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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Management of Albanian Deposit Insurance Agency,

Opinion

We have audited the financial statements of Albanian Deposit Insurance Agency (the "Agency"), which comprise the statement of financial position as at December 31, 2025, and the statement of income and expenses and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at December 31, 2025, its financial performance and its cash flows for the year ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Audit Act and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Albania. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other Matter

The financial statements of Albanian Deposit Insurance Agency for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on March 25, 2025.

Other Information

Management is responsible for other information. Other Information comprises the information included in the Performance Activity Report and Internal Governance Report, prepared by the Management in accordance with Articles 17 and 19 of Law 25/2018, dated January 19, 2019 "On Accounting and Financial Statements", changed, but do not include the financial statements and our auditor's report thereon. The Performance Activity Report and Internal Governance Report are expected to be made available to us after the date of this auditor's report.

Other Information (Continued)

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Performance Activity Report and Internal Governance Report, 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.

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

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

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

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 the 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 Agency's internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Agency'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 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 Agency to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We communicate with 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Deloitte Audit Albania shpk

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Identification number (NUIS): L41709002H

Statutory Auditor
Engagement Partner
Enida Cara

Tirana, Albania
March 09, 2026

Albanian Deposit Insurance Agency

Independent Auditor's Report and Financial Statements

for the year ending 31 December 2025

Contents

	Notes	31 December 2025	31 December 2024
ASSETS			
Cash and cash equivalents	8	2,601,171,975	2,096,063,998
Financial Instruments held to collect contractual cash flows	9	75,145,754,404	68,253,878,313
Property and equipment, net	10	51,230,491	58,836,072
Intangible assets, net	11	4,689,225	2,027,225
Other assets, net	12	5,134,690	4,427,163
TOTAL ASSETS		**77,807,980,785**	**70,415,232,771**
LIABILITIES			
Other liabilities	13	9,538,790	16,580,902
TOTAL LIABILITIES		**9,538,790**	**16,580,902**
DEPOSIT INSURANCE FUND			
Initial establishment fund for bank deposit insurance	14	400,000,000	400,000,000
Initial establishment fund for SCA deposit insurance	14	76,000,000	76,000,000
Accumulated fund for bank deposit insurance		77,107,679,712	69,741,779,608
Accumulated fund for SCA deposit insurance		214,762,093	180,872,262
TOTAL DEPOSIT INSURANCE FUND		**77,798,441,805**	**70,398,651,869**
TOTAL LIABILITIES AND DEPOSITS INSURANCE FUND		**77,807,980,785**	**70,415,232,771**

The accompanying notes on pages 5 to 36 are an integral part of these financial statements.

This version of our report/the accompanying documents is a translation from the original, which was prepared in Albanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.
Abbreviation – Savings and Credit Association (SCA)

	Note	31 December 2025	31 December 2024
Operating income:			
Income from insurance premiums	15	4,707,105,333	4,422,317,060
Interest income	16	2,927,637,727	2,843,668,202
Other operating income	17	3,243,723	3,151,927
Total operating income		**7,637,986,783**	**7,269,137,189**
Finance expenses:			
Loss on translation of foreign currency		(126,959,075)	(512,960,331)
Other financial expenses	18	(7,333,786)	(6,566,126)
Total finance expenses		**(134,292,861)**	**(519,526,457)**
Operating expenses:			
Personnel expenses	19	(86,836,151)	(89,638,794)
Administrative expenses	20	(22,578,176)	(27,173,684)
Depreciation and amortization	10, 11	(11,573,770)	(12,811,839)
Total operating expenses		**(120,988,097)**	**(129,624,317)**
Reversal provision of financial instruments held to collect contractual flows	8, 9	17,084,106	2,962,918
SURPLUS OF INCOME OVER EXPENDITURE FOR THE YEAR		**7,399,789,931**	**6,622,949,333**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		**7,399,789,931**	**6,622,949,333**

The accompanying notes on pages 5 to 36 are an integral part of these financial statements.

	Note	31 December 2025	31 December 2024
Surplus of income over expenditures for the year		**7,399,789,931**	**6,622,913,334**
Adjustment for:			
Interest income	16	(2,927,637,727)	(2,843,668,202)
Depreciation and amortization expenses	10, 11	11,573,770	8,819,992
Movement in the provision fund for financial instruments	9	(12,624,907)	(2,952,774)
Change in:			
Other assets		(707,527)	1,395,253
Other liabilities		(7,042,112)	2,693,107
Interest received		2,874,252,777	2,712,747,607
Cash flows generated from operating activities		**7,337,604,205**	**6,501,948,317**
INVESTING ACTIVITIES			
Purchase of long-term assets	11	(4,083,000)	(9,713,204)
Purchase of financial instruments held to collect contractual flows		(6,828,413,423)	(5,801,124,498)
Bought during the year		(34,132,822,828)	(33,762,830,000)
Matured during the year		27,304,409,405	27,961,705,502
Cash flows used for investing activities		**(6,832,496,423)**	**(5,810,837,702)**
Cash and cash equivalents. at the beginning of the year	8	**2,096,063,998**	**1,404,953,188**
Increase in cash during the year		**505,107,782**	**691,110,614**
Cash and cash equivalents at the end of the year	8	**2,601,171,975**	**2,096,063,998**

The accompanying notes on pages 5 to 36 are an integral part of these financial statements.

ALBANIAN DEPOSIT INSURANCE AGENCY

Statement of Changes in Deposit Insurance Fund

(All amounts are in ALL, unless otherwise stated)

	Initial establishment fund for bank deposit insurance	Initial establishment fund for SCA deposit insurance	Accumulated fund for bank deposit insurance	Accumulated fund for SCA deposit insurance	Total
As of January 1 ,2024	**400,000,000**	**76,000,000**	**63,152,868,055**	**146,834,492**	**63,775,702,547**
Surplus of income over expenditure for the year	-	-	6,588,911,553	34,037,780	**6,622,949,333**
Total comprehensive income for the year	-	-	-	-	-
	-	-	**6,588,911,553**	**34,037,780**	**6,622,913,334**
On December 31, 2024	**400,000,000**	**76,000,000**	**69,741,779,608**	**180,872,273**	**70,398,651,881**
Surplus of income over expenditure for the year	-	-	7,365,900,104	33,889,820	**7,399,789,924**
On December 31, 2025	**400,000,000**	**76,000,000**	**77,107,679,711**	**214,762,093**	**77,798,441,805**

The accompanying notes on pages 5 to 38 are an integral part of these financial statements.

The financial statements were approved by the Agency's Governing Council with Decision No. 4, on March 9, 2026, and signed on behalf of the Agency by:

Mr. Martin Blushi
Deputy Director

Mrs. Ornela Shqarri
Head of Finance and Investment Sector

1. General information on the reporting entity

The Albanian Deposit Insurance Agency (The "Agency" or "ADIA") is an public entity established in 2002, and the activities and operations of the Agency are regulated by Law no. 53/2014 dated May 22, 2014, "On deposit insurance" ("Law"), amended. In accordance with the Law, the Agency reports to the Bank of Albanian (the "Supervising Authority"), the Parliament of the Republic of Albanian, and the Council of Ministers of the Republic of Albanian. ADIA is a member of the International Association of Deposit Insurers and the European Forum of Deposit Insurers. The Agency was established to insure and compensate the deposits of individuals, entrepreneurs, and companies operating with local banks and savings and credit associations ("SCAs"). The institutions, which are members of the insurance scheme, cannot accept deposits from individuals unless ADIA insures them. The Agency starts the compensation process when it is notified through a written form by the Bank of Albania of the intervention in an insured institution.

The agency started the activity on October 12, 2002. The Agency carries out its functions to fulfil the objectives of implementing the Law. In particular, but not only, the Agency includes and excludes entities in the scheme; verifies the data reported periodically from member entities; conducts full and partial inspections regarding deposit insurance and compensation of the member entities; develops activities for awareness and education of the public of the insurance scheme; compensates deposits under the provisions of this law; receives initial contributions, insurance premiums, and special contributions; and invests financial assets, under the provisions of this law.

In accordance with the Law, the Agency insures up to 2,500,000 Albanian ALL ("ALL") of deposits held by individuals, entrepreneurs, and companies in the banks that are members of the insurance scheme. As part of December 2025, banks operating in Albania were 11 banks (2024: 11 banks).

