ENNIA Caribe Schade (Aruba) N.V.

Annual Report 2022

The mural on the front page is San Nicolas' 'Kids Are The Future' by Ives.One.

The artist Ives Covert is the founder of Amsterdam Street art and is based in Barcelona. He describes the painting: "I wanted to show the innocence of a young girl unworried about the future".
www.ivesone.com/

At ENNIA, we collaborate to build a secure and future-proof society. A future where people live safely and happily, travel smartly and without worries, achieve financial well-being, enjoy fulfilling work, and dare to pursue their dreams. We proactively explore the future and work together to develop innovative and sustainable solutions that truly make a difference and have a meaningful impact on society.

Fundamentally insurance is nothing more than an agreement among a group of individuals to support each other in times of crisis. We believe that this mindset is essential in an era of diminishing trust and increasing uncertainty. Extending a helping hand to one another not only provides a source of energy but also offers reassurance on our journey towards the future.

Together, we can achieve more and fully utilize the diverse talents and resources at our disposal.

By combining our collective strength and promoting collaboration, we can make a meaningful difference in the well-being of individuals and organizations in the Dutch Caribbean.

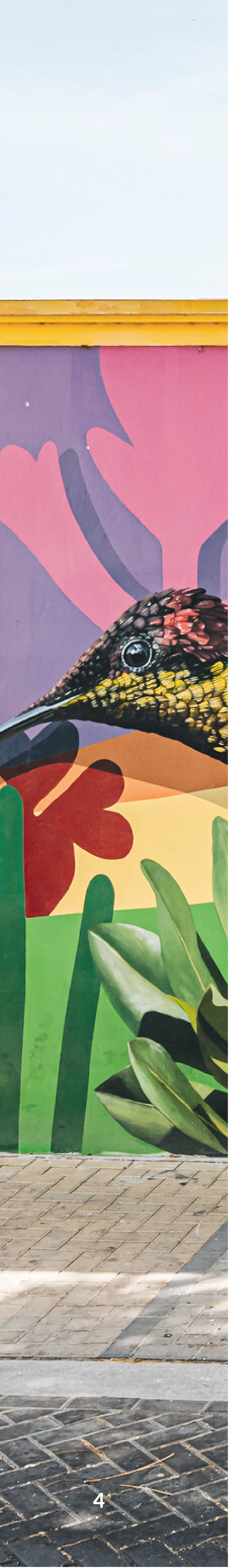
Our goal is to create a society where residents no longer need to worry about the financial risks of life because they can rely on the collective wisdom and support system we have built. When individuals feel secure, they can truly thrive.

Remember, none of us is as smart as all of us.

CONTENT TABLE

ENNIA CARIBE SCHADE (ARUBA) N.V.

Feel secure!



STATEMENT FROM THE SUPERVISORY BOARD

The Supervisory Board maintained frequent and intensive contact with the Executive Board and Shareholder during the year. There were complex issues involving large cash flows that had to be addressed expeditiously. Such as investing in real estate and other types of investments as well as monitoring risks and control measures.

The pressure was sometimes high but so was the harmony to address and resolve matters in mutual cooperation. We observed a constructive attitude amongst all parties to find solutions. This has in our view produced the right results.

Realization of strategy
However, attention to the strategy and sustainability must not slacken and this requires an alert and flexible attitude from all parties. We are pleased to report that the Company has updated its corporate strategy during 2022 in cooperation with all stakeholders and we are confident this will support our efforts to achieve sustainable growth and profitability. Furthermore, based on the newly developed strategic objectives the Company commenced a project of realignment and reinforcement of its Risk Management Program, with the support of an external expert in this field. The Supervisory Board has put strong emphasis on the importance of such project.

As a Board, we believe that in 2022 ENNIA dealt proactively with the current challenges and also - with all the uncertainties resulting from the corona-related costs and developments - arrived at careful financial decision-making in areas such as the cost budget, premium setting and solvency development in 2022. In the coming period, the entire Board will continue to pay attention to the organization's ability to implement its updated strategy. This will allow the Company to deal with the post-Corona era challenges.

We will pay special attention to the digitalization that must be implemented in order to continue to serve the clients correctly in the near future.

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

Cutout of mural by Armando Goedgedrag
www.artmandomultimedia.com

ennia Feel secure!

Grant Thornton

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 Netherlands 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 ever since.

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.

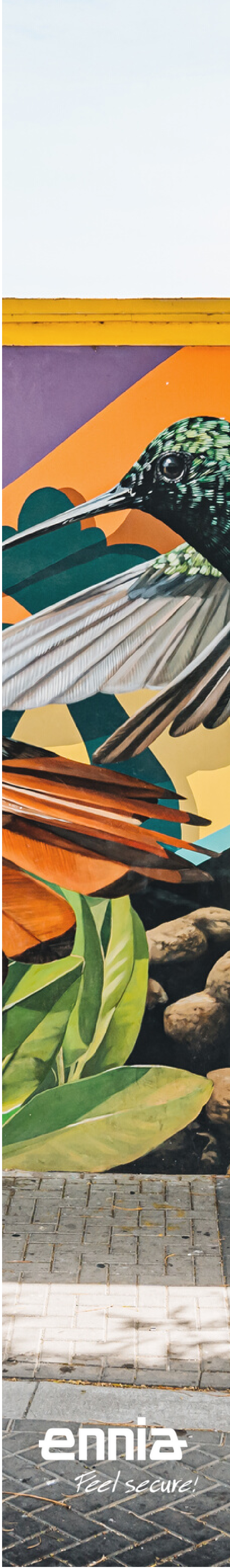
He received his Master's degree in Social Sciences and his Bachelor of Law degree at the University of Utrecht.

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 Registered 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.



