 | 34,605 |
| Cash at banks | 23,462,855 | 23,776,991 |
| Cash at banks in foreign currency | 8,219,742 | 11,978,549 |
| Cash at banks in local currency | 15,243,113 | 11,798,442 |
| | **23,570,283** | **23,811,596** |

# 7. RESTRICTED CASH

Restricted cash at 31 December 2025 amounts 100,000 Lek (2024: 115,105 Lek) was comprised of the registered capital of SiCRED Assistance.

# 8. TERM DEPOSITS IN BANKS

Term deposits in banks at 31 December 2025 and 31 December 2024 are detailed as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Guarantee fund deposit | 316,038,500 | 314,019,500 |
| Savings deposit | 225,503,590 | 180,849,401 |
| Other deposits | 12,148,549 | 7,148,549 |
| Accrued interest | 5,536,570 | 5,865,124 |
| | **559,227,209** | **507,882,574** |

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".

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:

- 2,558,549 Lek for overdraft account,
- 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, 15 June 2028, and
- 5,000,000 Lek, time deposit with maturity of 14 months.

# 9. INVESTMENTS IN SECURITIES

During 2025 and 2024, the Company has not changed the policy for investments in securities, treasury bills and bonds, detailed as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Treasury bills (Guarantee Fund) | 57,800,000 | 57,700,000 |
| Discount to be amortized | (303,864) | (362,746) |
| Treasury bills, net | 57,496,136 | 57,337,254 |
| Bonds | 114,000,000 | 114,000,000 |
| Accrued interest | 2,638,588 | 2,756,630 |
| Bonds, net | 116,638,588 | 116,756,630 |
| | **174,134,724** | **174,093,884** |

### 9. Investments in securities (continued)

The table below presents the minimum and maximum interest rates that have been applied to securities held to maturity during 2025 and 2024, according to maturity.

| | 31 December 2025 | | 31 December 2024 | |
|---|---|---|---|---|
| Maturity | Minimal interest rate | Maximal interest rate | Minimal interest rate | Maximal interest rate |
| Treasury bill (Lek) | | | | |
| 12 months | 2.45% | 2.85% | 2.85% | 3.45% |
| Government bonds (Lek) | | | | |
| 5 years | - | - | 3.70% | 5.21% |
| 7 years | 3.93% | 5.45% | 4.08% | 6.00% |
| 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 2025 and 31 December 2024 consist as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Group Life & Accidents | 18,342,176 | 28,082,791 |
| Cash Plan | 3,044,910 | 2,829,119 |
| Debtor's Life (for loans) | 6,613,522 | 9,022,955 |
| Life & Health in Travel | 297,616 | 374,835 |
| Life with Survival Benefits | 2,594,733 | 1,942,456 |
| Students and Pupils Life | 1,529,000 | 1,529,000 |
| **Due from insurance, gross** | **32,421,957** | **43,781,156** |
| Provision for receivables | (266,787) | (640,126) |
| **Due from insurance, net** | **32,155,170** | **43,141,030** |

Movements in the insurance and reinsurance provision are presented below:

| | 31 December 2025 | 31 December 2026 |
|---|---|---|
| Balance at the beginning of the year | 640,126 | 228,626 |
| Reverse of provision | (373,339) | 411,500 |
| **Balance at the end of the year** | **266,787** | **640,126** |

## 11. REINSURANCE ASSETS

Movements in reinsurance assets at 31 December 2025 and 31 December 2024 are presented as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Unearned premium reserve at the beginning of the year | 16,696,725 | 14,309,331 |
| Change for the year | (850,448) | 2,387,394 |
| Unearned premium reserve at the end of the year | 15,846,277 | 16,696,725 |
| Claims reserve at the beginning of the year | - | 5,194,000 |
| Change for the year | 4,907,500 | (286,500) |
| Claims reserve at the end of the year | (69,000) | 4,907,500 |
| **Total reinsurance assets** | **20,684,776** | **21,604,225** |

