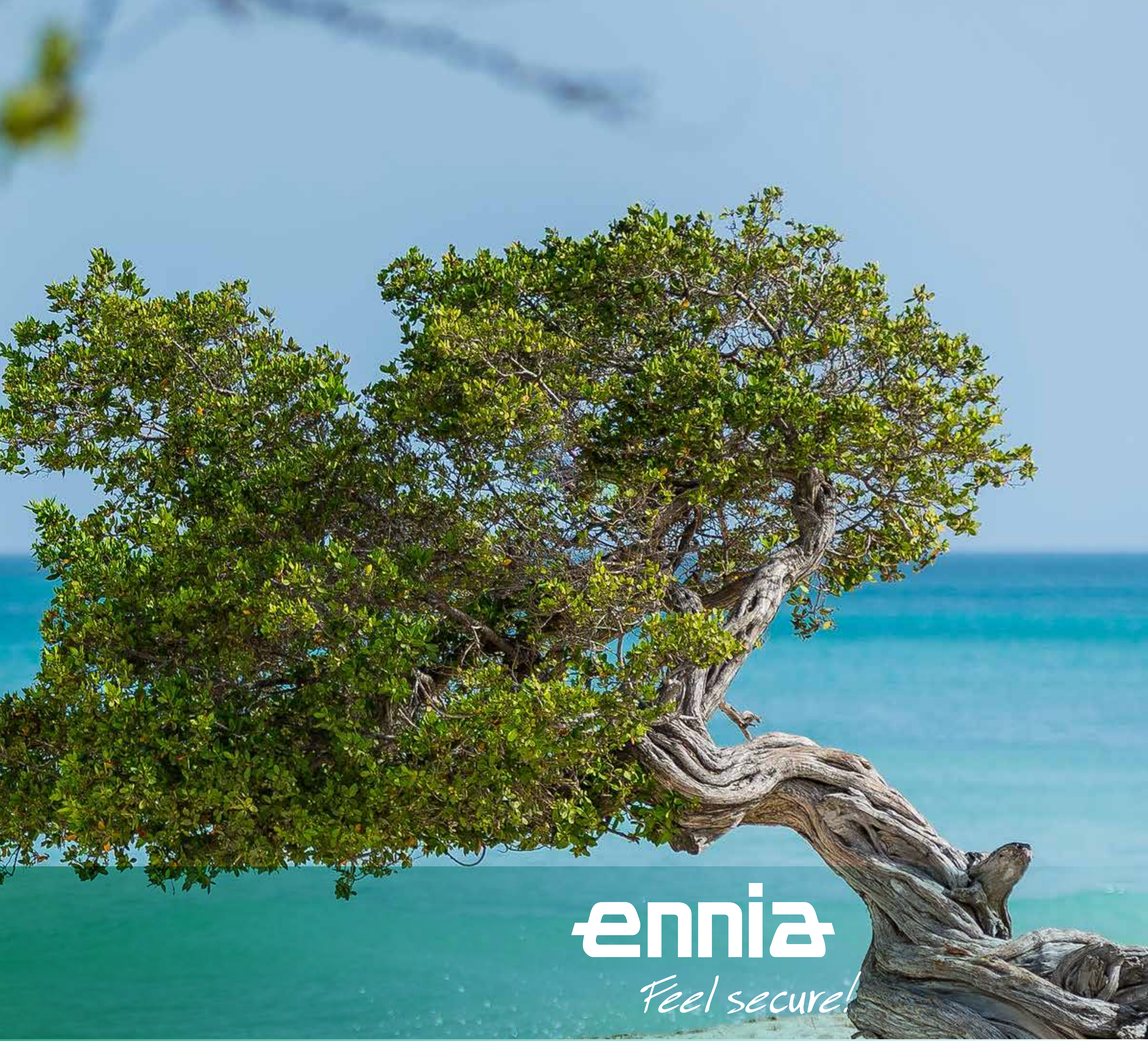

ENNIA Caribe Leven (Aruba) N.V.

Annual Report 2023

Grant Thornton

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Supervisory Board Report

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

Innovative Strategy and Enhanced Risk Management

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

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

Agile Financial Stewardship

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

Vision for 2024

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

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

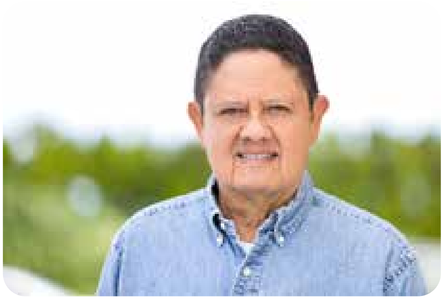
> **In 2023, our commitment to innovation and sustainability remained steadfast.**

Johan Sjiem Fat,
Chairman

Anco Ringeling,
Member

Cees Rokx,
Member

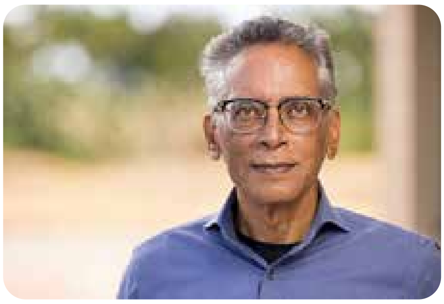
Our supervisory board



MR. JOHAN SJIEM FAT

Johan was born in Aruba on December 25, 1954. He was educated in the Netherlands and in the USA. He obtained a law degree (LLM in Dutch Law) from the University of Utrecht in the 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 eversince.

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



MR. ANCO R.O. RINGELING

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

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

MR. CEES F.J.J. ROKX

Cees was born on September 17, 1962 in the Netherlands.
He studied Business Economics at Tilburg University in the Netherlands and received his degree in 1986. He also completed his post-doctoral studies to become a 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.

Message from the board

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

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

Innovation and excellent customer service!

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

ENNIA Caribe Leven (Aruba) N.V. experienced a positive year in 2023 compared to 2022. The company's profit after tax increased by 35% due to various factors. Investment income increased with 4.7 million from 23.6 million in 2022. Our gross premium reached 31.4 million in 2023, a slight decrease of 0.1 million down from 31.5 million in 2022. By the end of 2023, ECLA's cash position was 67.8 million, which is 18.1 million down from 85.9 million at the end of 2022.

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

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

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

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

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

August 30, 2024,
Oranjestad Aruba

Albert Niemeijer
General Managing Director

Henry van den Berg
Managing Director

Our team

Independent auditor's report

Our reference: 137590/ A-33533

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

Report on the consolidated financial statements included in the annual report

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

What we have audited

We have audited the consolidated financial statements of Ennia Caribe Leven (Aruba) N.V. and its subsidiaries, based in Aruba.

