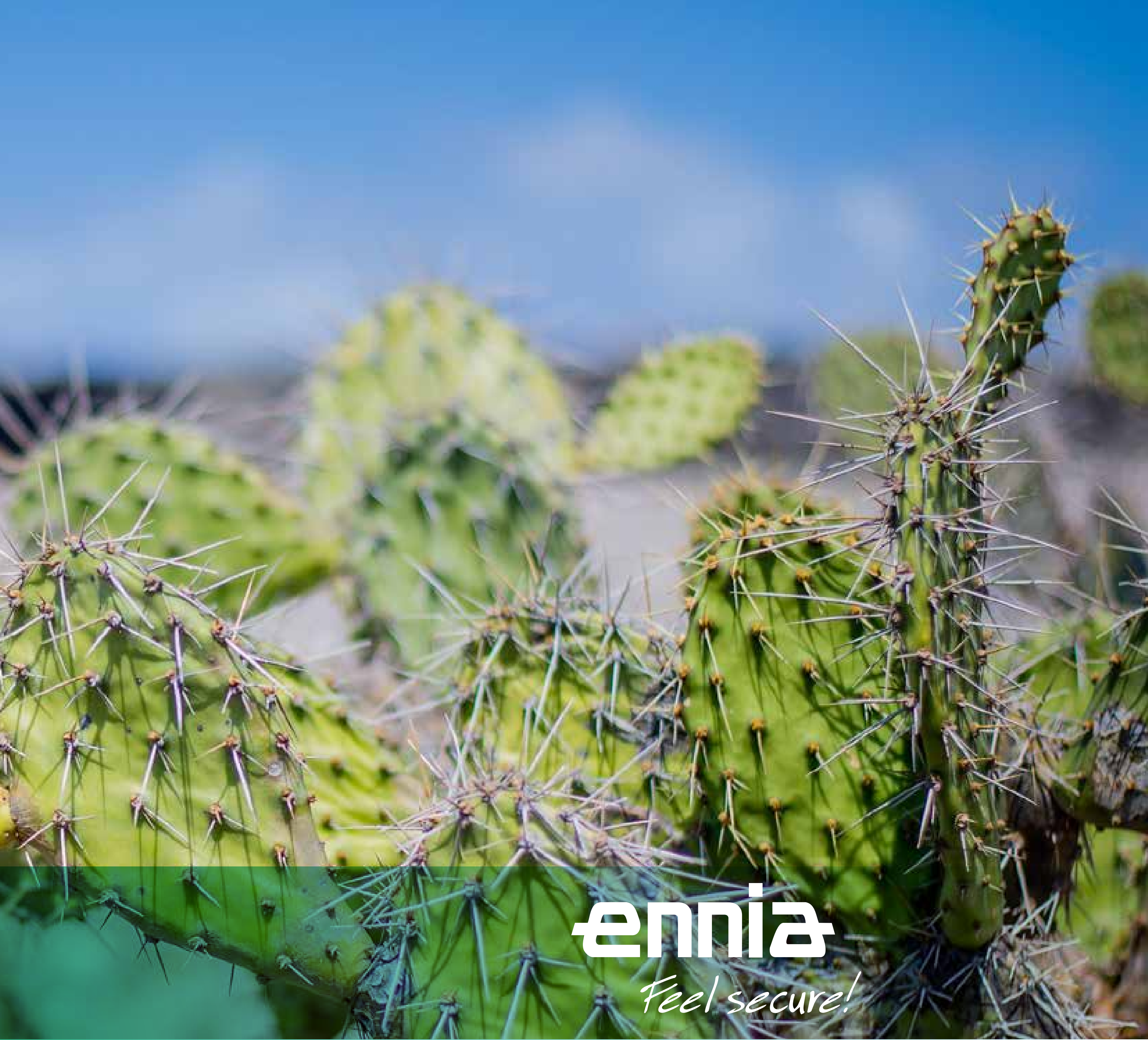


ENNIA Caribe Schade (Aruba) N.V.

Annual Report 2023

Grant Thornton

Content table

ENNIA CARIBE SCHADE (ARUBA) N.V.

Supervisory Board Report

The Supervisory Board is pleased to reflect on a year of significant progress and achievements in 2023. Through a collaborative effort among all stakeholders, we navigated numerous challenges and capitalized on opportunities to enhance our company's standing. Regular and transparent communication with the Executive Board and Shareholders was a cornerstone of our success, enabling us to address complex issues with agility and precision. Key areas of focus included strategic investments and rigorous risk management, all while fostering an environment of mutual respect and teamwork. This approach has consistently yielded effective solutions and positive outcomes.

Innovative Strategy and Enhanced Risk Management

In 2023, our commitment to innovation and sustainability remained steadfast. We undertook a comprehensive review and update of our corporate strategy, aligning it with the latest market trends and sustainable practices. This strategic overhaul is set to propel us towards sustainable growth and long-term profitability.

A significant milestone this year was the enhancement of our Risk Management Program. By leveraging external expertise, we strengthened our risk assessment and mitigation processes, ensuring resilience in the face of market fluctuations and operational challenges. The Supervisory Board recognizes the critical importance of robust risk management in safeguarding our company's future.

Agile Financial Stewardship

Throughout 2023, ENNIA demonstrated prudent financial stewardship, addressing emerging challenges with foresight and care. Our decisions on cost management, premium settings, and solvency development were informed by rigorous analysis and a proactive approach. In response to the emergency measures by the Central Bank of Curaçao and Sint Maarten affecting ENNIA Curaçao, we took decisive action to protect the accrued rights of our policyholders in Aruba, reaffirming our commitment to their security.

Vision for 2024

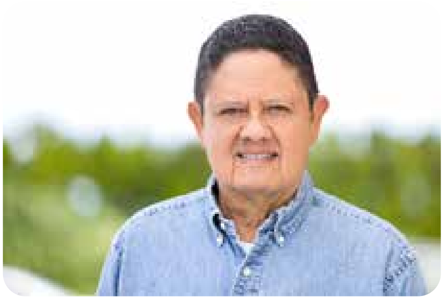
As we look forward to 2024, our focus will be on the seamless implementation of our updated strategy. Our dedication to the interests of ENNIA Aruba and its policyholders remains unwavering. We will continue to engage closely with all relevant stakeholders, including the Central Bank of Aruba, to ensure alignment and support for our initiatives.

A key priority for the coming year will be advancing our digitalization efforts. By embracing digital technologies, we aim to enhance operational efficiency and deliver an exceptional customer experience. Our vision is to position ENNIA as a leader in innovation and customer satisfaction in the financial services sector.

> **In 2023, our commitment to innovation and sustainability remained steadfast.**

Johan Sjiem Fat, Chairman	Anco Ringeling, Member	Cees Rokx, Member

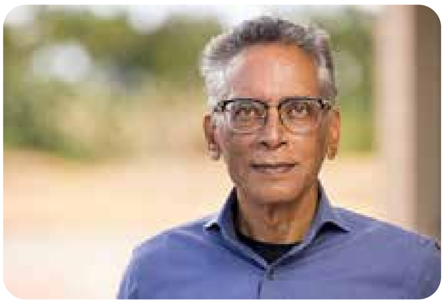
Our supervisory board



MR. JOHAN SJIEM FAT

Johan was born in Aruba on December 25, 1954. He was educated in the Netherlands and in the USA. He obtained a law degree (LLM in Dutch Law) from the University of Utrecht in the Nether-lands in 1977. In 1977, he was admitted to the Bar in Aruba and the Netherlands Antilles. In 1980 he obtained a Master's of Comparative Law Degree (MCL) from Georgetown University Law Center in Washington DC. He has practiced law in Aruba eversince.