### 11. Reinsurance assets (continued)

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 2025, the amount of 15,846,277 Lek (2024: 16,696,725 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 2025 and 31 December 2024 are as follows:

| | 31.12.2025 | Change for the year | 31.12.2024 | Change for the year |
|---|---|---|---|---|
| Life and health in travel | 137,836 | (104,908) | 242,744 | (25,306) |
| Abroad students' life and travel | 880 | (803) | 1,683 | 1,683 |
| Life and Health (Cash Plan) | 18,045,909 | 1,184,967 | 16,860,942 | 2,609,345 |
| Visitors' life | 7,035 | 4,100 | 2,935 | 1,159 |
| | 18,191,660 | 1,083,356 | 17,108,304 | 2,586,881 |

## 13. OTHER ASSETS

Other accounts receivable as at 31 December 2025 and 31 December 2024 are as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Prepaid expenses | 1,012,275 | 992,558 |
| Insurance policies inventory | 1,943,031 | 2,005,866 |
| Other materials inventory | 316,210 | 233,380 |
| Advances to employees | 724,096 | 1,689,136 |
| Rimbursements receivable | 6,662,942 | 6,693,787 |
| Other assets | 2,788,441 | 5,537,062 |
| **Total, gross** | **13,446,995** | **17,151,789** |
| Impairment of other assets | - | - |
| **Total, net** | **13,446,995** | **17,151,789** |

# 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 2025 and 31 December 2024:

| Credins Invest | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Short-term assets | - | - |
| Long-term assets | - | - |
| Short-term liabilities | - | - |
| Long-term liabilities | - | - |
| **Capital** | **-** | **-** |
| % of control | 0% | 0% |
| **Accounting value of investment** | **-** | **-** |

| Credins Invest | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Income | - | 79,825,198 |
| Administrative expenses | - | (59,560,770) |
| Financial expenses | - | 195,889 |
| Corporate Income tax | - | (3,244,572) |
| **Capital** | **-** | **17,215,745** |
| % of control | - | 12% |
| **Income/(loss) of the period from investment** | **-** | **2,065,889** |

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

| Credins Invest | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Investment at the beginning of the period | - | 12,739,136 |
| Investment at the end of the period | - | - |
| Change | - | 14,805,026 |
| **Income/(loss) of the period from investment** | **-** | **2,065,889** |
| From dividend distribution | - | 2,065,889 |
| Nga shpërndarja e dividendit | - | - |

# 15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at 31 December 2025 and 2024 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** | **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** | **32,659,229** | **23,062,548** | **29,847,565** | **428,496** | **637,668** | **574,380** | **53,029,742** | **76,033,440** | **216,273,068** |
| Additions | 2,906,082 | 1,327,856 | - | - | - | - | - | 6,992,226 | **11,226,164** |
| Disposals | (3,702,016) | (4,035,896) | - | - | (62,000) | (138,000) | - | (5,137,407) | **(13,075,319)** |
| Reclassifications | 580,000 | - | - | - | - | - | - | - | **580,000** |
| **Balance as at 31 December 2025** | **32,443,295** | **20,354,508** | **29,847,565** | **428,496** | **575,668** | **436,380** | **53,029,742** | **77,888,259** | **215,003,913** |
| **Accumulated depreciation** | | | | | | | | | |
| **Balance as at 01 January 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) | (3,074,154) | (9,873,706) | **(18,296,195)** |
| Disposals | - | - | - | - | - | - | - | 2,977,375 | **2,977,375** |
| Reclassifications | - | - | - | - | - | - | - | - | **-** |
| **Balance as at 31 December 2024** | **(22,438,992)** | **(18,977,688)** | **(18,075,086)** | **(220,013)** | **-** | **(540,053)** | **(45,992,085)** | **(54,633,784)** | **(160,877,701)** |
| Depreciation for the year | (3,664,608) | (1,104,738) | (1,308,053) | (10,972) | - | (6,397) | (2,604,900) | (9,002,117) | **(17,701,785)** |
| Disposals | 3,428,290 | 3,704,500 | - | - | - | 127,071 | - | 5,137,407 | **12,397,268** |
| Reclassifications | - | - | - | - | - | - | - | - | **-** |
| **Balance as at 31 December 2025** | **(22,675,310)** | **(16,377,926)** | **(19,383,139)** | **(230,985)** | **-** | **(419,379)** | **(48,596,985)** | **(58,498,494)** | **(166,182,218)** |
| **Net book value** | | | | | | | | | |
| **Balance as at 1 January 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 2024** | 10,220,237 | 4,084,860 | 11,772,479 | 208,483 | **637,668** | **34,327** | **7,037,657** | **21,399,656** | **55,395,367** |
| **Balance as at 31 December 2025** | **9,767,985** | **3,976,582** | **10,464,426** | **197,511** | **575,668** | **17,001** | **4,432,757** | **19,389,765** | **48,821,695** |