The Agency, in accordance with the Law, insures up to ALL 2,000,000 of deposits held by individuals, entrepreneurs and companies in each savings and credit association that is a member of the insurance scheme. Currently, 9 deposit savings companies are included in the deposit insurance scheme (2024: 9 deposit saving companies).

Starting from January 1, 2018, in accordance with law 133/2016 "On the recovery and resolution of banks in the Republic of Albania", Insurance Deposit Agency administrates the Resolution Fund in accordance with the provisions of this Law and other bylaws adopted for this purpose by the Bank of Albania. The Resolution Fund, which consists of the banks' own contributions, will be used to enable the implementation of the emergency intervention instruments provided for in Law 133/2016 "On emergency recovery and intervention in banks in the Republic of Albania."

Currently, the Agency's address and headquarters are in Tirana ("Rruga e Elbasan it", Tirana, Albania). On December 31,2025, the Agency had 24 employees (31 December 2024:27)

2. Regulatory framework of ADIA operations

ADIA's operations are regulated by the Law on deposit insurance and relevant regulations issued by the Agency and the Supervising Authority. The law and bylaws require that the revenues collected by the institutions of the insurance scheme must be invested in debt securities issued by the Government of Albania or the Bank of Albania, debt securities issued by the government or foreign central banks assessed as safe. from reputable credit rating agencies, or to be placed on short-term deposits in the Bank of Albania or in international financial institutions rated as safe by reputable credit rating agencies.

As of December 31, 2025, in accordance with the Law and relevant regulations, all investment instruments have maturity of no longer than 15 years from the date of purchase by the Agency.

2. Regulatory framework of ADIA operations (continued)

The highest governing body of the Agency is the Supervisory Board. The Supervisory Board is composed of five members appointed by the Supervising Authority. Two members are proposed by the Supervising Authority, two members are proposed by the Minister of Finance of the Republic of Albania, and one member is proposed by the Institute of Authorized Chartered Auditors of Albania. The members of the Supervisory Board are non-executive, except for the member appointed to the position of General Director. The law on deposit insurance stipulates that the term of office for each member of the Supervisory Board is five years, with the right to be re-elected, based on the performance indicators of their activity.

The Supervisory Board as of December 31, 2025, is composed of:

1.	Mr. Donald Duraj	Chairman of the Supervisory Board (SB)
2.	Mr. Andi Memeti	Member
3.	Ms. Endrit Yzeiraj	Member
4.	Mr. Shkëlzen Margjeka	Member

3. Basis of preparation and application of IFRS

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting standards).

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(c) Functional and presentation currency

These financial statements are presented in ALL, which is the Agency's functional currency.

(d) Critical accounting judgements and key resources of estimation uncertainty

The preparation of the financial statements in accordance with IFRS requires for the management body to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in Notes 6 and 7.

(e) Going concern basis

The financial statements of the Agency have been prepared in accordance with the assumption of continuity, which assumes that the Agency will continue its operational existence for the foreseeable future, based on its legal objectives for the compensation of deposits as well as the preservation of banking and financial stability and protection of depositors' interests.

3. Basis of preparation and application of IFRS (continued)

(e) Going concern basis (continued)

As described in Note 24, the rapid development of the conflict among United States - Israel and Iran and its social and economic impact in Albania and globally may result in assumptions and estimates requiring revisions which may lead to material adjustments to the carrying value of assets and liabilities within the next financial year. In particular management expects oil prices, supply chains and markets disruptions could potentially impact globally and locally financial metrics. At this stage management is not able to reliably estimate the impact as the events are unfolding day-by-day.

The longer-term impact may also affect trading volumes, cash flows and profitability. Nevertheless, at the date of these financial statements the Agency continues to meet its obligations as they fall due. Therefore, the management considers that no material uncertainty exists related to events and conditions that may cast significant doubt on the Agency 's ability to continue as a going concern and has prepared these financial statements on the going concern basis.

The Agency has continued to operate in accordance with the going concern principle, maintaining a stable financial base and prudent asset management. It has also continued to effectively manage its liquidity, ensuring the capacity to meet potential obligations and to support the sustainability of the deposit insurance scheme. Given that investments are held to maturity, the Agency has reported stability in the value of its assets. In this context, no uncertainties have been identified that could affect the Agency's ability to continue its activities in the foreseeable future.

The abundant liquidity held by the banking system currently provides banks and SCAs with the opportunity to actively pay their obligations to the Agency.

4. Adoption of new and revised international financial reporting standards and interpretations

4.1 New Standards adopted as of 1 January 2025

During the year ended 31 December 2025, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for reporting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standards, amendments and interpretations of existing standards that are effective for the first time in 2025 and that may be applied to the Agency are:

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

These amendments are not expected to have a significant impact on these Financial Statements and therefore no disclosures have been made.

4. Adoption of new and revised international financial reporting standards and interpretations (continued)

4.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Agency

Other Standards and amendments that are not yet effective and have not been adopted early by the Agency include:

- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments.
- Annual Improvements to IFRS Accounting Standards - Volume 11- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity.
- IFRS 18 - Presentation and Disclosures in Financial Statements, effective date 1 January 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures, effective date 1 January 2027

These amendments are not expected to have a significant impact on the financial statements in the period of initial application, and, therefore, no disclosures have been made.

5. Summary of material accounting policies

5.1 Transactions in foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are retranslated to the functional currency at the exchange rate ruling at the date of the transaction. Foreign currency differences arising from retranslation are recognized in profit or loss.

Official exchange rates used for main foreign currencies to convert balance sheet items in ALL are as follows:

	December 31, 2025	**December 31, 2024**
EURO	96.77	98.15
US Dollar (USD)	82.46	94.26
Schweizer Franken, (CHF)	103.97	104.27

5.2 Deposit insurance premium and contributions

The premium for the Deposit Insurance Agency refers to the fee paid by banks and SCAs, for the insurance of their clients' deposits. This fee is a form of protection aimed at safeguarding individual and business deposits in the event of the bankruptcy or financial incapacity of a bank to return the held deposits. In case a bank decides to terminate its operations in Albania, the fund will not be refunded as it is the fund for all banks, the contributions/premiums are non-refundable.

In accordance with the Law on deposit insurance no. 53/14 date 22.05.2014, as amended, the insurance premium is determined by the member institutions on a quarterly basis. The quarterly insurance premium for banking institutions is calculated at 0.125% of the arithmetic average balance of the insured deposits on the last day of each month of the previous quarter. For SCAs, quarterly insurance premium is 0.075 percent of the arithmetic average of the number of insured deposits, which are recorded at SCA on the last day of each month of the previous quarter. For the purpose of calculating premiums, quarters begin on the first day of January, April, July, and October. Quarterly insurance premium to banking institutions is paid no later than the 15th of the first month of the quarter for which it is paid.

Every entity which wants to join the deposit insurance scheme pays an initial contribution rate of 0.5 percent of its initial capital converted to ALL to obtain certification for meeting the legal requirements and regulations regarding security deposits. This entity pays at the end of the first year of membership an extension of the initial contribution, which is calculated at the rate of 0.5 percent of the subject's capital increase during the year.During the presented periods there was no such fee applicable.

5. Summary of material accounting policies (continued)

5.3 Interest

Interest income and expense are recognized in the profit or loss statement by using the effective interest method. For financial assets other than purchased or originated credit impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts and payments excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the of the financial asset or liability on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

For financial assets of the Agency which are financial instruments with no increased credit risk, the effective interest rate is the rate that exactly discounts estimated future cash receipts and payments through the expected life of the financial asset or liability to the gross carrying amount at initial recognition.

5.4 Fees and commissions

The calculation of the effective interest rate also includes fees and commission income and expenses that are integral to the effective interest rate of a financial asset or liability.

5.5 Financial assets and financial liabilities

(i) Recognition

The Agency initially recognizes investment in securities, deposits, borrowings, and other subordinated liabilities on the date that they are originated. Frequent purchases and sales of financial assets are recognized on the trade date at which the Agency commits to purchase or sell the asset. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Agency becomes a party to the contractual provisions of the instrument.

(ii) Classification

Financial assets

When a financial asset or a financial liability is not defined at fair value through profit or loss, it is measured at fair value plus the transaction costs that are directly attributable to its acquisition or issuing.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- Debt instruments that are held under a business model to hold these financial assets to collect contractual cash flows; and
- In the basic agreement of the issuance of the asset, it must be specified that the cash flows/returns will be settled on specified dates and are only payments of principal and interest calculated on the outstanding principal.