Johan is a former President of the Aruba Bar Association and formed part of the team that drafted the Aruban Constitution when Aruba obtained the status of a separate jurisdiction (status aparte) within the Dutch Kingdom in 1986. He has acted as advisor to the Government of Aruba both with respect to administrative law matters as well as with respect to commercial transactions.



MR. ANCO R.O. RINGELING

Anco was born in Aruba on October 28, 1951. He received his Master's degree in Social Sciences and his Bachelor of Law degree at the University ofUtrecht.

Anco is a former Director of the Department of Social Affairs and former CEO of the Executive Body of the AZV. He is also a former lecturer and interim-rector at the University of Aruba. Nowadays, he provides consultancy services related to healthcare.

MR. CEES F.J.J. ROKX

Cees was born on September 17, 1962 in the Netherlands.
He studied Business Economics at Tilburg University in the Netherlands and received his degree in 1986. He also completed his post-doctoral studies to become a Registe-red Accountant in 1989. Cees was a Senior Partner at the professional services firm of PricewaterhouseCoopers until 2016. He worked at PwC in Rotterdam, Toronto, St. Maarten and Curacao for a total period of 31 years. He also serviced a variety of clients in Aruba and Bonaire. Cees is now a member of the Supervisory Boards at Ennia Aruba, Banco di Caribe and Banco di Caribe Aruba.

Message from the board

We are confident in our ability to further enhance our value to customers in the future.

The managing director of ENNIA Aruba,
mr Henry van den Berg

Innovation and excellent customer service!

As we reflect on 2023, we at ENNIA Aruba feel a great sense of pride and satisfaction. The year's results highlight significant progress and lay a strong foundation for our continued growth and the challenges ahead.

ENNIA Caribe Schade (Aruba) N.V. experienced a positive year in 2023 compared to 2022. The company's profit after tax decreased by 31% due to various factors. Our gross premium reached 27 million in 2023, which is 0.9 million up from 26.1 million in 2022. By the end of 2023, ECSA's cash position was 23.1 million, which is 3.8 million up from 19.3 million at the end of 2022.

The global insurance sector saw several changes in 2023, driven by trends we have been closely monitoring. Advanced technologies, such as artificial intelligence (AI) and machine learning, have significantly improved claims processing and customer experiences. There's also a trend of integrating insurance products into other services, like car purchases or flight bookings. Insurers are increasingly collaborating with tech companies and other industries to innovate and expand their offerings, leveraging new technologies and business models to meet evolving customer expectations.

In this dynamic environment, our focus in 2023 was on excellent customer service, digitalization, and innovation. Strategic moves, such as acquiring our own insurance broker and forming long-term partnerships with industry leaders, reflect our commitment to these goals. We are confident in our ability to further enhance our value to customers in the future.

Throughout 2023, we faced numerous challenges that tested our resilience. The impacts of geopolitical tensions, inflation, an increase in weather-related disasters globally, and rising reinsurance premiums were felt across the markets we serve, influencing our customers, partners, and employees. These are challenges we have been grappling with and continue to face.

Looking back on 2023, we have every reason to be proud and optimistic about the future. We are on track to achieve our strategic, operational, and financial goals for 2024. We deeply appreciate the excellent cooperation with our customers, employees, and suppliers, which significantly contributed to ENNIA Aruba's success in 2023. We are committed to honoring the trust placed in us and will continue to uphold this responsibility with pride.

On behalf of the Board of Directors and Shareholders of ENNIA Caribe Schade (Aruba) N.V.

August 30, 2024,
Oranjestad Aruba

Albert Niemeijer
General Managing Director

Henry van den Berg
Managing Director

Our team

Independent auditor's report

Our reference: 137589/ A-33535

To the Board of Directors, the Supervisory Board and the Shareholder of Ennia Caribe Schade (Aruba) N.V. Aruba

Report on the financial statements included in the annual report

In our opinion, the financial statements give a true and fair view of the financial position of Ennia Caribe Schade (Aruba) N.V., Aruba (the "entity") as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Netherlands.

What we have audited

We have audited the financial statements of Ennia Caribe Schade (Aruba) N.V., based in Aruba.

The entity's financial statements comprise:

1. balance sheet as at 31 December 2023;
2. the statement of income for the year then ended;
3. the statement of cash flows for the year ended 31 December 2023; and
4. the notes to the financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is accounting principles generally accepted in the Netherlands and the relevant provisions of Book 2 of the Civil Code applicable for Aruba.

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management report;

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of International Standard on Auditing 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information.

Responsibilities for the financial statements and the audit

Responsibilities of the Board of Directors and the Supervisory Board for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements, in accordance with Book 2 of the Civil Code applicable for Aruba and accounting principles generally accepted in the Netherlands, and for such internal control as the Board of Directors determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going-concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements.

Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with International Standards on Auditing (ISAs), ethical requirements and independence requirements. 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. Our audit consisted, among other things of the following:

- 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of the Board of Directors'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 entity'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 entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and evaluate whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board 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.

Aruba, 30 August 2024
Grant Thornton Aruba

Original signed by Marisol Roosberg

Financial statements 2023

Balance sheet as at December 31, 2023
in thousands AWG and before profit appropriation

Assets	Notes	2023	2022
Financial investments	**5**	12,483	12,483
Receivables and other financial assets	**6**	3,506	4,971
Accrued investment income	**7**	1,663	1,229
Cash and cash equivalents	**8**	23,162	19,365
Other assets	**9**	14	10
Total assets		**40,828**	**38,058**
Equity			
Share capital	**10**	6,000	6,000
Retained earnings		15,381	12,428
Profit for the financial year		2,050	2,953
Total equity attributable to equity holders		**23,431**	**21,381**
Liabilities			
Technical provision	**11**	8,695	10,155
Financial provisions	**12**	457	602
Due to related parties	**13**	6,860	3,793
Payables and other financial liabilities	**14**	1,385	2,127
Total liabilities		**17,397**	**16,677**
Total equity and liabilities		**40,828**	**38,058**

Income statement for the year ended December 31, 2023
(in thousands AWG)

Non-life insurance technical account	Notes	2023	2022
Income			
Gross written non-life premiums		27,006	26,138
Written premiums ceded to reinsurers		(9,825)	(8,738)
Premiums written net of reinsurance		**17,181**	**17,400**
Change in unearned premiums provision		(479)	(630)
Net premiums earned	**15**	**16,702**	**16,770**
Fee and commission income	**16**	377	470
Net investment income	**17**	632	498
Total income		**17,711**	**17,738**
Expenses			
Insurance claims and benefits	**18**	3,273	3,173
Fees and commission expenses	**19**	2,275	2,111
Other operating expenses	**20**	9,724	9,294
Total expenses		**15,272**	**14,578**
Non-life insurance technical result		**2,439**	**3,160**
Non-life insurance non-technical account			
Interest related parties	**23**	44	149
Taxation	**21**	345	58
Profit for the financial year		**2,050**	**2,953**

Statement of cash flows
FOR THE YEAR ENDED DECEMBER 31, 2023 (IN THOUSANDS AWG)