OUR NUMBERS

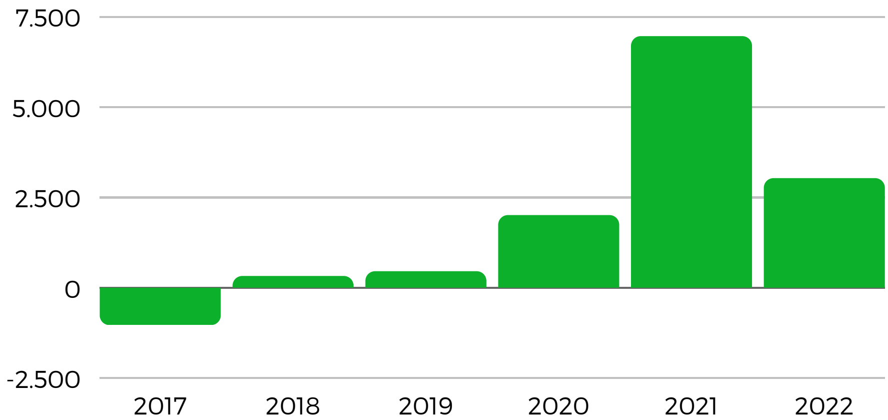
FINANCIAL HIGHLIGHTS 2022

-4%
DECREASE IN GROSS PREMIUM
COMPARED TO 2021

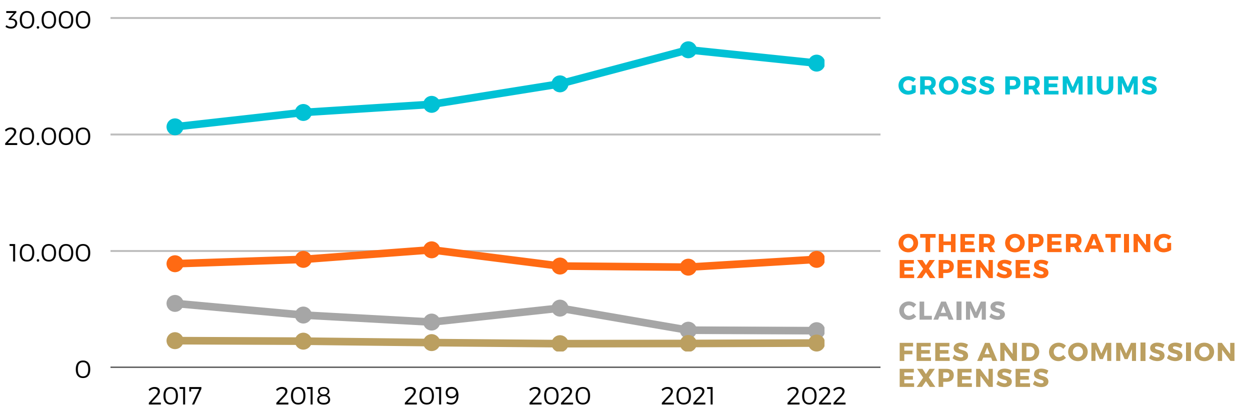
-1%
DECREASE IN CLAIMS
COMPARED TO 2021

8%
INCREASE IN OPERATING EXPENSES
COMPARED TO 2021

DEVELOPMENT OF PROFIT BEFORE TAXES
(in thousands AWG)



COST AND CLAIM DEVELOPMENT
(in thousands AWG)



ennia Feel secure!

Grant Thornton

MESSAGE FROM THE BOARD

Even in the aftermath of the Covid crisis, 2022 has remained a turbulent year in the world, characterized by falling stock markets, rising interest rates, high inflation, the war in Ukraine and other geopolitical tensions and societal divisions. It appears that we must adapt to a reality of constant unrest and chaos. Consequently, we have observed a declining trust in governments, large corporations, and other organizations among individuals and society at large. Safeguarding the trust of our customers has always been the cornerstone of our business. In 2022, we have successfully achieved this objective and reflect upon a stable year, both financially and operationally. Just like in previous years, the short-term outlook is exceedingly positive, and our focus remains on addressing challenges to ensure long-term sustainability.

Innovation

Innovation continues to be a core pillar of our strategy. We recognize that a seamless customer experience is vital for upholding the trust of our customers and other stakeholders. By continuously innovating our products and services in a new and relevant form that meets the needs of security, safety, and convenience for our customers, our strategy remains to provide excellent service to our customers and to ensure that ENNIA is perceived as the number one insurer in Aruba.

In the coming years, civic and social responsibility will become increasingly significant. Our community faces numerous challenges, and companies like ENNIA possess the resources to contribute to addressing these issues by leveraging our knowledge, experience, and assets. It is also ENNIA's policy to take on greater social responsibility, with the hope of making a meaningful contribution towards solutions that enhance the quality of life for our community.

Appreciation for Brokers and Employees

We look back with satisfaction on the previous year, knowing that it is the result of collective efforts. In this annual report, we would like to take a moment to acknowledge the work and collaboration with our brokers. We firmly believe in the value they add to customers through their independent advice. The broker distribution channel remains crucial in maintaining a personal touch in customer interactions. As always, our employees are key to our success. The employee satisfaction survey conducted in 2022 indicated their positive sentiment towards ENNIA. We strive to foster a high level of employee well-being, which ultimately translates into satisfied customers. We have taken the feedback we received to heart and have already taken steps towards improvement. We observe that our company culture and mission serve as vital motivators for individuals choosing to work at ENNIA. In our competitive job market, we take pride in our ability to attract the right talent to strengthen our teams.

We approach the future with unwavering confidence. Recent developments, particularly in technology, present immense opportunities to further solidify ENNIA's future and expand our relationship with customers, ensuring they derive even greater value in what we have to offer.

Development of Ennia Caribe Schade (Aruba) N.V.

Ennia Caribe Schade (Aruba) N.V. experienced a slightly less successful year in 2022 compared to 2021. The company's profit after tax decreased to 3 million. Several factors contributed to this outcome.

The gross premium decreased to 26,1 mln in 2022, down from 27,3 mln in 2021, while operational expenses increased to 9,3 mln, up from 8,6 mln in 2021. The premium ceded to reinsurers increased from 6,8 mln in 2021 to 8,7 mln in 2022. The net insurance claims and benefits incurred remained unchanged at 3,2 mln, compared to the same amount as in 2021.

At the end of 2022, the cash position of ECSA stood at 19,4 mln, slightly lower than the 19,7 mln at the end of 2021.

We want to thank our customers, colleagues, shareholders and supervisory bodies for the trust they have placed in us and will continue to bear this responsibility!

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

June 26, 2023
Oranjestad, Aruba

Albert Niemeijer
General Managing Director

Henry van den Berg
Managing Director

The managing directors of ENNIA Aruba, mr Albert Niemeijer MSc and mr Henry van den Berg MSc.

ennia
Feel secure!

GRANT THORNTON ARUBA

INDEPENDENT AUDITOR'S REPORT

Our ref: 137589/ A-33094

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 Company) as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of comprehensive income for the year ended December 31, 2022;
- the statement of financial position as at December 31, 2022;
- the statement of cash flows for the year ended December 31, 2022;
- the statement of changes in shareholder's equity for the year ended December 31, 2022;
- the notes to the financial statements 2022, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Dutch Code of Ethics).