The Group's consolidated financial statements comprise:

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

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

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated 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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

Report on the other information included in the annual report

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

- the management report;

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

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

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

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

Responsibilities for the consolidated financial statements and the audit

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

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

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

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

Our responsibilities for the audit of the consolidated financial statements

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

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

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

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with International Standards on Auditing (ISAs), ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and evaluate whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aruba, 30 August 2024
Grant Thornton Aruba

Original signed by Marisol Roosberg

Consolidated Financial Statements 2023

Consolidated balance sheet
as at December 31, 2023 (in thousands AWG)

Assets	Notes	2023	2022
Intangible assets	5	533	6
Land and buildings	6	34,437	13,267
Financial investments	7	477,313	453,416
Receivables and other financial assets	8	11,977	12,905
Accrued investment income	9	7,407	6,659
Cash and cash equivalents	10	67,767	85,857
Other assets	11	42	108
Total assets		**599,476**	**572,218**

Equity	Notes	2023	2022
Issued capital	12	26,000	26,000
Revaluation reserves	12	225	221
Retained earnings		37,534	30,410
Profit for the financial year		9,603	7,124
Total equity attributable to equity holders		**73,362**	**63,755**

Liabilities	Notes	2023	2022
Technical provision	13	520,738	504,746
Financial provisions	14	2,254	1,171
Payables and other financial liabilities	15	3,122	2,546
Total liabilities		**526,114**	**508,463**
Total equity and liabilities		**599,476**	**572,218**

Consolidated income statement
for the year ended december 31 (in thousands AWG)

Technical account life-insurance	Notes	2023	2022
Income			
Gross written life premiums		31,405	31,548
Written premiums ceded to reinsurers		(746)	(761)
Premiums written net of reinsurance	**16**	**30,659**	**30,787**
Fee and commission income	**17**	379	298
Investment income	**18**	28,422	23,639
Total income		**59,460**	**54,724**
Expenses			
Insurance claims and benefits		21,904	19,877
Movement in technical provision		16,561	19,345
Movement in reinsurance		(8)	(55)
Insurance claims and benefits	**19**	**38,457**	**39,167**
Insurance policy acquisition costs	**20**	(580)	(308)
Fees and commission expenses		1,633	1,314
Other operating expenses	**21**	9,209	6,745
Total expenses		**48,719**	**46,918**
Result technical account life-insurance		**10,741**	**7,806**
Life-insurance non-technical account			
Interest related parties		(105)	(65)
Taxation	**22**	1,243	747
Profit for the financial year		**9,603**	**7,124**

Consolidetated cash flow statement
for the year ended December 31, 2023 (in thousands AWG)

	Notes	2023	2022
Profit for the financial year		**9,603**	**7,124**
Adjustments for:			
Amortization on financial instruments	7	-	547
Change in fair value land and buildings	6	-	(91)
Fair value gains and losses on financial instruments	7	-	(5)
Net interest income on financial instruments	18	(6,909)	(7,916)
Revaluation reserves of financial instruments	12	4	7
Interest income of loans	18	(20,143)	(12,812)
Release of provision loans	7	(17)	(1,848)
Depreciation and amortization	5/11	17	4
Deferred taxation	22	1,243	747
Movement in working capital		**(16,202)**	**(14,243)**
Changes in:			
Reinsurance assets	13	8	55
Deferred insurance policy acquisition costs	13	(581)	(308)
Receivables and other financial assets	8	738	(2,651)
Prepayments and accrued income	9/11	(633)	(52)
Receivables due from related parties	8	(976)	(2,943)
Gross technical provision	13	16,565	19,345
Reorganization provision	14	(119)	-
Other provision	14	1,125	-
Payables and other liabilities	15	576	1,095
Cash generated from operations		**16,703**	**14,541**
Interest, dividends and income taxes:			
Interest received	18	27,011	20,538
Net cash generated from operating activities		**27,512**	**20,836**
Cash flows from investing activities:			
Acquisition of software	5	(249)	-
Acquisition of goodwill	5	(287)	-
Acquisition of property and equipment	11	(16)	(83)
Acquisition of investment property	6	(21,170)	-
Acquisitions of investment securities	7	(19,831)	2,669
Matured fixed income of investment securities	7	44,100	1,566
Acquisition of mortgage loans	7	(5,128)	(8,016)
Receipts of mortgage loans	7	4,325	2,775
Acquisition of corporate loans	7	(68,002)	(18,913)
Receipts of corporate loans	7	20,656	14,796
Net cash used in investing activities		**(45,602)**	**(5,206)**
Cash flows from financing activities:			
Repayment of financial liabilities		-	-
Net cash used in financing activities		**-**	**-**
Net increase in cash and cash equivalents		**(18,090)**	**15,630**
Cash and cash equivalents at beginning of year	10	85,857	70,227
Cash and cash equivalents at end of year	10	**67,767**	**85,857**

Notes to the consolidated financial statements

1 Reporting entity

ENNIA Caribe Leven (Aruba) N.V. ("the Company") and its subsidiaries EFS Equidad Financial Services N.V., and Ennia Caribe Real Estate (Aruba) VBA (together forming "the Group"), the Company is a financial services provider active in the field of insurance in Aruba. The company offers life insurance such as annuity, pension, group life and other life policies. The ultimate parent company is Parman International B.V., Curaçao.
The Company was incorporated in June of 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 Company's sole shareholder. The Company acquired in 2023 100% shares in EFS Equidad Financial Services N.V. with its offices registered at Hooiberg 92-D, Hooiberg Aruba, and Ennia Caribe Real Estate (Aruba) VBA with its offices registered at J.E. Irausquin Blvd 16, Oranjestad, Aruba.

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

2 Summary of significant accounting policies

Basis of Preparation

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

Change in accounting policies

These consolidated financial statements are the first based on DAS. This change in accounting policies has been recognized retrospectively. The effect on the consolidated financial statements is as follows:

(in thousands AWG) Consolidated balance sheet	31 Dec 2023 before DAS	Diff	31 Dec 2023 after DAS	1 Jan 2023 before DAS	Diff	1 Jan 2023 after DAS
Assets						
Goodwill	287	(7)	280	-	-	-
Owner-occupied land and buildings	7,394	217	7,611	7,611	-	7,611
Loans	310,083	-	310,083	261,964	(47)	261,917
Reinsurance assets	961	(961)	-	969	(969)	-
Deferred insurance policy acquisition costs	4,956	(4,956)	-	4,375	(4,375)	-
Total assets	**605,183**	**(5,707)**	**599,476**	**577,609**	**(5,391)**	**572,218**
Equity						
Fair value reserves	(1,173)	948	(225)	(1,169)	948	(221)
Retained earnings	(45,979)	(1,158)	(47,137)	(36,633)	(901)	(37,534)
Liabilities						
Technical provision	(526,655)	5,917	(520,738)	(510,090)	5,344	(504,746)
Total equity and liabilities	**(605,183)**	**5,707**	**(599,476)**	**(577,609)**	**5,391**	**(572,218)**

(in thousands AWG) **Consolidated balance sheet**	**31 Dec 2022 before DAS**	**Diff**	**31 Dec 2022 after DAS**	**1 Jan 2022 before DAS**	**Diff**	**1 Jan 2022 after DAS**
Assets						
Owner-occupied land and buildings	7,611	-	7,611	6,512	359	6,871
Loans	261,964	(47)	261,917	251,124	(413)	250,711
Reinsurance assets	969	(969)	-	1,024	(1,024)	-
Deferred insurance policy acquisition costs	4,375	(4,375)	-	4,067	(4,067)	-
Total assets	**577,609**	**(5,391)**	**572,218**	**549,297**	**(5,145)**	**544,152**
Equity						
Fair value reserves	(1,169)	948	(221)	(214)	-	(214)
Retained earnings	(36,633)	(901)	(37,534)	(30,464)	54	(30,410)
Liabilities						
Technical provision	(510,090)	5,344	(504,746)	(490,745)	5,091	(485,654)
Total equity and liabilities	**(577,609)**	**5,391**	**(572,218)**	**(549,297)**	**5,145**	**(544,152)**

