SIGAL UNIQA GROUP AUSTRIA SH.A.

Separate Financial Statements
As at and for the year ended 31 December 2024

(with independent auditors' report thereon)

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Independent Auditor's Report

To the shareholders of Sigal Uniqa Group Austria SH.A.:

Our opinion

In our opinion, the separate financial statements of Sigal Uniqa Group Austria SH.A. are prepared, in all material respects, in accordance with Law 52/2014 "On insurance and reinsurance activity".

What we have audited

The Company's separate financial statements comprise:

- the separate statement of financial position as at 31 December 2024;
- the separate statement of profit or loss and other comprehensive income for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate statement of cash flows for the year then ended; and
- the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

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 Auditor's responsibilities for the audit of the separate financial statements section of our report.

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

Independence

We are independent of the Company in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Code of Ethics for Statutory Auditors that are relevant to our audit of the separate financial statements in Albania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Code of Ethics for Statutory Auditors.

Other information

Management is responsible for the other information. The other information comprises Annual Report, (but does not include the separate financial statements and our auditor's report thereon) which is expected to be made available to us after the date of this auditor's report**.**

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

PricewaterhouseCoopers Assurance Services SH.P.K.
Str. Ibrahim Rugova, Sky Tower, 9/1 floor, Tirana, Albania
Office: +355 (4)2 242 254; F:+355 (4) 2242 639; www.pwc.com/al

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Registered in the Public Register of Statutory Auditors with Decision no. 701, 3 July 2020 of the Registration Committee

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance.

Responsibilities of management and those charged with governance for the separate financial statements

Management is responsible for the preparation of the separate financial statements in accordance with Law 52/2014 “On insurance and reinsurance, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company’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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate 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 the purpose of 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 Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the separate 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 auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance 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.

Statutory Auditor

Jonid Lamllari

PricewaterhouseCoopers Assurance Services SH.P.K.

30 April 2025

Tirana, Albania

Sigal Uniqa Group Austria SH.A.

Separate statement of financial position – 31 December 2024

(All amounts are in thousand ALL, unless otherwise stated)

	Note	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents	8	105,262	127,496
Term deposits with banks	9	5,558,507	5,239,158
Debt securities carried at amortised cost	10	700,117	624,830
Equity securities at FVTPL	11	37,343	34,654
Insurance receivables	12	438,741	410,157
Deferred acquisition costs	13	426,939	409,725
Reinsurance assets	14	1,153,599	827,706
Corporate income tax receivable		20,538	51,705
Investments in subsidiaries	15	2,223,050	2,223,050
Subordinated loan	15	104,317	108,536
Property and equipment	16	870,305	915,254
Other assets	17	91,880	103,820
Total Assets		**11,730,598**	**11,076,091**
Liabilities			
Insurance contract liabilities – claims	18	3,631,909	3,185,199
Insurance contract liabilities – unearned premium	19	2,945,359	2,663,953
Provision for insurance compensation fund		149,534	173,895
Lease liabilities	16	75,259	125,977
Other liabilities	20	412,610	460,378
Total Liabilities		**7,214,671**	**6,609,402**
Equity			
Share capital	21	2,232,909	2,232,909
Insurance risk reserves	22	260,496	260,496
Retained earnings		2,022,522	1,973,284
Total Equity		**4,515,927**	**4,466,689**
Total Liabilities and Equity		**11,730,598**	**11,076,091**

These separate financial statements have been approved by the Management of the Company on 31 March 2025 and signed on their behalf by:

Avni Ponari
Chief financial officer

Klement Mersini
Chief Financial Officer

SIGAL UNIQA GROUP AUSTRIA
DREJTORIA E PERGJITHSHME
HEAD OFFICE

The notes on pages 5 to 40 are an integral part of these financial statements.

(All amounts are in thousand ALL, unless otherwise stated)

	Note	2024	2023
Gross written premiums	23	5,729,743	5,499,080
Change in unearned premium reserve	19	(281,406)	(166,264)
Gross earned premium		**5,448,337**	**5,332,816**
Written premium ceded to reinsurers	24	(883,448)	(966,819)
Change in reinsurance part of unearned premium reserve	19	60,737	33,906
Net insurance premium revenue		**(822,711)**	**(932,913)**
Other income	25	67,730	75,514
Net income		**4,693,356**	**4,475,417**
Change in insurance claims reserves	18	(446,711)	(256,005)
Change in reinsurance share of claims reserves	18	139,958	(38,464)
Insurance paid claims	18	(2,042,279)	(1,384,548)
Reinsurance paid claims	18	317,120	113,158
Net insurance claims		**(2,031,912)**	**(1,565,859)**
Acquisition costs	13, 26	(812,032)	(862,901)
Administrative expenses	27	(1,337,792)	(1,168,174)
Other insurance expenses	28	(140,777)	(163,149)
Operating profit		**370,843**	**715,334**
Investment and interest income	29	302,126	162,398
Interest expense		(4,837)	(6,662)
Foreign currency losses less gains, net		(220,909)	(478,599)
Profit before tax		**447,223**	**392,471**
Income tax expense	30	(47,985)	(58,760)
Profit for the year		**399,238**	**333,711**
Other comprehensive income		**-**	-
Total comprehensive income for the year		**399,238**	**333,711**

The notes on pages 5 to 40 are an integral part of these financial statements.

(All amounts are in thousand ALL, unless otherwise stated)

	Share capital	Insurance risk reserve	Retained earnings	Total
Balance at 1 January 2023	**2,232,909**	**260,496**	**1,939,573**	**4,432,978**
Profit for the ear	-	-	333,711	333,711
Other comprehensive income	-	-		
Total comprehensive income for the year	**-**	**-**	**333,711**	**333,711**
Dividends paid	-	-	(300,000)	(300,000)
Balance at 31 December 2023	**2,232,909**	**260,496**	**1,973,284**	**4,466,689**
Profit for the year	-	-	399,238	399,238
Other comprehensive income	-	-		
Total comprehensive income for the year	**-**	**-**	**399,238**	**399,238**
Dividends paid	-	-	(350,000)	(350,000)
Balance at 31 December 2024	**2,232,909**	**260,496**	**2,022,522**	**4,515,927**

(All amounts are in thousand ALL, unless otherwise stated)

	Note	2024	2023
Cash flows from operating activities			
Profit before tax		447,223	392,471
Adjustments for:			
Depreciation and amortization	27	139,252	146,700
Losses from disposals of property and equipment		17,983	38,314
Interest income	29	(122,410)	(76,672)
Dividend income	29	(174,879)	(85,726)
Interest expense		4,837	6,662
Foreign exchange losses on loans to related parties		4,220	8,757
Fair value of investments in equity securities FVTPL		(2,689)	(2,136)
Impairment of insurance receivables	12	63,095	37,285
Operating cash flows before changes in:		**376,632**	**465,655**
Insurance receivables		(34,511)	(25,562)
Deferred acquisition costs		17,214	39,792
Reinsurance assets		(200,695)	4,559
Other assets		(113,258)	126,139
Insurance contract liabilities – claims		446,711	256,006
Insurance contract liabilities – unearned premium		281,406	166,264
Other liabilities		(72,129)	25,618
Changes in operating assets and liabilities		**324,738**	**592,816**
Corporate income tax paid		(120,228)	(135,775)
Interest received		116,344	39,754
Net cash from operating activities		**697,486**	**962,450**
Acquisition of property and equipment		(100,471)	(121,176)
Proceeds from disposal of property and equipment			-
Net change in term deposits		(313,283)	85,129
Investment in securities carried at amortised cost		(75,288)	(623,280)
Investments in equity securities FVTPL			-
Dividends received		174,879	85,727
Net cash used in investing activities		**(314,163)**	**(573,600)**
Dividends paid	21	(350,000)	(300,000)
Lease payments	16	(55,557)	(45,608)
Net cash used in financing activities		**(405,557)**	**(345,608)**
Increase/(decrease) of cash equivalents during the year		(22,234)	43,242
Cash and cash equivalents at the beginning of the year		**127,496**	**84,254**
Cash and cash equivalents at the end of the year	**8**	**105,262**	**127,496**

The notes on pages 5 to 40 are an integral part of these financial statements.

1. General information

These are the financial statements of Sigal Uniqa Group Austria SH.A. ("the Company") standing alone, referred throughout this document as separate financial statements (or financial statements) , prepared in accordance with financial reporting provisions of Law 52/2014 "On insurance and reinsurance activity".

The Company is incorporated and domiciled in Albania since 1999 as a joint stock insurance company in accordance with Law no. 8081, dated 7 March 1996, "On insurance and reinsurance activity" and registered in the Albanian Commercial Register by the District Court of Tirana decision no. 20863, dated 22 February 1999. The Company is currently subject to Law no. 52/2014 "On the activity of insurance and reinsurance" dated 4 July 2014 ("Insurance Law"). During 2024, the intermediate parent company was UNIQA Osterrich Versicherungen AG, Vienna, Austria. The ultimate controlling party of the Group is UNIQA Versicherungsverein Privatstiftung, Vienna, Austria.

The parent company has entered into a share purchase agreement at 21 November 2024 with Sigal Business Center SH.P.K, 100% owned by Mr Ponari for the transfer of its shares. The agreement is conditional upon approval by the regulatory authorities of Albania, Kosovo and Macedonia as well as certain milestones and remains valid until November 2025. The transfer of ownership will happen once the approval of the agreement by the three authorities is complete and the payment is settled. At the date of these financial statements, the ownership was not transferred yet as approvals by regulators were pending.

Principal activity: The Company provides non-life insurance products such as insurance for motor vehicles, property insurance, health insurance, marine aviation and other lines of business.

Registered address and place of business: The Company's registered address is Blvd "Zogu I", no. 1, Tirana, Albania.

Functional and presentation currency These separate financial statements are presented in Albanian Lekë ("ALL") rounded to the nearest thousand. Albanian Lek is also the Company's functional currency, currency of the primary economic environment in which it operates.

The Company owns subsidiaries in Albania, Kosovo and Macedonia operating non-life and life insurance businesses as well as investment fund management companies.

Albanian operations

Sigal Life Uniqa Group Austria SH.A. (99.9% ownership by the Company) – was established by the Company as a subsidiary to provide life insurance business in Albania since 2004.

Shoqëria Administruese e Fondeve "SIGAL LIFE UNIQA GROUP AUSTRIA" Shoqëri Administruese e Fondeve të Pensionit dhe Sipërmarrjeve të Investimeve Kolektive SH.A. (51% ownership by the Company) is an investment fund manager. Since June 2024, its registered name changed to SIGAL UNIQA INVEST – Shoqëria Administruese e Fondeve të Pensionit Privat dhe Sipërmarrjeve të Investimeve Kolektive SH.A.

Kosovo operations

Sigal Uniqa Group Austria SH.A. – Prishtina (100% ownership by the Company) was established in 2003, as a branch of the Company in the then UN administered territory of Kosovo. The license was issued on 23 October 2003 by the Banks and Payments Authority of Kosovo (now Central Bank of Kosovo). In 2012, the branch changed its legal status into a subsidiary of the Company.