	Notes	2023	2022
Net profit for the year		**2,050**	**2,953**
Adjustments for:			
Interest income on financial instruments	**17**	(583)	(498)
Taxation	**21**	345	58
Movement in working capital		**1,812**	**2,513**
Changes in:			
Reinsurance assets	**11**	2,851	(48)
Deferred insurance policy acquisition costs	**11**	(68)	(58)
Receivables and other financial assets	**6**	1,465	1,135
Other assets	**9**	(4)	29
Technical provision	**11**	(4,243)	422
Payables and other financial liabilities	**14**	(742)	(4,692)
Due to related parties	**13**	2,772	220
Settlement from reorganization provision	**12**	(195)	-
Cash generated from operations		**1,836**	**(2,992)**
Interest, Dividends and income taxes:			
Interest received	**7**	149	153
Net cash generated from operating activities		**3,797**	**(326)**
Cash flows from investing activities:			
Acquisition of investment securities	**5**	-	(400)
Matured fixed income of investment securities	**5**	-	416
Net cash used in investing activities		**-**	**16**
Net increase/(decrease) in cash and cash equivalents		**3,797**	**(310)**
Cash and cash equivalents at beginning of year		19,365	19,675
Cash and cash equivalents at end of year	**8**	**23,162**	**19,365**

Notes to the financial statements

1 Reporting entity

ENNIA Caribe Schade (Aruba) N.V. ("the Company") is a financial services provider active in the field of insurance to individuals and small and medium-sized businesses for general risk mainly with motor vehicles, property, disability and liability in Aruba. The ultimate parent Company is Parman International B.V., Curaçao. The Company was incorporated on June 30, 2008 as a dormant Company and effectively started operations on January 1, 2009 resulting in figures as of January 1, 2009.

The address of its registered office is J.E Irausquin Blvd 16, Oranjestad, Aruba. Ennia Caribe Holding (Aruba) N.V. is the sole shareholder of the Company.

The financial statements of the Company for the year ended December 31, 2023, were authorized for issuance by the Board of Directors on August 30, 2024.

2 Summary of significant accounting policies

Basis of Preparation - statement of compliance

These financial statements have been prepared in accordance with Book 2 of the Civil Code of Aruba and accounting principles generally accepted in the Netherlands (further referred to as "DAS").

Change in accounting policies

These financial statements are the first based on DAS. This change in accounting policies has been recognized retrospectively. The effect on the financial statements is as follows: No material valuation differences have been identified.

Accounting policies

The principal accounting policies adopted by the Board of Directors are detailed below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been consistently applied, except when indicated otherwise.

A) Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

- Technical provision is measured using methods and approaches acceptable to the industry.

B) Use of estimates

The preparation of financial statements in conformity with DAS requires the Company to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts in the balance sheet and income statement. These judgments, estimates, and assumptions are based on the Board of Director's best knowledge of current facts, circumstances, and, to some extent, future events and actions; actual results ultimately may differ, possibly significantly, from those estimates.

Estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognized in the period in which the estimate is 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 described in critical accounting estimates and judgments in applying accounting policies in note 3.

C) Basis of presentation

The Company's presentation of financial statements is in alignment with DAS and is based on liquidity.

D) Functional and presentation currency

The financial statements are presented in Aruban Florins (AWG), which is the Company's functional currency. All values are rounded to the nearest thousands, except when indicated otherwise.

E) Insurance contracts

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

General Insurance

General insurance claims incurred include all losses occurring during the year, whether reported or not, a reduction in the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Outstanding claims provisions

General insurance outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at year-end, whether reported or not, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years. Significant delays are experienced in the notification and settlement of certain types of general insurance claims, particularly in respect of liability business for which the ultimate cost cannot be known with certainty at year-end. Outstanding claim provisions include 'claims incurred but not reported' (IBNR). IBNR is a percentage of the annual premiums. The percentage is determined based on historical IBNR data and is evaluated and adjusted from time to time based on changes in the aforementioned data.

Provision for unearned premiums

The proportion of written premiums, gross of commission payable to intermediaries, attributable to subsequent periods is deferred in a provision for unearned premiums. The change in this provision is taken to the income statement to recognize revenue over the period of risk or, for annuities on disability insurance contracts, the amount of expected future benefit payments. Furthermore, for health insurance businesses, so-called "aging" provisions are held to cover the expected shortfall between future claims and future premiums.

Other provisions
For health insurance, the other provisions cover future costs for insured persons with chronic diseases.

Reinsurance
Reinsurance assets primarily include balances due from reinsurance companies on ceded technical provision. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provisions associated with the reinsured policies and in accordance with the relevant reinsurance contract. The Company only contracts reinsurance protection with reinsurance companies that are well-rated (minimum A-) in the global reinsurance market.

Deferred insurance policy acquisition costs
The costs directly attributable to the acquisition of new business for insurance contracts are deferred to the extent that they are expected to be recoverable out of future margins on revenues on these contracts. General insurance and health deferred acquisition costs are amortized over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortized consistent with the underlying asset. Deferred acquisition costs are reviewed by category of business at the end of each reporting period and are written off where they are no longer considered to be recoverable.

F) Financial instruments
The Company classifies its financial assets in the following categories: debt securities, deposits, receivables and financial liabilities.

Recognition
The Company initially recognizes all financial instruments on the trade date, on which the Company becomes a party to the contractual provisions of the instrument, and are classified into various categories depending upon the type of instrument; which then determines the subsequent measurement of the financial instrument.

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

Debt securities
Debt securities are initially recognized at fair value plus directly attributable transaction costs. After initial measurement, debt securities not being part of the trading portfolio are carried at cost. Gains and losses are recognized in the income statement when the investments are transferred to a third party or in the event of an (reversal of) impairment, as well as through the amortization process.

Deposits
Deposits are initially recognized at fair value plus directly attributable transaction costs. After initial measurement, deposits are carried at cost. Gains and losses are recognized in the income statement when the investments are transferred to a third party or in the event of an (reversal of) impairment, as well as through the amortization process.

Receivables
Receivables that are not part of the trading portfolio are initially measured at fair value plus transaction costs and subsequently carried at amortized cost less a provision for doubtful debts when necessary.

Financial liabilities
Financial liabilities are recognized initially at fair value, less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method.

Fair value measurement
Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an at-arm's-length basis.

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

- Level 1: Fair value is measured using a quoted process (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

Impairment of financial assets
The Company recognizes an allowance for Expected Credit Losses (ECLs) for debt securities and deposits. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the appropriate effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The calculation of ECLs

The Company calculates ECLs based on an average expected scenario to measure the expected cash shortfalls, discounted at an appropriate effective interest rate (EIR). A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the entity expects to receive. When relevant, the calculation also incorporates the probability that the defaulted debt securities or deposits will cure.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.
- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

The Company allocates its assets subject to ECL calculations into one of these categories, determined as follows:

- Stage 1: The 12-month ECL is calculated as the portion of Lifetime-ECLs that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. The Company calculates the 12-month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an appropriate EIR.
- Stage 2: When an instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the Lifetime-ECLs. The mechanics are similar to those explained above, including the use of the average expected scenario, but PDs and LGDs are estimated over the instrument's lifetime. The expected losses are discounted by an appropriate EIR.
- Stage 3: Impairment for debt instruments considered credit-impaired. The Company recognizes the lifetime expected credit losses for these instruments. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Forward-looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- Consumer price index
- Unemployment rates

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. There were no write-offs over the periods reported in these financial statements.