Report on the other information included in the annual report

The Board of Directors is responsible for the other information. The other information comprises the Management report (but does not include the financial statements and our auditor's report thereon).

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work 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 the Board of Directors and the Supervisory Board for the financial statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the relevant provisions of Book 2 of the Civil Code applicable for Aruba, and for such internal control as the Board of Directors 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, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company'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 scepticism 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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 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, June 26, 2023
Grant Thornton Aruba

Original signed by Edsel N. Lopez

FINANCIAL STATEMENTS 2022

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31 (IN THOUSANDS AWG)

INCOME	NOTES	2022	2021
Gross written non-life premiums		26,138	27,283
Written premiums ceded to reinsurers		(8,738)	(6,849)
Premiums written net of reinsurance		**17,400**	**20,434**
Change in unearned premiums provisions		(630)	-
Net premiums earned	5	**16,770**	**20,434**
Fee and commission income	6	470	288
Net investment and other income	7	349	161
TOTAL INCOME		**17,589**	**20,883**
EXPENSES			
Insurance claims and benefits	8	3,173	3,244
Fee and commission expenses	9	2,111	2,073
Other expenses	10	9,294	8,624
TOTAL EXPENSES		**14,578**	**13,941**
PROFIT BEFORE TAXATION		**3,011**	**6,942**
Taxation	11	58	419
Profit for the financial year		**2,953**	**6,523**
OTHER COMPREHENSIVE INCOME			
Change in fair value of available-for-sale securities	18	-	(34)
Other comprehensive income for the period, net of taxation		-	(34)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**2,953**	**6,489**
Attributable to:			
The equity holders		**2,953**	**6,489**

ennia Feel secure!

Grant Thornton

FINANCIAL STATEMENTS 2022

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31 (IN THOUSANDS AWG)

ASSETS	NOTES	2022	2021
Financial investments	12	12,483	12,499
Reinsurance assets	19	5,266	5,218
Deferred insurance policy acquisition costs	13	806	748
Receivables and other financial assets	14	4,971	6,107
Prepayments and accrued income	15	1,239	923
Due from related parties	16	209	208
Cash and cash equivalents	17	19,365	19,675
TOTAL ASSETS		**44,339**	**45,378**
EQUITY			
Share capital	18	6,000	6,000
Retained earnings		15,381	12,428
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		**21,381**	**18,428**
LIABILITIES			
Insurance liabilities	19	16,227	15,805
Payables and other financial liabilities	20	2,127	6,819
Due to related parties	21	4,002	3,782
Deferred tax liabilities	22	246	188
Provision for reorganization	23	356	356
TOTAL LIABILITIES		**22,958**	**26,950**
TOTAL EQUITY AND LIABILITIES		**44,339**	**45,378**

FINANCIAL STATEMENTS 2022

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31 (IN THOUSANDS AWG)

	NOTES	2022	2021
Net profit for the year		**2,953**	**6,523**
Adjustments for:			
Fair value gains and losses on financial instruments	**12**	-	230
Net interest income on financial instruments	**15**	(498)	(562)
Revaluation reserves on financial instruments	**18**	-	(34)
Amortizations	**-**	-	2
Deferred taxation	**22**	58	419
Movement in working capital		**2,513**	**6,578**
Changes in:			
Reinsurance assets	**19**	(48)	(48)
Deferred insurance policy acquisition costs	**13**	(58)	38
Receivables due from related parties	**16**	(1)	(1)
Receivables and other financial assets	**14**	1,136	(928)
Prepayments and accrued income	**15**	29	(26)
Insurance liabilities	**19**	422	(245)
Payables and other liabilities	**20**	(4,692)	2,663
Payables due to related parties	**21**	220	(15,564)
Cash generated from operations		**(2,992)**	**(14,122)**
Interest, Dividends and income taxes:			
Interest received	**15**	153	232
Net cash generated from operating activities		**(326)**	**(7,311)**
Cash flows from investing activities:			
Acquisition of investment securities	**12**	(400)	-
Matured fixed income of investment securities	**12**	416	5,000
Net cash used in investing activities		**16**	**5,000**
Net decrease in cash and cash equivalents		**(310)**	**(2,311)**
Cash and cash equivalents at beginning of year	**17**	19,675	21,987
CASH AND CASH EQUIVALENTS AT END OF YEAR	**17**	**19,365**	**19,675**

ennia Feel secure!

Grant Thornton

FINANCIAL STATEMENTS 2022

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022
(IN THOUSANDS AWG)

	NOTES	ISSUED CAPITAL	FAIR VALUE RESERVE	RETAINED EARNINGS	TOTAL
At January 1, 2022					
Total comprehensive income for the financial period		**6,000**	**-**	**12,428**	**18,428**
Profit or loss		-	-	2,953	**2,953**
Other comprehensive income					
Change in fair value of available-for-sale securities	**18**	-	-	-	-
Total other comprehensive income			-	-	-
Total comprehensive income for the financial year		-	-	**2,953**	**2,953**
At December 31, 2022		**6,000**	**-**	**15,381**	**21,381**

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021
(IN THOUSANDS AWG)

	NOTES	ISSUED CAPITAL	FAIR VALUE RESERVE	RETAINED EARNINGS	TOTAL
At January 1, 2021					
Total comprehensive income for the financial period		**6,000**	**34**	**5,905**	**11,939**
Profit or loss		-	-	6,523	6,523
Other comprehensive income					
Change in fair value of available-for-sale securities	**18**	-	(34)	-	**(34)**
Total other comprehensive income			**(34)**	-	**(34)**
Total comprehensive income for the financial year		-	**(34)**	**6,523**	**6,489**
At December 31, 2021		**6,000**	**-**	**12,428**	**18,428**

ennia
Feel secure!

Grant Thornton

MURALS OF ARUBA

Aruba is famous for its hospitality, beaches and turquoise waters. But beside that some of the most powerful murals in the Caribbean can be found in our hidden gem San Nicolas. This hot spot in the making shows beauty at every corner.

Portrait of local journalist Hilario Doncker by Canadian artist Jenna Schwartz

www.jennamtl.com

House of Cards by Dmitrij Proškin, aka ChemiS, from Kazachstan at the Van Renselaerestraat in San Nicolas

www.chemisland.com/na-prodej

ennia Feel secure!