Sigal Life Uniqa Group Austria SH.A. – Prishtina (100% ownership by the Company) was established on 10 May 2011 to provide life insurance in Kosovo.

Macedonian operations

Uniqa A.D. Skopje (99.94% ownership by Sigal Uniqa Group Austria SH.A.) was established by the Company on 15 April 2004 as Sigal AD - Skopje. Its main lines of business are motor vehicles related insurance (MTPL, motor hull, border, green card), property and accidents. Since 2007, the Company's registered name is "UNIQA AD Skopje".

Uniqa Life AD Skopje (100% ownership by Sigal Uniqa Group Austria SH.A.) was established by the Company on 29 June 2011 to provide life insurance in Macedonia.

1. **General information** (continued)

The Company's legal representative is Mr. Avni Ponari, General Manager. The Supervisory Board during 2024 and up to the date of approval of these separate financial statements consisted of the:

Andreas Brandstetter	Chairman
Wolfgang Kindl	Member
Mag Gerald Muller	Member
Georgios Bartzis	Member
Vinzenz Benedict	Member

2. **Basis of preparation**

These separate financial statements have been prepared under the historical cost convention as modified by the measurement of investment securities at fair value through profit or loss. The accounting policies set out below have been applied consistently by the Company to all periods presented in these separate financial statements.

The Company has prepared these separate financial statements for reporting on the operations separately as well as to report the results to the tax authorities and the Albanian Financial Supervisory Authority ("AFSA") in Albania. The Company also prepares consolidated financial statements in accordance with Law 52/2014 for the Company and its subsidiaries (the 'Group'). In the consolidated financial statements, subsidiaries have been fully consolidated. The consolidated financial statements are available and can be obtained from the Company's website. Users of these separate financial statements should read them together with the group's consolidated financial statements as at and for the year ended 31 December 2024 to obtain full information on the financial position, results of operations and changes in financial position of the group.

The preparation of the separate financial statements requires management to make estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 3.

Investment in subsidiaries, associates, and joint ventures

Investments in subsidiaries, associates and joint ventures are measured at cost less any impairment loss. The transaction costs are capitalized as part of the cost of the investment. The transaction costs are the costs directly attributable to the acquisition of the investment such a professional fee for legal services, transfer taxes and other acquisition related costs.

Initial cost of the investments comprises also the contingent consideration. The subsequent re-measurement of the contingent consideration classified as financial liability is adjusted against the costs of the investment.

The investments are tested for impairment whenever there are indicators that the carrying amount of an investment may not be recoverable. If the recoverable amount of an investment (the higher of its fair value less cost to sell and its value in use) is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The carrying amount of an investment is derecognized on disposal. The difference between the fair value of the sale proceeds and the disposed share of the carrying amount of the investment is recognized in profit or loss as gain or loss on disposal. The same applies if the disposal result in a step down from subsidiary to joint venture or an associate measured at cost.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates ruling at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates ruling at the dates of the transactions.

2. **Basis of preparation** (continued)

Classification of insurance contracts

Contracts under which the Company agrees to take a significant risk from another party (policyholder) by agreeing to compensate the policyholder for a certain uncertain event in the future (insurance event) which has adverse effects and affects in the policyholder, is classified as an insurance contract. Insurance risk is different from financial risk. Financial risk is the risk of possible future changes in one or more specific interest rates, securities prices, exchange rates, price or rate indices, lending rates or lending indices or other variables, provided in the case of non-financial variables when the variable is not specific to a party to the contract. Insurance contracts can transfer part of the financial risk.

Recognition and measurement of insurance contracts

i) General insurance contracts

Insurance contract liabilities are calculated separately for all insurance products and are made up of future (unearned) premiums, future contract liabilities risk (outstanding) and future contract liabilities losses (outstanding at the reporting date). Insurance contract liabilities (provisions) represent estimates of future payments for reported and unreported claims as well as the unearned portion of gross written premium. The company does not discount insurance contract liabilities. Any change in the estimate is reflected in the results of operations in the period in which the estimates are changed. Assessment of insurance contract liabilities is a complex process related to uncertainties and requires the use of informed estimates and judgments. The company has used the requirements of the AFSA (also insurance regulator) to determine insurance contract liabilities.

ii) Premium generated by general insurance activity

Gross written premium constitutes the amount due during the financial year in accordance with direct insurance even though these amounts provide insurance in whole or in part to a subsequent accounting period. Premiums are presented gross from commissions due to or paid to intermediaries/agents and exclude taxes and fees on premiums. Premiums are earned from the date risk is attached to the policy, for the indemnity period, based on the risk underwritten. Accounts receivable from insurance for which the amount owed is estimated to be uncollectible are written off.

iii) Reserve for unearned premium ("unearned premium reserve" or "UPR")

The unearned premium reserve in all business segments includes that portion of gross written premium which is estimated to be earned in the following year, using the 1/365 proportional daily method, adjusted to reflect any changes of the occurrence of risk during the period covered by the contract. Unearned premium reserve is that part of the premium which relates to periods after the reporting date. The unearned premium is calculated from written premiums which are presented gross from the liabilities of the commissions to intermediaries and exclude taxes and fees on premiums.

iv) Deferred acquisition costs

Deferred acquisition costs represent the proportion of acquisition costs incurred and revenue received which corresponds to the unearned premium reserve. They are defined as part of the acquisition costs set as a percentage in the insurance technical plan and relating to periods between the end of the reporting period and the expiry date of the insurance contract.

Acquisition costs are defined as the costs arising on the acquisition of new insurance contracts such as acquisition commissions only.

v) Claims arising from general insurance business

Claims incurred comprise the settlement and handling costs of paid and outstanding claims arising from events occurring during the financial year together with adjustments to prior year claims provisions. Claims outstanding are assessed by reviewing individual claims and making allowance for claims incurred but not yet reported, the effect of both internal and external foreseeable events, such as the changes in claims handling procedures, inflation, judicial trends, legislative changes and previous experience and trends. Provisions for claims outstanding are not discounted. Adjustments to claim provisions established in prior years are reflected in the separate financial statements in the period in which the adjustments are made and disclosed separately if material. The provision for incurred but not reported claims is estimated based on paid triangles method for Motor Third Party Liability ("MTPL") while for the other business lines a simplified methodology based on Earned Premium Ratio is used.

2. **Basis of preparation** (continued)

Whilst the Supervisory Board considers that the insurance liabilities for claims and the related reinsurance recoveries are fairly stated, the ultimate liability may differ because of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of the insurance liabilities are reflected in the separate financial statements in the period in which the adjustments are made.

vi) Contingency for claims under legal process

A significant portion of claims are under legal process. The Company has recorded appropriate insurance liabilities based on management's assessment and disclosed contingencies in note 31.

vii) Reinsurance

The Company ceded reinsurance in the normal course of business for the purpose of limiting its potential net loss through the diversification of its risks arising from Motor and Accidents including Green Card, Property insurance, Marine and Aviation, Civil and other Liabilities and other lines of business.

Such reinsurance includes excess of loss treaties and facultative agreements. Only contracts that give rise to a significant transfer of insurance risk and timing risk are accounted for as insurance. Reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. Reinsurance liabilities comprise payable for outwards reinsurance contracts and are recognized as an expense when due.

Reinsurance premiums for ceded reinsurance are recognised as an expense on a basis that is consistent with the recognition basis for the premiums on the related insurance contracts. For general insurance business, reinsurance premiums are expensed over the period that the reinsurance coverage is provided based on the pattern of the reinsured risk. The unexpended portion of the ceded reinsurance premiums is included in reinsurance assets. The amounts recognised as reinsurance assets are measured on a basis that is consistent with the measurement of the provisions held in respect of the related insurance contracts.

Reinsurance receivables include reinsurance commission in respect of premiums ceded to the reinsurer and recoveries due from reinsurance companies in respect of claims paid. These are classified as receivables and are disclosed separately, if any. Reinsurance assets are assessed for impairment at each reporting date. An asset is deemed impaired if there is objective evidence, because of an event that occurred after its initial recognition, that the Company may not recover all amounts due, and that the event has a reliable measurable impact on the amounts that the Company will receive.

viii) Claims handling costs

Claim handling costs consist of external claim handling expenses and do not include internal claim handling expenses which are deemed to be not significant compared to external costs. The Company creates an allowance for claim handling costs within the related claim handling provisions which is included in insurance contract liabilities - claims.

Financial instruments

The Company's financial instruments are measured at amortised cost. Financial assets are all classified as loans and receivable. The Company classifies non-derivative financial liabilities into other financial liabilities.

Recognition. The Company's financial instruments (assets and liabilities) are initially recorded at fair value plus transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Classification. Financial assets of the Company are classified as loans and receivables (term deposits with banks and insurance receivables). Insurance receivables are insurance assets. Securities issued by the Albanian Government are not classified as held-to-maturity as there is no active market for those securities and thus, they fulfil the definition of loans and receivables. Financial liabilities are classified as other financial liabilities (including insurance/trade liabilities and other liabilities) and are accrued when the counterparty performs its obligations under the contract and are carried at amortised cost using the effective interest method.

2. **Basis of preparation** (continued)

Loans and receivables are unquoted non-derivative financial assets with fixed or determinable payments other than those that the Company intends to sell in the near term. Loans and receivables include **term deposits with banks**, **insurance and other receivables** and **treasury bills and bonds** issued by the Albanian Government are carried at amortized cost using the effective interest method, net of provision for incurred impairment losses.

Derecognition. The Company derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Amortized cost measurement. Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses.

Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

Offsetting. Financial assets and liabilities are offset, and the net amount reported 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 on a net basis only when permitted by the accounting standards or for gains and losses arising from a group of similar transactions, such as in the Company's trading activity.

Impairment of financial assets carried at amortized cost. Impairment losses are recognized in profit or loss when incurred because of one or more events ("loss events") that occurred after the initial recognition of the financial asset, and which have an impact on the amount or timing of the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. If the Company determines that no objective evidence exists that impairment was incurred for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics, and collectively assesses them for impairment.

The primary factors that the Company considers in determining whether a financial asset is impaired are its overdue status, liabilities that can be offset for the same customer and realizability of related collateral, if any. The following other principal criteria are also used to determine whether there is objective evidence that an impairment loss has occurred:

- any portion or instalment is overdue, and the late payment cannot be attributed to a delay caused by the settlement systems.
- the counterparty experiences a significant financial difficulty as evidenced by its financial information that the Company obtains.
- the counterparty considers bankruptcy or a financial reorganisation.
- there is adverse change in the payment status of the counterparty because of changes in the national or local economic conditions that impact the counterparty; or
- the value of collateral, if any, significantly decreases because of deteriorating market conditions.

Cash and cash equivalents and term deposits with banks

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used from the Company in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost using the effective interest method.

Term deposits are stated in the separate statement of financial position at the amount of principal outstanding and are classified as those with initial maturities more than three months. Interest is accrued using the effective interest method.

(All amounts are in thousand ALL, unless otherwise stated)

2. **Basis of preparation** (continued)

Insurance and other receivables

Insurance and other receivables are initially recognized at fair value and subsequently measured at their amortized cost less impairment losses. Insurance receivables are assessed for impairment on each reporting date.