G) Foreign currency translation

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. Foreign exchange differences arising from translation are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates at the dates that the values were determined.

H) Cash and cash equivalents

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

I) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, an outflow of resources embodying economic benefits will likely be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at year-end.

J) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the year's end and any adjustments to tax payable in respect of previous years (e.g., tax carry-forwards).

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Notes to the financial statements 2023

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each year's end and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The net amount of turnover tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

K) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Insurance premiums

General insurance premiums written reflect business incepted during the year and exclude any sales-based taxes or duties. Unearned premiums are those proportions of the premiums written in a year that relate to periods of risk after the year-end. Unearned premiums are computed principally on either a daily, monthly, or quarterly pro-rata basis.

Investment income

Investment income includes interest and results on financial investments. Interest income is recognized as it accrues. Interest income arising on debt securities and deposits is recognized as it accrues, taking into account the effective yield on the investment.

Fee and commission income

Fee and commission income, including account insurance brokerage fees, is recognized when the policy has been agreed contractually between the insured and the provider, and the provider has a present right to payment from the insured.

L) Fee and commission expense

Fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

M) statement of Cash Flows

The statement of cash flows is prepared using the indirect method, classifying cash flows as cash flows from operating, investing, and financing activities. In the net cash flow from operating activities, the result before tax is adjusted for items in the profit and loss account and changes in the balance sheet that do not result in actual cash flow during the year. Cash flows arising from foreign currency transactions are translated into functional currency using the exchange rates at the date of the cash flows.

N) Comparatives

Items, elements, and notes of the comparative's financial statements have been re-displayed, regrouped, and reclassified to meet with the applied accounting policies for the current period, which have been prepared according to DAS. Certain comparative amounts have been reclassified to conform to the current year's presentation.

(3) Critical accounting estimates and judgments in applying accounting policies

Note 2 sets out the principal accounting policies adopted by the Company. In applying these policies, the Board of Directors is required to make judgments, estimates, and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key critical judgments and estimates that the Board of Directors has made in the process of applying the Company's accounting policies, which have the most significant effect on the amounts recognized in the Financial Statements.

Technical Provision

Claims provisions estimate the cost of claims outstanding under insurance contracts. Actuarial techniques based on a statistical analysis of past experience are used to calculate the estimated cost of claims outstanding at year-end.

Uncertain tax positions

Uncertain tax positions are measured to the extent that the likelihood of the resulting tax impact is uncertain. Probable amounts are included within the tax line in the income statement, and the liability would be included within the tax liability on the balance sheet.

Provision for Reorganization

Provision for reorganization is recognized only if a detailed formal plan for the reorganization exists and the Board of Directors has either communicated the plan's main features to those affected or started implementation. The employees were offered early retirement based on a calculation of the purchase price of their finance rights.
The calculation was separated based on employees who are 60 years old and employees who are older than 60 years.
The purchased rights relate to the difference between the insured rights and the premium-free rights in accordance with the pension tables.

(4) Insurance and financial risk management

Risk management framework

The primary objectives of the Company's risk management framework are to protect and increase shareholder value, maintain financial strength, improve the quality of the Company's decision-making, and safeguard the Company's reputation. It serves to protect the Company's shareholders from triggering events that hamper the sustainable achievement of financial performance objectives, including failing to exploit opportunities. The Company's Board of Directors recognizes the critical importance of having efficient and effective risk management systems in place.

The Board of Directors is responsible for establishing and overseeing the Company's risk management framework. The purpose of the established Risk Committee is described in the operating Company's risk charters. The Risk Committee meets once every quarter and consists of representatives of the Supervisory Board, the Board of Directors, and Risk Management.

The Company's risk management policies are established and updated on a regular basis with the aim of identifying and analyzing the risks faced by the Company, setting appropriate risk limits and controls, and monitoring risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products, and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors is accountable for implementing and executing the Risk Management process, where necessary, supported by the risk manager. Implementing the process involves setting the scope and objectives and deciding on the methodology and tools to be used. Executing the process involves carrying out the risk assessment, capturing and reporting risk information, and monitoring and reporting on the progress of risk mitigation. For the purpose of governance and compliance, Risk Management activities are traceable.

This section provides details of the Company's exposure to risk and describes the methods used by management to control risk. The most important types of risk to which the Company is exposed are:

- Insurance risk
- Credit risk
- Compliance Risk
- Liquidity risk
- Market risk
    - Currency risk
    - Interest rate risk
    - Equity price risk
- Operational risk
- Capital management
- Solvency

i) Insurance risk

General

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and, therefore, unpredictable. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the technical provsion. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and value of claims and benefits will vary from year to year, depending on the level established using statistical techniques. Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted within each of these categories to achieve a sufficiently large population of risks and reduce the variability of the expected outcome. Factors that aggravate insurance risk include a lack of risk diversification in terms of the type and amount of risk, geographical location, and type of industry covered.

Insurance risks for the non-life portfolio

The Company principally issues the following types of general insurance contracts: motor, fire, commercial, and business interruption. Healthcare contracts provide medical expense coverage to policyholders and are not guaranteed renewable. Risks under non-life insurance policies usually cover a twelve-month duration.

For general insurance contracts, the most significant risks arise from climate change, natural disasters, and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and, therefore, unpredictable. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the technical provision. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and value of claims and benefits will vary from year to year, depending on the level established using statistical techniques. Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risk accepted within each of these categories to achieve a sufficiently large population of risks and reduce the variability of the expected outcome. Factors that aggravate insurance risk include a lack of risk diversification in terms of the type and amount of risk, geographical location, and type of industry covered.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of the type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures, and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company.

The Company further enforces a policy of actively managing and promptly pursuing claims in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities. The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes and flood damage).

Reinsurance policy

The Company manages the risks through its reinsurance program, whose purpose is to adequately address the need to mitigate the risk of catastrophic claims accumulations, reduce profit volatility over time, and protect the capital of the Company. The Company has a program for the lines of business, including property, motor, marine, and engineering. The reinsurance arrangements include excess, stop-loss, and catastrophe coverage. The purpose of reinsurance is considered a continuous trade-off between risk, reward, and long-term business continuity. The Board of Directors indicates boundaries concerning risk and evaluates compliance of the proposed program with relevant rules and regulations.

Sources of uncertainty in the estimation of future claim payments

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occur during the contract term, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time, and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

Several variables affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the (business) activities carried out by individual contract holders and the risk management procedures they adopt. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value, and other recoveries.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, the final outcome is likely to differ from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid, and a provision for unexpired risks at year-end.

Claims development
The following table shows claims development, comparing the amounts reserved related to a certain year to claims paid out (amount and timing of payment on a net basis).