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 2025 | 31 December 2024 |
|---|---|---|
| Right-of-use assets (rent premises) | 77,888,259 | 76,033,441 |
| Accumulated depreciation | (58,498,494) | (54,633,785) |
| | **19,389,765** | **21,399,656** |

## 16. INTANGIBLE ASSETS

Intangible assets include computer programs detailed as follows:

| | Intangible Assets in process | Total |
|---|---|---|
| **Historical Cost** | | |
| **Balance as at 1 January 2023** | **7,152,701** | **7,152,701** |
| Additions | - | **-** |
| Disposals | (6,161,047) | (6,161,047) |
| **Balance as at 31 December 2024** | **991,654** | **991,654** |
| Additions | - | **-** |
| Disposals | (580,000) | (580,000) |
| **Balance as at 31 December 2025** | **411,654** | **411,654** |
| **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 2025** | **-** | **-** |
| **Net book value** | | |
| **Balance as at 31 December 2024** | **991,653** | **991,653** |
| **Balance as at 31 December 2025** | **411,654** | **411,654** |

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 411,654 Lek (2024: 991,653 Lek).

# 17. UNEARNED PREMIUMS RESERVES

The unearned premiums reserves as at 31 December 2025 and 31 December 2024 consists of the following:

| | 31.12.2025 | Change for year 2025 | 31.12.2024 | Change for year 2024 |
|---|---|---|---|---|
| Debtors' life insurance | 87,972,691 | 14,907,441 | 73,065,250 | 1,452,739 |
| Group Life & Accidents | 7,228,071 | 3,825,917 | 3,402,154 | 56,584 |
| Life & Health in Travel | 372,530 | (166,902) | 539,432 | 107,093 |
| Pupils & Students Life | 17,981 | (28,718) | 46,699 | 44,291 |
| Abroad Student's travel life & health | 43,988 | 10,324 | 33,664 | 33,664 |
| Life & Health ("Cash Plan") | 56,393,465 | 13,160,280 | 43,233,185 | (5,910,255) |
| Endowment | 10,218,360 | 973,814 | 9,244,546 | 1,302,713 |
| Visitor's life | 35,174 | 12,601 | 22,573 | 9,901 |
| Life with saving benefits | 98,991 | (28,505) | 127,496 | 5,957 |
| Evolutionary life | 1,243,672 | 588,717 | 654,955 | 498,927 |
| | **163,624,923** | **33,254,969** | **130,369,954** | **(2,398,386)** |

# 18. RESERVE FOR LOSSES AND LOSS ADJUSTMENT EXPENSE

Reserve for losses and loss adjustment expense as at 31 December 2025 and 31 December 2024 consists of the following:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| **Gross insurance liabilities for losses and loss adjustment expense** | 36,077,208 | 28,497,202 |
| **Net loss insurance liabilities and loss adjustment expense January 1** | **36,077,208** | **28,497,202** |
| **Losses and loss adjustment expense paid** | (62,449,173) | (62,181,472) |
| **Losses and loss adjustment expense incurred** | 57,317,321 | 69,761,478 |
| **Net loss insurance liabilities and loss adjustment expense at December 31** | **30,945,356** | **36,077,208** |
| **Gross insurance liabilities for losses and loss adjustment expense** | **30,945,356** | **36,077,208** |

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 2025 the Company has 259 outstanding claims (2024: 323) most of which relate to Cash Plan Life Insurance (313), which require more time for investigation.

| Pending claims | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Debtor's life insurance (loan) | 4 | 1 |
| Travel life and health insurance | 1 | 8 |
| Group's life and accidents insurance | 3 | - |
| "Cash Plan" insurance | 250 | 313 |
| Life insurance with saving benefits | 1 | 1 |
| **Total** | **259** | **323** |

### 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 2025 and 31 December 2024 consists of the following:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Reserves for pending claims of Debtor's life (loans) | 14,241,540 | 14,226,970 |
| Reserves for Life and Health in Travel Claims | 647,382 | 1,822,293 |
| Reserves for Group life and accidents claims | 280,115 | 56,523 |
| Claims reserves for Cash Plan | 15,767,305 | 19,951,261 |
| Claims Reserves for Life with savings benefits | 9,014 | 20,161 |
| | **30,945,356** | **36,077,208** |