Insurance and other payables

Insurance and other payables are initially recognized at fair value less direct transaction costs attributable to them. Upon initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Green card guarantee

One of the Company's lines of business is green card insurance. At the reporting date, Albania is under monitoring of the International Bureau of Insurance regarding its insurance market players ability to meet obligations arising from green card insurance. To this extent, the International Bureau was required the Albanian Insurance Bureau to deposit a guarantee in its favour which may be utilised if one of the Albanian insurance companies fails to meet green card insurance liabilities. The Company therefore contributed based on its share of green card insurance into the deposit of the Albanian Insurance Bureau. The contribution is recognised by the Company as a guarantee in other assets once it is paid to the Albanian Insurance Bureau.

Property and equipment

Recognition and measurement

Property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses that are directly attributable to the cost of purchasing the asset. When parts of an asset have different lifespan, they are considered as separate elements (key components) of the device.

Losses and gains from the disposal of an item of equipment are determined by comparing the revenue generated from the disposal of the equipment with the residual value of the equipment and are recognized net within other income in the income statement.

Subsequent costs

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

Depreciation

Land is not depreciated. Leasehold improvements are depreciated on a straight-line basis over the estimated useful lives of the assets, while depreciation of other properties and equipment is calculated by using the declining balance method. The estimated depreciation rates are as follows:

Category	**2024**	**2023**
Buildings	2.50%	2.50%
Motor vehicles	20%	20%
Computer and office equipment	20%-25%	20%-25%

The residual value, if not insignificant, is reassessed annually. Leasehold improvements are capitalized and depreciated over the lesser of their useful life and the lease term.

Depreciation methods and useful lives are reassessed, and adjusted if appropriate, at each reporting date.

2. **Basis of preparation** (continued)

Right-of-use assets

The Company leases various offices. Contracts may contain both lease and non-lease components. For leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets arising from a lease are initially measured on a present value basis (lease liability).

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets' useful lives. Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives of buildings of 10 years.

Share capital

Ordinary shares are classified as equity. Incremental costs directly charged to the issue of new shares are presented in equity as a deduction, net of tax, of income. Dividends are recorded as a liability and deducted from equity in the period in which they are declared and approved.

Insurance risk reserves

Insurance risk reserve was created based on article 93 of the previous Insurance Law. The reserve was accumulated each year based on one third of the prior period profit if the profit was not used to cover previous accumulated deficits. This reserve was created to guarantee the solvency and guarantee fund and may not be utilised by the Company for any other purposes. The reserve is not accumulated anymore since the new Insurance Act came into effect in 2014. The Company is exempt from legal reserve under the Commercial Companies Law's requirement pursuant Article 9 of the current Insurance Law.

Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments).

Extension and termination options are included in several property leases. These terms are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. Most of the extension and termination options held are exercisable by both the Company and by the respective lessor. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. As that rate cannot be readily determined, which is generally the case for leases of the Company, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral and conditions.

To determine the incremental borrowing rate, the Company refers to the rate that is available to Uniqa Group which:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and
- makes specific adjustments to the lease, e.g., term, country, currency and collateral.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2. **Basis of preparation** (continued)

Provisions for liabilities and charges

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Company has a present legal or constructive obligation because of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense within finance costs.

Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment. Among others, on the same basis, the Company creates provision for the motor insurance compensation fund which is allocated by AFSA to all insurance companies based on their motor insurance market share.

Revenue recognition

Investment income. Interest income is recognised in the profit or loss as earned, considering the effective yield on the financial asset using the effective interest rate method. Dividend income is recognised in profit or loss on the date that the dividend is declared.

Fee and commission income. Fee and commission income include reinsurance commission, recognised on the settlement with reinsurers.

Dividend income is recognised in profit or loss on the date that the dividend is declared.

Employee benefits

Compulsory social security

Wages, salaries, contributions to the state or private retirement benefit plans and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Company. The Company has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory and private defined contribution scheme.

Operating leases

Where the Company is a lessor in a lease which does not transfers substantially all the risks and rewards incidental to ownership to the lessee (i.e., operating lease), lease payments from operating leases are recognised as other income on a straight-line basis.

Taxation

Income tax expense comprises current and deferred tax. It is recognized in profit or loss.

Current tax comprises the expected tax payable or receivable on the taxable income and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current income tax assets and liabilities are offset.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3. Critical accounting estimates and judgments in applying accounting policies

The Company makes estimates and assumptions that affect the amounts recognised in the separate financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies.

Policyholder claims and benefits

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. The Company's decisions for reported and unreported losses and establishing resulting provisions and related reinsurance recoverable are annually reviewed and updated, and adjustments resulting from this review are reflected in profit or loss. The process assumes that past experience, adjusted for the effect of current developments and likely trends, is an appropriate basis for predicting future events.

Liability Adequacy Test

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

In addition, the Company performs a run-off analysis of claim reserves annually to assess its reserving methodology. The run-off analysis is performed on Reported but not Settled ("RBNS") and Incurred but not Reported ("IBNR") separately as well as on combined basis (Note 0). In case the analysis shows major discrepancies, proper adjustments are made to the reserving methodology. If a deficiency is identified, it will be charged immediately to profit or loss by establishing an unexpired risk provision from losses arising from Liability Adequacy Test. An additional liability adequacy test performed for UPR which represents calculation of unexpired risk reserve (URR). This reserve is calculated on a quarterly basis by the Company's actuaries. Main variable used is combined ratio (sum of claim and expense ratio). If the value of combined ratio is below 100%, UPR can be considered as adequate. In case combined ratio is greater than 100%, then URR will be required and booked to supplement deficiency of UPR.

This analysis, including sensitivities to main assumptions, is included in these separate financial statements within Note 6, insurance risk management.

Contingency for claims under legal process

A significant portion of claims are under legal process. Whilst Management considers that the insurance liabilities for claims and the related reinsurance recoveries including reserves and contingencies for claims under a legal process are fairly stated, the ultimate liability may differ as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of the insurance liabilities are reflected in the separate financial statements for the period in which the adjustments are made.

Insurance risk management is discussed in detail in Note 6, whilst insurance contract provisions are analysed in Note 18. Contingencies regarding claims under litigation are disclosed in Note 31.

4. New accounting pronouncements

The Company is expected to transition to IFRS Accounting Standards from 1 January 2025. IFRS 1 is going to be applied on transition with comparatives to be restated accordingly.

(All amounts are in thousand ALL, unless otherwise stated)

5. Insurance risk management

The Company accepts insurance risk through insurance contracts it enters into where it assumes the risk of loss from individuals or organizations that are directly subject to the underlying loss. The Company is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

Insurance risk relates to the uncertainty of the insurance business. The most significant components of insurance risk are the premium risk and the reserve risk. These concern the adequacy of insurance premium rate levels and the adequacy of provisions with respect to insurance liabilities and the capital base. Premium risk is present when the policy is issued before any insured event has happened. The risk is that expenses and incurred losses will be higher than the premium received. Reserve risk represents the risk that the absolute level of the technical provisions is misestimate or that the actual claims will fluctuate around the statistical mean value.

Management of risks

The Company manages its risk via its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which consider trends and past experience. Exposures are managed by having documented underwriting limits and criteria.

Reinsurance is purchased to mitigate the effect of potential loss to the Company from individual large or catastrophic events and to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either quota share or excess of loss treaty basis. Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Company is exposed.

The Company writes property, liability and motor risks primarily over twelve-month duration. The most significant risks arise from natural disasters, climate change and other catastrophes (i.e., high severity, low frequency events). A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business.

The concentration of claims provisions by groups of insurance contracts is summarized below by reference to insurance liabilities:

	2024			2023		
Line of business	**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
Motor vehicles	2,705,394	(202,974)	2,502,420	2,420,827	(209,064)	2,211,763
Property	883,033	(531,402)	351,631	713,549	(385,354)	328,195
Health and accidents	43,482	-	43,482	50,823	-	50,823
Total	**3,631,909**	**(734,376)**	**2,897,533**	**3,185,199**	**(594,418)**	**2,590,781**

The concentration of unearned premium reserves by type of contract is summarized below by reference to insurance liabilities:

	2024			2023		
Line of business	**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
Motor vehicles	1,701,208	-	1,701,208	1,593,109	(41)	1,593,068
Property	933,476	(282,997)	650,479	819,039	(217,016)	602,023
Health and accidents	310,675	(11,028)	299,647	251,805	(16,231)	235,574
	2,945,359	**(294,025)**	**2,651,334**	**2,663,953**	**(233,288)**	**2,430,665**

5. **Insurance risk management** (continued)

Actual claims compared to estimates

Provision for the expected ultimate cost of settlement of all claims incurred in respect of events up to that date, whether reported or not, together with related claims handling expenses, less amounts already paid is made at the reporting date.

The liability for reported claims (RBNS) is assessed on a separate case-by-case basis with due regard to the claim circumstances, information available from loss adjusters and historical evidence of the size of similar claims. Case reserves are reviewed regularly and are updated as and when new information arises.

The estimation of claims incurred but not reported (IBNR) is generally subject to a greater degree of uncertainty than reported claims. Company's actuaries predominantly assess IBNR provisions using statistical techniques extrapolating historical data in order to estimate ultimate claims costs.

To the extent that these methods use historical claims development information, they assume that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case, which, insofar as they can be identified, have been allowed for by modifying the methods.

Such reasons include:

- economic, legal, political and social trends (e.g., resulting in different than expected levels of inflation);
- changes in the mix of insurance contracts incepted.
- random fluctuations, including the impact of large losses.

IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of reinsurance recoveries.

The following table shows actual claims incurred compared to previous estimates for the year ended 31 December 2024 from 2018. They do not include claims handling costs and thus the difference with Note 18.

	2024	2023	2022	2021	2020	2019
RBNS						
Opening claim estimates	1,822,950	1,732,429	1,956,213	2,635,617	1,562,151	1,480,768
Prior periods' claims paid during the year	(689,184)	(460,200)	(771,530)	(913,512)	(879,443)	(447,728)
Closing claim estimates for prior periods' claims	(1,460,210)	(1,215,272)	(1,148,024)	(1,531,464)	(897,123)	(1,118,493)
Run-off in ALL '000	**(326,444)**	**56,957**	**36,659**	**190,641**	**(214,415)**	**(85,453)**
Run-off in %	**(17.91)%**	**3.29%**	**3.44%**	**1.87%**	**7.23%**	**(13.73)%**
IBNR						
Opening claim estimates	1,320,261	1,161,663	1,057,244	928,991	1,080,914	689,691
Prior periods' incurred claims reported during the year	(180,090)	(316,035)	(556,168)	(360,466)	(440,586)	(409,646)
Closing claim estimates for claims incurred but not reported in prior periods	(1,084,204)	(836,423)	(660,237)	(781,449)	(570,042)	(396,919)
Run-off in ALL '000	**55,967**	**9,205**	**(159,161)**	**(212,924)**	**70,286**	**(116,874)**
Run-off in %	**4.24%**	**0.79%**	**(15.05)%**	**(22.92)%**	**6.50%**	**(16.95)%**

5. **Insurance risk management** (continued)

	2024	**2023**	**2022**	**2021**	**2020**	**2019**
Insurance contract liabilities – claims						
Opening claim estimates	3,143,211	2,894,092	2,848,040	2,885,204	3,716,530	2,251,842
Paid and reported during the period	(869,273)	(776,235)	(1,183,351)	(1,131,996)	(1,354,098)	(1,289,089)
Closing claim estimates	(2,544,414)	(2,051,695)	(1,762,330)	(1,929,473)	(2,101,506)	(1,294,042)
Run-off in ALL ‘000	**(270,476)**	**66,162**	**(97,641)**	**(176,265)**	**260,926**	**(331,289)**
Run-off in %	**(8.61)%**	**2.29%**	**(3.43)%**	**(6.11)%**	**7.02%**	**(14.71)%**

Management reviews claims estimates and assumptions based on actual claim development and makes appropriate adjustments to claim methodologies.