Debt instruments that meet the following conditions are measured upon initial recognition at fair value through comprehensive income:

- Debt instruments that are held under a business model to hold these financial assets to collect contractual cash flows; and
- To sell financial instruments that have cash flows/returns to be settled on specified dates and consist solely of payments of principal and interest calculated on the outstanding principal.

5. Summary of material accounting policies (continued)

5.5 Financial assets and financial liabilities (continued)

(ii) Classification (continued)

(i) Amortized cost and effective interest rate

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

As of December 31, 2025, and December 31, 2024, the Agency's financial assets consist of cash and cash equivalents, and securities classified as held to collect contractual cash flows. There were no changes in the classification of financial assets during the years ended December 31, 2025, and December 31, 2024. See Note 5.6, 5.7 and 5.8.

Financial liabilities

The Agency classifies its financial liabilities, , as measured at amortized cost or at fair value through profit or loss. As of December 31, 2025, and December 31, 2024, the Agency's financial liabilities consist solely of trade payables and other liabilities measured at amortized cost.

5. Summary of material accounting policies (continued)

5.5 Financial assets and financial liabilities (continued)

(iii) Impairment of financial assets

The Agency recognizes an allowance for expected losses for financial assets that are measured at amortized cost or fair value through other comprehensive income. The amount of expected loss is assessed at each reporting date to reflect changes in credit risk since initial recognition of the financial instrument. The Agency estimates lifetime expected losses for a financial instrument when there has been a significant increase in credit risk since initial recognition. However, if there has been no significant increase in credit risk, the Agency estimates the allowance for credit losses at the amount of expected losses over the 12-month life of the financial asset.

Lifetime expected credit losses will result from all possible loss events over the life of the financial instrument. Meanwhile, the expected loss for the last 12 months represents the portion of expected losses from expected losses over the asset's life that is expected to result from loss events that may occur within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Agency compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Agency considers both quantitative and qualitative information that is reasonable and supportable, including and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the sector in which the Agency operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Agency's core operations. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition: looking information that is available without undue cost or effort.looking information that is available without undue cost or effort. Forwardlooking information considered includes the future prospects of the sector in which the Agency operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant thinktanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Agency's core operations. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition :

- External credit ratings issued by Standard & Poor's (S&P) are taken into consideration in assessing credit risk deterioration. Any downgrade in the S&P credit rating of a counterparty or government bond, including verified rating downgrades of the government, is evaluated as an indicator of a potential significant increase in credit risk.
- Significant deterioration in external market indicators of credit risk for a particular financial instrument
- For instruments in the form of bonds, credit risk is considered to have increased significantly since initial recognition if there is a delay of 30 days or more in the payment of any contractual amount due to the Company.

Despite the preceding, the Agency assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

5. Summary of material accounting policies (continued)

5.5 Financial assets and financial liabilities (continued)

(iii) Impairment of financial assets (continued)

A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,

(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(4) Instruments with investment grade external rating.

The Agency considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition.

The Agency regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of loss

The Agency considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Agency

The measurement of expected losses is a function of the probability of loss, the potential loss and the exposure to loss. The assessment of the probability of loss and the possibility of loss is based on historical data adjusted for future information as described above.

While the exposure to loss for financial assets consists of the gross amount of the asset at the reporting date. For financial assets, the expected loss is estimated as the difference between all contractual cash flows owed to the Agency under the contractual obligations and the cash flows expected to be received by the Agency discounted at the original effective interest rate at the time of investment. The Agency recognizes an impairment loss or gain on all financial assets in the income statement, with a corresponding adjustment to their carrying amount through an allowance account, except for instruments measured at fair value through comprehensive income, for which the allowance is recognized in the statement of comprehensive income and collected in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

(iii) Derecognition

The Agency derecognizes a financial asset when the contractual rights to the cash flows generated from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Agency neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in such transferred financial assets that qualify for derecognition that are created or retained by the Agency is recognized as a separate asset or liability.

5. Summary of material accounting policies (continued)

5.5 Financial assets and financial liabilities (continued)

(iii) Impairment of financial assets (continued)

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Financial liabilities

The Agency derecognizes financial liability when its contractual obligations are discharged, cancelled, or expired.

(iv) Offsetting

Financial assets and liabilities are offset and presented with their net balance in the statement of financial position only when the agency has the legal right to do so. The agency intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from similar transactions.

(v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

When applicable, the Agency measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. When there is no quoted price in an active market, the Agency uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction

The best benchmark of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Agency determines that the fair value at initial recognition differs from the transaction price, and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data, or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, the Agency measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Agency's accounting policy on fair value measurements is set out in Note 7.1.

5. Summary of material accounting policies (continued)

5.5 Financial assets and financial liabilities (continued)

(iii) Impairment of financial assets (continued)

The Agency measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Agency determines fair values using other valuation techniques.

Other valuation techniques include the net present value and discounted cash flow models, using similar instruments for which market observable prices exist.

The objective of valuation techniques is to obtain a fair value measurement that reflects the price that would be received when selling the asset or paid when transferring the liability through orderly transactions between market participants at the measurement date.

Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives like interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in financial markets.

5.6 Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with banks and highly liquid deposits in the Bank of Albania, with original maturities of three months or less, subject to insignificant risk of changes in their fair value and are used by the Agency in the management of its activity. Cash equivalents are carried at amortized cost in the statement of financial position, which approximates fair value due to their short-term nature.

5.7 Insurance premiums receivables

Insurance premiums receivables are carried at amortized cost in the statement of financial position, which approximates fair value due to their short-term nature.

5 Summary of material accounting policies (continued)

5.8 Financial instruments held to collect contractual flows

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, adding incremental direct transaction costs. Agency' financial assets are classified as held to collect because considering their business model they are held to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

5.9 Property and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes all expenditures that are directly attributable to the acquisition of the asset.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within "Other income" in the statement of profit or loss.

ii. Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits from the expenditure will flow to the Agency. Ongoing repairs and maintenance are expensed as incurred.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognized in profit or loss. The estimated useful lives for the current and comparative periods of significant items of property and equipment are as follows:

• Buildings and improvements	25-40 years
• Computer equipment	3-5 years
• Vehicles	5 years
• Office furniture and supplies	3-20 years
• Technical installations	4-20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5.10 Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Cost includes all expenditures that are directly attributable to the acquisition of the asset. Subsequent expenditure is capitalized only when it is probable that the future economic benefits from the expenditure will flow to the Agency. Ongoing repairs and maintenance are expensed as incurred. Intangible assets are amortized on a straight-line basis over a period of three to four years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5. Summary of material accounting policies (continued)

5.11 Provisions

A provision is recognized if, as a result of a past event, the Agency has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for insured deposits compensation

Provisions for insured deposits compensation represent the best estimates of the Agency, for present obligation as a result of an intervention on an insured institution, for which the Agency is notified in writing by Bank of Albania. Such provision is recognized in the period when notified in writing by the Bank of Albania on the intervention of an insured institution.

As of December 31, 2025, and December 31, 2024, no such event has occurred (see Note 6.3), hence no provision is recognized in the statement of financial position

5.12 Taxation

In accordance with the Law on "Deposit insurance", the Agency is exempted from value added tax and tax on profit. The Agency is subject to local taxes and fees.

5.13 Employees' contributions and benefits

The Agency makes only compulsory health insurance contributions and social security contributions that provide pension benefits for employees upon retirement. The local authorities are responsible for providing the legal thresholds for such contributions in Albania under defined contribution plans. The Agency's contributions for health insurance and social security are charged to the profit or loss incurred.

6 Financial risk management

In the ordinary course of its operations, the Agency is exposed to a variety of financial risks, the most important of which are market risk (including currency risk, risk of changes in fair value and interest rates), credit risk and liquidity risk. General risk management is focused on identifying the risks that might affect the financial results and position of the Agency and minimizing the potential negative effects arising from such risks.

Financial risks are currently identified, measured, and monitored through various control mechanisms introduced to adequately assess the market circumstances of its investments, and the ways for maintaining liquid assets to prevent undue risk concentration.

The management of ADIA continuously tries to improve the methods for assessing and managing the risks related to the investment portfolio (credit, liquidity, interest, and currency risks) to ensure effective management of funds and timely fulfilment of its obligations toward insured depositors in case of an insurance event. The administration of funds of the Agency are governed by the law for Deposit Insurance and Regulation "On the administration of financial resources of the Deposit Insurance Agency" ("Investment Policy"), approved by the Supervisory Board.