The Claims development for the non-life business is as follows:

Disclosure of **claims development** (amount and timing of payment)

Non-life business		Opening AWG	2014 AWG	2015 AWG	2016 AWG	2017 AWG	2018 AWG	2019 AWG	2020 AWG	2021 AWG	2022 AWG	2023 AWG	Cumulativ reserves and claims paid AWG
2013	MR	4.567	-1.854	370	-615	-191	-187	-156	-95	-30		-44	1.765
and prior	CP		-686	-994	-95	-10	-123	-4					-1.912
2014	MR		3.619	-13	35	-53	-25	-67	-8				3.488
	CP		-2.421	-749	-291	-7	-8	-11					-3.488
2015	MR			3.992	532	-68	-38	81	-36	-5	-12	-12	4.432
	CP			-3.001	-1.278	-26	-4	-117					-4.427
2016	MR				3.235	49	-26	-36	-11	-1	-54	-30	3.128
	CP				-2.389	-500	-101	-10	-3	-37	-7	-66	-3.114
2017	MR					1.369	530	100	-22	3	-11	-7	1.962
	CP					-1.088	-703	-163	-1	-3			-1.958
2018	MR						1.028	140	15	-2	-11	-93	1.076
	CP						-712	-328	-21	-2	-	-1	-1.063
2019	MR							862	87	-15	10	-39	905
	CP							-542	-306	-9	-20	-2	-879
2020	MR								814	5.078	-19	309	6.182
	CP								-410	-249	-132	-5.254	-6.045
2021	MR									851	24	101	977
	CP									-534	-164	-86	-784
2022	MR										2.273	306	2.580
	CP										-1.626	-705	-2.331
2023	MR											3.090	3.090
	CP											-2.324	-2.324
Total reserves at		4.567	6.332	10.681	13.867	14.973	16.254	17.179	17.923	23.803	26.004	29.586	29.586
Total amount paid in each year			-3.107	-4.744	-4.054	-1.631	-1.651	-1.174	-741	-834	-1.950	-8.437	-28.325

Nature and extent of risk arising from insurance contracts

The following table presents details of the nature and extent of risks arising from insurance contracts for the years ended December 31, 2023 and December 31, 2022. It presents claims reserves of 2022 and earlier and claims reserves for 2023 above AWG 100,000 per category.

	2023	2022
Fire	146	120
Motor	780	780
Accident	23	23
Health	1	1
Other	118	118
Marine	16	-
	1,084	1,042

ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

The Board of Directors has delegated responsibility for the oversight of credit risk to its Credit Committees. Their responsibilities include the following:

- Formulating credit policies covering collateral requirements, credit assessments, risk grading and reporting, documentary and legal proceedings, and compliance with regulatory requirements.
- Establishing the delegated limits of authority for the approval and renewal of credit facilities. Authorization limits are granted to business unit managers and the credit committee. Larger facilities require the approval of the Board of Directors.
- Reviewing compliance of business units with agreed exposure limits.
- Reviewing and assessing portfolio quality and the business unit's compliance with the policies and procedures concerning periodic credit file reviews

Receivables for which objective evidence indicates that the Company will not be able to collect all amounts due according to the original contractual terms are impaired as described in the significant accounting policies. Past due but not impaired investment securities are those for which contractual interest or principal payments are past due, but the Company believes that impairment is not appropriate on the basis of the level of security/ collateral available and or the stage of the collection of amounts owed to the Company.

It is the Company's policy to invest in reliable local borrowers and local investments and in foreign fixed-income securities labeled as investment-grade securities. In general, the Company will evaluate whether the borrowers are compliant with the credit guidelines.

i) Compliance risk

Compliance risk is defined as the risk of impairment of the Company's integrity, which could lead to damaging the Company's reputation, legal or regulatory sanctions, or financial loss as a result of failure or perceived failure to comply with applicable laws, regulations, and standards.

To support the Board of Directors in establishing an adequate Compliance framework, the Company has appointed a Senior Compliance Officer who reports directly to the CEO and the Supervisory Board. The Senior Compliance Officer is functionally responsible for the Compliance Officers and Money Laundering Reporting.

Quarterly, the most material Compliance issues related to compliance with regulations and specific applicable laws are reported to the Board of Directors and the Supervisory Board.

ii) Liquidity risk

Liquidity risk arises in the general funding of the Company's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Company has access to a diverse funding base. Funds are raised using a broad range of instruments, including premiums paid, deposits, subordinated liabilities, and share capital. This enhances funding flexibility, limits dependence on any one source of funds, and generally lowers the cost of funds. The Company strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Company continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the Company's strategy.

Cash flow is monitored weekly through cash summary reports. In order to evaluate excess funds availability, the Company considers large recurring commitments, such as reinsurance and claims/expenditure patterns, as well as expected large expenditures. These are then weighted against cash inflow.

The following table provides an analysis of the Company's financial assets and liabilities into relevant maturity groupings based on the remaining repayment periods.

(in thousands AWG) December 31, 2023	Less than one month	Between one and three months	Between three months and one year	Between one and three years	More than three years	Total
Financial assets						
Cash & cash equivalents	23,162	-	-	-	-	23,162
Receivables and other financial assets	1,248	1,447	811	-	-	3,506
Financial investments	-	-	5,000	5,000	2,483	12,483
	24,410	**1,447**	**5,811**	**5,000**	**2,483**	**39,151**
Financial liabilities						
Payables and other financial liabilities	511	30	844	-	-	1,385
Amounts due to related parties	-	-	-	6,860	-	6,860
Technical provision	1,136	(995)	4,737	3,817		8,695
	1,647	**(965)**	**5,581**	**10,677**	**-**	**16,940**
	22,763	**2,412**	**230**	**(5,677)**	**2,483**	**22,211**

(in thousands AWG) December 31, 2022	Less than one month	Between one and three months	Between three months and one year	Between one and three years	More than three years	Total
Financial assets						
Cash & cash equivalents	19,365		-	-	-	19,365
Receivables and other financial assets	2,473	1,317	1,181	-	-	4,971
Financial investments	-	-	-	10,000	2,483	12,483
	21,838	**1,317**	**1,181**	**10,000**	**2,483**	**36,819**
Financial liabilities						
Payables and other financial liabilities	357	969	801	-	-	2,127
Amounts due to related parties	-	-	-	3,793	-	3,793
Technical provision	675	(393)	306	9,567	-	10,155
	1,032	**576**	**1,107**	**13,360**	**-**	**16,075**
	20,806	**741**	**74**	**(3,360)**	**2,483**	**20,744**

iii) Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and Equity prices will affect the Company's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk. Market risk includes currency risk, interest rate risk, and equity price risk.

Market risks are evaluated on an ongoing basis at the Executive and Board levels through discussions and reviews of market developments and trends. The investment portfolio consists of investments in the United Kingdom and the United States of America. The balance sheet item that is exposed to market risk is the financial investments.

Currency risk

The foreign currencies in which investments are made are limited to US Dollars. The Aruban Florin is pegged to the US Dollar. Therefore, there is no currency risk exposure related to the US dollar. The foreign currency positions are monitored daily.

Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. Risk management activities are aimed at optimizing net interest income, given that market interest rate levels are consistent with the Company's business strategies.

iv) Operational risks

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the Company's processes, personnel, technology, and infrastructure and from external factors other than credit, market, and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate governance. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost-effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the periodic assessments of the operational risks faced and the adequacy of controls and procedures to assess the risks identified.
- Development of contingency plans.
- Training and professional development of staff.
- Ethical and business standards.

Internal audit undertakes a program of periodic reviews to support procedure compliance. The results of these reviews are discussed with the managers of the business unit/ department to which they relate, and summaries are submitted to the audit committee and the board of directors.

v) Capital Management

The Company's objectives when managing capital are:

1. Comply with the insurance capital requirements of the local regulatory agency(ies) and/or Central Bank of Aruba. The Central Bank of Aruba governs the Company's capital adequacy.
2. To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.
3. To provide an adequate return to shareholders, insurance and investment contracts should be priced commensurately with the level of risk.