(in thousands AWG) **Consolidated balance sheet**	**2023 before DAS**	**Diff**	**2023 after DAS**	**2022 before DAS**	**Diff**	**2022 after DAS**
Income from investment land and buildings	-	-	-	-	(1,013)	(1,013)
Other operating expenses						
Amortization & depreciation expenses	227	(210)	17	206	(202)	4
Other expenses	2,276	(47)	2,229	231	(7)	224
Taxation	1,243	-	1,243	480	267	747
Profit for the year	(9,346)	(257)	(9,603)	(6,169)	(955)	(7,124)
Items previously recognized directly in equity through Other comprehensive income ("OCI")						
Property revaluation	-	-	-	(1,215)	*1,215*	-
Taxation	-	-	-	267	(267)	-
Total	-	-	-	(948)	948	-

Consolidated equity interests

- EFS Equidad Financial Services N.V., Aruba: 100% equity interest (2022: -%)
- Ennia Caribe Real Estate (Aruba) VBA: 100% equity interest (2022: -%)

Basis of consolidation

The consolidated financial statements include the financial information of the Company and its group companies as at December 31 of the financial year. The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies. All inter-company transactions, balances, unrealized surpluses, and deficits on transactions have been eliminated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are excluded from consolidation from the date of disposal or from the date effective control is lost.

Group companies are legal entities and companies over which the group exercises control. Financial instruments containing potential voting rights are also taken into account in this assessment if they have substance.

Mergers and acquisitions

Acquisitions are recognized in the consolidated financial statements according to the purchase accounting method. This means that any assets acquired and liabilities assumed are carried at fair value as at the acquisition date. The difference between cost and the Company's share of the fair value of the identifiable assets acquired and liabilities assumed at the time of the transaction of a participating interest is recognized as goodwill from third parties.

Accounting policies

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

A) Basis of measurement

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

- Equity instruments are measured at fair value;
- Investment property is measured at fair value;
- Technical provision are actuarially calculated; and
- Owner-occupied land and buildings are measured at fair value.

B) Use of estimates

The preparation of consolidated financial statements in conformity with DAS requires the Group to make judgments,estimates, and assumptions that affect the application of accounting policies and the reported amounts in the consolidated balance sheet and consolidated income statement. These judgments, estimates, and assumptions are based on the Board of Directors of the Company'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 judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described in critical accounting estimates and judgments in applying accounting policies in note 3.

C) Basis of presentation

The Group's presentation of the consolidated financial statement is in alignment with DAS 605 Insurance Companies and is based on liquidity.

D) Functional and presentation currency

The consolidated financial statements are presented in Aruban Florins (AWG), which is the Group's functional currency. All values are rounded to the nearest thousand florins 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.

Life insurance

Life insurance business provisions are calculated separately for each life operation based on local regulatory requirements and actuarial principles consistent with those applied in Aruba.

The life insurance provision is calculated according to the principles on which the premiums have been based, primarily on a prospective basis and the interest as used in the premium. The provision also includes a provision for future processing costs of benefits, unearned premiums and unexpired risks, and outstanding claims, all related to the life insurance business.

Provisions with investments for risk of policyholders

This provision is valued on the same basis as the related investments for account and risk of policyholders.

Liability adequacy test for life insurance business

The Group conducts a year-end liability adequacy test so that future losses do not remain unrecognized. The liability adequacy test considers current estimates of all contractual cash flows and of related cash flows, such as claims handling costs, as well as cash flows resulting from embedded options and guarantees. If the liability adequacy test shows that the liability is inadequate, the entire deficiency is recognized in the consolidated income statement. If the deficit decreases in the next reporting period, this addition will be reversed from technical provision through the consolidated income statement (via technical claims and benefits).

Reinsurance

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

Deferred insurance policy acquisition costs
The costs directly attributable to the acquisition of new business for insurance contracts are deferred to the extent that they are expected to be recoverable out of future margins on revenues on these contracts. Life insurance business deferred acquisition costs are amortized systematically over a period no longer than the period in which they are expected to be recovered out of these margins. Changes in the expected useful life or the extended pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in the accounting estimate.

The reinsurers' share of deferred acquisition costs is amortized consistent with the underlying asset. At the end of each reporting period, deferred acquisition costs are reviewed by business category and written off when they are no longer considered recoverable.

F) Financial instruments

The Group classifies its financial assets into the following categories: loans, debt securities, equity instruments, deposits, receivables, and liabilities.

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

Derecognition of financial assets and liabilities
The Group 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 Group is recognized as a separate asset or liability. The Group derecognizes a financial liability when its contractual obligations are discharged, canceled, or when these expire.

Loans
Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term.

Loans 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.

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

Equity instruments
Equity instruments are measured at fair value, with changes in fair value recognized in the consolidated income statement.

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

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

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

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

The Group 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 arm's length basis.

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

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

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

The calculation of ECLs

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

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

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

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

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

Forward-looking information

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

- Consumer price index
- Unemployment rates

Write-offs

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

Foreign currency translation

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. Foreign exchange differences arising from translation are recognized in the consolidated 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.

G) Intangible assets

Development costs

Development costs consist of expenditures for developing software that can be reliably measured and for which it is probable that future economic benefits will flow to the Group. Development costs are amortized on a straight-line basis over the estimated useful economic life of the asset.

Goodwill

Goodwill from third parties is capitalized net of accumulated amortization and, if applicable, impairment. Goodwill from third parties is amortized on a straight-line basis over its estimated useful economic life as follows:

- Goodwill from third parties arising on the acquisition of EFS Equidad Financial Services N.V. over 20 years. The estimated useful economic life is based on the nature and foreseeable useful lives of the activities acquired.

H) Land and buildings

Owner-occupied

Owner-occupied land and buildings (including property being constructed or developed for future use as an investment property) are measured on initial recognition at fair value. Following initial recognition, owner-occupied property (land and buildings) is carried at fair value, with changes in its fair value recognized in the consolidated income statement. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Investment property
Investment property is measured on initial recognition at fair value. Following initial recognition, investment property is carried at fair value with changes recognized in the consolidated income statement. Valuations are performed frequently enough to ensure that the fair value does not differ materially from its carrying amount.

A provision for major maintenance has not been recorded, as this is reflected in the fair value of the land and buildings.

I) Vehicles and equipment

Classification	Useful lives	Residual values
Transportation means	5 – 10 years	0% - 20%
Computer equipment	3 – 10 years	0% - 33%
Furniture, fixtures	5 – 10 years	0% - 20%

All items classified as vehicles & equipment within the consolidated balance sheet are measured on initial recognition at cost. Following initial recognition, equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

All items classified as vehicles & equipment within the consolidated balance sheet are depreciated using a straight-line method over their estimated useful lives, taking their residual values into consideration.
Gains and losses on disposal of vehicles or equipment are determined by reference to their carrying amount and are taken into account in determining operating results.

J) Impairment of non-financial assets
Non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is higher of an asset's net selling price and value in use.

K) 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.

L) Provisions
Provisions are recognized when the Group 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.