Grant Thornton

3D mural by Sérgio Odeith from Lisbon, Portugal.

www.odeith.com

Mural by Armando Goedgedrag

www.artmandomultimedia.com

NOTES TO THE FINANCIAL STATEMENTS 2022

(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, 2022, were authorized for issuance by the Board of Directors on June 26, 2023.

(2) Summary of significant accounting policies

Basis of Preparation - Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) applicable as at December 31, 2022.

New or Revised Standards and Interpretations

The following standards have become effective from January 1, 2022:
- References to the Conceptual Framework (Amendments to IFRS3)
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9 IFRS 16, IAS 41)

The Board of Directors assessed the impact of these new standards and these amendments do not have significant impact on the financial statement of the Company and therefore the disclosures are not required.

New Standards and Interpretations not yet Adopted

At the date of authorization of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, Amendments or Interpretations have been adopted early by the Company.
Other Standards and amendments that are not yet effective and have not been adopted early by the Company include:
- Amendments to IFRS 17 Insurance Contracts;
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4);
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)
- Deferred Tax Related to Assets and Liabilities arising from a Single Transactions (Amendments IAS 12)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)

The Board of Directors anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, Amendments and Interpretations not yet adopted that do not have a material impact on the Company financial statement have not been disclosed.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Already effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:
- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The Company has been assessing the estimated impact that the initial application of IFRS 17 will have on its financial statements. Based on the initial qualitative assessments undertaken to date, the Company is not able yet to assess the impact. The assessment is still ongoing and all the transition work or quantitative assessments has not yet been finalized.

The Company has commissioned a project team to consider the impact of the new standard and provide training to the Company's personnel. The primary objective of the project team is to comprehensively evaluate the impact of IFRS 17 in the following areas:
- *Data requirements*
  This new standard required a higher level of granularity in cash flow and other data to appropriately measure insurance contracts and make the necessary disclosure for reporting purposes.
- *Systems and process*
  This new standard might require new systems, and or functionality of existing systems need to be expanded for the appropriate calculations.
- *Determining the appropriate accounting policies and formulating disclosures*
  There are many accounting policies options and many ways in which a required policy or disclosure can be formulated.
- *Determining the changes to financial reporting processes*
  This new standard might require new format of balance sheet and profit & loss statement; and new chart of accounts.

IFRS 17 Insurance Contracts is expected to have a material impact on the Company's financial statements, as it introduces many new measurements. The Company doesn't have the financial insight of these changes as of yet; but expects these new measures to bring impactful changes in the following main areas:

- **Insurance premiums**

IFRS 17 requires to group insurance contracts together that have similar risk and profitability profiles and are managed together. The contracts should be aggregated to a minimum of:
- insurance contracts that are onerous at initial recognition; if any
- insurance contracts that have no significant possibility of becoming onerous at initial recognition if any; and
- group of the remaining contracts in the portfolio, if any.

ennia
Feel secure!

Grant Thornton

- **Insurance liabilities**

IFRS 17 introduced a fundamental concept; the contractual service margin (CSM). The CSM is a component of the assets or liability for a group of insurance contracts that represent the unearned profit that is expected to be earned. The CSM is to be determined on initial recognition of a group of insurance contracts as follows:

- expected profits must not be recognized on the first day of the contract but captured within the CSM and to be released as the service is provided over the life of the contract; this is applicable for profitable contracts.
- expected losses must not be deferred in a negative CSM, but recognized in full on first day of the contract; this is applicable for onerous contracts.

Other important aspects for the measurement of insurance liability to consider with the changes of IFRS 17 are; the best estimate future cash flows, discounting and risk adjustment.

- **Insurance expenses**

IFRS 17 requires all cashflows, including operating expenses and overhead expenses, to be directly attributed to the acquisition and management of the insurance contracts; where these expenses will be reallocated:

- directly to the insurance service expenses; or
- initially as a reduction in the insurance contract liability; where they are then amortized over the contract duration.

- **Reinsurance**

IFRS 17 requires reinsurance portfolios to be valued separately and the contracts should apply a modified version of the general model to reflect the characteristic of a held reinsurance contract. The CSM will reflect the expected net cost or net gain rather than the unearned profit. And if certain assumptions used for measurement are met, a loss recovery component can be offset a portion of the losses recognized on the underlying insurance contracts.

The above - mentioned changes will probably also have a consequential change on other items of the financial statement that are dependent on IFRS accounting values.

It is expected that IFRS 17, will have a significant impact on the result of the Company and on the shareholder's equity. Despite all these changes; the Company does not expect IFRS 17 to impact the cash flow generated by the business itself.

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instrument. IFRS 9 covers three essential aspects of the accounting for financial instruments; classification and measurement, impairment and hedging. As of 1 January 2023, IFRS 4 has been replaced by IFRS 17 and the exemption to apply IFRS 9 can no longer be used.

Classification and measurement

IFRS 9 requires an assessment to determine the classification of the financial instruments at amortized costs or fair value and if the fluctuations of the values, being gains or losses are included directly in the profit or loss or other comprehensive income.

The Company assessed the value of classes of financial assets at the end of the reporting period as well as the change in fair value and the following two types are relevant:

(i) Equity instruments; which is evaluated directly on a fair value basis.
(ii) Debt instruments; which is evaluated on the business model test, if the contractual cash flows represent solely payments of principal and interest on outstanding principal amount (SPPI).

Financial Assets	**Equity instruments (FVOCI)**	**Equity instruments (FVTPL)**	**Debt-intrusments (AC)**	**Debt-intrusments (FVOCI)**	**Debt-intrusments (FVTPL)**	**Total**
Cash and cash equivalents	-	-	19,365	-	-	**19,365**
Amounts due from related parties	-	-	209	-	-	**209**
Receivables and other financial assets	-	-	4,971	-	-	**4,971**
Financial investments (including accrued interest)	-	-	13,712	-	-	**13,712**
Total Financial Assets	**-**	**-**	**38,257**	**-**	**-**	**38,257**

The Company, based on the current financial asset's classification at amortized cost, doesn't expect that there will be an impactful change when IFRS 17 is implemented. For amortized assets, the fluctuations in valuation will not affect the accounting value with no impact on the P&L and OCI.

Impairment

Under IFRS 9 the impairment model has changed and is based on expected credit losses instead of realized losses in the past. All financial assets with the scope of this new model will generally carry a loss allowance; and might even be applicable for assets which have not yet experienced losses.

The current portfolio has been assessed at the end of the reporting period and the Company doesn't expect that (high) impairment losses will be required in the future. As for this reporting period there was no impairment losses.