Solvency requirement margin for insurance companies

The Central Bank of Aruba requires the solvency margin for general insurance to be 15% of the gross premium of the previous year. At the end of the year, the Company was compliant with this requirement.

The following table presents the calculation of the solvency:

	2023	2022
Available solvency margin	23,431	21,381
Gross written premiums preceding the financial year	26,136	27,283
Minimum solvency margin 15%	3,921	4,092
Solvency ratio	**597%**	**522%**

(5) Financial investments

The following table presents details of financial investments for the years ended December 31, 2023, and December 31, 2022.

	2023	2022
Debt securities	2,083	2,083
Deposits	10,400	10,400
Total financial investments	**12,483**	**12,483**

Debt securities

The following table presents details of debt securities for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Government bonds	2,083	2,083
	2,083	**2,083**
Less: Allowance for ECL	-	-
Total debt securities	**2,083**	**2,083**

Government bonds

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's management best assessment internal credit rating, 12-month Basel PD range, and year-end stage classification. The amounts presented are gross of allowance for ECL. Details of the Company's impairment assessment and measurement approach are set out in the accounting policies section.

(in thousands AWG) **December 31, 2023** **Internal rating grade**	**12-month Basel PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
High grade	0.0% - 0.5%	2,083	-	-	2,083
Standard grade	0.5% - 11.7%	-	-	-	-
Sub-standard grade	11.7% - 29.5%	-	-	-	-
Low grade	29.5% - 100%	-	-	-	-
Non-performing					
Individually impaired	100%	-	-	-	-
Total		**2,083**	**-**	**-**	**2,083**

(in thousands AWG) **December 31, 2022** **Internal rating grade**	**12-month Basel PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
High grade	0.0% - 0.5%	2,083	-	-	2,083
Standard grade	0.5% - 11.7%	-	-	-	-
Sub-standard grade	11.7% - 29.5%	-	-	-	-
Low grade	29.5% - 100%	-	-	-	-
Non-performing					
Individually impaired	100%	-	-	-	-
Total		**2,083**	**-**	**-**	**2,083**

The tables below summarize the aging of stage 2 and stage 3 government bonds, respectively, as follows:

- Stage 2 - government bonds less than 30 days past due (dpd) and government bonds greater than 30 dpd irrespective of the criteria that triggered their classification in Stage 2.
- Stage 3 - government less than 90 dpd and government bonds greater than 90 dpd, thus presenting the government bonds classified as stage 3 due to aging and those identified at an earlier stage due to other criteria.

(in thousands AWG) **December 31, 2023**	**Stage2 Gross carrying amount**	**ECL**	**Stage 3 Gross carrying amount**	**ECL**	**Total Gross carrying amount**	**ECL**
Less than:						
30dpd (for Stage 2)	-	-	-	-	-	-
90dpd (for Stage 3)	-	-	-	-	-	-
More than:						
30dpd (for Stage 2)	-	-	-	-	-	-
90dpd (for Stage 3)	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

(in thousands AWG) **December 31, 2022**	**Stage2 Gross carrying amount**	**ECL**	**Stage 3 Gross carrying amount**	**ECL**	**Total Gross carrying amount**	**ECL**
Less than:						
30dpd (for Stage 2)	-	-	-	-	-	-
90dpd (for Stage 3)	-	-	-	-	-	-
More than:						
30dpd (for Stage 2)	-	-	-	-	-	-
90dpd (for Stage 3)	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

The movement in gross carrying amount and corresponding allowance for ECL by stage for government bonds are as follows:

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2023	**2,083**	**-**	**-**	**-**	**-**	**-**	**2,083**	**-**
New assets originated or purchased	-	-	-	-	-	-	-	-
Payments and assets derecognized	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Remeasurement of year-end ECL	-	-	-	-	-	-	-	-
At December 31, 2023	**2,083**	**-**	**-**	**-**	**-**	**-**	**2,083**	**-**

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2022	**2,083**	**-**	**-**	**-**	**-**	**-**	**2,083**	**-**
New assets originated or purchased	-	-	-	-	-	-	-	-
Payments and assets derecognized	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Remeasurement of year-end ECL	-	-	-	-	-	-	-	-
At December 31, 2022	**2,083**	**-**	**-**	**-**	**-**	**-**	**2,083**	**-**

Deposits

The following table presents details of deposits for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Local time deposits	10,400	10,400
	10,400	**10,400**
Less: Allowance for ECL	-	-
Total deposits	**10,400**	**10,400**

Local time deposits

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's management best assessment internal credit rating, 12-month Basel PD range, and year-end stage classification. The amounts presented are gross of allowance for ECL. Details of the Company's impairment assessment and measurement approach are set out in the accounting policies section.

(in thousands AWG) **December 31, 2023** **Internal rating grade**	**12-month Basel PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
High grade	0.0% - 0.5%	10,400	-	-	**10,400**
Standard grade	0.5% - 11.7%	-	-	-	-
Sub-standard grade	11.7% - 29.5%	-	-	-	-
Low grade	29.5% - 100%	-	-	-	-
Non-performing					
Individually impaired	100%	-	-	-	-
Total		**10,400**	**-**	**-**	**10,400**

(in thousands AWG) **December 31, 2022** **Internal rating grade**	**12-month Basel PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
High grade	0.0% - 0.5%	10,400	-	-	**10,400**
Standard grade	0.5% - 11.7%	-	-	-	-
Sub-standard grade	11.7% - 29.5%	-	-	-	-
Low grade	29.5% - 100%	-	-	-	-
Non-performing					
Individually impaired	100%	-	-	-	-
Total		**10,400**	**-**	**-**	**10,400**

The tables below summarize the aging of stage 2 and stage 3 local time deposits, respectively, as follows:

- Stage 2 - local time deposits less than 30 days past due (dpd) and local time deposits greater than 30 dpd irrespective of the criteria that triggered their classification in Stage 2.
- Stage 3 - local time deposits less than 90 dpd and local time deposits greater than 90 dpd, thus presenting the local time deposits classified as stage 3 due to aging and those identified at an earlier stage due to other criteria.

(in thousands AWG) **December 31, 2023**	**Stage2 Gross carrying amount**	**ECL**	**Stage 3 Gross carrying amount**	**ECL**	**Total Gross carrying amount**	**ECL**
Less than:						
30dpd (for Stage 2)	-	-	-	-	-	-
90dpd (for Stage 3)	-	-	-	-	-	-
More than:						
30dpd (for Stage 2)	-	-	-	-	-	-
90dpd (for Stage 3)	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

(in thousands AWG) **December 31, 2022**	**Stage2 Gross carrying amount**	**ECL**	**Stage 3 Gross carrying amount**	**ECL**	**Total Gross carrying amount**	**ECL**
Less than:						
30dpd (for Stage 2)	-	-	-	-	-	-
90dpd (for Stage 3)	-	-	-	-	-	-
More than:						
30dpd (for Stage 2)	-	-	-	-	-	-
90dpd (for Stage 3)	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

The movement in gross carrying amount and corresponding allowance for ECL by stage for local time deposits are as follows:

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2023	**10,400**	**-**	**-**	**-**	**-**	**-**	**10,400**	**-**
New assets originated or purchased	-	-	-	-	-	-	-	-
Payments and assets derecognized	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Remeasurement of year-end ECL	-	-	-	-	-	-	-	-
At December 31, 2023	**10,400**	**-**	**-**	**-**	**-**	**-**	**10,400**	**-**