M) Taxation
Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated income statement except to the extent that it relates to items recognized directly in equity.
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 carryforwards).

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.

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

Insurance premiums
Premiums on life insurance contracts are recognized as income when receivable, except for investment-linked premiums, which are accounted for when the corresponding liabilities are recognized. For single premium business, this is the date from which the policy is effective. For regular premium contracts, receivables are taken on the date when payments are due. Premiums are shown before the deduction of commission and before any sales-based taxes or duties. When policies lapse due to non-receipt of premiums, all the related premium income accrued but not received from the date they are deemed to have lapsed is debited to premiums.

Investment income
Investment income includes interest on financial investments, increases in the fair value of investment property and owner-occupied land and buildings, realized results on equity securities, and rental income from investment property. Decreases in the fair value of owner-occupied land and buildings and investment properties are recognized as investment expenses under the other operating expenses.

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. It includes the interest rate differential on forward foreign exchange contracts.

Fee and commission income

Fee and commission income, including account servicing fees, transaction fees, investment management fees, insurance brokerage fees, trade financing fees, placement fees and syndication 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. Fee and commission income for the life insurance policies sold to those entering a personal loan agreement are fully due at the start of the loan.

O) Fee and commission expense

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

P) Statement of cash flows

The consolidated 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 consolidated income statement and changes in the consolidated balance sheet items that do not result in actual cash flow during the year. Cash flows arising from foreign currency transactions are translated using the functional currency using the exchange rates at the date of the cash flows.

Q) Comparatives

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

3 Critical accounting estimates and judgments in applying accounting policies

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

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

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

Technical provision

Judgment is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices, and benchmarks, which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. At each reporting date liability adequacy tests are performed to ensure the adequacy of the liabilities. Any deficiency is recognized in the consolidated income statement. Further details are set out in note 13 to the consolidated financial statements.

Owner-occupied land and building

Property held for own use in the supply of services or for administrative purposes is included in the consolidated balance sheet at fair value. Property valuations are affected by general economic and market conditions. The carrying value of property held for own use is determined by valuations conducted by independent professional appraisers. The Company applies judgment where valuations are dependent on unobservable inputs. Changes in fair value are recognized in the consolidated income statement.

Vehicles and equipment

Depreciation is provided for vehicles and equipment and is calculated to write off the cost of the assets over their expected useful lives. The useful life of vehicles and equipment is estimated to be between three and ten years, depending on the asset. Depreciation on assets in development commences when the assets are ready for their intended use.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is recognized initially at fair value and subsequently measured at fair value. The fair value of investment property is determined by valuations conducted by qualified independent professional appraisers, and the Board of Directors of the Company applies judgment where valuations are dependent on unobservable inputs. Gains or losses arising from changes in the fair value are included in the consolidated income statement for the period in which they arise.

Valuation of financial instruments

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 7 provides information about the key assumptions used in the determination of the fair value of financial instruments.

The Board of Directors of the Company believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

Uncertain tax positions

Uncertain tax positions are measured to the extent of the likelihood of the resulting tax impact. Probable amounts are included within the tax line in the consolidated income statement, and the liability would be included within the tax liability on the consolidated balance sheet. Where an uncertain tax position is deemed to not be probable, it is disclosed in the notes to the consolidated financial statements. Further details are set out in note 14.

Financial provisions
A provision for reorganization is recognized only if a detailed formal plan for the reorganization exists and the Board of Directors of the Company 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.

The Group received a notification of an intended regulatory action. It assessed the situation and recognized a provision with respect to this matter. The Group is taking the necessary steps to revise and improve its processes and procedures accordingly. The provision is based on the best estimate of the expenditure required to settle the obligation at the balance sheet date.

4 Insurance and financial risk management

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

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

The Group's risk management policies are established and updated on a regular basis with the aim to identify and analyze the risks faced by the Group, 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 Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

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

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

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

i) Insurance risk

Life insurance risks
The insurance portfolio has a moderate risk profile. The life portfolio contains insurance policies with both short-life risk and longevity risk.

Content of the life insurance portfolio
The life insurance portfolio contains individual and group insurance policies. Individual insurance policies are sold as policies with cash benefits (traditional policies). The individual life insurance portfolio primarily focuses on capital insurance policies. The Group's insurance portfolio consists of traditional defined benefit products in which the insurer guarantees a certain payment stream after retirement. Furthermore, the majority of the group insurance products can be classified as Defined Contribution (DC) products in which the policyholder accumulates a monetary amount which can be compared with a savings account. When the policyholder reaches his pensionable age, this monetary amount is exchanged for an annuity.

Insurance risks for the life insurance portfolio
A life insurance policy entitles the policyholder to death benefits and/or a benefit payable on the maturity date of the policy. The most distinctive risk with respect to life insurance policies is uncertainty with respect to mortality rates. This uncertainty affects the duration and timing of the payment of the insured cash flows: mortality risk reflects the risk that policyholders decease earlier than expected and hence death benefits are paid earlier than expected Longevity risk on the other hand, reflects the risk that policyholders live longer than expected and hence outlive their entitlements (e.g. annuity product) The financial impact of the difference between the calculated timing of mortality and the realized mortality can be substantial, particularly with longevity risk, as this risk is still hard to reinsure.

The Group periodically reviews the level of longevity and mortality risk that is inherent in its portfolios. For an adequate assessment of these effects, the Group monitors the profit and loss development in the time of its mortality assumptions for the entire portfolio. The liability adequacy test largely depends on the movements of the risk-free interest rate curve. Therefore, the life insurance liability adequacy test by itself does not function as an adequate basis to assess longevity and mortality risk compensation. Instead, this is performed in a quarterly technical analysis. Furthermore, a comparison of the current present value of surpluses and deficits does not imply a guarantee that there will be no future deficits. Other insurance risks that affect the life insurance portfolio are the risk of disability (the policyholder becomes incapacitated for work) and risks associated with policyholders' behavior, such as early surrender (the policyholder terminates the policy before the maturity date), the conversion to a non-contributory status (the policyholder terminates the regular premium payment before the maturity date), and spouse rates (e.g. when more policyholders turn out to have spouses, this increases the future benefit stream).

Life insurance portfolio - Investment risk and interest rate guarantees
For most traditional insurance contracts, the policyholder pays regular premiums and/or a single premium. For defined benefit policies, the insurer bears the investment risk of its commitments to policyholders. When a benefit or annuity payment is due, the insurer pays the policyholder a predetermined nominal amount. For defined contribution in group policies, the insurer bears the investment risk for the period the contract is signed. When the contract expires the insurer can change the interest rate that is used to increase the capital over time.

Managing insurance risks in the life insurance portfolio
Risks are managed by means of risk policy, by understanding the factors involved and by review. Developments in the insurance risks of mortality are investigated periodically and developments in early surrender biannually. The results of this investigation are used for pricing life insurance contracts and for the valuation of the insurance portfolio. Risk diversification in the composition of the life insurance portfolio is another goal. Furthermore, an active reinsurance policy is pursued. To gain insight into the sensitivity of the insurance portfolio resulting from changes in parameters used in calculating the technical provisions, the effects of changes in mortality were investigated. Hereby the changes in the parameters for the entire life portfolio were calculated. The solvency sensitivity to changes in the insurance technical parameters is mostly stable.