The two assessments on classification and impairment are based on the information available for this reporting period and may be subject to change to the Company in the future.

The Company applied for this reporting period the temporary exemption from IFRS 9 Financial Instruments and applied IAS 39; and deferred the application of IFRS 9 and it will be considered as part of the project for the adoption of IFRS 17 Insurance Contracts.

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:

- Financial instruments at fair value through profit or loss are measured at fair value;
- Available-for-sale financial assets are measured at fair value;
- Insurance liabilities

B) Use of estimates

The preparation of financial statements in conformity with IFRS requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts in the statement of financial position and statement of comprehensive income. These judgements, estimates and assumptions are based on the Board of Directors'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 the critical accounting estimates and judgements in applying accounting policies in note 3.

C) Basis of presentation

IAS 1, Presentation of financial statements, requires a distinction between current and non-current items for all assets and liabilities in the balance sheet of the Company. Such a distinction is not appropriate for insurance companies, where close control over liquidity, asset and liability matching, and highly regulated capital and solvency positions are considered more relevant. The presentation applied by the Company is based on liquidity (refer to liquidity table on page 26).

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 for 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 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 in order 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 business so-called "ageing" 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 insurance liabilities. 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 good 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: financial assets at fair value through profit or loss; held-to-maturity investments and available-for-sale financial investments.

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

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, cancelled or when these expire.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is derecognized when the rights to receive cash flows from the asset have expired. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Fair value through profit or loss

Financial assets and financial liabilities (FVTPL) at fair value through profit or loss are reported at fair value with changes in fair value recognized in the income statement.

Available-for-sale

Available-for-sale (AFS) investments are non-derivative investments that are intended to be held for an indefinite period of time. Available-for-sale investments are initially recognized at fair value plus transaction cost, with fair value changes recognized directly in comprehensive income, until the investment is derecognized, whereupon the cumulative gains or losses previously recognized in comprehensive income are recognized in the income statement for the period.

Unquoted equity securities whose fair value cannot be reliably measured are carried at cost less impairment, if applicable. The current value is deemed to approximate fair value.

Held-to-maturity

Held-to maturity (HTM) investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity. Held-to-maturity investments are initially recognized at fair value plus transaction cost and are subsequently carried at amortized cost using the effective interest method. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years.

Loans and receivables

Loans and receivables (L&R) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale.

Loans and receivables are initially measured at fair value plus incremental transaction costs and are subsequently measured at amortized cost using the effective interest rate method, net of an allowance for impairment.

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 measuring using 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 at fair value
The Company reviews the carrying value of its investments on a regular basis. If the carrying value of an investment is greater than the recoverable amount for a significant amount or a prolonged period, the carrying value is reduced through a charge to the income statement in the period of decline. Impairment losses recognized in the income statement for an investment in an equity instrument classified as AFS shall not be reversed through the income statement.

If, in a subsequent period, the fair value of a debt instrument classified as AFS increases and the increase can be objectively related to an event occurring after the recognition of the impairment loss, then the impairment is reversed through the income statement. Financial assets carried at fair value with changes in the fair value recognized in the profit or loss is not subject to impairment testing. The fair value of these assets already reflects possible impairments.

Impairment of other financial assets
The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping with similar risk characteristics.

The Company considers evidence of impairment for loans to customers at both a specific asset and collective level. All individually significant loans to customers are assessed for specific impairment. The individually significant loans to customers found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans to customers that are not individually significant are collectively assessed for impairment by grouping loans and overdrafts to customers with similar risk characteristics.

The impairment loss on loans to customers is measured as the difference between the carrying amount of the loan and the present value of estimated future cash flows discounted at the loan's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and overdrafts to customers. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

When all the necessary legal procedures have been completed, the loan is determined to be uncollectible and the final loss has been determined, then the loan is written off against the allowance for impairment. Subsequent recoveries are credited in profit or loss.

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 on 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, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the year-end.

J) Taxation
Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income. The Company is a transparent company based on the Aruban Fiscal law. Therefore, the income is allocated to its shareholder Ennia Caribe Holding (Aruba) N.V. for tax purposes.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the year 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.

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-end and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

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 on financial investments and realized results on available-for-sale securities. 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 are recognized when the policy has been agreed contractually by 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 expense relate mainly to transaction and services fees, which are expenses as the services are received.

M) Statement of Cash Flows

The statement of cash flows is prepared in accordance with 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 those items in the profit and loss account, and changes in the balance sheet items, which do not result in actual cash flow during the year. Cash flows arising from foreign currency transactions are translated into the functional currency using the exchange rates at the date of the cash flows.

N) Comparatives

Items, elements and notes of the comparatives 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 the International Financial Reporting Standards (IFRS). Certain comparative amounts have been reclassified to conform to the current year's presentation.

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

The principal accounting policies adopted by the Company are set out in note 2. In the application of these accounting policies, the Board of Directors are required to make judgements, 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 factors that are considered to be relevant. 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 have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the Financial Statements.

Insurance liabilities

Claims provisions represent the estimation of the cost of claims outstanding under insurance contracts written. Actuarial techniques, based on statistical analysis of past experience, are used to calculate the estimated cost of claims outstanding at year end. Further details are set out in note 19 to the Financial Statements.

Uncertain tax positions

Uncertain tax positions are measure to the extent that the likelihood of the resulting tax impact. Probable amounts are included within the tax line in the Income Statement, and the liability would be included within the tax liability on the Statement of Financial Position. Where uncertain tax position is deemed to not be probable they are disclosed in notes 22.

Provision for Reorganization

Provision for reorganization are recognised 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 objective of the Company's risk management framework is to protect and increase shareholder's value, maintain the financial strength, improve the quality of the Company's decision making and safeguard the Company's reputation. It serves to protect the Company's shareholder 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 has overall responsibility for the establishment and oversight of the Group's risk management framework. The purpose of the established Risk Committee has been described in Risk Charters for the operating company. The Risk Committee meets once every quarter. The Risk Committee consists of representatives of both Supervisory Board and The Board of Directors Board and Risk Management.

The Company's risk management policies are established and updated on a regular basis with the aim to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor 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, the objectives, deciding on the used methodology and tools. 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 insurance liabilities. 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 from 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 and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of 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 twelve month duration.

For general insurance contracts, the most significant risks arise from climate changes, 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 insurance liabilities. 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 from 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 and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of 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 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 which purpose is to adequately address the need to mitigate the risk of catastrophic claims accumulations, reduce profit volatility over time and to protect the capital of the Company. The Company has a program for the lines of business of 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 occurred during the term of the contract, 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).