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2022	**10,416**	**-**	**-**	**-**	**-**	**-**	**10,416**	**-**
New assets originated or purchased	400	-	-	-	-	-	**400**	-
Payments and assets derecognized	(416)	-	-	-	-	-	**(416)**	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Remeasurement of year-end ECL	-	-	-	-	-	-	-	-
At December 31, 2022	**10,400**	**-**	**-**	**-**	**-**	**-**	**10,400**	**-**

(6) Receivables and other financial assets

The following table presents details of receivables and other financial assets for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Amounts owed out of direct insurance	1,789	3,263
Amounts owed out of agents & brokers	2,310	2,530
Amounts owed out of reinsurers	1,149	920
Provision for doubtful receivables	(1,742)	(1,742)
Total receivables and other financial assets	**3,506**	**4,971**

All receivables and other financial assets are expected to be settled no more than twelve months after year-end. Concentrations of credit risk with respect to receivables are limited due to the size and spread of the Company's trading base. No further credit risk provision is, therefore, required in excess of the normal provision for doubtful accounts. The carrying amount of receivables is considered to approximate its fair value.

(7) Accrued investment income

The following table presents details of accrued investment income for the years ended December 31, 2023, and December 31, 2022.

	2023	2022
Accrued interest income from debt securities	76	75
Accrued interest income from deposits	1,587	1,154
Total accrued investment income	**1,663**	**1,229**

(8) Cash and cash equivalents

The following table presents details of cash and cash equivalents for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Cash at banks	23,162	19,365
	23,162	**19,365**

Cash and cash equivalents comprise cash at banks.

(9) Other assets

Other assets represent the total prepayments for the years ended December 31, 2023, and December 31, 2022. The following table presents details of this receivable.

	2023	2022
Prepayments	14	10
Total other assets	**14**	**10**

(10) Equity

The authorized and issued capital of the Company consists of 6,000 (2022: 6,000) shares with a nominal value of AWG 1,000, and these are fully paid. The composition and movement in Equity is as follows:

	Notes	Share capital	Retained Earnings	Total
At January 1, 2023		6,000	15,381	21,381
Profit for the financial year		-	2,050	2,050
At December 31, 2023		**6,000**	**17,431**	**23,431**

	Notes	Share Capital	Retained Earnings	Total
At January 1, 2022		6,000	12,428	18,428
Profit for the financial year		-	2,953	2,953
At December 31, 2022		**6,000**	**15,381**	**21,381**

(11) Technical provision

Key assumptions

The principal assumption in estimating non-life insurance liabilities is that future claim development will follow a comparable pattern to past claim development experience. This includes assumptions regarding average claim costs, claim handling costs, and claim numbers for each year.

Additional qualitative judgments are used to assess whether past trends may not apply in the future.

The following table presents details of insurance liabilities for the years ended December 31, 2023, and December 31, 2022.

	2023	2022
Unearned premiums provision	10,512	9,357
Outstanding claims provision	1,261	6,536
Incurred but not reported claims (IBNR)	211	334
Gross insurance liabilities	**11,984**	**16,227**
Unearned premiums provision for reinsurance	(2,401)	(1,725)
Outstanding claims provision for reinsurance	(14)	(3,541)
Reinsurance assets	**(2,415)**	**(5,266)**
Deferred insurance policy acquisition costs	**(874)**	**(806)**
Net technical provision	**8,695**	**10,155**

Unearned premiums provision
The unearned premiums provision underwent the following changes on December 31, 2023, and December 31, 2022.

	2023	2022
At January 1	9,357	8,685
Release	(7,669)	(14,290)
Addition	8,824	14,962
At December 31	**10,512**	**9,357**

Unearned premiums provision for reinsurance
The following changes have occurred in the unearned premiums provision for reinsurance during the years December 31, 2023, and December 31, 2022.

	2023	2022
At January 1	(1,725)	(1,683)
Release	3,368	3,123
Addition	(4,044)	(3,165)
At December 31	**(2,401)**	**(1,725)**

Outstanding claims provision
The following changes have occurred in the outstanding claims provision during the years December 31, 2023, and December 31, 2022.

	2023	2022
At January 1	6,536	6,891
Claims incurred in the current year	3,072	3,003
Movement in claims incurred in prior years	506	130
Claims paid	(8,853)	(3,488)
At December 31	**1,261**	**6,536**

Outstanding claims provision for reinsurance
The outstanding claims provision for reinsurance changed the following between December 31, 2023, and December 31, 2022.

	2023	2022
At January 1	(3,541)	(3,535)
Claims incurred in the current year	(99)	(26)
Movement in claims included in prior years	(248)	(80)
Claims paid	3,874	100
At December 31	**(14)**	**(3,541)**

The following changes occurred in the incurred but not reported claims (IBNR) between December 31, 2023, and December 31, 2022.

	2023	2022
At January 1	334	229
Net change in IBNR	(123)	105
At December 31	**211**	**334**

The IBNR reserve is calculated by applying an estimated claim ratio to earned premiums and then subtracting incurred and paid claims from time to time. This is evaluated by an external actuary.

Deferred insurance policy acquisition costs
The following changes occurred in the deferred insurance policy acquisition costs during 2023 and 2022.

	2023	2022
At January 1	806	748
Amortization deferred acquisition costs	(806)	(748)
Deferral of acquisition costs	874	806
At December 31	**874**	**806**

Acquisition commissions are deferred by creating an explicitly deferred acquisition costs asset in the balance sheet and amortized over the period for which the related premiums are earned. Deferred acquisition costs related to the general business amount to AWG 0.9 million (2022: AWG 0.8 million).

(12) Financial provisions

The following table presents the composition of financial provisions for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Deferred tax liability	296	246
Provision for reorganization	161	356
Financial provisions	**457**	**602**

Deferred tax liability
The following table presents details of tax assets and liabilities for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Deferred tax assets		
At January 1	229	365
Carried forward tax losses	(59)	(147)
Valuation movements on assets	(20)	11
Total deferred tax assets	**150**	**229**
Deferred tax liabilities		
At January 1	475	553
Valuation movements on liabilities	(29)	(45)
Total deferred tax liabilities	**446**	**508**
Net deferred tax before rate adjustment	**(296)**	**(279)**
Adjustment tax rate percentage	-	(33)
Total net deferred tax asset/(liability)	**(296)**	**(246)**

The losses available for loss compensation are allocated from the parent Company. At December 31, 2023 all losses have been compensated.

Tax positions are receivable or payable to Ennia Caribe Holding (Aruba) N.V.

Provision for reorganization
The following table presents details of the reorganization provision for the years ended December 31, 2023, and December 31, 2022.

	2023	2022
At January 1	356	356
Settlement	(195)	-
AT DECEMBER 31	**161**	**356**

A detailed reorganization plan was formalized before the balance sheet date, and the justified expectation was communicated to those affected by the reorganization. The provision is based on the current best management estimate of the actual amount to be distributed.

(13) Due to related parties

The following table presents the composition of and movement in relation to related parties for the years ending December 31, 2023 and December 31, 2022.

	2023	2022
Balance at January 1	3,793	3,782
Interest	44	149
Other movements	3,023	(138)
Balance at December 31	**6,860**	**3,793**

The Company is being charged a yearly fixed interest rate of 3% on amounts due to related parties. The repayment terms of amounts with related parties are not formalized in an agreement. The carrying amounts due to related parties are considered to approximate their fair value.