Reinsurance policy
The Group manages the risks through its reinsurance program which purpose is to adequately address the need to reduce profit volatility over time and to protect the capital of the Group. The Group has a program that covers the risk for disability, mortality and natural catastrophes where disability and or mortality are involved. The purpose of reinsurance is considered a continuous trade off between risk, reward and long-term business continuity. The Board of Directors of the Company indicates boundaries concerning risk and evaluates compliance of the proposed program with relevant rules and regulations.

Liability adequacy life insurance provisions
At the end of each reporting period the Group assesses whether it's recognized insurance liabilities are adequate using current estimates (mortality, interest and cost) of future cash flow, under its insurance contracts. The matching includes both interest matching and duration matching. Most of the relevant and contractual cash flows are modeled. All related deferred acquisition costs and other intangible assets (initial discount rebates) are taken into account.

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

The Supervisory Board of the Company 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 Company's Supervisory Board.
- 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 Group 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 8 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 Group believes that impairment is not appropriate on the basis of the level of security/collateral available or the stage of collection of amounts owed to the Group.

It is the Group'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 Group will evaluate if the borrowers are compliant with the credit guidelines.

The Group holds collateral against loans and advances to customers in the form of mortgages interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of the collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

To manage the level of credit risk, the Group deals with counterparties of good credit standing, and the Company's Board of Directors periodically assesses their liquidity.

iii) Compliance risk
Compliance risk is defined as the risk of impairment of the Group's integrity, which could lead to damaging the Group'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 Group has appointed a Senior Compliance Officer, who reports directly to the CEO of the Group and the Supervisory Board of the Company. The Senior Compliance Officer is functionally responsible for the Compliance Officers and Money Laundering Reporting Officers of the Group.

Quarterly the most material Compliance issues related to the compliance with regulations and specific applicable law are reported to the Company's Board of Directors and the Company's Supervisory Board.

iv) Liquidity risk

Liquidity risk arises in the general funding of the Group 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 Group 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 Group strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Group continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the Group's strategy.

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

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

(in thousands AWG) December 31, 2023	Notes	Less than one month	Between one and three months	Between three months and one year	Between one and three years	More than three years	Total
Financial assets							
Cash & cash equivalents	**11**	67,599	-	168	-	-	**67,767**
Receivables and other financial assets	**9**	2,884	5,659	(1,403)	4,837	-	**11,977**
Financial investments	**7**	642	2,509	51,877	27,023	395,262	**477,313**
		71,125	**8,168**	**50,642**	**31,860**	**395,262**	**557,057**
Financial liabilities							
Payables and other financial liabilities	**16**	803	777	1,542	-	-	**3,122**
Technical provision	**14**	2,143	1,832	18,183	56,887	441,693	**520,738**
		2,946	**2,609**	**19,725**	**56,887**	**441,693**	**523,860**
		68,179	**5,559**	**30,917**	**(25,027)**	**(46,431)**	**33,197**

(in thousands AWG) December 31, 2022	Notes	Less than one month	Between one and three months	Between three months and one year	Between one and three years	More than three years	Total
Financial assets							
Cash & cash equivalents	**11**	76,757	9,100	-	-	-	**85,857**
Receivables and other financial assets	**9**	2,753	3,318	1,807	5,027	-	**12,905**
Financial investments	**7**	-	80,251	(917)	22,453	351,629	**453,416**
		79,510	**92,669**	**890**	**27,480**	**351,629**	**552,178**
Financial liabilities							
Payables and other financial liabilities	**16**	972	1	1,573	-	-	**2,546**
Technical provision	**14**	5,420	3,835	20,464	61,977	413,050	**504,746**
		6,392	**3,836**	**22,037**	**61,977**	**413,050**	**507,292**
		73,118	**88,833**	**(21,147)**	**(34,497)**	**(61,421)**	**44,886**

v) 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 Group's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk. Market risk includes currency risk, interest rate risk, and equity price risk.

Market risks are evaluated on an ongoing basis at the Executive and Board levels through discussions and reviews of market developments and trends. The investment portfolio consists of investments in Curacao and the Caribbean. The consolidated balance sheet item that is exposed to market risk is the loans (note 7).

Currency risk

The foreign currencies in which investments are made are limited to US Dollars and Antillean guilders. The Aruba Florin and the Antillean Guilder are pegged to the US Dollar, so there is no currency risk exposure related to the US Dollar. The foreign currency positions are monitored daily.

Interest rate risk

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

Equity price risk

Equity price risk is regularly monitored by the Group. As of year-end, the group's position in actively traded marketable securities comprises 0.8% (2022: 0.4%) of its total assets. Price fluctuations will likely not influence the group's overall results and financial position.

vi) Operational risks

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the Group'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 Group's operations.

The Group's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Group'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 manager of the business unit/department to which they relate, with summaries submitted to the Audit Committee and the Board of Directors of the Company.

vii) Capital management

The Group'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 Group is therefore governed by the Central Bank of Aruba.
2. To safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders.
3. To provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk.

Solvency requirement margin for insurance company

In 2014 the Central Bank of Aruba ("CBA") has issued new guidelines applicable to life insurers with respect to the minimum solvency requirement and this is laid down in article 14 of the "Landsverordening Toezicht Verzekeringsbedrijf Aruba". The minimum required solvency margin for Life insurance is 8% of the technical provision of the previous year, regardless of reinsurance.

At year-end, the Group was compliant with the solvency requirements. The management of the Group has thoroughly reviewed the solvency requirements set forth by the Central Bank of Aruba. After careful consideration, management has determined that these requirements are both adequate and sufficient to ensure the financial stability and solvency of the group. Consequently, the Group has not established any additional solvency requirements beyond those mandated by the CBA. The calculation of the solvency is based on the figures as reported and filed in the CBA statements.

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

	2023	2022
Available solvency margin	73,194	63,802
Technical provision	504,746	485,654
Minimum solvency margin 8%	40,380	38,852
Solvency Ratio	**181%**	**164%**

5 Intangible assets

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

	2023	2022
Development costs	253	6
Goodwill	280	-
Intangible assets at December 31	**533**	**6**

Development costs	2023	2022
Cost at January 1	18	18
Additions	249	-
Cost at December 31	**267**	**18**
Accumulated amortization at January 1	(12)	(11)
Amortization charge for the year	(2)	(1)
Accumulated amortization at December 31	**(14)**	**(12)**
	253	**6**

Goodwill	2023	2022
Cost at January 1	-	-
Additions	287	-
Cost at December 31	**287**	**-**
Accumulated amortization at January 1	-	-
Amortization charge for the year	(7)	-
Accumulated amortization at December 31	**(7)**	**-**
	280	**-**

6 Land and Buildings

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

	2023	2022
Owner-occupied	7,611	7,611
Investment properties	26,826	5,656
Carrying amount at December 31	**34,437**	**13,267**

Owner-occupied	2023	2022
Balance at January 1	7,611	7,611
Carrying amount at December 31	**7,611**	**7,611**

Land and buildings are stated at market value. The market value represents the amount at which the land and buildings could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation.

Ennia Caribe Leven (Aruba) N.V. owns the property & building at J.E. Irausquin Boulevard 16. The land and buildings at J.E. Irausquin Blvd 16 has been appraised on March 16th, 2023 by a registered appraiser. The valuation method used is carried out at present value based on the rentable value with a capitalization based on a yield of 7%. The Board of Directors of the Company reviewed the valuations performed by the appraiser and is of the opinion that the valuation technique is appropriate.