The Agency's obligations arise from a legal mandate and do not result from the issuance contracts with customers. Accordingly, the activities of ADIA do not fall within the scope of IFRS 17, as the Agency does not enter into contracts that transfer significant insurance risk in exchange for consideration.

6. Financial risk management (continued)

Investment Policy defines the structure of the portfolios according to funds administered by the Deposit Insurance Agency, the criteria for minimizing the risks in the administration, and the conditions for decision-making procedures and implementation of financial management tools. The management of funds of the Agency is carried out by following these principles:

a. the principle of liquidity, according to the titles in which funds are invested must be returned in ALL quickly and with less cost;

b. the principle of security, according to which the Agency diversifies its portfolios by investing in different titles depending on the type and/or maturity and, while keeping credit risk as low as possible; and

c. the principle of the return rate, according to which the actual return rate of the financial instruments in which the tools are invested should be as high as possible.

For management purposes, the financial assets are organized into two tranches. The liquidity tranche serves to cover the needs in the event of a possible insurance event and the needs to cover the expenses for the annual activity of the Agency. This tranche was changed in December 2018 to include the balance in current accounts, deposits, and securities with a remaining maturity of 0 - 3 months. Previously, this tranche included current accounts, deposits, and securities with a remaining maturity at the time of purchase by the Agency of 0 - 3 months. During 2025, the liquidity tranche has not changed. The size of this tranche cannot in any case be less than 10% of the total financial assets for each of the funds administered by the Agency. The investment tranche represents the financial assets after deducting the liquidity tranche. This tranche includes securities with a remaining maturity of up to 15 years. Securities with a remaining maturity of more than 2 years may not have a value greater than 40% of the total financial assets for each of the funds. In order to minimize risks, the investment tranche should aim for a graduated distribution of maturities. The transition from this tranche to the liquidity tranche is carried out in accordance with the Agency's needs for liquid assets. The sizes of the liquidity and investment tranches are determined on the basis of periodic analyses of the financial situation of the banking system and savings and loan associations.

The law on deposit insurance and investment policy defines which financial instruments the Agency is allowed to trade. According to these acts, financial assets must be invested in securities issued by governments or foreign central banks rated as safe by recognized credit rating agencies (rating no lower than AA- / Aa3), or securities issued by the Government of Albania or the Bank of Albania. Financial assets can also be placed in short-term deposit / current accounts at the Bank of Albania or international financial institutions rated as safe by recognized credit rating agencies (rating no lower than AA- / Aa3).

To manage currency and exchange rate risk, financial assets are held in ALL and foreign currency. Allowed foreign currencies are USD and Euro. The amount of each currency held is determined by the annual financial asset's investment strategy. Financial assets in foreign currency part of the bank deposit insurance fund should not be less than 5 % of the total financial means of this fund based on Regulation no. 17, dated 28.07.2016 "On the policy of administration of financial assets of ASD", as amended. In the longer term, considering market conditions, the Agency aims at structuring portfolios in a similar manner to the distribution of the insured deposits according to the different currencies held.

Furthermore, to guarantee the ability to meet obligations to insured depositors, the Agency has entered into an agreement with the Ministry of Finance and the Bank of Albania that in the case of an assurance event, the Agency can easily enter a sale and repurchase transaction regarding the financial assets the Agency owns. In accordance with the law on deposit insurance, in case of a funds' insufficiency, the Agency has the right to require premature payment of annual insurance premiums from institutions, increase annual premiums, collect a special contribution from the insured institution and debt guarantee from the state budget (Article 61 of the law "On deposit insurance"). The Agency's obligations arise from a legal mandate and do not result from the issuance contracts with customers. Accordingly, the activities of ADIA do not fall within the scope of IFRS 17, as the Agency does not enter into contracts that transfer significant risk in exchange for consideration.

6. Financial risk management (continued)

6.1 Credit risk

Credit risk is the risk of a financial loss to the Agency if the counterparty to a financial instrument fails to meet its contractual obligations, and the risk arises mainly from the Agency's investment securities and balances with banks. For risk management reporting purposes, the Agency considers and consolidates all elements of credit risk exposure such as individual obligor default risk and country risk.

To comply with IFRS 9, Agency assess whether the credit risk of bonds has increased since initial recognition by monitoring both S&P rating changes and external Probability of Default (PD) movements. Any downgrade in the S&P rating from the initial recognition signals an increase in credit risk, while a material rise in the external PD indicates credit deterioration.

The Agency applied a PD of 0.09% based on the S&P rating of BB. It was noted that the S&P PD is monthly annualized and therefore does not directly reflect an annual PD. To ensure consistency with IFRS9 standard and enable an accurate comparison, the annual PD from S&Ps was applied in the ECL calculation. The formula for the ECL calculation is:

ECL – Expected Credit Losses calculated at given reporting date.

T – time horizon over which calculation of ECL is executed.

mPDi – Marginal Probability of Default in each i period after reporting date.

EADi – Value of Exposure at Default in each i period after reporting date.

DFi – Discount factor in each i period after reporting date.

The forward-looking information has not been taken into consideration.
The Investment Committee is responsible for the oversight of credit risk, including review and assessment of credit risk, as well as ensuring compliance with established boundaries on the amount of exposure to counterparties/countries and other relevant policies set in the regulatory framework.
The table below presents credit risk exposure by the counterparty (country) and related delinquency or impairment, if any:

	Government of Albania	Total
Investment securities		
As of December 31,2025		
Stage 1 Assets	75,145,754,404	**75,145,754,404**
TOTAL	**75,145,754,404**	**75,145,754,404**
As of December 31,2024		
Stage 1 Assets	68,253,878,313	**68,253,878,313**
TOTAL	**68,253,878,313**	**68,253,878,313**

Cash and Cash equivalents	**Bank of Albania**	**Second Tier Banks**	**Total**
As of December 31, 2025			
Stage 1 Assets	2,575,224,455	25,947,520	2,601,171,975
TOTAL	**2,575,224,455**	**25,947,520**	**2,601,171,975**
As of December 31, 2024			
Stage 1 Assets	2,060,443,486	35,620,511	2,096,063,998
TOTALI	**2,060,443,486**	**35,620,511**	**2,096,063,998**

6. Financial risk management (continued)

6.1. Credit risk (continued)

The table below presents the financial instruments for 2025 and 2024 according to IFRS 9 scales.

Stages according to Expected Loss on Financial Assets December 31, 2025

	Stage 1	Stage 2	Stage 3	TOTAL
Financial instruments held to collect contractual flows	75,146,918,911	-	-	75,146,918,911
Cash and cash equivalents	2,601,171,975	-	-	2,601,171,975
Gross value	**77,748,090,886**	-	-	**77,748,090,886**
Provisions	(1,164,507)	-	-	(1,164,507)
Accounting value, net	**77,746,926,379**	-	-	**77,746,926,379**

There is not any contractual liability for the Agency as of December 31, 2025, and December 31, 2024.

Stages according to Expected Loss on Financial Assets December 31, 2024

	Stage 1	Stage 2	Stage 3	TOTAL
Financial instruments held to collect contractual flows	68,267,667,727	-	-	68,267,667,727
Cash and cash equivalents	2,096,063,998	-	-	2,096,063,998
Gross value	**70,363,731,725**	-	-	**70,363,731,725**
Provisions	(13,789,414)	-	-	(13,789,414)
Accounting value, net	**70,349,942,311**	-	-	**70,349,942,311**

The Agency has no contingent financial commitments as of 31 December 2025 and 31 December 2024.

The Agency uses credit ratings published from international rating agencies for the assessment S&P of probabilities of default of financial assets as detailed below:

Rating according to S&P for 2025	Institution	Probability of default
BB-	Government of Albania	0.09%
BB-	Bank of Albania	0.09%
BB-	Raiffeisen Bank International AG	0.08%
BBB+	Raiffeisen Bank Albania	-
BBB+	Credins Bank	0.09%
No rating published	National Commercial Bank	-
No rating published	Intesa San Paolo	-

Rating according to S&P for 2024	Institution	Probability of default
B+	Government of Albania	0.78%
B+	Bank of Albania	0.78%
BBB+	Raiffeisen Bank International AG	-
BBB+	Raiffeisen Bank Albania	-
No rating published	Credits Bank	-
No rating published	National Commercial Bank	-
BBB	Intesa San Paolo	-

6. Financial risk management (continued)

6.2 Market Risk

Market risk is the risk arising from changes in market prices, such as interest rates, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) which will affect the Agency's income or the value of its holdings of financial instruments. The objective of the Agency's market risk management is to manage and control market risk exposures within acceptable parameters in order to ensure the Agency's solvency while maximizing the return on risk.