The following table shows the gradual development of the estimate of ultimate loss according to claims incurred year. The estimate changed in individual periods depending on the actual claims paid. The comparison of statistical estimation of sufficient provisions with gross amount of provisions suggests sufficient levels of the claim provisions including incurred but not reported claims.

(All amounts are in thousand ALL, unless otherwise stated)

5. **Insurance risk management** (continued)

Accounting period	2017 and earlier	2018	2019	2020	2021	2022	2023	2024	Total
Estimate of ultimate cost									
At the end of the year	61,513,112	1,172,869	2,772,834	1,079,702	1,503,837	1,520,946	1,699,932	2,219,692	-
One year later	11,098,397	1,444,673	2,860,745	1,108,004	1,953,990	1,606,001	1,985,907	-	-
Two years later	11,157,882	1,470,123	2,947,652	1,003,750	1,815,269	1,519,850	-	-	-
Three years later	11,083,594	1,453,891	2,851,485	1,033,252	1,813,367	-	-	-	-
Four years later	11,160,883	1,436,692	2,844,137	934,741	-	-	-	-	-
Five years later	11,025,991	1,360,607	2,892,893	-	-	-	-	-	-
Six years later	11,067,424	1,382,958	-	-	-	-	-	-	-
Seven years later	11,167,381	-	-	-	-	-	-	-	-
Current estimate of cumulative claims cost	11,167,381	1,382,958	2,892,893	934,741	1,813,367	1,519,850	1,985,907	2,219,692	**23,916,789**
Cumulative claims paid	10,567,466	1,246,409	2,680,036	806,189	1,479,192	1,141,944	1,231,448	1,172,775	**20,325,459**
Liabilities recognized	599,915	136,549	212,857	128,552	334,176	377,906	754,460	1,046,917	**3,591,332**

The following table shows the gradual development of the estimate of ultimate loss according to claims incurred year. The estimate changed in individual periods depending on the actual claims paid. The comparison of statistical estimation of sufficient provisions with net amount of provisions suggests sufficient levels of the claim provisions including incurred but not reported claims.

Accounting period	2017 and earlier	2018	2019	2020	2021	2022	2023	2024	Total
Estimate of ultimate cost									
At the end of the year	60,147,952	1,155,060	1,611,114	1,033,883	1,375,464	1,503,033	1,613,174	1,944,789	-
One year later	10,570,293	1,409,630	2,356,826	1,100,710	1,766,782	1,593,642	1,885,289		-
Two years later	10,941,933	1,441,955	2,746,240	992,327	1,693,814	1,508,150			-
Three years later	10,834,921	1,427,296	2,700,263	1,033,252	1,712,981				-
Four years later	10,872,866	1,410,957	2,729,099	934,741					-
Five years later	10,786,610	1,339,334	2,680,589						-
Six years later	10,829,889	1,362,258							-
Seven years later	10,873,344								-
Current estimate of cumulative claims cost	10,873,344	1,362,258	2,680,589	934,741	1,712,981	1,508,150	1,885,289	1,944,789	**22,902,141**
Cumulative claims paid	10,566,454	1,246,409	2,558,449	806,189	1,479,192	1,141,944	1,231,448	1,015,102	**20,045,187**
Liabilities recognized	306,890	115,849	122,140	128,552	233,789	366,206	653,841	929,687	**2,856,954**

(All amounts are in thousand ALL, unless otherwise stated)

5. **Insurance risk management** (continued)

The following table shows the gradual development of the estimate of ultimate loss according to claims incurred year for the previous years up to 2023. The comparison of statistical estimation of sufficient provisions with gross amount of provisions suggests sufficient levels of the claim provisions including incurred but not reported claims

Accounting period	2016 and earlier	2017	2018	2019	2020	2021	2022	2023	Total
Estimate of ultimate cost									
At the end of the year	50,510,116	1,612,848	1,172,869	2,772,834	1,079,702	1,503,837	1,520,946	1,699,932	-
One year later	9,390,148	1,548,703	1,444,673	2,860,745	1,108,004	1,953,990	1,606,001	-	-
Two years later	9,549,694	1,569,019	1,470,123	2,947,652	1,003,750	1,815,269	-	-	-
Three years later	9,588,863	1,558,552	1,453,891	2,851,485	1,033,252	-	-	-	-
Four years later	9,525,041	1,652,085	1,436,692	2,844,137	-	-	-	-	-
Five years later	9,508,798	1,593,352	1,360,607	-	-	-	-	-	-
Six years later	9,432,639	1,583,812	-	-	-	-	-	-	-
Seven years later	9,483,612	-	-	-	-	-	-	-	-
Current estimate of cumulative claims cost	9,483,612	1,583,812	1,360,607	2,844,137	1,033,252	1,815,269	1,606,001	1,699,932	**21,426,622**
Cumulative claims paid	9,090,772	1,471,079	1,246,010	2,515,350	787,305	1,378,547	1,020,261	774,086	**18,283,410**
Liabilities recognized	392,840	112,733	114,597	328,787	245,947	436,722	585,740	925,846	**3,143,211**

The following table shows the gradual development of the estimate of ultimate loss according to claims incurred year. The estimate changed in individual periods depending on the actual claims paid. The comparison of statistical estimation of sufficient provisions with net amount of provisions suggests sufficient levels of the claim provisions including incurred but not reported claims.

Accounting period	2016 and earlier	2017	2018	2019	2020	2021	2022	2023	Total
Estimate of ultimate cost									
At the end of the year	49,702,809	1,233,767	1,155,060	1,611,114	1,033,883	1,375,464	1,503,033	1,613,174	-
One year later	9,211,376	1,166,905	1,409,630	2,356,826	1,100,710	1,766,782	1,593,642	-	-
Two years later	9,403,388	1,543,995	1,441,955	2,746,240	992,327	1,693,814	-	-	-
Three years later	9,397,938	1,515,016	1,427,296	2,700,263	1,033,252	-	-	-	-
Four years later	9,319,905	1,567,312	1,410,957	2,729,099	-	-	-	-	-
Five years later	9,305,554	1,530,526	1,339,334	-	-	-	-	-	-
Six years later	9,256,084	1,526,678	-	-	-	-	-	-	-
Seven years later	9,303,211	-	-	-	-	-	-	-	-
Current estimate of cumulative claims cost	9,303,211	1,526,678	1,339,334	2,729,099	1,033,252	1,693,814	1,593,642	1,613,174	**20,832,204**
Cumulative claims paid	9,090,772	1,471,079	1,246,010	2,515,350	787,305	1,378,547	1,020,261	774,086	**18,283,410**
Liabilities recognized	212,439	55,599	93,325	213,748	245,947	315,267	573,381	839,088	**2,548,794**

(All amounts are in thousand ALL, unless otherwise stated)

5. **Insurance risk management** (continued)

The assumptions which have the greatest effect on the measurement of insurance contract liabilities are as follows:

Expected claims ratio. The expected claims ratio represents the ratio of claims paid and expected claims incurred to premiums earned by excluding the reinsurer share in the premiums earned and claims paid and expected (changes in IBNR and RBNS). The assumptions in respect of expected claims ratios for the most recent accident year, per class of business, have the most influence on the level of provisions.

Tail factors. For long-tail business, the level of provision is significantly influenced by the estimate of the development of claims from the latest development year for which historical data is available to ultimate settlement. These tail factors are estimated prudently based on experience.

Discounting. Non-life claims provisions are not discounted.

Claim development. Claims incurred by the Company have generally short processing period and are normally closed with one year. Green card claims tend to have longer settled period however not significantly longer that one year. In the experience of the Company, the development of claims does not differ materially from initial estimates.

Assumptions and sensitivities. The risks associated with the non-life insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company uses statistical and actuarial techniques including indicators such as the expected loss ratio.

The Company's reinsurance arrangements include quota share, excess of loss or catastrophe coverage. The effect of such reinsurance arrangement limits the Company net insurance losses or retention to EUR 250 – 500 in any given year, for each MTPL, Property and Causality liability lines of business. Other lines of business have lower exposures. In addition to the overall Company's reinsurance program, customers are allowed to purchase additional reinsurance protection, so called facultative reinsurance.

The Company considers that the liability for non-life insurance claims recognized in the separate statement of financial position is adequate. However actual experience will differ from the expected outcome.

An overview of claim loss and combined ratio for the year 2024 and 2023 is as below:

	2024	**2023**
Claims ratio	(43.9%)	(35.6%)
Expense ratio	(49.5%)	(49.9%)
Combined ratio	(93.4%)	(85.5%)

The results of the sensitivity analysis showing the impact on profit for the year are set out below. For such sensitivity, the impact of a change in a single factor is shown, with other assumptions unchanged.

	Impact	**2024**	**Impact**	**2023**
Claims ratio				
10% increase	Loss	(203,191)	Loss	(156,589)
10% decrease	Gain	203,191	Gain	156,589
Expense ratio				
10% increase	Loss	(229,060)	Loss	(219,422)
10% decrease	Gain	229,060	Gain	219,422
Combined ratio				
10% increase	Loss	(432,251)	Loss	(376,011)
10% decrease	Gain	432,251	Gain	376,011

(All amounts are in thousand ALL, unless otherwise stated)

6. Financial risk management

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimise operational and legal risks. The Company does not make use of derivative financial instruments to hedge these risks exposures.

Market risk

Market risk includes three types of risk:

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

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

Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in a factor while holding all other factors constant. In practice this is unlikely to occur and changes in some of the factors may be correlated – for example, changes in interest rate and changes in foreign currency rates.

Currency risk

The Company undertakes transactions in both local and foreign currencies; hence exposures to exchange rate fluctuations arise. Because of this, currency exchange fluctuations may affect the level of shareholders' equity as a result of translations into local currency. The applicable official Bank of Albania published rates (ALL to the foreign currency unit) for the principal currencies were as below:

	31 December 2024	**31 December 2023**
USD	94.26	93.94
CHF	104.27	112.10
EUR	98.15	103.88

The Company underwrites policies in ALL, EUR or USD. It enters into reinsurance agreements mostly in EUR and purchases goods and services in both EUR and ALL and sometimes USD. Insurance and claims and reserves are mainly incurred in the currency the policy is underwritten. Therefore, the Company is exposed to currency risk.