The change in market value is recognized in the consolidated income statement.

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

Investment property	2023	2022
Balance at January 1	5,656	6219
Addition	21,170	-
Change in market value	-	(563)
Carrying amount at December 31	**26,826**	**5,656**

The investment properties are stated at market value. The market value represents the amount at which they could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation.

The land and building located at Caya G.F. Betico Croes, and other land and properties located at Windstraat/Oude Schoolstraat has been appraised on April 3rd, 2023 by a registered appraiser. The valuation method used is carried out at present value based on the rentable value with capitalization based on a yield of 7%. The Board of Directors of the Company reviewed the valuations performed by the appraiser and is of the opinion that the valuation methods are appropriate.

Investment properties comprise land and building located at Caya G.F. Betico Croes carried at AWG 5.1 million; and other land properties located at Windstraat/Oude Schoolstraat carried at AWG 0.6 million.

In June 2023, the Group acquired an investment property located at Camacuri 8 for a total consideration of AWG 21.17 million. The property was subsequently valued by an independent appraiser on July 20, 2023. The Board of Directors of the Company reviewed the valuation performed by the appraiser and is of the opinion that the consideration adequately reflects the property's market value on the balance sheet date.

The change in market values is recognized in the consolidated income statement.

7 Financial investments

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

Financial investments	2023	2022
Debt securities	161,229	160,193
Equity securities	2,365	2,365
Deposits	3,636	28,941
Loans	310,083	261,917
Total financial investments	**477,313**	**453,416**

Debt securities

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

	2023	2022
Government bonds	161,229	160,193
Less: Allowance for ECL	-	-
Total debt securities	**161,229**	**160,193**

Government bonds

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

(in thousands AWG) **December 31, 2023** Internal rating grade	12-month Basel PD range	Stage 1	Stage 2	Stage 3	Total
Performing					
High grade	0.0% - 0.5%	161,229	-	-	**161,229**
Standard grade	0.5% - 11.7%	-	-	-	-
Sub-standard grade	11.7% - 29.5%	-	-	-	-
Low grade	29.5% - 100%	-	-	-	-
Non-performing					
Individually impaired	100%	-	-	-	-
Total		**161,229**	-	-	**161,229**

(in thousands AWG) **December 31, 2022** Internal rating grade	12-month Basel PD range	Stage 1	Stage 2	Stage 3	Total
Performing					
High grade	0.0% - 0.5%	160,193	-	-	**160,193**
Standard grade	0.5% - 11.7%	-	-	-	-
Sub-standard grade	11.7% - 29.5%	-	-	-	-
Low grade	29.5% - 100%	-	-	-	-
Non-performing					
Individually impaired	100%	-	-	-	-
Total		**160,193**	**-**	**-**	**160,193**

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

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

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

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

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

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2023	**160,193**	**-**	**-**	**-**	**-**	**-**	**160,193**	**-**
New assets originated or purchased	11,036	-	-	-	-	-	**11,036**	**-**
Payments and assets derecognized	(10,000)	-	-	-	-	-	**(10,000)**	**-**
Transfers to Stage 1	-	-	-	-	-	-	**-**	**-**
Transfers to Stage 2	-	-	-	-	-	-	**-**	**-**
Transfers to Stage 3	-	-	-	-	-	-	**-**	**-**
Impact on ECL of transfers	-	-	-	-	-	-	**-**	**-**
Remeasurement of year-end ECL	-	-	-	-	-	-	**-**	**-**
At December 31, 2023	**161,229**	**-**	**-**	**-**	**-**	**-**	**161,229**	**-**

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2022	**158,061**	**-**	**-**	**-**	**-**	**-**	**158,061**	**-**
New assets originated or purchased	3,143	-	-	-	-	-	**3,143**	**-**
Payments and assets derecognized	(1,011)	-	-	-	-	-	**(1,011)**	**-**
Transfers to Stage 1	-	-	-	-	-	-	**-**	**-**
Transfers to Stage 2	-	-	-	-	-	-	**-**	**-**
Transfers to Stage 3	-	-	-	-	-	-	**-**	**-**
Impact on ECL of transfers	-	-	-	-	-	-	**-**	**-**
Remeasurement of year-end ECL	-	-	-	-	-	-	**-**	**-**
At December 31, 2022	**160,193**	**-**	**-**	**-**	**-**	**-**	**160,193**	**-**

Equity securities

Equity securities consist of investments in ordinary shares. The fair value of the 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 of the Company believes the estimated fair values resulting from the valuation technique, which are recorded in the consolidated balance sheet, and the related changes in fair value recorded in the consolidated income statement, are reasonable and the most appropriate at year's end.

Deposits

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

	2023	2022
Local time deposits	3,636	28,941
	3,636	**28,941**
Less: Allowance for ECL	-	-
Total deposits	**3,636**	**28,941**

Local time deposits

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

(in thousands AWG) **December 31, 2023** **Internal rating grade**	**12-month Basel PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
High grade	0.0% - 0.5%	3,636	-	-	**3,636**
Standard grade	0.5% - 11.7%	-	-	-	-
Sub-standard grade	11.7% - 29.5%	-	-	-	-
Low grade	29.5% - 100%	-	-	-	-
Non-performing					
Individually impaired	100%	-	-	-	-
Total		**3,636**	**-**	**-**	**3,636**

(in thousands AWG) **December 31, 2022** **Internal rating grade**	**12-month Basel PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
High grade	0.0% - 0.5%	28,941	-	-	**28,941**
Standard grade	0.5% - 11.7%	-	-	-	-
Sub-standard grade	11.7% - 29.5%	-	-	-	-
Low grade	29.5% - 100%	-	-	-	-
Non-performing					
Individually impaired	100%	-	-	-	-
Total		**28,941**	**-**	**-**	**28,941**

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

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

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

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

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

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2023	**28,941**	-	-	-	-	-	**28,941**	-
New assets originated or purchased	8,795	-	-	-	-	-	**8,795**	-
Payments and assets derecognized	(34,100)	-	-	-	-	-	**(34,100)**	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Remeasurement of year-end ECL	-	-	-	-	-	-	-	-
At December 31, 2023	**3,636**	-	-	-	-	-	**3,636**	-

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2022	**37,899**	-	-	-	-	-	**37,899**	-
New assets originated or purchased	19,597	-	-	-	-	-	**19,597**	-
Payments and assets derecognized	(28,555)	-	-	-	-	-	**(28,555)**	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Remeasurement of year-end ECL	-	-	-	-	-	-	-	-
At December 31, 2022	**28,941**	-	-	-	-	-	**28,941**	-

Loans

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

	2023	2022
Corporate loans	273,993	226,647
Mortgage loans	36,312	35,509
	310,305	**262,156**
Less: ECL allowance	(222)	(239)
Total loans	**310,083**	**261,917**

Corporate loans

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

(in thousands AWG) **December 31, 2023** **Internal rating grade**	**12-month Basel PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
High grade	0.0% - 0.5%	135,524	9,641	-	**145,165**
Standard grade	0.5% - 11.7%	40,280	-	-	**40,280**
Sub-standard grade	11.7% - 29.5%	-	-	-	-
Low grade	29.5% - 100%	-	30,673	-	**30,673**
Non-performing					
Individually impaired	100%	-	-	57,875	**57,875**
Total		**175,804**	**40,314**	**57,875**	**273,993**