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Reported but not paid (RBNS) | 17,166,302 | 21,122,879 |
| Incurred but not reported (IBNR) | 12,732,593 | 13,734,326 |
| Claims reserves | 1,046,461 | 1,220,003 |
| | **30,945,356** | **36,077,208** |

## 19. MATHEMATICAL RESERVES

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Life insurance with savings benefits | 40,988,093 | 33,987,043 |
| Life insurance with survivorship | 112,318,893 | 87,767,360 |
| | **153,306,986** | **121,754,403** |

## 20.DUE TO INSURANCE AND REINSURANCE

Due to insurance and reinsurance as at 31 December 2025 and 31 December 2024 are presented as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Due to insurance activity | 12,799,729 | 15,812,498 |
| Due to reinsurance activity | (3,816,819) | 2,459,985 |
| | **8,982,910** | **18,272,483** |

## 21. LEASE LIABILITIES

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Lease liabilities (for premises) | 20,324,421 | 31,430,628 |
| Changes in contracts | 6,992,227 | (720,709) |
| Accrued interest | 1,181,164 | 1,316,625 |
| Lease payments | (9,287,532) | (10,248,091) |
| Effect of the exchange rate | (244,756) | (1,454,032) |
| | **18,965,524** | **20,324,421** |

# 22.DUE TO FINANCIAL INSTITUTIONS

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Account payable for leases | 3,018,327 | 4,850,611 |
| Opened Bank Accounts (Overdraft) | 44,361 | 84,215 |
| | **3,062,688** | **4,934,826** |

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 2025 of 44,361 lek (31 December 2024: 84,215 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 2025 and 31 December 2024 are detailed as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Suppliers | 3,894,955 | 10,332,750 |
| Personnel, social and health insurance, income tax payable | 2,062,441 | 2,156,084 |
| Other taxes | 174,898 | 175,927 |
| Prepayments from individuals in risk assessment | 1,256,947 | 970,311 |
| Dividend payable | 6,019,093 | 15,960,370 |
| Other creditors | 2,559,733 | 3,063,283 |
| **Total** | **15,968,067** | **32,658,725** |

# 24.SHARE CAPITAL

Kapitali aksionar i Shoqërisë më 31 dhjetor 2025 është 498,293,927 (2024: 498,293,927 Lekë) dhe përbëhet nga 498,294 aksione me vlerë nominale prej 1,000 Lekë për aksion dhe zotërohet nga aksionarët si vijon:

| | 31 December 2025 | | 31 December 2024 | |
|---|---|---|---|---|
| | in % | Shares value | in % | Shares value |
| BFSE Holding B.V. | 49.18% | 245,040 | 0% | - |
| Aleksandër Pilo | 36.88% | 183,714 | 46.40% | 231,152 |
| Renis Tërshana | 0% | - | 30.16% | 150,274 |
| Monika Milo | 0% | - | 4.75% | 23,664 |
| Maltin Korkuti | 0% | - | 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%** | **498,294** | **100%** | **498,294** |

### 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.

As of 29 December 2025, the Company registered in the Company register (QKB), the supporting documentation with regards to the changes in shareholders as per above table, and based on the contract for shares transfer dated 3 December 2025.

BFSE Holding B.V. which as of 31 December 2025 holds 49.18% of the shares of the Company, is a limited liability company registered and operating in Holand.

## 25.GROSS WRITTEN PREMIUMS

Gross written premium for the period ended 31 December 2025 and 31 December 2024 is detailed as follows, based on product category:

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|---|---|
| Premiums from Debtor's Life Insurance (loans) | 193,308,166 | 163,022,254 |
| Premium from Life and Health Insurance (Cash plan) | 32,304,182 | 33,232,101 |
| Premiums from Group Life and Accident Insurance | 80,970,351 | 63,031,186 |
| Premiums from Life insurance with survival benefits (endowment) | 5,022,835 | 4,658,707 |
| Premium from Life Insurance with Savings plan (Fund) | 47,651,519 | 48,141,459 |
| Premiums from Travel Life and Health Insurance | 14,889,730 | 15,541,859 |
| Premiums from Debtor's Life Insurance with savings benefits | 1,294,787 | 1,406,404 |
| Premium from Visitor's Life Insurance | 32,100 | 47,100 |
| Premiums from Abroad Students Travel Health and Life Insurance | 63,024 | 68,298 |
| Premiums from Pupil and Student Life Insurance | 57,491 | 67,300 |
| Premiums from Evolutionary Life Insurance | 953,751 | 5,668,092 |
| Prime nga Sigurimi Jetë e Kombinuar | - | - |
| | **376,547,936** | **334,884,760** |