There are several variables that 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 adopted from us. 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, it is likely that the final outcome will prove to be different 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, being the amounts reserved related to a certain year compared to claims paid out (amount and timing of payment on net basis).

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

Non-life business		Opening AWG	2013 AWG	2014 AWG	2015 AWG	2016 AWG	2017 AWG	2018 AWG	2019 AWG	2020 AWG	2021 AWG	2022 AWG	Cumulative reserves and claims paid AWG
2012	MR	8,666	-2,244	-1,653	342	-303	-154	-95	-158	-95	-30		**4,275**
and prior	CP		-2,957	-178	-873	-88	-9	-109	-2				**-4,217**
2013	MR		3,454	-200	28	-312	-37	-93	2				**2,842**
	CP		-2,189	-508	-121	-7	-1	-14	-2				**-2,841**
2014	MR			3,619	-13	35	-53	-25	-67	-8			**3,488**
	CP			-2,421	-749	-291	-7	-8	-11				**-3,488**
2015	MR				4,419	532	-68	-38	81	-36	-5	-12	**4,872**
	CP				-3,220	-1,278	-26	-4	-117				**-4,646**
2016	MR					5,389	49	-26	-36	-11	-1	-54	**5,311**
	CP					-3,888	-500	-101	-10	-3	-37	-7	**-4,546**
2017	MR						5,786	530	100	-22	3	-11	**6,386**
	CP						-5,220	-703	-163	-1	-3		**-6,090**
2018	MR							4,902	140	15	-2	-11	**5,044**
	CP							-4,412	-328	-21	-2		**-4,762**
2019	MR								4,254	87	-15	10	**4,335**
	CP								-3,919	-306	-9	-20	**-4,254**
2020	MR									3,201	5,073	-19	**8,255**
	CP									-2,945	-249	-132	**-3,326**
2021	MR										2,663	24	**2,687**
	CP										-2,515	-164	**-2,678**
2022	MR											2,714	**2,714**
	CP											-2,676	**-2,676**
Total reserves at year end		8,666	9,875	11,640	16,417	21,757	27,280	32,434	36,751	39,882	47,568	50,209	50,209
Total amount paid in each year			-5,145	-3,107	-4,964	-5,552	-5,764	-5,351	-4,552	-3,276	-2,814	-3,001	-43,525

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, 2022 and December 31, 2021. It presents claims reserves of 2021 and earlier and claims reserves for 2022 above AWG 100,000 per category.

	2022	2021
Fire	120	247
Motor	780	908
Accident	23	91
Health	1	0
Other	118	134
	1,042	**1,380**

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 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 loan terms are impaired as described in the significant accounting policies (refer to Note 14 receivables and other financial assets). Past due but not impaired loans and investment debt 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 local reliable borrowers and local investments and to invest in foreign fixed income securities that are labeled as investment grade securities. In general, the Company will evaluate if the borrowers are compliant with the credit guidelines.

ENNIA's Finance Team and Non-life in front of Sarah-Quita Offringa by Mr Dheo

ennia Feel secure!

Grant Thornton

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

Quarterly the most material Compliance issues related to the compliance with regulations and specific applicable law 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.

In accordance with IFRS 7 the following table provides an analysis of the financial assets and liabilities of the Company into relevant maturity groupings based on the remaining periods to repayment.

ENNIA's Direct Sales and Customer Support Team In front of a mural by Armando Goedgedrag

www.artmandomultimedia.com

ennia Feel secure!

(in thousands AWG)	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
December 31, 2022						
Financial assets						
Cash and cash equivalents	19,635	-	-	-	-	**19,365**
Receivables and other financial assets	2,473	1,317	1,181	-	-	**4,971**
Amounts due from related parties	-	-	-	209	-	**209**
Financial investments	-	-	10,000	-	2,483	**12,483**
	22,108	**1,317**	**11,181**	**209**	**2,483**	**37,028**
Financial liabilities						
Payables and other financial liabilities	357	969	801	-	-	**2,127**
Amounts due to related parties	-	-	-	4,002	-	**4,002**
Insurance liabilities	675	(393)	6,378	9,567	-	**16,227**
	1,032	**576**	**7,179**	**13,569**	**-**	**22,356**
	21,076	**741**	**4,002**	**(13,360)**	**2,483**	**14,672**

(in thousands AWG)	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
December 31, 2021						
Financial assets						
Cash and cash equivalents	19,675	-	-	-	-	**19,675**
Receivables and other financial assets	887	8,624	2,849	-	-	**6,107**
Amounts due from related parties	-	-	-	-	208	**208**
Financial investments	-	-	416	5,000	7,083	**12,499**
	20,562	**8,624**	**(2,988)**	**5,000**	**7,291**	**38,489**
Financial liabilities						
Payables and other financial liabilities	99	4,845	1,875	-	-	**6,819**
Amounts due to related parties	-	-	-	-	3,782	**3,782**
Insurance liabilities	1,051	(1,044)	6,319	9,479	-	**15,805**
	1,150	**3,801**	**8,194**	**9,479**	**3,782**	**26,406**
	19,412	**4,823**	**(11,182)**	**(4,479)**	**3,509**	**12,083**

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 holdings of financial instruments. 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 review of market developments and trends. The investment portfolio consists of investments in United Kingdom and the United States of America. The balance sheet item that is exposed for 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 market interest rate levels 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.

A program of periodic reviews undertaken by Internal Audit supports compliance with procedures. The results of Internal Audit reviews are discussed with the managers of the business unit/department to which they relate, with summaries submitted to the Audit Committee and the Board of Directors.

v) Capital Management

The Company's objectives when managing capital are:

1. To comply with the insurance capital requirements of the local regulatory agency(ies) and/or Central Bank of Aruba. Capital adequacy for the Company is therefore governed by the Central Bank of Aruba.
2. To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for the shareholder and benefits for other stakeholders.
3. To provide an adequate return to shareholder by pricing insurance and investment contracts commensurately with the level of risk.

Solvency requirement margin for insurance Company
The required solvency margin as required by the Central Bank of Aruba for General insurance is 15% of the gross premium of previous year. At year end the Company is compliant with the solvency requirement.