Currency risk is managed using assets/liabilities matching principles. Policies and processes of the Company focus on mitigating currency risk by balancing the amount of cash used in each currency, mainly by investing in term deposits to match the resulting liabilities in the respective currency.

6. **Financial risk management** (continued)

The Company's financial assets and liabilities denominated in foreign currency as of 31 December 2024 are as follows:

In ALL '000	ALL	EUR	USD	CHF	Total
Assets					
Cash and cash equivalents	50,890	45,769	8,586	17	105,262
Term deposits with banks	1,813,483	3,271,803	473,221	-	5,558,507
Debt securities carried at amortised cost	60,000	640,117	-	-	700,117
Insurance receivables	112,639	305,969	20,133	-	438,741
Reinsurance assets	72,283	922,075	34,043	-	1,028,401
Investments in subsidiaries	-	104,317	-	-	104,317
Other assets	12,199	6,410	-	-	18,609
Monetary assets	**2,121,494**	**5,296,460**	**535,983**	**17**	**7,953,954**
Insurance contract liabilities (incl. UPR)	(4,348,945)	(2,154,866)	(73,057)	(400)	**(6,577,268)**
Lease liabilities	(75,258)	-	-	-	**(75,258)**
Other liabilities	(204,885)	(126,451)	(8,692)	-	**(340,028)**
Monetary liabilities	**(4,629,088)**	**(2,281,317)**	**(81,749)**	**(400)**	**(6,992,554)**
Currency gap	**(2,507,594)**	**3,015,143**	**454,234**	**(383)**	**961,400**

The Company's financial assets and liabilities denominated in foreign currency as of 31 December 2023 are as follows:

In ALL '000	ALL	EUR	USD	CHF	Total
Assets					
Cash and cash equivalents	47,940	73,418	6,085	53	127,496
Term deposits with banks	1,455,770	3,348,838	434,550	-	5,239,158
Debt securities carried at amortised cost	-	624,830	-	-	624,830
Insurance receivables	136,693	258,644	14,820	-	410,157
Reinsurance assets	79,078	716,859	31,769	-	827,706
Subordinated loan	-	108,536	-	-	108,536
Other assets	8,441	9,281	-	-	17,722
Monetary assets	**1,727,922**	**5,140,406**	**487,224**	**53**	**7,355,605**
Insurance contract liabilities – claims	(3,816,886)	(1,986,299)	(45,429)	(538)	**(5,849,152)**
Lease liabilities	(125,977)	-	-	-	**(125,977)**
Other liabilities	(237,689)	(139,389)	(9,657)	-	**(386,735)**
Monetary liabilities	**(4,180,552)**	**(2,125,688)**	**(55,086)**	**(538)**	**(6,361,864)**
Currency gap	**(2,452,630)**	**3,014,718**	**432,138**	**(485)**	**993,741**

Sensitivity to foreign currency risk

The following table details the Company's sensitivity of profit or loss after tax to an increase and decrease in the ALL against the relevant foreign currencies. Such change in foreign exchange rates is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. For each sensitivity analysis the impact of change in a single factor is shown, with other assumptions unchanged.

(All amounts are in thousand ALL, unless otherwise stated)

6. Financial risk management (continued)

Sensitivity analysis for the year ended 31 December 2024:

	Impact	Amount
EUR increases by 10% against ALL	Gain	301,514
EUR decreases by 10% against ALL	Loss	(301,514)
USD increases by 10% against ALL	Gain	45,423
USD decreases by 10% against ALL	Loss	(45,423)

Sensitivity analysis for the year ended 31 December 2023:

	Impact	Amount
EUR increases by 10% against ALL	Gain	301,472
EUR decreases by 10% against ALL	Loss	(301,472)
USD increases by 10% against ALL	Gain	43,214
USD decreases by 10% against ALL	Loss	(43,214)

Interest rate risk

Interest rate risk is comprised of the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and the risk that the maturities of interest-bearing assets differ from the maturities of the interest-bearing liabilities used to fund those assets. The length of time for which the rate of interest is fixed on a financial instrument indicates to what extent it is exposed to interest rate risk.

31 December 2024	Up to 3 months	3 – 6 months	6 – 12 months	Non-interest sensitive	Total
Assets					
Cash and cash equivalents	-	-	-	105,262	105,262
Term deposits with banks	1,759,667	1,541,344	2,257,496	-	5,558,507
Debt securities carried at amortised cost	60,000	-	640,117	-	700,117
Equity securities at FVTPL	-	-	-	438,741	438,741
Insurance receivables	-	-	-	1,028,401	1,028,401
Subordinated loan	-	-	-	37,343	37,343
Reinsurance assets	-	-	104,317	-	104,317
Other assets	-	-	-	18,609	18,609
Financial assets	**1,819,667**	**1,541,344**	**3,001,930**	**1,628,356**	**7,991,297**
Insurance contract liabilities – claims			-	(6,577,268)	(6,577,268)
Lease liabilities	-	-	-	(75,258)	(75,258)
Other liabilities	-	-	-	(340,028)	(340,028)
Financial liabilities	-	-	-	**(6,992,555)**	**(6,992,555)**
Interest rate gap	**1,819,667**	**1,541,344**	**3,001,930**	**(5,364,198)**	**998,743**

(All amounts are in thousand ALL, unless otherwise stated)

6. Financial risk management (continued)

31 December 2023	Up to 3 months	3 – 6 months	6 – 12 months	Non-interest sensitive	Total
Assets					
Cash and cash equivalents	-	-	-	127,496	127,496
Term deposits with banks	1,977,443	806,493	2,071,905	383,317	5,239,158
Debt securities carried at amortised cost	624,830	-	-	-	624,830
Equity securities at FVTPL	-	-	-	410,157	410,157
Insurance receivables	-	-	-	827,706	827,706
Subordinated loan	-	-	-	34,654	34,654
Reinsurance assets	-	-	-	108,537	108,536
Other assets	-	-	-	17,722	17,722
Financial assets	**2,602,273**	**806,493**	**2,071,905**	**1,909,589**	**7,390,260**
Insurance contract liabilities – claims	-	-	-	(5,849,151)	(5,849,152)
Lease liabilities	-	-	-	(125,977)	(125,977)
Other liabilities	-	-	-	(386,735)	(386,735)
Financial liabilities	-	-	-	**(6,361,863)**	**(6,361,863)**
Interest rate gap	**2,602,273**	**806,493**	**2,071,905**	**(4,452,276)**	**1,028,397**

Credit risk

Credit risk refers to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. In the normal course of its business as premiums are received, these funds are invested to pay for future policy holder obligations. The Company is exposed to credit risk on its financial assets held to maturity, term deposits, insurance and receivables/assets.

The Company has established internal procedures and guidelines where the reinsurance partners should be rated BB- or higher rates and the risk is monitored by the reinsurance personnel. The Company manages its exposure to credit risk on a regular basis. It monitors the financial conditions of its guarantee fund counterparties and does not concentrate more than 25% of its guarantee fund with one single counterpart. Concentration of the investments is based on the financial performance of the counterpart as published by their regulator. The Company only invests its liquidities in banks that operate in Albania and are regulated by the Bank of Albania.With regard to insurance receivables, the Company monitors days past due. Once days past due are identified, the Company's credit monitoring sub-functions contact the customers and understand the reasons for the delay. In case of ineffectiveness of initial contacts, the Company identifies all relationships with the customer in order to take appropriate measures to mitigate the credit risk including more frequent calls and meeting with the counterpart, identification of liabilities to the counterpart so that offsetting agreements may be entered into, etc.

The Company's maximum exposure to credit risk by class of assets is reflected in the carrying amounts of financial assets in the separate statement of financial position as follows:

	Note	31 December 2024	31 December 2023
Cash and cash equivalents (excluding cash on hand)	8	104,698	126,816
Term deposits with banks	9	5,558,507	5,239,158
Debt securities carried at amortised cost	10	700,117	624,830
Equity securities at FVTPL	11	37,343	34,654
Insurance receivables	12	438,741	410,157
Reinsurance assets	14	1,028,401	827,706
Subordinated loan	15,32	104,317	117,294
Other assets	17	18,609	17,722
Maximum exposure to credit risk		**7,990,733**	**7,398,337**

6. **Financial risk management** (continued)

No objective indications for impairment have been identified by the Company on the other financial assets as at the reporting date, therefore management considers other financial assets such as cash equivalents, term deposits and other assets as neither past due nor impaired. The Company's cash and cash equivalents and term deposits are placed with the following financial institutions:

			31 December 2024		31 December 2023	
	Agency	Rating	Total exposure	Of which: Cash equivalent	Total exposure	Of which: Cash equivalent
Banka Kombëtare Tregetare	JCR Eurasia	BB	1,878,604	15,857	1,791,796	25,414
Intesa San Paolo Bank	Moody's	Baa1	34,463	9,982	272,585	39,732
Raiffeisen Bank	Moody's	AA-	49,255	17,206	44,569	12,314
Credins Bank	Not rated	-	614,567	2,234	764,023	2,394
Banka Amerikane e Investimeve	Not rated	-	1,333,227	19,851	413,910	17,858
OTP Bank	Moody's	Baa1	468,432	14,265	581,423	14,254
ProCredit Bank	Fitch	BBB	89,517	4,183	169,706	3,361
Tirana Bank	Not rated	-	1,089,620	7,516	1,180,906	4,465
United Bank of Albania	Not rated	-	6,278	6,278	1,677	1,677
Union Bank	Not rated	-	42,503	4,410	96,507	2,880
First Investment Bank	Fitch	B	2,916	2,916	1,113	2,467
Total exposure with banks			**5,318,215**	**126,816**	**5,355,433**	**78,906**

Local banks without ratings are subject to regulation by the central Bank of Albania. Accounts with banks are not secured except by the Albanian Deposit Insurance Agency. Because few Albanian banks are rated by international rating agencies, the Company uses the credit ratings of the banks' major shareholders in order to take its investment decisions as well as the Bank of Albania quarterly reports on the banks that operate in the Albanian market. For local banks that are not rated, the Bank of Albania liquidity reports presents no issues with their liquidity positions.

Investment securities at fair value through profit or loss consist of the Company's investment in WVP Investment Fund. The Company has invested in WVP Global index which is comprised of 30% DJI and 70% Stoxx indexes. WVP is not rated. It operates with First Investment Bank as its custodian (Fitch B-).