(in thousands AWG) **December 31, 2022** **Internal rating grade**	**12-month Basel PD range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Performing					
High grade	0.0% - 0.5%	139,800	13,081	-	**152,881**
Standard grade	0.5% - 11.7%	-	-	-	-
Sub-standard grade	11.7% - 29.5%	-	-	-	-
Low grade	29.5% - 100%	26,412	28,996	-	**55,408**
Non-performing					
Individually impaired	100%	-	-	18,358	**18,358**
Total		**166,212**	**42,077**	**18,358**	**226,647**

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

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

(in thousands AWG) **December 31, 2023**	**Stage2 Gross carrying amount**	**ECL**	**Stage 3 Gross carrying amount**	**ECL**	**Total Gross carrying amount**	**ECL**
Less than:						
30dpd (for Stage 2)	15,914	12	-	-	**15,914**	**12**
90dpd (for Stage 3)	-	-	-	-	**-**	**-**
More than:						
30dpd (for Stage 2)	24,400	34	-	-	**24,400**	**34**
90dpd (for Stage 3)	-	-	57,875	123	**57,875**	**123**
Total	**40,314**	**46**	**57,875**	**123**	**98,189**	**169**

(in thousands AWG) **December 31, 2022**	**Stage2 Gross carrying amount**	**ECL**	**Stage 3 Gross carrying amount**	**ECL**	**Total Gross carrying amount**	**ECL**
Less than:						
30dpd (for Stage 2)	28,996	-	-	-	**28,996**	**-**
90dpd (for Stage 3)	-	-	-	-	**-**	**-**
More than:						
30dpd (for Stage 2)	13,081	-	-	-	**13,081**	**-**
90dpd (for Stage 3)	-	-	18,358	123	**18,358**	**123**
Total	**42,077**	**-**	**18,358**	**123**	**60,435**	**123**

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

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2023	**166,212**	**33**	**42,077**	**-**	**18,358**	**123**	**226,647**	**156**
New assets originated or purchased	52,151	2	15,851	12	-	-	**68,002**	**14**
Payments and assets derecognized	(8,059)	-	(11,431)	-	(1,166)	-	**(20,656)**	**-**
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	(7,564)	(1)	24,400	1	(16,836)	-	-	-
Transfers to Stage 3	(26,936)	-	(30,583)	-	57,519	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Remeasurement of year-end ECL	-	(3)	-	33	-	-	-	**30**
At December 31, 2023	**175,804**	**31**	**40,314**	**46**	**57,875**	**123**	**273,993**	**200**

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2022	**172,848**	**35**	**29,026**	**11**	**20,656**	**1,545**	**222,530**	**1,591**
New assets originated or purchased	5,833	2	13,080	-	-	-	**18,913**	**2**
Payments and assets derecognized	(12,469)	-	(29)	-	(2,298)	(1,422)	**(14,796)**	**(1,422)**
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Remeasurement of year-end ECL	-	(4)	-	(11)	-	-	-	**(15)**
At December 31, 2022	**166,212**	**33**	**42,077**	**-**	**18,358**	**123**	**226,647**	**156**

Mortgage loans

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

(in thousands AWG) **December 31, 2023** Internal rating grade	12-month Basel PD range	Stage 1	Stage 2	Stage 3	Total
Performing					
High	0.0% - 0.5%	9,514	937	-	**10,451**
Standard	0.5% - 11.7%	7,784	577	-	**8,361**
Sub-standard	11.7% - 29.5%	5,161	785	-	**5,946**
Low	29.5% - 100%	1,116	7,058	-	**8,174**
Non-performing					
Individually impaired	100%	-	-	3,380	**3,380**
Total		**23,575**	**9,357**	**3,380**	**36,312**

(in thousands AWG) **December 31, 2022** Internal rating grade	12-month Basel PD range	Stage 1	Stage 2	Stage 3	Total
Performing					
High grade	0.0% - 0.5%	10,269	576	-	**10,845**
Standard grade	0.5% - 11.7%	7,869	227	-	**8,096**
Sub-standard grade	11.7% - 29.5%	2,408	2,200	-	**4,608**
Low grade	29.5% - 100%	645	6,942	-	7,**587**
Non-performing					
Individually impaired	100%	-	-	4,373	**4,373**
Total		**21,191**	**9,945**	**4,373**	**35,509**

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

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

(in thousands AWG) **December 31, 2023**	**Stage2 Gross carrying amount**	**ECL**	**Stage 3 Gross carrying amount**	**ECL**	**Total Gross carrying amount**	**ECL**
Less than:						
30dpd (for Stage 2)	2,460	-	-	-	**2,460**	-
90dpd (for Stage 3)	-	-	-	-	-	-
More than:						
30dpd (for Stage 2)	6,897	2	-	-	**6,897**	**2**
90dpd (for Stage 3)	-	-	3,380	-	**3,380**	-
Total	**9,357**	**2**	**3,380**	**-**	**12,737**	**2**

(in thousands AWG) **December 31, 2022**	**Stage2 Gross carrying amount**	**ECL**	**Stage 3 Gross carrying amount**	**ECL**	**Total Gross carrying amount**	**ECL**
Less than:						
30dpd (for Stage 2)	2,066	-	-	-	**2,066**	-
90dpd (for Stage 3)	-	-	-	-	-	-
More than:						
30dpd (for Stage 2)	7,879	40	-	-	**7,879**	**40**
90dpd (for Stage 3)	-	-	4,373	-	**4,373**	-
Total	**9,945**	**40**	**4,373**	**-**	**14,318**	**40**

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

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2023	**21,191**	**42**	**9,945**	**40**	**4,373**	-	**35,509**	**82**
New assets originated or purchased	4,031	-	999	2	98	-	**5,128**	**2**
Payments and assets derecognized	(2,354)	(20)	(1,653)	-	(317)	-	**(4,324)**	**(20)**
Transfers to Stage 1	1,433	29	(1,433)	(29)	-	-	-	-
Transfers to Stage 2	(400)	-	1,878	-	(1,478)	-	-	-
Transfers to Stage 3	(326)	-	(379)	-	704	-	**(1)**	-
Remeasurement of year-end ECL	-	(31)	-	(11)	-	-	-	**(42)**
At December 31, 2023	**23,575**	**20**	**9,357**	**2**	**3,380**	-	**36,312**	**22**

(in thousands AWG)	Stage1 Gross carrying amount	ECL	Stage 2 Gross carrying amount	ECL	Stage 3 Gross carrying amount	ECL	Total Gross carrying amount	ECL
January 1, 2022	**14,592**	**51**	**10,173**	**272**	**5,503**	**172**	**30,268**	**495**
New assets originated or purchased	6,172	-	1,844	29	-	-	**8,016**	**29**
Payments and assets derecognized	(1,332)	-	(1,061)	-	(383)	-	**(2,776)**	-
Transfers to Stage 1	2,341	40	(1,941)	(40)	(400)	-	-	-
Transfers to Stage 2	(381)	-	2,360	53	(1,979)	(53)	-	-
Transfers to Stage 3	(201)	(5)	(1,430)	(39)	1,632	44	**1**	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Remeasurement of year-end ECL	-	(44)	-	(235)	-	(163)	-	**(442)**
At December 31, 2022	**21,191**	**42**	**9,945**	**40**	**4,373**	-	**35,509**	**82**

8 Receivables and other financial assets

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

	2023	2022
Receivables from related parties	4,837	5,027
Amounts owed out of direct insurance	3,987	4,296
Amounts owed out of agents & brokers	1,476	1,543
Provision for doubtful receivables	(535)	(535)
Receivable Reinsurance	2,212	2,574
Total receivables and other financial assets	**11,977**	**12,905**

The carrying amounts of receivables and other financial assets are considered to approximate their fair value.