Team Non-Life Insurances

The following table presents the calculation of the solvency is as follows:

	2022	2021
Available solvency margin	21,381	18,428
Gross written premiums preceding financial year	27,283	24,358
Minimum solvency margin 15%	4,092	3,654
Solvency ratio	**522%**	**504%**

(5) Insurance premium revenue

The following table presents details of net insurance premium revenue for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Gross written premiums	26,138	27,283
Change in the gross provision for unearned premiums	(672)	(40)
Gross insurance premium revenue	**25,466**	**27,243**
Written premiums ceded to reinsurers	(8,738)	(6,849)
Reinsurers' share of change in the provision for unearned premiums	42	40
Ceded earned premiums	**(8,696)**	**(6,809)**
Net insurance premium revenue	**16,770**	**20,434**

ennia Feel secure!

Grant Thornton

(6) Fee and commission income

The following table presents details of fee and commission income for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Reinsurance commission income	470	288
	470	**288**

(7) Net investment and other income

The following table presents details of net investment income for the years ended December 31, 2022 and December 31, 2021.

Investment income

	2022	2021
Actual return		
Investment interest income	498	606
Net investment income	**498**	**606**
	2022	**2022**
By classification		
Investments at amortized cost	498	557
Available-for-sale investments	-	49
Net investment income	**498**	**606**
Other interest expenses	(149)	(445)
Total investment and other income	**349**	**161**

(8) Net Insurance claims and benefits incurred

The following table presents details of net insurance claims and benefits incurred for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Claims payable	3,488	3,464
Movement in insurance liabilities	(355)	(123)
Movement in IBNR	105	(162)
Others	328	105
Gross insurance claims and benefits incurred	**3,566**	**3,281**
Claims reinsured	(100)	-
Movement in reinsurance asset	(6)	(8)
Others	(287)	(29)
Ceded insurance claims and benefits	**(393)**	**(37)**
Total insurance claims and benefits	**3,173**	**3,244**

(9) Fee and commission expenses

The following table presents details of fee and commission expenses for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Fee and commission expenses	2,111	2,073
	2,111	**2,073**

Board of directors, serious business! In front of a mural by Armando Goedgedrag

www.artmandomultimedia.com

ennia Feel secure!

(10) Other expenses

The following table presents details of other expenses for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Staff expenses	5,692	5,454
General & administrative expenses	2,968	2,547
Amortization expenses	-	2
Other expenses	634	621
Total other operating expenses	**9,294**	**8,624**

The following table presents details of the expenses of the staff employed by the Company for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Salaries	4,115	4,051
Pension expenses	410	374
Social security expenses	854	820
Other	313	209
Total staff expenses	**5,692**	**5,454**

(11) Taxation

The following table presents details of the tax expenses by the Company for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Deferred tax		
Related origination and reversal of temporary differences	(56)	376
Related to carried forward losses	147	43
Deferred tax expenses	**91**	**419**
Adjustment on tax rate percentage	(33)	-
Total deferred tax expenses	**58**	**419**

The taxation is further explained in note 22.

(12) Financial investments

The following table presents details of financial investments for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Debt securities	2,083	2,083
Deposits	10,400	10,416
Total financial investments	**12,483**	**12,499**

Financial investments consist of the following categories:

The fair value of the listed available-for-sale debt securities is determined at the closing prices provided by reputable data providers. As per year end 2022, the Company does not have any listed available-for-sale debt securities.

The fair value of the unlisted available-for-sale equity securities has been estimated using a valuation technique based on assumptions that are not supported by observable market prices or rates. The Board of Directors believes the estimated fair values resulting from the valuation technique, which are recorded in the statement of the financial position and the related changes in fair value recorded in the income statement are reasonable and the most appropriate at the year–end.

	2022	2021
Held-to-maturity investments		
Government bonds	2,083	2,083
Time deposits	10,400	10,416
Total	**12,483**	**12,499**
Total financial investments	**12,483**	**12,499**

Held-to-maturity investments are initially recognized at fair value plus transaction cost and are subsequently carried at amortized cost using the effective interest method.

Mural by Rasheed Lowe, aka Mr Lowe, a portrait of Janiro Eisden.

ennia Feel secure!

Grant Thornton

Fair value measurement

The following is a summary of the cost, unrealized gains and losses, and fair value of available-for-sale investments:

2022	Cost / Amortized cost	Unrealized gains and losses	Fair value
Debt securities AFS	(43)	43	-
At December 31, 2022	**(43)**	**43**	**-**

2021	Cost / Amortized cost	Unrealized gains and losses	Fair value
Debt securities AFS	184	46	230
At December 31, 2021	**184**	**46**	**230**

Fair value hierarchy

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: 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). The local government bonds are recorded under level 2.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(13) Deferred insurance policy acquisition costs

The following table presents details of deferred insurance policy acquisition costs for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
At January 1	748	786
Amortization deferred acquisition costs	58	(38)
Balance at December 31	**806**	**748**

Acquisition commissions are deferred by the creation of an explicit deferred acquisition costs asset in the statement of financial position and amortized over the period for which the related premiums are earned. Deferred acquisition costs related with the general business amounts to AWG 0.8 million (2021: AWG 0.7 million).

(14) Receivables and other financial assets

The following table presents details of receivables and other financial assets for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Amounts owed out of direct insurance	3,263	3,705
Amounts owed out of agents & brokers	2,530	3,371
Amounts owed out of reinsurers	920	773
Provision for doubtful receivables	(1,742)	(1,742)
Total receivables and other financial assets	**4,971**	**6,107**

All of the receivables and other financial assets are expected to be settled no more than twelve months after the 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 to its fair value.

(15) Prepayments and accrued income

The following table presents details of prepayments and accrued income for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Prepayments	10	40
Accrued interest income from debt securities	75	76
Accrued interest income from deposits	1,154	807
Total prepayments and accrued income	**1,239**	**923**

(16) Due from related parties

The following table presents details of receivables from Ennia Caribe Holding (Aruba) N.V. for the year ended December 31, 2022 and December 31, 2021.

	2022	2021
Balance at January 1,	208	207
Interest income	1	1
Total due from related parties	**209**	**208**

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

(17) Cash and cash equivalents

The following table presents details of cash and cash equivalents for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Cash at banks	19,365	19,675
	19,365	**19,675**

Cash and cash equivalents comprise cash at banks.

(18) Share capital

The authorized and issued Capital of the Company consists of Awg 6,000 (2021: Awg 6,000) shares with a nominal value of AWG 1,000 and these are fully paid. (see the Statement of changes in shareholder's equity on page 13).

(19) Insurance liabilities

Key assumptions

The principal assumption in estimating the non-life insurance liabilities is that future claim development will follow a comparable pattern to past claim development experience. This includes assumptions with regard to average claim costs, claim handling costs and claim number 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, 2022 and December 31, 2021.