The reinsurance assets are monitored according to the credit rating. For the year ended 31 December 2024 and 2023, the credit risk assessment of the reinsurance premiums ceded and reinsurance assets by rating of reinsurer (required by local legislation) are as follows:

	2024				2023			
	Premium ceded		Reinsurance assets		Premium ceded		Reinsurance assets	
Credit rating	**ALL '000**	**%**	**ALL '000**	**%**	**ALL '000**	**%**	**ALL '000**	**%**
A	689,089	78.0%	855,453	83.2%	753,422	77.9%	722,104	87.2%
BBB	169,021	19.1%	172,948	16.8%	171,791	17.8%	105,602	12.8%
BB	25,338	2.9%	-	-	41,606	4.3%	-	-
Total	**883,448**	**100%**	**1,028,401**	**100%**	**966,819**	**100%**	**827,706**	**100%**

Credit quality of insurance receivables is presented in Note 12.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its obligations associated with financial liabilities as they fall due. Liquidity risk is moderately inherent to the Company's business as certain assets purchased and liabilities sold could have liquidity characteristics that are specific. If the Company would require significant amounts on short notice in excess of normal cash requirements it may face difficulties to obtain attractive prices. Nevertheless, the Company has access to short-term facilities being in a cooperation with all banks in Albania which it may use to over-come short-term liquidity issues. The Company also monitoring forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities.

(All amounts are in thousand ALL, unless otherwise stated)

6. Financial risk management (continued)

Financial assets and liabilities as of 31 December 2024 detailed by expected (for Insurance liabilities only) and contractual maturity are disclosed below. The amounts detailed below relate to contractual maturities but in practice the cash inflows or outflows are not expected to occur in these intervals.

31 December 2024	Up to 3 months	3 – 12 months	1 – 7 years	Total
Assets				
Cash and cash equivalents	105,262	-	-	105,262
Term deposits with banks	1,759,667	3,686,551	112,289	5,558,507
Debt securities carried at amortised cost	60,000	0	640,117	700,117
Equity securities at FVTPL	-	-	37,343	37,343
Insurance receivables	212,029	182,684	44,028	438,741
Reinsurance assets	117,889	270,233	640,279	1,028,401
Subordinated loan	-	-	104,317	104,317
Other assets	12,199	6,410	-	18,609
Financial assets	**2,267,047**	**4,145,878**	**1,578,373**	**7,991,297**
Insurance contract liabilities – claims	(1,321,490)	(2,418,672)	(2,837,107)	(6,577,268)
Lease liabilities	(9,719)	(29,157)	(36,382)	(75,258)
Other liabilities	(190,416)	(131,160)	(18,452)	(340,028)
Financial liabilities	**(1,521,625)**	**(2,578,989)**	**(2,891,940)**	**(6,992,555)**
Liquidity gap	**745,422**	**1,566,889**	**(1,313,568)**	**998,743**

The Company's financial assets and liabilities as of 31 December 2023 have the following maturities:

31 December 2023	Up to 3 months	3 – 12 months	1 – 5 years	Total
Assets				
Cash and cash equivalents	127,496	-	-	127,496
Term deposits with banks	1,672,895	3,182,946	383,317.20	5,239,158
Debt securities carried at amortised cost	624,830	-	-	624,830
Equity securities at FVTPL	-	-	34,654	34,654
Insurance receivables	207,788	165,419	36,518	409,725
Reinsurance assets	108,659	178,902	540,145	827,706
Subordinated loan	-	-	108,536	108,536
Other assets	8,441	9,281	-	17,722
Financial assets	**2,750,108**	**3,536,548**	**1,103,170**	**7,389,826**
Insurance contract liabilities – claims	(1,261,275)	(2,119,473)	(2,468,404)	(5,849,152)
Lease liabilities	(16,269)	(48,808)	(60,900)	(125,977)
Other liabilities	(216,572)	(170,164)	0	(386,735)
Financial liabilities	**(1,494,117)**	**(2,338,444)**	**(2,529,304)**	**(6,361,865)**
Liquidity gap	**1,255,992**	**1,198,104**	**(1,426,135)**	**1,027,961**

In the liquidity position of the Company, disclosed above, the undiscounted expected cash inflows and outflows have been disclosed respectively. As far as insurance contract liabilities are concerned, the expected undiscounted cash outflows have been disclosed assuming that mandatory maximum period of settlement, as per legislation in force, will be respected. Nevertheless, situations may occur where the Company and the claimant do not share the same views regarding the assessment of the claim the dispute is further resolved through a court process. Even though in the latter case settlement is significantly postponed, it is not possible to make accurate forecasts.

(All amounts are in thousand ALL, unless otherwise stated)

7. Fair value disclosures

Fair value measurements for measurement and/or presentation purposes are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety. The Company has no assets which are measured at fair value using non-recurring measurements.

a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period:

Investment in equity securities at FVTPL. The Company's investment in WVP Global invest index is measured at fair value using level 1 inputs which is available at wvpfunds.al (Note 11).

b) Assets and liabilities not measured at fair value but for which fair value is disclosed

Cash and cash equivalent and Term deposits with banks – which comprise cash at bank and time deposits, include inter-bank placements and items in the course of collection. As deposits are short term and at floating rates their fair value is considered to approximate their carrying amount. *Insurance receivables* – due to their short-term nature, the fair value of insurance receivables is deemed to approximate their carrying amount.

8. Cash and cash equivalents

	31 December 2024	**31 December 2023**
Cash on hand	564	680
Current accounts with banks		
- In ALL	50,327	47,940
- In foreign currency	54,371	78,876
	104,698	126,816
Total	105,262	127,496

Credit quality of cash at banks is provided in Note 6.

9. Term deposits with banks

Term deposits with banks as at 31 December 2024 and 2023 are composed of the following:

	31 December 2024	**31 December 2023**
Bank term deposits	4,764,682	4,451,398
Bank term deposits – placed as guarantee fund	740,000	740,000
Accrued interest	53,825	47,760
Total	5,558,507	5,239,158

(All amounts are in thousand ALL, unless otherwise stated)

9. **Term deposits with banks** (continued)

The guarantee fund is composed of restricted term deposits with commercial banks. The guarantee fund can only be invested through the banking system in term deposits or treasury bills and is not available for daily operations. Based on local legislation requirements the Company maintains a minimum of one- third of the required level of the solvency margin but not less than ALL 740 million, in term deposits with maturity of not less than 1 year. As at 31 December 2024, the guarantee fund is ALL 740,000 thousand (2023: ALL 740,000 thousand). Term deposits with banks comprise the following local and foreign currency deposits as at 31 December 2024 and 2023:

	2024	**Yield %**	**2023**	**Yield %**
In EUR	3,174,268	1.40 – 3.00	3,311,912	1.10 – 3.00
In USD	469,415	1.70 – 2.50	431,466	1.50 – 2.60
In ALL	1,861,000	1.90 – 3.00	1,448,000	1.15 – 0.00
Accrued interest	53,825		47,760	
Total	5,191,398		5,276,527	

Bank deposits excluding the respective guarantee funds have maturities ranging from 6 months to 1 year.

10. **Debt securities carried at amortised cost**

	31 December 2024	**31 December 2023**
Debt securities carried at amortised cost	697,975	623,280
Accrued interest - debt securities carried at amortised cost	2,142	1,550
Total	700,117	624,830

At 31 December 2024 the Reporting Entity has invested in bonds issued by the National Commercial Bank (BKT) and OTP Bank Albania, with maturities between 1 and 7 years and fixed interest coupon rate between 4% to 4.5%. Bonds were acquired at their nominal amount. These instruments are neither past due nor impaired at the reporting date. BKT is rated as BB (stable) by JCR while OTP Bank is rated BBB- by S&P.

11. **Equity securities at fair value through profit or loss**

Equity securities at FVTPL are comprised of WVP Investment Fund “Global” index. At 31 December 2024, the Company had the following quotas invested in the index on 14 February 2022 which at the trading price at the end of the year were as follows:

	2024		**2023**	
	No. Quota	Amount in ALL	No. Quota	Amount in ALL
At the beginning of the year	-	-	-	-
Purchased during the year	2,496.0895	34,653,680	2496.0895	32,517,716
Fair valuation at the end of the year		2,689,101		2,135,964
Totals	**2496.0895**	**37,342,781**	**2496.0895**	**34,653,680**

(All amounts are in thousand ALL, unless otherwise stated)

12. **Insurance receivable**

Insurance receivables are composed of the following:

	31 December 2024	31 December 2023
Insurance receivables from policyholders	432,505	407,523
Insurance receivables from agents	6,236	2,634
Total	438,741	410,157

Receivables from policyholders gross and net of allowance for doubtful receivables are presented below:

	31 December 2024	31 December 2023
Gross insurance receivable from policyholders	735,137	690,457
Allowance for impairment of receivables	(302,632)	(282,934)
Total	432,505	407,523

Receivables from agents are neither past due nor impaired. Movement in allowance for impairment losses are as follows:

	2024	2023
At 1 January	282,934	281,558
Impairment charged to profit or loss	63,095	37,285
Written-off balances	(43,396)	(35,909)
Total	302,633	282,934

The credit quality of insurance receivables from policy holders is presented below:

	31 December 2024			31 December 2023		
	Gross	Allowance	Net	Gross	Allowance	Net
Current, neither past due nor impaired (up to 3 months from invoice date) – 2%	242,896	(4,858)	238,038	212,028	(4,241)	207,788
3 – 6 months – 5%	58,338	(2,917)	55,421	74,672	(3,734)	70,937
6 – 12 months – 20%	118,772	(23,754)	95,018	118,102	(23,620)	94,482
More than 12 months – 60%	110,070	(66,042)	44,028	85,790	(51,474)	34,317
	530,076	(97,571)	432,505	490,592	(83,069)	407,524
Impaired						
More than 1 year –100%	205,061	(205,061)	-	199,865	(199,865)	-
	735,137	(302,632)	432,505	690,457	(282,934)	407,524

Insurance receivables more than 1 year due from invoice date also include ALL 110,070 thousand (2023: ALL 85,790 thousand) balances due from Company's ongoing suppliers of services which are expected to be subject to offsetting against future financial liabilities. They are provisioned at 60% 2024 of their gross outstanding balance instead of 100% which is the rate used for other receivables due for more than 1 year from invoice/premium date.The Company collected subsequent payments from its clients amounting to xx ALL.

(All amounts are in thousand ALL, unless otherwise stated)

13. **Deferred acquisition cost**

	31 December 2024	31 December 2023
Property and casualty (P&C)	115,154	100,243
Motor insurance	251,767	262,636
Accidents and health	53,111	41,417
Other lines of business	6,907	5,429
Total	426,939	409,725

Movement in deferred acquisition costs are as follows:

	2024	2023
At 1 January	409,725	449,517
Acquisition costs incurred during the year	829,246	823,109
Acquisition costs expensed during the year (Note 26)	(812,032)	(862,901)
Total	426,939	409,725

14. **Reinsurance assets**

	31 December 2024	31 December 2023
Reinsurance recoveries	125,198	-
Reinsurance share in unearned premium reserve (Note 19)	294,025	233,288
Reinsurance share in RBNS and IBNR (Note 18)	734,376	594,418
Total	1,153,599	827,706

The Company's reinsurance assets are not secured and are neither past due nor impaired. Credit quality of reinsurance assets is presented in Note 6 (Credit Risk).

15. **Investments in subsidiaries and subordinated loan**

The table below summarises the movements in the carrying amount of the investment in subsidiaries. The investment represents the capital contributed in subsidiaries for 100% ownership interest held. There were no movements in investments during the year.