## 26.PREMIUMS CEDED TO REINSURANCE

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|---|---|
| Debtor's life insurance (loan) | 21,300,089 | 22,286,750 |
| Evolutionary Life Insurance | 198,982 | 108,326 |
| | **21,499,071** | **22,395,076** |

# 27.INTEREST INCOME

Interest income are presented as following:

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|---|---|
| Term deposits interests | 19,279,119 | 18,292,119 |
| Bonds interest | 6,379,757 | 4,857,317 |
| Treasury bills interests | 1,588,723 | 1,890,265 |
| Current accounts interests | 659 | 1,350 |
| Investment Fund's quotas income | - | - |
| | **27,248,258** | **25,041,051** |

# 28. PAID INSURANCE CLAIMS

Paid insurance claims as at 31 December 2025 amount to 57,317,322 Lek (31 December 2024: 69,761,478 Lek).

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|---|---|
| Claims expenses | 54,221,610 | 50,089,864 |
| Life insurance with saving benefits scheme exit expenses | 8,227,563 | 12,091,607 |
| Technical reserve | (5,131,851) | 7,580,007 |
| | **57,317,322** | **69,761,478** |

# 29.ACQUISITION COSTS

Acquisition costs are detailed as follows:

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|---|---|
| Commissions | 88,547,574 | 72,408,161 |
| Advertising expenses | 21,073,470 | 15,840,502 |
| Examinations expenses | 17,985,987 | 17,621,358 |
| Insurance policies expenses | 107,925 | 240,209 |
| | **127,714,956** | **106,110,230** |

Acquisition costs for each product line are detailed as follows:

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|---|---|
| Cash plan Life and Health insurance | 25,469,751 | 25,680,826 |
| Debtor's life insurance (loan) | 72,034,302 | 54,807,906 |
| Life insurance with survival benefits | 9,083,127 | 13,892,462 |
| Group's life and accidents insurance | 11,455,154 | 7,057,024 |
| Life and Travel insurance | 1,846,921 | 2,093,959 |
| Life insurance with saving plan | 43,862 | 75,532 |
| Abroad students life and health insurance | 1,193 | 3,628 |
| Students and pupils life insurance | 1,818 | 13,448 |
| Other life insurances | 7,778,828 | 2,485,445 |
| | **127,714,956** | **106,110,230** |

# 30.PERSONNEL EXPENSES

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|---|---|
| Salaries | 62,640,438 | 66,036,543 |
| Social and health insurance | 8,435,807 | 8,915,583 |
| Life insurance and pension contribution | 4,153,743 | 4,391,904 |
| Personnel bonuses | 2,795,185 | 2,694,074 |
| | **78,025,173** | **82,038,104** |

# 31. ADMINISTRATIVE EXPENSES

Administrative expenses are detailed as follows:

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|---|---|
| Bank commissions | 4,919,751 | 3,756,065 |
| Other administrative expenses | 4,938,146 | 11,427,554 |
| External services | 9,370,364 | 8,111,185 |
| Fees, taxes and penalties | 4,883,653 | 5,263,989 |
| Publicity and advertising | 4,821,236 | 5,609,321 |
| Utilities and communication | 3,200,741 | 3,615,993 |
| Representations expenses and gifts | 1,368,235 | 2,357,919 |
| Security services | 1,737,252 | 1,737,252 |
| Transfers, travels and per diems | 285,121 | 491,844 |
| Rent expenses | 55,290 | 57,000 |
| | **35,579,789** | **42,428,122** |

# 32.OTHER INCOME

Other income are detailed as follows:

| | For the year ended 31 December 2025 | For the year ended 31 December 2024 |
|---|---|---|
| Commission income from reinsurance | 9,437,798 | 7,992,477 |
| Other income from insurance activity | 330,672 | 463,296 |
| Other income | 5,301,922 | 5,597,623 |
| | **15,070,392** | **14,053,396** |