(i) Exposure to interest rate risk – held to collect investments

The main risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in future cash flows or fair values of financial instruments as a result of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. The Investment Committee is the monitoring body for compliance within these limits. The financial instruments that are monitored are all with fixed rates.

6. Financial risk management (continued)

6.2. Market risk (continued)

(i) Exposure to interest rate risk – held to collect investments (continued)

A summary of the Agency's interest rate gap position on non-trading portfolios is as follows:

As of December 31,2025	Carrying amount	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	12 – 24 months	2 – 5 years	5 - 15 years
Cash and cash equivalents	2,601,171,975	2,601,171,975	-	-	-	-	-	-
Investments held to collect contractual cash flows	75,145,754,404	776,710,774	-	500,000,000	10,405,560,000	17,558,043,049	26,660,693,574	19,244,747,215
TOTAL	**77,746,926,379**	**3,377,882,749**	**-**	**500,000,000**	**10,405,560,000**	**17,558,043,049**	**26,660,693,574**	**19,244,747,215**

As of December 31,2024	Carrying Amount	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	12 – 24 months	2 – 5 years	5 - 15 years
Cash and cash equivalents	2,096,063,998	2,096,063,998	-	-	-	-	-	-
Investments held to collect contractual cash flows	68,253,878,313	1,959,500,000	6,000,565,000	6,544,990,000	10,906,785,826	19,803,308,947	8,590,225,000	14,448,503,747
TOTAL	**70,349,942,311**	**4,055,563,998**	**6,000,565,000**	**6,544,990,000**	**10,906,785,826**	**19,803,308,947**	**8,590,225,000**	**14,448,503,747**

6. Financial risk management (continued)

6.2 Market risk (continued)

(i) Exposure to interest rate risk –investments at amortised cost (continued)

Management considered a standard scenario that includes a 100-basis point ("bp") parallel fall or rise in all yield curves worldwide. An analysis of the Agency's sensitivity to an increase or decrease in market interest rates is as follows:

Change in rates	As of December 31, 2025	As of December 31,2024
+100bp	777,469,265,858	703,499,425,177
-100bp	(777,469,265,858)	(703,499,425,177)

(ii) Exposure to currency risk

Currency risk is defined as the risk related to movements in exchange rates which may cause significant changes, positive or negative, in the statement of financial position. The Agency is mainly exposed to the risk of changes in the exchange rate of the US dollar and Euro to the Albanian ALL. The existing exposures and limits on such exposures are set and monitored in accordance with the Investment Policy of the Agency.

A summary of the Agency's currency exposure position is as follows (amounts in ALL):

As of December 31, 2025	ALL	USD	EUR
ASSETS			
Cash and cash equivalents	2,578,518,312	345,977	22,307,686
Investments held to maturity to collect contractual cash flows	64,997,082,451	-	10,148,672,160
Other assets	6,127,355	-	7,355
TOTAL ASSETS	**67,580,728,098**	**345,977**	**10,170,987,200**
LIABILITIES			
Other liabilities	(9,096,449)	-	(442,341)
TOTAL LIABILITIES	**(9,096,449)**	-	**(442,341)**
CURRENCY EXPOSURE	**67,571,631,649**	**345,977**	**10,170,544,860**

As of December 31, 2024	ALL	USD	EUR
ASSETS			
Cash and cash equivalents	2,061,956,423	398,314	33,709,261
Investments held to maturity to collect contractual cash flows	59,224,668,280	-	9,029,210,240
Other assets	4,427,163	-	-
TOTAL ASSETS	**61,291,051,866**	**398,314**	**9,062,919,501**
LIABILITIES			
Other liabilities	(16,580,902)	-	-
TOTAL LIABILITIES	**(16,580,902)**	-	-
CURRENCY EXPOSURE	**61,274,470,964**	**398,314**	**9,062,919,501**

6. Financial risk management (continued)

6.2 Market risk (continued)

(iii) Exposure to currency risk (continued)

Foreign currency sensitivity analysis

The table below demonstrates the sensitivity to a 1,500 basis points increase/decrease in the spot rates of ALL against USD and EUR based on the structure of foreign currency-denominated assets and liabilities of the Agency as of December 31, if all other variables remain constant. The effect is measured and presented as an impact on the result and directly on the net assets, holding everything else constant.

	USD		EUR	
	+15%	-15%	+15%	-15%
As of December 31, 2025	51,897	(51,897)	1,525,581,729	(1,515,581,729)
As of December 31, 2024	59,747	(59,747)	1,359,437,925	(1,359,437,925)

On a 15 percent increase in the spot rate of USD and EUR against ALL, the overall impact on the financial result and net assets of the Agency would be an increase as per the table above.

On a 15 percent decrease in the spot rate of the USD and EUR against ALL, the overall impact on the financial result and net assets of the Agency would be equal but in the opposite direction to the increase described above.

6. Financial risk management (continued)

6.3 Liquidity risk

Liquidity risk is the risk that the Agency will not be able to meet its obligations associated with financial liabilities that are settled by delivering cash or another liquid financial asset. The liquidity management policy of ADIA is conservative, maintaining a constant optimal liquid cash reserve to secure an adequate capability for funding its activities. For more information on the policy of the additional financial recourses and assets refer to the beginning of Note 6.

The table below includes the Agency's financial instruments classified by their residual term to maturity based on contractual cash flows.

As of December 31, 2025	Carrying amount in ALL	Up to 1 month in ALL	1 - 3 months in ALL	3 - 6 months in ALL	6 - 12 months in ALL	12 - 24 months in ALL	2 - 5 years in ALL	5 - 15 years in ALL	Total contractual cash flows in ALL
ASSETS									
Cash and cash equivalents	2,601,171,975	2,601,171,975	-	-	-	-	-	-	2,601,171,975
Financial Instruments held to collect contractual flows	75,145,754,404	776,710,774	-	500,000,000	10,405,560,000	17,558,043,049	26,660,693,574	19,244,747,008	75,145,754,404
TOTAL	**77,746,926,379**	**3,377,882,749**	**-**	**500,000,000**	**10,405,560,000**	**17,558,043,049**	**26,660,693,574**	**19,244,747,215**	**77,746,926,379**
LIABILITIES									
Other liabilities	(9,538,790)	-	(9,538,790)	-	-	-	-	-	(9,538,790)
TOTAL	**(9,538,790)**	**-**	**(9,538,790)**	**-**	**-**	**-**	**-**	**-**	**(9,538,790)**
CUMULATIVE LIQUIDITY GAP	**77,737,387,589**	**3,377,882,749**	**(9,538,790)**	**500,000,000**	**10,405,560,000**	**17,558,043,049**	**26,660,693,574**	**19,244,747,215**	**77,737,387,589**

As of 31 December 2025, the liquidity tranche is 12.91%, the tranche for financial instruments with a term of 3-24 months is 53.26% and the investment tranche is 33.83%.

6. Financial risk management (continued)

6.3 Liquidity risk (continued)

As of December 31, 2024	Carrying amount in ALL	Up to 1 month in ALL	1 - 3 months in ALL	3 - 6 months in ALL	6 - 12 months in ALL	12 - 24 months in ALL	2 - 5 years in ALL	5 - 15 years in ALL	Total contractual cash flows in ALL
ASSETS									
Cash and cash equivalents	2,096,063,998	2,096,063,998	-	-	-	-	-	-	**2,096,063,998**
Financial Instruments held to collect contractual flows	68,253,878,313	1,959,500,000	6,000,565,000	6,544,990,000	10,906,785,826	19,803,308,947	8,590,225,000	14,448,503,747	**68,253,878,313**
TOTAL	**70,349,942,311**	**4,055,563,998**	**6,000,565,000**	**6,544,990,000**	**10,906,785,826**	**19,803,308,947**	**8,590,225,000**	**14,448,503,747**	**70,349,942,311**
LIABILITIES									
Other liabilities	16,580,902	-	16,580,902	-	-	-	-	-	**16,580,902**
TOTAL	**16,580,902**	**-**	**16,580,902**	**-**	**-**	**-**	**-**	**-**	**16,580,902**
CUMULATIVE LIQUIDITY GAP	**70,333,361,409**	**4,055,563,998**	**5,983,984,098**	**6,544,990,000**	**10,906,785,826**	**19,803,308,947**	**8,590,225,000**	**14,448,503,747**	**70,333,361,409**

As of 31 December 2024, the liquidity tranche is 12.55%, the tranche for financial instruments with a term of 3-24 months is 53.93%, and the investment tranche 33.52%.