	2022	2021
Unearned premiums provisions	9,357	8,685
Outstanding claims provisions	6,536	6,891
Incurred but not reported claims (IBNR)	334	229
Gross insurance liabilities	**16,227**	**15,805**
Unearned premiums provision for reinsurance	(1,725)	(1,683)
Outstanding claims provision for reinsurance	(3,541)	(3,535)
Reinsurance assets	**(5,266)**	**(5,218)**
Net insurance liabilities	**10,961**	**10,587**

Non-Life insurance liabilities

The following changes have occurred in the gross provision for unearned premiums during the years December 31, 2022 and December 31, 2021.

	2022	2021
At January 1	8,685	8,645
Net change in unearned premiums	672	40
At December 31	**9,357**	**8,685**

The following changes have occurred in the reinsurance provision for unearned premiums during the years December 31, 2022 and December 31, 2021.

	2022	2021
At January 1	(1,683)	(1,643)
Net change in unearned reinsurance premiums	(42)	(40)
At December 31	**(1,725)**	**(1,683)**

The following changes have occurred in the outstanding claims provision during the years December 31, 2022 and December 31, 2021.

	2022	2021
At January 1	6,891	7,014
Claims incurred in the current year	3,003	3,263
Movement in claims incurred in prior years	130	78
Claims paid	(3,488)	(3,464)
At December 31	**6,536**	**6,891**

Teamwork is important!
Management Team in front of the mural by Sérgio Odeith.

https://www.odeith.com/shop/

ennia
Feel secure!

The following changes have occurred in the outstanding claims provision for reinsurance during the years December 31, 2022 and December 31, 2021.

	2022	2021
At January 1	(3,535)	(3,527)
Claims incurred in the current year	(26)	(8)
Movement in claims included in prior years	(80)	(4)
Claims paid	100	4
At December 31	**(3,541)**	**(3,535)**

The following changes have occurred in the incurred but not reported claims (IBNR) during the years December 31, 2022 and December 31, 2021.

	2022	2021
At January 1	229	391
Net change in IBNR	105	(162)
At December 31	**334**	**229**

The IBNR reserve is calculated by applying an estimated claim ratio to earned premiums and then subtracting incurred and paid claims and time to time this is evaluated by an external actuary. In 2021 the IBNR reserve has been assessed by an external actuary.

(20) Payables and other financial liabilities

The following table presents details of payables and other financial liabilities for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Reinsurers payables	1,099	6,086
Payables and other financial liabilities	1,028	733
Total payables and other liabilities	**2,127**	**6,819**

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

(21) Due to related parties

The following table presents details of payables to related parties for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Balance at January 1	3,782	19,346
Interest	(149)	444
Other movements	369	(16,008)
Balance at December 31	**4,002**	**3,782**

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 relates parties are considered to approximate to their fair value.

(22) Deferred tax

The following table presents details of tax assets and liabilities for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Deferred tax assets		
At January 1	365	674
Through profit or loss:		
Carried forward tax losses	(147)	(43)
Unrealized valuation movements on assets	11	(277)
Through OCI		
Movement in fair value resserves	-	11
Total deferred tax assets	**229**	**365**
	2022	**2021**
Deferred tax liabilities		
At January 1	553	454
Through profit or loss:		
Unrealized valuation movements on liabilities	(45)	99
Total deferred tax liabilities	**508**	**553**
Total deferred tax	**(279)**	**(188)**
Adjustment tax rate percentage:		
Through profit or loss	(33)	-
At December 31	**(246)**	**(188)**

The Company, together with its parent entity, Ennia Caribe Holding (Aruba) N.V. and related entity, Ennia Caribe Leven (Aruba) N.V. formed a fiscal unity for tax purpose. Under this fiscal structure, the income of the Company is allocated to its shareholder, Ennia Caribe Holding (Aruba) N.V. for taxation on the basis of profits. The current tax charge for the Company for the period 2022 is nil (2021: nil). The losses available for loss compensation are allocated from the parent company.

ennia Feel secure!

Grant Thornton

As of January 1, 2023, the corporate income tax rate is reduced from 25% to 22%.

A deferred taxation asset of AWG 59 (2021: AWG 206 thousand) thousand has been recognized in respect of unutilized carried forward tax losses. The unutilized caried forward tax losses are analyzed and expire as follows:

Fiscal Financial Year	Losses available for loss compensation per December 31, 2022	Fiscal/Financial year of expiry of tax losses
2018	125	2023
2019	111	2026

Losses can be compensated for 5 years, with the exception of losses generated in the Covid-years (2019-2021), which can be compensated for 7 years.

(23) Provision for reorganization

The following table presents details of the provisions for the years ended December 31, 2022 and December 31, 2021.

	2022	2021
Provision for reorganization	356	356
At December 31	**356**	**356**

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

(24) Related party transactions

(a) *Transactions with parent company*
The Company enters into transactions with its parent company; Ennia Caribe Holding (Aruba) N.V. and the outstanding balance is as follows:

	2022	2021
Outstanding balance with parent company	(2,656)	(6,675)

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:

	2022	2021
Payroll	(3,850)	(3,516)
Allocated operational expenses	(3,679)	(3,400)
Interest	9	9
Intercompany settlement	11,000	15,000
Others	680	1,965
Total transactions with parent company	**4,160**	**10,058**

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. The sales and purchases from related parties are made at normal market prices.
As per 2022, Banco di Caribe N.V. is no longer a related party.

The outstanding balances with other related parties are as follows:

	2022	2021
Outstanding balance with other related parties	(1,139)	3,186

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

There are no provisions for doubtful accounts as of the reporting date and no bad debt expenses during the year.

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

	2022	2021
Purchase of		
Interest earned on financial investments, loans and current accounts	149	445

(c) Compensation of key management personnel
Key management personnel of the Company include all directors and senior management.

The summary of compensation of key management personnel for the year is as follows:

	2022	2021
Salaries	314	301
Other short-term employment benefits	112	109
Post-employment pension benefits	35	31
Total compensation of key management personnel	**461**	**441**

(d) 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.

(25) Commitments and contingencies

There were no commitments, contingent liabilities or contingent assets at either December 31, 2022 or December 31, 2021 requiring disclosures and/or adjustments.

(26) Subsequent event

There have been no other subsequent events which would have a material impact on the financial statements.

* * * * *

Team ENNIA in front of mural by Dopie.dsk, one of the best street artists from Amsterdam.