During 2021, the Company disbursed a subordinated loan of EUR 1,000 thousand to its subsidiary in North Macedonia operating in non-life insurance to enable the subsidiary to comply with minimum regulatory requirements. The loan bears an interest rate of 1.8% with an undetermined maturity and is only to be used for covering technical reserves.

(All amounts are in thousand ALL, unless otherwise stated)

15. **Investments in subsidiaries and subordinated loan** (continued)

	Country of incorporation	31 December 2024	31 December 2023
Investments at cost			
Sigal Uniqa Group Austria	Kosovo	554,409	554,409
Sigal Life Uniqa Group Austria	Kosovo	491,728	491,728
Uniqa Life A.D.	N. Macedonia	488,040	488,040
Sigal Life Uniqa Group Austria	Albania	369,999	369,999
Uniqa A.D.	N. Macedonia	318,874	318,874
		2,223,050	2,223,050
Subordinated loan – Uniqa A.D.	N. Macedonia	104,317	108,536
		2,327,367	2,331,586

16. **Property and equipment, right-of-use assets, lease liabilities**

	Land	Buildings	Motor vehicles	Computer and office equipment	Leasehold improv.	Total
Cost						
At 1 January 2023	82,853	1,424,149	168,322	449,163	38,052	2,162,539
Additions	-	57,539	51,918	11,719	-	121,176
Disposals	-	(58,706)	(22,227)	(37,807)	-	(118,740)
At 31 December 2023	82,853	1,422,982	198,013	423,075	38,052	2,164,975
Additions	-	90,770	640	9,061	-	100,471
Disposals	-	(14,861)	(10,072)	-	-	(24,933)
At 31 December 2024	82,853	1,498,891	188,581	432,136	38,052	2,240,513
Depreciation						
At 1 January 2023	-	(674,680)	(127,378)	(348,303)	(33,087)	(1,183,448)
Charge for the year	-	(109,180)	(11,800)	(21,914)	(3,805)	(146,699)
Disposals	-	28,332	17,643	34,451	-	80,426
At 31 December 2023	-	(755,528)	(121,535)	(335,766)	(36,892)	(1,249,721)
Charge for the year	-	(105,330)	(15,309)	(17,453)	(1,160)	(139,252)
Disposals	-	9,464	9,301	-	-	18,765
At 31 December 2024	-	(851,394)	(127,543)	(353,219)	(38,052)	(1,370,208)
Net carrying value						
At 31 December 2023	**82,853**	**667,454**	**76,478**	**87,309**	**1,160**	**915,254**
At 31 December 2024	**82,853**	**647,497**	**61,038**	**78,917**	**-**	**870,305**

(All amounts are in thousand ALL, unless otherwise stated)

16. **Property and equipment, right-of-use assets, lease liabilities** (continued)

The depreciation charge is recognised under "administrative expenses" in profit or loss. No assets are pledged as collateral or guarantee. Land is owned by the Company and held for future development projects for use in the Company's normal course of business (as a training centre). In the buildings category above, the Company also includes leases of buildings in addition to buildings owned. Rental contracts are typically made for 5 years with an option exercisable from the Company to extend by 5 more years. The Company considered 10 years as term of these leases given its intentions and contract flexibility.

Movements in the cost and depreciation of right-of-use assets and carrying amounts are presented as follows:

	Buildings	**Total**
Cost		
At 1 January 2023	503,108	503,108
Additions	56,443	56,443
Terminations	(7,186)	(7,186)
At 31 December 2023	552,365	552,365
Additions	49,498	49,498
Terminations	(14,862)	(14,862)
At 31 December 2024	587,001	587,001
Depreciation		
At 1 January 2023	(349,797)	(349,797)
Charge for the year	(94,574)	(94,574)
Terminations	6,703	6,703
At 31 December 2023	(437,668)	(437,668)
Charge for the year	(93,808)	(93,808)
Terminations	9,464	9,464
At 31 December 2024	(522,012)	(522,012)
Net carrying value		
At 31 December 2023	**114,697**	**114,697**
At 31 December 2024	**64,989**	**64,989**

The Company recognised lease liabilities as follows:	**31 December 2024**	**31 December 2023**
Short-term lease liabilities	51,551	86,294
Long-term lease liabilities	23,708	39,683
Total lease liabilities	**75,259**	**125,977**

(All amounts are in thousand ALL, unless otherwise stated)

16. **Property and equipment, right-of-use assets, lease liabilities** (continued)

The company has 86 lease contracts (2023 – 83 contracts) for buildings for which it has recognized right-of-use assets for the remaining 10 years. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Interest expense included in finance costs of 2024 was ALL 4,492 thousand (2023: ALL 6,662 thousand).

17. Other assets

	31 December 2024	31 December 2023
Due from subsidiaries	6,410	9,281
Advances to employees	12,199	8,441
Other financial assets	18,609	17,722
Prepaid guarantee for green card insurance	11,042	11,687
Advances to suppliers of services	12,587	29,725
Advances to the compensation's fund	5,979	3,012
Other assets	19,900	16,979
Advances for health insurance	7,420	10,393
Advances to agents	8,469	8,360
Advances for claim mediation	7,692	5,733
Receivables from insurance companies	182	209
Total	91,880	103,820

18. Insurance contract liabilities – claims

	2024			2023		
	Gross	**Reinsur.**	**Net**	**Gross**	**Reinsur.**	**Net**
Claims reported	1,822,950	(551,575)	1,271,375	1,732,429	(621,459)	1,110,970
Claims incurred but not reported	1,320,261	(42,843)	1,277,418	1,161,664	(11,423)	1,150,241
Claims handling costs	41,988	-	41,988	35,101	-	35,101
At the beginning of the year	**3,185,199**	**(594,418)**	**2,590,781**	**2,929,194**	**(632,882)**	**2,296,312**
Claims reported	2,490,397	(457,078)	2,033,319	1,647,440	(74,695)	1,572,745
Reported paid claims	(2,042,279)	317,120	(1,725,159)	(1,384,549)	113,159	(1,271,390)
Claims handling costs	(1,408)	-	(1,408)	(6,886)	-	(6,886)
Movements for the year	**446,710**	**(139,958)**	**306,752**	**256,005**	**38,464**	**294,469**
At the end of the year	**3,631,909**	**(734,376)**	**2,897,533**	**3,185,199**	**(594,418)**	**2,590,781**
Claims reported	2,196,634	(682,762)	1,513,872	1,822,950	(551,575)	1,271,375
Claims incurred but not reported	1,394,696	(51,614)	1,343,082	1,320,261	(42,843)	1,277,418
Claims handling costs	40,579	-	40,579	41,988	-	41,988

(All amounts are in thousand ALL, unless otherwise stated)

18. **Insurance contract liabilities – claims** (continued)

Paid claims by insurance product are as follows:

	2024	**2023**
Motor insurance	1,374,179	961,222
Health and accidents	324,090	265,164
Property & casualty	327,196	151,544
Other	16,813	6,619
Total	2,042,279	1,384,549

Claims reported but not settled	**2024**	**2023**
At 1 January	1,822,950	1,732,429
Prior period claims paid	(689,184)	(776,235)
New claims during the year and revised estimates	1,062,868	866,756
At the end of the year	2,196,634	1,822,950

Claims incurred but not reported	**2024**	**2023**
At 1 January	1,320,261	1,161,663
Change of assumptions	74,435	158,598
At the end of the year	1,394,696	1,320,261

19. **Insurance contract liabilities - unearned premium**

	2024	**2023**
At 1 January	2,663,953	2,497,689
Premiums written during the year (Note 23)	5,729,743	5,499,080
Premiums earned during the year	(5,448,337)	(5,332,816)
At the end of the year	2,945,359	2,663,953

	2024	**2023**
Gross change in UPR	281,406	166,264
Change in premium ceded	(60,737)	(33,906)
Net change in UPR	220,670	132,358

20. **Other liabilities**

	2024	2023
Suppliers of goods and services	219,137	243,041
Liabilities to related parties (note 32)	26,343	62,477
Commissions payable to agents	94,548	81,217
Financial other liabilities	340,028	386,735
VAT liabilities	9,281	10,176
Other tax liabilities	63,301	63,467
Total	412,610	460,378

21. **Share capital**

As at 31 December 2024 the paid-up capital is equal to ALL 2,232,909 thousand (2023: ALL 2,232,909 thousand). The share capital is composed of 551,608 authorised and fully paid shares with a par value of ALL 4,048 per share. As of 31 December 2024, and 2023 the shareholding structure was as follows. The amount of dividend per share distributed in 2024 was ALL 543.86.

	No. Shares	In ALL '000	In %
UNIQA Osterrich Versicherungen AG	496,448	1,898,200	90.00%
Mr. Avni Ponari	55,160	334,709	10.00%
T	551,608	2,232,909	100%

22. **Insurance risk reserves**

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

23. **Gross written premium**

Gross written insurance and reinsurance premiums as per product are detailed as follows:

	2024	2023
Motor insurance	3,521,758	3,272,613
Property and casualty	1,393,992	1,444,212
Health and accidents	701,032	656,975
Marine and aviation	102,439	111,218
Reinsurance	10,522	14,062
Total	5,729,743	5,499,080

(All amounts are in thousand ALL, unless otherwise stated)

23. **Gross written premium** (continued)

Motor vehicle premiums are further detailed as follows:

	2024	2023
Motor third party liability	2,614,998	2,393,045
Green card insurance	467,024	453,417
Motor hull	343,490	319,990
Border insurance	96,246	106,161
Total	3,521,758	3,272,613

24. **Written premium ceded to reinsurers**

Premiums ceded to reinsurers by insurance products are detailed as follows:

	2024	2023
Property and casualty	733,450	791,760
Marine and aviation	39,293	59,500
Health and accidents	72,908	78,103
Motor vehicles	37,797	37,456
Total	883,448	966,819

25. **Other income**

	2024	2023
Brokerage and fees	20,012	27,510
Rent and logistical income	10,271	10,565
Claim reimbursement	23,453	22,250
Other income	13,994	15,189
Total	67,730	75,514

26. **Acquisition costs**

Acquisition costs by line of business are presented below:

	2024	2023
Property and casualty	155,696	186,472
Motor insurance	534,303	539,567
Accidents and health	106,680	109,180
Other	15,353	27,682
Total	812,032	862,901

(All amounts are in thousand ALL, unless otherwise stated)

27. Administrative expenses

	2024	2023
Personnel costs	608,275	486,887
Other external services	151,051	132,870
Marketing expenses	163,557	150,894
Other administrative expenses	174,998	182,606
Depreciation (note 12)	139,252	146,700
Impairment allowance (note 12)	63,095	37,285
Telecommunication expenses	13,215	13,495
Local taxes	20,745	17,435
Penalties	3,604	2
Total	1,337,792	1,168,174

In 2024, the average number of employees was 298 (2023: 295 employees). In the amount of personnel costs shown above, the Company includes ALL 48,104 thousand (2023: 50,647 thousand) of employee retirement benefits contributions.

External audit fees for 2024 total ALL 7,963 thousand and are included in other external services (2023: ALL 8,880 thousand). No non-audit services were provided to the Company by the external auditor.