6. Financial risk management (continued)

6.3 Liquidity risk (continued)

Financial stability

The stability of the banking sector is the main factor affecting the liquidity position of the Agency. The Agency, through the information received from the Bank of Albania, continuously monitors the stability of the banking sector in order to forecast its obligations towards insured depositors in accordance with the law "On deposit insurance".

According to the latest financial stability report, the Bank of Albania assesses that the banking sector slightly contracted, due to the statistical effect of the overvaluation of the ALL-exchange rate. According to activity indicators, this trend was primarily influenced by a decrease in the reported value of transactions with the treasury and interbank transactions, as well as a contraction in lending, where the use of foreign currency is relatively higher. On the other hand, the banking sector has increased investments in securities and reduced provisions for assets. On the liability side, the main reducing effect of the overvaluation of the ALL exchange rate was felt in the reported value of deposits and capital.

The liquidity risk in the banking sector remains under control. The main liquidity indicators for both domestic and foreign currencies continue to be significantly above the minimum thresholds set by regulatory acts. Liquid assets have expanded at a somewhat faster rate compared to short-term liabilities, and the main liquidity risk indicator has slightly improved.

7 Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected

Management discusses with the Agency's Supervisory Board the development, selection, and disclosure of critical accounting policies and their application, and assumptions made related to major estimation uncertainties. Information about assumptions and estimation uncertainties, which have a significant risk of resulting in a material adjustment within the next financial year, and information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are disclosed below.

Management has considered a standard scenario that includes an increase or decrease of 10% in the probability of default (PD) and expected credit loss (ECL). The sensitivity analyses of Agency's possible losses because of the increase or decrease of credit loss indicators are presented in the table below:

	PD and ECL	
	+10%	-10%
Impairment As of December 31, 2025, for cash and cash equivalents	1,049	(1,049)
Provision for financial assets	116,451	(116,451)

	PD and ECL	
	+10%	-10%
Impairment As of December 31, 2024,		
for cash and cash equivalents	398,185	(398,185)
Provision for financial assets	1,378,941	(1,378,941)

These disclosures supplement the commentary on financial risk management (see Note 6).

7. Use of estimates and judgements (continued)

7.1 Fair Value of Financial Instruments

Accounting classifications and fair values for the financial instruments are presented below:

As of December 31,2025	Financial assets at amortized cost	Investments held at fair value through other comprehensive income (FVOCI)	Investments held at fair value through profit or loss (FVPL)	Other held at amortized cost	Carrying amount	Fair value
ASSETS						
Cash and cash equivalents	2,601,171,975	-	-	-	2,601,171,975	2,601,171,975
Investments held to maturity to collect contractual cash flows	75,145,754,404	-	-	-	75,145,754,404	75,145,754,404
TOTAL	**77,746,926,379**	-	-	-	**77,746,926,379**	**77,746,926,379**
LIABILITIES						
Other liabilities	-	-	-	9,538,790	9,538,790	9,538,790
TOTAL	-	-	-	**9,538,790**	**9,538,790**	**9,538,790**

As of December 31, 2024	Financial assets at amortized cost	Investments held at fair value through other comprehensive income (FVOCI)	Investments held at fair value through profit or loss (FVPL)	Other held at amortized cost	Carrying amount	Fair value
ASSETS						
Cash and cash equivalents	2,096,063,998	-	-	-	2,096,063,998	2,096,063,998
Investments held to maturity to collect contractual cash flows	68,253,878,313	-	-	-	68,253,878,313	60,750,458,984
TOTAL	**70,349,942,311**	-	-	-	**70,349,942,311**	**62,846,522,982**
LIABILITIES						
Other liabilities	-	-	-	16,580,902	16,580,902	16,580,902
TOTAL	-	-	-	**16,580,902**	**16,580,902**	**16,580,902**

Due to their short-term maturity, Management estimates the fair values of the cash and cash equivalents and other similar liabilities to be equal to their carrying amounts at the end of December 31, 2025, and 2024. Management estimated the fair value of financial assets measured at amortized cost in treasury securities using observable market rates (level 2) for similar securities with similar maturity based on their remaining maturity as of December 31, 2025, and 2024.

8. Cash and cash equivalents

Cash and cash equivalent balances as of December 31, 2025, and December 31, 2024, are detailed as follows:

Bank balances	**December 31, 2025**	**December 31, 2024**
Short-term deposits with the Bank of Albania (7 days)	2,573,690,000	2,059,010,000
Current accounts with Raiffeisen Bank International	20,670,889	36,073,699
Current accounts with Raiffeisen Bank	2,592,344	1,269,789
Current accounts in BKT	1,899,297	549,105
Current accounts with the Bank of Albania	1,534,455	1,433,487
Current accounts at Intesa San Paolo	488,749	1,401,443
Current accounts in Credins	304,733	308,331
Current accounts in OTP	2,000	-
Provision for foreign currency bank accounts	(10,492)	(3,981,856)
TOTAL	**2,601,171,975**	**2,096,063,998**

The regulation "On the administration of financial assets of the Agency of Insurance Deposit", approved on July 28, 2016, requires that the liquidity tranche should not be less than 10% of the total financial assets for each of the funds managed by the Agency. This tranche includes the situation in current accounts, deposits, and securities with a remaining maturity of 0-3 months. (Note 9). Short-term deposits at Bank of Albania are invested in compliance with Bank of Albania's Supervisory Board decision no. 39 dated 18.07.2007 with a maturity of 7 days deposits with an interest rate of 10 basis points less than the base interest rate.

The agency has assessed the credit risk related to bank accounts held in foreign currency and has calculated expected credit loss in accordance with the model raised for the implementation of IFRS 9, using the probability of default, exposure at default, and probability of loss. The ratings of the institutions in which the Agency holds bank accounts in currency and in foreign currency are given in note 6.1.

As of December 31, 2025, and 2024, the movement of provision expense recognized for bank accounts held in foreign currency at Bank of Albania is detailed below:

	2025	**2024**
Opening balances as of January 1	**(3,981,702)**	**154**
Provision expenses recognized during the year		(3,991,847)
Reversal of provision during the year	3,981,210	
Total provision expenses, net	**(10,492)**	**(3,981,702)**
Closing balance as of December 31	**(10,492)**	**(3,981,702)**

9. Investments held to collect contractual cash flows

The securities according to their contractual value are presented as follows:

	December 31, 2025	**December 31, 2024**
Investments in Albanian Government securities in nominal value	66,551,194,000	62,521,782,500
Investments in Foreign Government securities in nominal value	7,838,370,000	5,025,280,000
Accrued interest	910,658,700	857,273,750
Discount of Treasury Bills of Albanian Government	(132,783,626)	(152,408,519)
Premium of Albanian Government bonds	(20,520,163)	15,739,996
Provision for Albanian Government Bonds held in Euro	(1,164,507)	(13,789,414)
TOTAL	**75,145,754,404**	**68,253,878,313**

9.1 Albanian Government Treasury Securities (continue)

Investments in Albanian Government securities are detailed as follows:

Classification based on currency	**December 31, 2025**	**December 31, 2024**
Treasury Securities in ALL	64,998,246,750	59,238,457,693
Treasury Securities in EUR	10,147,507,654	9,015,420,620
TOTALI	**75,145,754,404**	**68,253,878,313**

S&P Rating	**December 31, 2025**	**December 31, 2024**
Albanian Government Rated B+	75,145,754,404	68,253,878,313
TOTALI	**75,145,754,404**	**68,253,878,313**

Albanian Government securities by contractual maturity are presented as follows.