# 33.CURRENT INCOME TAX EXPENSE

A reconciliation of current income tax expense is as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| **Profit before tax** | **9,174,319** | **8,890,765** |
| **Non-deductible expenses for tax purposes** | **6,632,322** | **11,408,604** |
| Adjustment related to investment in subsidiaries | 1,101,522 | 696,633 |
| Undeductible invoices | 255,347 | 260,592 |
| Representation expenses | 238,591 | 1,353,265 |
| Provision for bad debt | 1,305,544 | 411,500 |
| Undeductible part of per diems | 17,259 | 56,222 |
| Fines, penalties, compensations | 14,480 | 111,400 |
| Personnel undeductible expenses | 232,047 | 4,660,158 |
| Other undeductible expenses | 241,064 | 117,795 |
| Depreciation of reconstructed assets IFRS | 1,910,094 | 2,340,775 |
| Allowed depreciation based on tax law with 5% | 10,183,280 | - |
| Deferred tax | (9,299,235) | 942,242 |
| Loss from disposal of property, plant and equipment | 432,329 | 458,022 |
| **Taxable income** | **15,806,641** | **20,299,369** |
| **Non-taxable income** | **-** | **-** |
| **Taxable income for the year** | **15,806,641** | **20,299,369** |
| Income tax expense | 2,370,996 | 3,044,905 |
| Deferred tax expense/(benefit) | - | - |
| **Income tax expense for the current year** | **2,370,996** | **3,044,905** |

Income tax in Albania in 2025 is calculated by applying the rate of 15% (2024: 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.

Income tax payable for the year 2025 and 2024 is presented as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| **Payable as at 1 January** | **1,901,874** | **(3,424,900)** |
| Payments for the period | 3,647,621 | 8,371,679 |
| Income tax expense for the year | (2,370,996) | (3,044,905) |
| **Receivables/(Payables) net as at 31 December** | **3,178,499** | **1,901,874** |

# 34. DEFERRED TAX LIABILITY

The analysis of the "Deferred tax liability" account for the year 2025 and 2024 is presented as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| Depreciation and interest expense according to IFRS 16 | 10,183,280 | 11,190,333 |
| Rent expense (operating) | 9,299,235 | 10,248,091 |
| Permanent tax difference (deletion of deferred tax liability in 2025, and recognition as a non-deductible expense) | 884,045 | 942,242 |
| The difference | - | - |
| Tax % | 15% | 15% |
| **Deferred tax liability** | **-** | **-** |

Change in deferred tax liability is as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| **Deferred tax liability as at 1 January** | **-** | **100,603** |
| Change for the period | - | (100,603) |
| **Deferred tax liability as at 31 December** | **-** | **-** |

# 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 2025 is 8,125,000 Lek (2024: 8,125,000 Lek)

| | 31 December 2025 | 31 December 2024 |
|---|---|---|
| **receivables** | **4,362,018** | **6,540,064** |
| SiCRED Assistance | - | |
| SiCRED Distribution | 4,362,018 | 6,540,064 |
| **Gross Written premiums** | **3,015,805** | **3,405,905** |
| Life Insurance | 3,015,805 | 3,405,905 |
| **Insurance Expenses** | **880,133** | **2,371,398** |
| Claims paid | 880,133 | 2,371,398 |
| **Dividend** | **7,250,215** | **17,348,229** |
| Dividend paid | 7,250,215 | 17,348,229 |
| **Other revenues** | **1,241,043** | **302,119** |
| Other | 1,241,043 | 302,119 |
| **Payables for contributions** | **1,760,234** | **4,436,120** |
| Employer | 881,746 | 1,979,360 |
| Employee | 878,488 | 2,456,760 |
| **Administrative expenses** | **4,979,952** | **5,535,086** |
| SiCRED Assistance | 462,000 | 462,000 |
| Rent expenses | 1,728,860 | 2,589,040 |
| SiCRED Distribution | 2,789,092 | 2,178,046 |
| Payment for the Supervisory Board | - | 306,000 |

# 36.COMMITMENTS AND CONTINGENT LIABILITIES

*Litigations*

During its normal business activity, the Company is involved in litigations. The management of the Company, based on the lawyer'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.

# 38. SiCRED CONTACTS

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