28. Other insurance expenses

	2024	2023
Contribution to AFSA	79,537	71,870
Compensation fund	57,037	87,841
Cost of policies and related consumables	4,202	3,438
Total	140,777	163,149

29. Investment and interest income

	2024	2023
Interest income	127,247	76,672
Dividends received	174,879	85,727
Total	302,126	162,398

(All amounts are in thousand ALL, unless otherwise stated)

30. **Income tax**

The tax expense for the period comprises current income tax only. The components of income tax expense are as follows:

	2024	2023
Current income tax expense	47,985	58,760
Deferred income tax expense	-	-
	47,985	58,760

Income tax in Albania is assessed at the rate of 15% (2021: 15%) of taxable income. A reconciliation between the expected and the actual taxation charge is provided below.

	2024	2023
Profit before tax	447,223	392,471
Theoretical tax charge at statutory rate of 15%:	67,083	58,871
Income not subject taxation	(26,232)	(12,859)
Non-deductible expenses		
- bad debt allowance	6,509	5,386
- penalties and fees	4,278	7,156
- other provisions	(3,654)	206
	47,985	58,760

The Company did not recognise an amount of ALL 11,228 thousand of deferred income tax assets and ALL 9,748 thousand of deferred income tax liabilities (net of ALL 1,540 thousand of deferred income tax assets) related to its right-of-use assets and lease liabilities at the reporting date as it considered those not material to the financial statements.

Corporate income tax receivable/(payable) at the reporting date is comprised of the following movements:

	2024	2023
At 1 January	51,705	(25,309)
Current income tax expense	(47,985)	(58,760)
Corporate income tax prepayments	16,818	135,774
At 31 December	20,538	51,705

(All amounts are in thousand ALL, unless otherwise stated)

31. Commitments and contingencies

In the ordinary course of business, the Company is involved in various claims and legal actions. In the opinion of management, the ultimate settlement of these matters will not have a material adverse effect on the Company's financial position or changes in net assets. Legal cases are common when claimants do not agree with the claim valuation performed by the Company. Management evaluates claims using external and internal expertise including legal advice. Management believes that these estimates are appropriate however acknowledges that the outcome may be higher or lower than the amount provided. As at 31 December 2024 there were 222 cases still in process for which customer requests in total were ALL 531.832 thousand more than the amount provided by the Company (2023: 189 cases in process, with customer requests in total of 643,360 thousand ALL more than the amount provided by the Company). The Company's assessments and provisions are based on the expectations of legal counsel, first instance court decisions, past-experience, and a "look back" analysis of claims in litigation.

32. Balances and transactions with related parties

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties with which the Company had transactions with are listed below:

Related party	Relationship
UNIQA Osterrich Versicherungen	Parent company
Avni Ponari	Administrator/Shareholder/Key management
SIGAL UNIQA Group AUSTRIA SH.A (Kosovo)	Subsidiary/controlled
UNIQA Life AD Skopje	Subsidiary/controlled
SIGAL UNIQA Group AUSTRIA SH.A (Kosovo)	Subsidiary/controlled
SIGAL Life UNIQA Group AUSTRIA SH.A	Subsidiary/controlled
SHAFP Sigal Life Uniqa Group Austria SH.A	Subsidiary/controlled/indirect
UNIQA Re	Company within the group
UNIQA Vaduz	Company within the group
Uniqa IT-Services	Company within the group
Uniqa Insurance	Company within the group
SIGAL AD	Administrator owned company
Sigal Business Centre	Administrator owned company
Avel sh.p.k.	Administrator owned company
Alto sh.p.k	Administrator owned company

During the year the Company had the following transaction with related parties:

Expenses	Nature of transaction	2024	2023
UNIQA RE	Premium ceded	111,331	142,879
UNIQA Osterrich Versicherungen AG	Premium ceded	28,469	26,826
SIGAL Life UNIQA Group AUSTRIA Sh.a.	Rent	698	240
Sigal Business Center	Rent	35,390	38,297
UNIQA Insurance	Management fee	30,225	30,158
Uniqa IT-Services	Services	15,162	20,076
Avel sh.p.k.	Services	126,906	170,594
Avni Ponari	Rent	1,640	1,773
SIGAL AD	Services	6,645	6,112
SHAFP	Employee benefits	18,470	6,408

(All amounts are in thousand ALL, unless otherwise stated)

32. **Balances and transactions with related parties** (continued)

Revenue	Nature of transaction	2024	2023
UNIQA RE	Reinsurance recoveries	192,480	52,059
SIGAL Life UNIQA Group AUSTRIA Sh.a.(Kosovo)	Reinsurance	5,660	3,211
SIGAL Life UNIQA Group AUSTRIA Sh.a.	Dividends	174,879	85,726
UNIQA AD North Macedonia	Services	1,509	1,586
UNIQA Life North Maqedonia	Reinsurance	1,727	1,133
SIGAL UNIQA Group AUSTRIA Sh.a. (Kosovo)	Services	2,427	5,909
SIGAL Life UNIQA Group AUSTRIA Sh.a.	Rent	9,297	6,517
SIGAL Life UNIQA Group AUSTRIA Sh.a.	Reinsurance	1,818	1,987
SIGAL AD	Rent	221	154
SHAFP	Rent	3,529	3,397

Dividends paid	2024	2023
Uniqa	304,255	260,790
Avni Ponari	35,000	30,000
Edvin Hoxhaj	10,745	9,210
	350,000	300,000

Balances at the reporting date were as follows:

Receivables	Nature	31 December 2024	31 December 2023
UNIQA RE	Reinsurance assets	125,197	(26,239)
UNIQA Insurance	Insurance payable	(15,234)	(30,158)
Sigal AD	Other payable	(786)	(535)
Avel sh.p.k.	Other payable/prepayments	(115)	337
UNIQA AD, – MNK	Subordinated loan	104,317	108,537
UNIQA LIFE AD – MNK	Insurance receivable	2,014	618
SIGAL UNIQA Group AUSTRIA Sh.a. (Kosovë)	Other receivable	(11,109)	(3,826)
SIGAL Life UNIQA Group AUSTRIA Sh.a.	Other receivable	5,391	(2,254)
Sigal Life UNIQA Group AUSTRIA Sh.a (Kosovo)	Other receivable	2,668	639
SHAFP Sigal Life Uniqa Group Austria Sh.a	Other receivable	1,728	8,024

During 2021, the Company issued a subordinated loan to its subsidiary Uniqa MK AD solely to cover its technical reserves with an undetermined term. which bears an interest of 1.8% p.a.

Key management includes the members of the Board of Directors and the General Manager. Their compensation for the year ended 31 December 2024 were ALL 147,726 thousand, for the year ended 31 December 2023 were ALL 93,241 thousand and consisted of salaries and bonuses.

(All amounts are in thousand ALL, unless otherwise stated)

33. **Capital management**

For the year ended on 31 December 2024, the Company has reported capital of ALL 4,515,927 thousand (2023: ALL 4,466,686 thousand), level of solvency of ALL 1,853,355 thousand (2023: ALL 1,776,153 thousand), and assets deemed to back insurance liabilities of 125.80 % (2023: 128.78%) above the levels required by law and regulatory acts of the Financial Supervisory Authority.

Capital risk management

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings. The Company manages its capital to ensure that adequate capital levels is maintained for the Company to be able to continue as a going concern and comply with the regulators' capital requirements, while maximising the return to stakeholders through an optimisation of debt and equity balances. As at 31 December 2024 and 31 December 2023, the Company's met all capital requirements, including solvency margin and ratio of assets covering insurance contract liabilities.

In accordance with Law "On insurance and reinsurance activity", the insurance companies in Albania calculate the regulatory capital as at the reporting date by comparing it to the required solvency. The capital of insurance companies should at least amount to the higher of the guarantee fund of the Company as at the reporting date and 150% of the required solvency calculated in accordance with the Insurance Law. For required solvency of the Company refer to supplementary schedules.

	Note	2024	2023
Total equity		**4,515,927**	**4,466,689**
Required solvency		728,487	816,878
150% of required solvency		1,092,730	1,225,317
As a % of total capital		24.2%	27.4%
Guarantee fund	9	740,000	740,000
As a % of required solvency		102%	91%

Other risks

Changes in governmental regulations in the business segments in which the Company operates may affect profitability. The insurance business is subject to comprehensive and developing supervision. The primary purpose of such regulations is to protect policyholders. Changes in existing insurance laws and regulations may affect the way in which the Company conducts its business and the products offered. Additionally, the insurance laws or regulations adopted and amended from time to time may be more restrictive or may result in higher costs than current requirements.

34. **Events after reporting date**

On 11 April 2025, the Albanian Financial Supervisory Authority ("AMF"), approved the changes to the statute of the Company with changes to the shareholders' structure pursuant to the share purchase agreement referred to in Note 1 to these separate financial statements. However, the changes are not yet effective as the share purchase agreement requires that Kosovo and North Macedonia authorities also approve the changes before the new structure is formalized and the shares are transferred from UNIQA Österreich Versicherungen AG to Sigal Buiness Center SH.P.K. There are no other material events after the reporting date that require adjustment or additional disclosures to these separate financial statements.

(All amounts are expressed in thousand ALL, unless otherwise stated)

Supplementary Schedules (unaudited)

Solvency margin

Solvency margin as at 31 December 2024 and 31 December 2023 is as follows:

	2024	**2023**
a) Required solvency based on premiums	816,878	816,878
b) Required solvency based on claims	359,356	359,356
Required margin – the higher of (a) and (b)	**816,878**	**816,878**
b) Current level		
Share capital	2,232,909	2,232,909
Insurance risk reserve	260,496	260,496
Retained earnings	2,022,522	1,973,284
Investment in subsidiaries	(2,223,050)	(2,223,050)
Other assets deductible in solvency calculation	(439,523)	(467,486)
Current solvency level	**1,853,354**	**1,776,153**

(All amounts are expressed in thousand ALL, unless otherwise stated)

Assets deemed to back insurance liabilities

In accordance with Decision of the Council of Ministers no. 96 dated 3 February 2008, amended with Decision no.5 dated 7 January 2009; insurance companies may invest no more than the following ratios of assets and investments covering technical and mathematical reserves:

			31 December 2024
Total A - Gross technical and mathematical provisions			**6,577,268**
	Investment limit as a percentage of gross provision	**Amount of investment limit as per regulation**	**Assets deemed to back insurance liabilities**
Land and buildings	30%	1,973,181	637,039
Term deposits (excluding guarantee fund)	no limit		4,775,724
Investment in treasury bills (excluding guarantee fund)	no limit		-
Reinsurance assets (upper BBB- classification)	no limit		1,153,599
Securities traded in unregulated market	35%	2,302,044	735,318
Insurance and other receivables (less than 3 months)	20%	589,072	244,274
Cash and cash equivalents	3%	197,318	105,262
Investments in fixed assets other than land and buildings	5%	328,863	139,955
Accrued interest and prepaid expenses	5%	328,863	55,968
Prepaid expenses	15%	441,804	426,939
Total B			**8,274,078**
Coverage level in percentage of assets deemed to back insurance liability		**B/A**	**125.80%**