	December 31, 2025	**Weighted average yield**	**December 31, 2024**	**Weighted average yield**
Treasuries in ALL				
12 months	10,905,560,000	2.60%	10,592,540,000	3.15%
24 months	27,177,000,000	3.47%	24,883,200,000	4.27%
3 years	800,000,000	3.70%	400,000,000	4.30%
5 years	500,000,000	5.18%	600,000,000	4.39%
7 years	12,830,100,000	5.12%	12,030,100,000	5.11%
10 years	9,800,000,000	6.15%	9,000,000,000	6.13%
15 years	2,196,700,000	6.24%	996,700,000	6.38%
TOTAL	**64,209,360,000**		**58,502,540,000**	
Treasuries in EUR				
12 months	-	0.00%	1,472,250,000	0.96%
24 months	5,699,753,000	1.17%	2,326,155,000	0.53%
3 years	2,138,617,000	1.46%	981,500,000	1.72%
5 years	58,062,000	3.50%	1,889,387,500	3.50%
7 years	1,538,643,000	3.50%	1,619,475,000	3.50%
10 years	745,129,000	3.50%	755,755,000	3.50%
TOTAL	**10,180,204,000**		**9,044,522,500**	

The Agency has assessed the credit risk using the probability of default, exposure at default, and probability of loss. The management of the Agency considers historical analyses and other information related to the future to assess any possible expected loss. As of December 31, 2025, and 2024, the investment portfolio of the Agency includes only Albanian Government securities. Management of the Agency assesses that Albanian Government securities held in ALL, have a credit risk of almost zero, thus there is no impairment recognized for these securities.

The Agency has recognized a provision only for financial assets in EUR, considering the currency risk, although it assesses that the Albanian Government does not present an increased credit risk for these securities.

	2025	**2024**
Opening balance of January 1	**13,789,414**	**16,742,342**
Provision expenses recognized during the year		-
Reversal of provision during the year	12,624,907	2,952,928
Closing balance as of December 31	**1,164,507**	**13,789,414**

10. Property, plant and equipment

	Buildings	Technical installations	Computer Equipment	Vehicles	Office Supplies	Total
Cost						
As of January 01, 2024	**76,029,189**	**16,107,618**	**32,619,458**	**9,887,136**	**13,467,187**	**148,110,588**
Additions	1,101,200	45,600	8,431,104	-	135,000	9,712,904
As of December 31, 2024	**77,130,389**	**16,153,218**	**41,050,862**	**9,887,136**	**13,602,187**	**157,823,797**
Additions	120,000					120,000
Disposals		(944,000)	(4,153,549)	(2,594,985)	(3,744,782)	(11,437,316)
As of December 31, 2025	**77,250,389**	**15,209,218**	**36,897,313**	**7,292,151**	**9,857,405**	**146,506,476**
Accumulated depreciation						
As of January 01, 2024	**(37,303,788)**	**(11,221,932)**	**(21,272,731)**	**(8,519,460)**	**(12,384,697)**	**(90,702,608)**
Changes for the period	(1,975,163)	(1,244,965)	(3,883,515)	(911,784)	(269,690)	(8,285,117)
As of December 31, 2024	**(39,278,951)**	**(12,466,897)**	**(25,156,246)**	**(9,431,244)**	**(12,654,387)**	**(98,987,725)**
Changes for the period	(2,006,444)	(1,125,560)	(5,924,994)	(981,967)	(233,800)	(10,272,765)
Disposals		944,000	5,502,811	3,647,136	3,890,558	13,984,505
As of December 31, 2025	**(41,285,395)**	**(12,648,457)**	**(25,578,429)**	**(6,766,075)**	**(8,997,629)**	**(95,275,984)**
Net carrying amount						
As of December 31, 2023,	**38,725,401**	**4,885,686**	**11,346,733**	**1,367,676**	**1,082,490**	**57,407,986**
As of December 31, 2024	**37,851,438**	**3,686,321**	**15,894,616**	**455,892**	**947,800**	**58,836,072**
As of December 31, 2025	**35,964,994**	**2,560,761**	**11,318,884**	**526,076**	**859,776**	**51,230,491**

As of December 31, 2025, and 2024, the Agency has no tangible asset set as collateral.

11. Intangible assets, net

	Software	Total
Cost		
As of January 1, 2024	**82,738,802**	**82,738,802**
Additions	-	-
As of December 31, 2024	**82,738,802**	**82,738,802**
Additions	3,963,000	3,963,000
As of December 31, 2025	**86,701,802**	**86,701,802**
Accumulated depreciation		
As of January 1, 2024	**(80,176,703)**	**(80,176,703)**
Amortization for the year	**(534,874)**	**(534,874)**
As of December 31, 2025	**(80,711,577)**	**(80,711,577)**
Amortizimi i vitit	(1,301,000)	(1,301,000)
As of December 31, 2025	**(82,012,577)**	**(82,012,577)**
Net carrying amount		
As of December 31, 2023	**2,562,100**	**2,562,100**
As of December 31, 2024	**2,027,225**	**2,027,225**
As of December 31, 2025	**4,689,227**	**4,689,227**

12. Other assets net

	December 31, 2025	December 31, 2024
Inventory	1,531,308	1,944,080
Prepaid expenses	690,998	960,622
Other assets	2,912,384	1,522,461
TOTAL	**5,134,690**	**4,427,163**

Other assets consist of the amount of ALL 4,365,441 related to the reimbursement of direct and indirect costs from the administration of the Resolution Fund (note 18), as well as an amount of ALL 1,469,036 representing a premium paid in advance for the bank fund. This amount will be recognized in the 2026 financial statements as a 2026 premium. (note 24).

13. Other liabilities

	December 31, 2025	December 31, 2024
Accrued expenses	4,721,950	3,270,020
Social and health insurance	1,051,123	1,224,640
Other liabilities	1,274,050	1,767,440
Personal income tax	2,491,667	10,318,802
TOTAL	**9,538,790**	**16,580,902**

Accrued expenses are related to outstanding invoices for 2025 for liabilities related to the purchase of computer equipment and to the external audit service and internal audit, as well as liabilities for outstanding invoices (monthly operating liabilities).

Other liabilities relate to invoices received but unpaid by 31 December 2025 for the maintenance of infrastructure, information equipment, etc., which were paid in early 2026.

14. Initial establishment funds

As of December 31, 2025, the Initial Establishment Fund for Bank Deposit Insurance of ALL 400,000,000 (December 31, 2024: ALL 400,000,000) and the Initial Establishment Fund for SLA Deposit Insurance of ALL 76,000,000 (December 31, 2024:ALL 76,000,000) represent the contributions of the State Budget to the deposit insurance funds in banks and SLA. According to the Law "On Deposit Insurance", as amended, the Initial establishment Funds may be used for the preparation and financing of deposit compensation. At the request of the Agency and with the approval of the Albanian Government, the Basic Funds may be increased by additional contributions of the State Budget.

15. Income from insurance premiums

For the year ended 31 December 2025, the Agency's income from insurance premiums collected from 11 banks and 9 savings and loan associations amounted to 4,707,105,333 ALL (2024: ALL 4,422,317,060). At the end of 2025, 11 banks and 9 savings and loan associations were members of the deposit insurance scheme.

In accordance with the Law on Deposit Insurance, the deposit insurance premium is calculated by the member entities on a quarterly basis. For banks, the quarterly insurance premium is calculated as 0.125% of the arithmetic average of the amount of insured deposits registered with the bank on the last day of each month of the previous quarter. For savings and loan companies, the quarterly insurance premium is calculated as 0.075% of the arithmetic average of the amount of insured deposits registered in these companies on the last day of each month of the previous quarter.

16. Interest income

Interest income for the year ended on December 31, 2025, and 2024 are generated from the following activities:

	December 31, 2025	December 31, 2024
Albanian Treasury Securities in ALL	2,598,780,611	2,509,356,025
Albanian Treasury Securities in EURO	241,338,932	233,625,560
Short-term deposits at the Bank of Albania	87,080,974	99,160,811
Other income from interest	437,210	1,525,806
TOTAL	**2,927,637,727**	**2,843,668,202**

17. Other operating income

	December 31, 2025	December 31, 2024
Income from other administration	3,243,723	3,151,927
TOTAL	**3,243,723**	**3,151,927**

Other income includes the amount that the Agency will compensate from the Resolution Fund for its administration in the amount of ALL 3,243,723.

In accordance with Article 16 of the Regulation "On the Resolution Fund and the Procedures for its Administration" approved by Council of Ministers No. 56 dated 03.10.2017, the Agency receives an annual payment for the reimbursement of costs for the administration of the financial means of the Resolution Fund. The Resolution Fund Authority decides on the amount of the reimbursement of costs based on the detailed report that the Agency sends for the annual expenses incurred for the administration of the Resolution Fund.

(All amounts are in ALL unless otherwise stated)

18. Other financial expenses

	December 31, 2025	December 31, 2024
Other financial expenses	7,333,786	6,566,126
TOTAL	**7,333,786**	**6,566,126**

The Agency incurs financial expenses for maintaining its portfolio in Albanian lek and euro with the Bank of Albania and Raiffeisen Bank International (RBI).The Agency also pays account maintenance fees to second-level banks in which it holds accounts for the purpose of carrying out its daily operations.