(14) Payables and other financial liabilities

The following table presents the composition of payables and other financial liabilities for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Payable out of reinsurers	200	1,099
Other payables and liabilities	1,185	1,028
Payables and other financial liabilities	**1,385**	**2,127**

The carrying amount of payables is considered to approximate its fair value.

(15) Insurance premium revenue

The following table presents details of net insurance premium revenue for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Gross written premiums	27,006	26,138
Change in the gross provision for unearned premiums	(1,155)	(672)
Gross insurance premium revenue	**25,851**	**25,466**
Written premiums ceded to reinsurers	(9,825)	(8,738)
Reinsurers' share of change in the provision for unearned premiums	676	42
Ceded earned premiums	**(9,149)**	**(8,696)**
Net insurance premium revenue	**16,702**	**16,770**

The gross written premiums include fronting policies amounting to AWG 6.3 million (2022: AWG 4.9 million).

(16) Fee and commission income

The following table presents details of fee and commission income for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Reinsurance commission income	377	470
	377	**470**

(17) Net investment income

The following table presents details of investment income for the years ended December 31, 2023 and December 31, 2022.

Actual return	2023	2022
Interest from debt securities and deposits	583	498
Interest from banks and others	49	-
Net investment income	**632**	**498**

(18) Insurance claims and benefits

The following table presents details of insurance claims and benefits for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Claims payable	8,853	3,488
Movement in insurance liabilities	(5,275)	(355)
Movement in IBNR	(123)	105
Others	165	41
Gross insurance claims and benefits incurred	**3,620**	**3,279**
Claims reinsured	(3,874)	(100)
Movement in reinsurance asset	3,527	(6)
Ceded insurance claims and benefits	**(347)**	**(106)**
Total insurance claims and benefits	**3,273**	**3,173**

(19) Fee and commission expenses

The following table presents details of fee and commission expenses for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Fee and commission expenses	2,275	2,111
	2,275	**2,111**

(20) Other operating expenses

The following table presents details of other expenses for the years ended December 31, 2023, and December 31, 2022.

	2023	2022
Staff expenses	6,283	5,692
General & administrative expenses	2,955	2,968
Other expenses	486	634
Total other operating expenses	**9,724**	**9,294**

The following table presents details of the expenses of the staff employed by the Company for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Salaries	4,554	4,115
Pension expenses	484	410
Social security expenses	886	854
Other	359	313
Total staff expenses	**6,283**	**5,692**

(21) Taxation

The following table presents details of the Company's tax expenses for the years ended December 31, 2023, and December 31, 2022.

	2023	2022
Deferred tax		
Reversal of temporary differences	(9)	(56)
Use of carried forward losses	59	147
Deferred tax expenses	**50**	**91**
Adjustment on tax rate percentage	-	(33)
Total deferred tax expense	**50**	**58**
Current profit tax		
Profit tax charge for the year	295	-
Total current tax expense	**295**	**-**
Total tax expenses	**345**	**58**

The Company, together with its parent entity, Ennia Caribe Holding (Aruba) N.V., and a related entity, Ennia Caribe Leven (Aruba) N.V., form a fiscal unity for tax purposes. Under this fiscal structure, the Company's income is allocated to its shareholder, Ennia Caribe Holding (Aruba) N.V., for taxation on the basis of profits. The total tax expenses for the Company for the period 2023 is AWG 345 thousand (2022: AWG 58 thousand). Current profit tax is payable to Ennia Caribe Holding (Aruba) N.V.

The corporate income tax rate was reduced from 25% to 22% as of January 1, 2023.

(22) Results by insurance type

(in thousands AWG) **December 31, 2023**	**Accident & health**	**Motor vehicle**	**Marine transport & aviation**	**Property**	**Other**	**Total**
Income						
Net earned premiums	2,845	6,481	22	6,639	715	16,702
Investment income	108	245	1	251	27	632
Other income	-	-	-	-	-	-
Total income	**2,953**	**6,726**	**23**	**6,890**	**742**	**17,334**
Expenditures						
Net claims incurred	344	2,295	-	537	97	3,273
Commissions and other acquisition costs	223	528	3	1,045	99	1,898
General and administrative expenses	1,656	3,773	13	3,865	417	9,724
Changes in technical provision	-	-	-	-	-	-
Policyholders' dividend	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-
Total expenditures	**2,223**	**6,596**	**16**	**5,447**	**613**	**14,895**
Technical result	**730**	**130**	**7**	**1,443**	**129**	**2,439**

(in thousands AWG) December 31, 2022	Accident & health	Motor vehicle	Marine transport & aviation	Property	Other	Total
Income						
Net earned premiums	3,741	6,677	19	5,738	595	16,770
Investment income	111	198	1	170	18	498
Other income	-	-	-	-	-	-
Total income	**3,852**	**6,875**	**20**	**5,908**	**613**	**17,268**
Expenditures						
Net claims incurred	93	2,649	-	410	21	3,173
Commissions and other acquisition costs	200	561	2	813	65	1,641
General and administrative expenses	2,073	3,700	11	3,180	330	9,294
Changes in technical provision	-	-	-	-	-	-
Policyholders' dividend	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-
Total expenditures	**2,366**	**6,910**	**13**	**4,403**	**416**	**14,108**
Technical result	**1,486**	**(35)**	**7**	**1,505**	**197**	**3,160**

(23) Related party transactions

(a) Transactions with the parent company

The Company entered into transactions with its parent company, Ennia Caribe Holding (Aruba) N.V. and the outstanding balance is as follows:

	2023	2022
Outstanding balance with parent Company	(4,386)	(2,656)

The outstanding balances as of the reporting date are unsecured and with interest. Settlement is expected to take place in cash.

The significant transactions carried out during the year with the parent Company are as follows:

	2023	2022
Payroll	(4,260)	(3,850)
Allocated operational expenses	(3,160)	(3,679)
Interest	9	9
Intercompany settlement	-	11,000
Others	6,026	680
Total transactions with parent Company	**(1,385)**	**4,160**

The repayment terms of amounts with related parties are not formalized in an agreement.

(b) Transactions with other related parties

The Company enters into transactions with the following related parties: Ennia Caribe Leven (Aruba) N.V., Banco di Caribe N.V., Ennia Caribe Holding N.V., and its subsidiaries' key management personnel in the normal course of business. Sales and purchases from related parties are made at normal market prices.

As of 2022, Banco di Caribe N.V. is no longer a related party.

The outstanding balances with other related parties are as follows:

	2023	2022
Outstanding balance with other related parties	(2,524)	(1,139)

Outstanding balances as of the reporting date are unsecured and with interest. Settlement is expected to take place in cash.

As of the reporting date, there are no provisions for doubtful accounts and no bad debt expenses during the year.

Details of significant transactions carried out during the year with related parties are as follows:

Purchase of	2023	2022
Interest on current accounts	44	149

(c) Employee benefits

All personnel are employed by Ennia Caribe Holding (Aruba) N.V. therefore, the liabilities for employee benefits are recorded in Ennia Caribe Holding (Aruba) N.V. with the expenses allocated among group companies.

(24) Commitments and contingencies

There were no commitments, contingent liabilities, or contingent assets on either December 31, 2023 or December 31, 2022, requiring disclosures and/or adjustments.

(25) Subsequent events

To date, there have been no subsequent events that will have a material impact on the financial statements.