19. Personnel expenses

Personnel expenses for the year ended December 31, 2025, and 2024 are as follows:

	December 31, 2025	December 31, 2024,
Expenses for salaries and bonuses	78,685,485	80,964,114
Social security and health insurance	8,150,666	8,502,994
Other	-	171,686
TOTAL	**86,836,151**	**89,638,794**

Other personnel expenses include economic aid given to the Agency's employees, travel and per-diem expenses within the country and expenses for private health and life insurance of employees. The categories of employees of the Agency for 2025 and 2024 are given in the following table:

Number of FTEs

	December 31, 2025	December 31, 2024
High management	-	1
Low management –group II.1	1	2
Low management –group II.2	7	7
Professional services -group III	6	7
Professional services -group IV	8	8
General services	2	2
TOTAL	**24**	**27**

The average number of employees for the year 2025 is 24 (2024: 27).

20. Administrative expenses

	December 31, 2025	December 31, 2024
Board fees	5,029,525	5,388,777
Professional services	3,572,678	2,628,000
Maintenance and repairs	2,802,774	3,479,943
Training and continuing education	2,751,830	2,399,342
Membership fees (EFDI, IADI)	2,348,550	1,849,128
Utility services	1,613,297	1,922,848
Postage and communication expenses	697,124	714,358
Publications and subscriptions	673,960	1,321,863
Office equipment expenses	531,563	247,529
Local fees and taxes	15,000	15,000
Seminars and conferences	-	234,135
Provisions for other creditors	-	2,207,859
Other operating expenses	2,541,972	4,764,902
TOTAL	**22,578,176**	**27,173,684**

Other operating expenses relate to expenses for waiting escorts and arrangements, expenses for securing the assets of the Agency and maintaining physical security, expenses for fuel for the Agency vehicle, and cleaning expenses. Audit fee costs are included in the professional services in the amount of Lek 1,346,678 (2024: Lek 691,200)

Professional services include costs for financial consulting services.

21. Comprehensive income of deposits insurance funds

Based on the law on deposit insurance, the Agency maintains separate accounting records for the bank deposit insurance fund and the saving and credit association deposit insurance fund. The accumulated funds are surplus/deficit by profits/losses from the activity of the Agency.

	Year ended December 31, 2025		
	Deposits insurance fund in		
	Banks	SCA	Total
Operating income:			
Income from insurance premiums	4,682,456,243	24,649,090	4,707,105,333
Interest income from investing activity	2,917,948,687	9,689,040	2,927,637,727
Other operating income	3,243,723		3,243,723
	7,603,648,653	**34,338,131**	**7,637,986,783**
Financial expenses			
Loss from foreign currency translation			
Other financial expenses	(126,959,075)	-	(126,959,075)
	(7,083,786)	(250,000)	(7,333,786)
Operating expenses:	**(134,042,861)**	**(250,000)**	**(134,292,861)**
Personnel expenses			
Administrative expenses	(86,836,151)		(86,836,151)
Depreciation expenses	(22,422,818)	(155,358)	(22,578,176)
Impairment of financial assets	(11,530,157)	(43,613)	(11,573,770)
	-		
	(120,789,126)	**(198,971)**	**(120,988,097)**
Reversal of provision for financial assets	17,084,106		17,084,106
SURPLUS OF INCOME OVER EXPENDITURES FOR THE YEAR	**7,365,900,104**	**33,889,820**	**7,399,789,924**
Other comprehensive income	-	-	-
TOTAL OF COMPREHENSIVE INCOME	**7,365,900,104**	**33,889,820**	**7,399,789,924**

21. Comprehensive income of deposits insurance funds (continued)

	Year ended December 31, 2024 Deposits insurance fund in		
	Banks	SCA	Total
Operating income:			
Income from insurance premiums	4,398,825,789	23,491,271	4,422,317,060
Interest income from investing activity	2,832,739,715	10,928,487	2,843,668,202
Other operating income	3,151,927	-	3,151,927
Financial expenses			
Loss from foreign currency translation	(512,960,331)	-	(512,960,331)
Other financial expenses	(6,316,126)	(250,000.00)	(6,566,126)
Operating expenses:			
Personnel expenses	(89,638,794)	-	(89,638,794)
Administrative expenses	(27,041,706)	(131,977)	(27,173,684)
Depreciation expense	(12,811,839)	-	(12,811,839)
Provision expenses for monetary assets	-	-	-
Reversal of provision for financial assets	2,962,918	-	2,962,918
SURPLUS OF INCOME OVER EXPENDITURES FOR THE YEAR	**6,588,911,553**	**34,037,781**	**6,622,949,334**
Other comprehensive income	-	-	-
TOTAL OF COMPREHENSIVE INCOME	**6,588,911,553**	**34,037,781**	**6,622,949,334**

22. Relations and transactions with governmental institutions, bodies and enterprises

The Agency considers related parties in accordance, detailed as follows:

- State institutions with which the Agency has relationships based on its legal status and functions.
- Members of the Supervisory Council and other key executives designated as persons having authority and responsibility for planning, directing, and controlling the activity of the Agency, directly or indirectly, including any director (whether executive or otherwise) of the Agency.

The Bank of Albania and the Ministry of Finance are the governmental institutions with which the Agency has established regular relations in accordance with its legal status and functions and in line with relevant legal requirements (Note 6).

The Agency is governed by the Supervisory Board. The members of the board are appointed in accordance with the Law on deposits insurance, amended (Note 2).

A significant portion of the financial assets are invested in debt instruments issued by the Government of Albania or placed into short deposits with Bank of Albania (Notes 8 and 9). Investment securities are acquired both in the primary market though participation in auctions and the secondary market.

22. Relations and transactions with governmental institutions, bodies and enterprises (continued)

Related party transaction transactions are as follows:

Statement of Financial Position	December 31, 2025	December 31, 2024
Assets		
Albanian Government securities (note 9.1)	75,145,754,404	68,253,878,313
Current accounts at Bank of Albania (note 8)	1,534,455	1,433,487
Short term deposits at Bank of Albania (note 8	2,573,690,000	2,059,010,000
Other assets)	4,365,442	3,727,929
TOTAL	**77,725,344,301**	**70,318,049,729**

Statement of Income and Expenditures	December 31, 2025	December 31, 2024
Interest income from Albanian Government securities (note 18)	2,766,042,794	2,706,721,037
Interest income from short term deposits with Bank of Albania (note 18)	87,080,974	99,160,811
Other income from Resolution Funds (note 18)	3,243,723	3,151,927
Supervisory Board honorarium	(5,029,525)	(5,388,777)
Fees for the securities accounts at Bank of Albania	(750,000)	(750,000)
TOTAL	**2,850,587,966**	**2,802,894,999**

23. Litigations and claims

During the normal course of business, the Agency might be involved in legal claims or actions against third parties. The Agency, by decision no. 3803 dated October 6, 2017 of the Administrative Court of First Instance, is entitled to compensation from the Pacific-Petroleum Albania Company sh.p.k for the amount of ALL 270,504, an obligation that has not been repaid during these years. The Agency has provisioned the expected amount in 2018 as it estimates that the possibility of the execution of the obligation by the defendant Agency is small. Based on the opinion of the Agency's Management, the final conclusion regarding the legal issues will not have an effect on the Agency's financial position or will not bring changes in assets. During 2024, the Agency received notification of Decision no. 994, dated 21.02.2024 of the Court of First Instance of General Jurisdiction has determined the obligation of the defendant Agency to compensate its former employee in the amount of ALL 2,207,859. This obligation was settled during the year 2025.

24. Events after the reporting date

On 28 February 2026, United States and Israel launched military strikes on Iran targeting its missile infrastructure, military sites and leadership in the capital, Tehran, and across the country resulting in the death of Iran's Supreme Leader and dozens of senior figures. The US and Israel have continued to target key sites linked to Iran's nuclear program, whereas Tehran retaliated with strikes against several of its neighbours, including US-allied Gulf states. As of the date of these financial statements, the conflict has escalated into a regional one, and consequences are already extending far beyond the Middle East, however, due to its nature which is unfolding on daily basis, its effects remain unknown. Management of the Agency has assessed the implications of these events both in the Albanian economic situation along with Agency's financial position and has concluded that no adjustments are needed to these financial statements. For further details please refer to note 3 (e).

There are no significant subsequent events after the reporting date which require either adjustment or disclosure to these financial statements, except for the event mentioned above.