The following table presents details of the movement in receivables from related parties for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Balance at January 1	5,027	2,084
Interest income	750	65
Other movements	(940)	2,878
Balance at December 31	**4,837**	**5,027**

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.

(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:

	2023	2022
Outstanding balance with parent company	(457)	1,171

The outstanding balances as of the reporting date are unsecured and with interest. Settlement is expected to take place in cash.
The significant transactions carried out during the year with the parent company are as follows:

	2023	2022
Payroll	(2,294)	(2,087)
Allocated operational expenses	(1,481)	(1,442)
Settlement De Hoop	-	(1,406)
Tax current year	(1,179)	-
Others	3,327	3,600
Total transactions with parent company	**(1,628)**	**(1,335)**

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

(b) Transactions with other related parties

The Company entered into transactions with the following related parties: Ennia Caribe Schade (Aruba) N.V., Ennia Caribe Holding N.V. and its subsidiaries in the normal course of business. The sales and purchases from related parties are made at normal market prices. The outstanding balances with other related parties are as follows:

	2023	2022
Outstanding balance with other related parties	5,294	3,856

The outstanding balances are unsecured and with interest as of the reporting date. Settlement is expected to take place in cash. As of the reporting date, settlement has taken place for the loans and the outstanding balance with other related parties.

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

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

Purchase of	2023	2022
Interest on loans and current accounts with related parties	750	536

(c) Employee benefits

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

9 Accrued investment income

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

	2023	2022
Accrued interest income debt securities	2,889	2,756
Accrued interest income deposits	384	2,110
Accrued interest income loans	3,222	1,588
Accrued interest income mortgages	205	205
Accrued rental income	707	-
Total accrued investment income	**7,407**	**6,659**

10 Cash and cash equivalents

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

	2023	2022
Cash at banks	67,991	76,757
Short term time deposits	-	9,100
Items in the course of transit, transmission and clearing	(224)	-
	67,767	**85,857**

Cash and cash equivalents comprise cash at banks.

11 Other assets

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

	2023	2022
Vehicles and equipment	21	13
Prepayments and deposits	21	95
Other assets at December 31	**42**	**108**
Equipment		
Cost at January 1	1,019	1,009
Addition	7	10
Cost at December 31	**1,026**	**1,019**
Accumulated depreciation at January 1	(1,006)	(1,003)
Addition	(2)	-
Depreciation charge for the year	(4)	(3)
Accumulated depreciation at December 31	**(1,012)**	**(1,006)**
Carrying amount at December 31	**14**	**13**
Motor vehicles		
Cost at January 1	-	64
Addition	40	-
(Disposals)	-	(64)
Cost at December 31	**40**	**-**
Accumulated depreciation at January 1	-	(51)
Addition	(34)	-
Disposals	-	51
Depreciation charge for the year	(2)	-
Accumulated depreciation at December 31	**(36)**	**-**
Carrying amount at December 31	**4**	**-**
Computer equipment		
Cost at January 1	-	-
Addition	49	-
Cost at December 31	**49**	**-**
Accumulated depreciation at January 1	-	-
Addition	(42)	-
Disposals	-	-
Depreciation charge for the year	(4)	-
Accumulated depreciation at December 31	**(46)**	**-**
Carrying amount at December 31	**3**	**-**
Total vehicles and equipment	**21**	**13**

12 Equity

The authorized and issued capital of the Group consists of 26,000 (2022: 26,000) shares with a nominal value of AWG. 1,000 and these are fully paid. The composition and movement in Equity is as follows.

	Notes	Issued Catital	Fair Value Reserve	Retained Earnings	Total
At January 1, 2023		26,000	221	37,534	63,755
Profit for the financial year		-	-	9,603	9,603
Change in fair value of securities	7	-	4	-	4
At December 31, 2023		**26,000**	**225**	**47,137**	**73,362**

	Notes	Issued Catital	Fair Value Reserve	Retained Earnings	Total
At January 1, 2022		26,000	214	30,410	56,624
Profit for the financial year		-	-	7,124	7,124
Change in fair value of securities	7	-	7	-	7
At December 31, 2022		**26,000**	**221**	**37,534**	**63,755**

The following table presents details of the fair value reserve of equity securities for the years ended December 31, 2023 and December 31, 2022.

	2023	2022
Balance at January 1,	221	214
Fair value gains and losses arising in period	3	4
Other	1	3
Balance at December 31,	**225**	**221**

13 Technical provision

The technical provision for life insurance is calculated based on the principles used to set tariff premiums (a prospective method which is equal to the net present value of estimated future cashflows based on mortality rates and interest rates used mostly on sell date). This provision includes the net present value for future benefits/claims and net premiums, unearned premiums (money paid but coverage not yet in use), and unexpired risks (coverage still active), all as far as related to the life insurance business. Additionally, a separate provision is maintained for products with longevity risk, where people might live longer than anticipated.

Key assumptions

The tariff premium considers several factors to ensure fair pricing at the time of sale. These factors include mortality rates, expected future costs, and discount rates (how much future costs are worth today). The specific assumptions used can vary by product, as detailed in the next overview based on total portfolio.

Mortality and interest rates

	Mortality tables		Interest rates	
	2023	2022	2023	2022
Group life provision	GBM/V 1961 - 1965	GBM/V 1961 - 1965	4%	4%
	GBM/V 1976 - 1980	GBM/V 1976 - 1980	4%	4%
	GBM/V 1985 - 1990	GBM/V 1985 - 1990	4%	4%
	GBM/V 2000 - 2005	GBM/V 2000 - 2005	3%	3%
	GBM/V 2003 - 2008	GBM/V 2003 - 2008	3%	3%
Individual life provision	GBM/V 1961 - 1965	GBM/V 1961 - 1965	4%	4%
	GBM/V 1976 - 1980	GBM/V 1976 - 1980	3% and 4%	3% and 4%
	GBM/V 2000 - 2005	GBM/V 2000 - 2005	3%	3%

Age corrections

Individual	Mortality rates	Age correction	
Longevity risk	GBM/V 1961 - 1965	M - 2	F - 7
	GBM/V 1976 - 1980	M - 2	F - 7
	GBM/V 1985 - 1990	M - 3	F - 2
Mortality risk	GBM/V 1961 - 1965	M - 1	F - 6
	GBM/V 1976 - 1980	M + 1	F - 4
	GBM/V 2000 - 2005	M - 1	F + 0

Group

Tariff	Mortality rates	Discount rate	Age correction before retirement	Age correction after retirement	Age difference partner
AGBM1	GBM 61 - 65	4%	0	-2	-3
AGBV1	GBV 61 - 65	4%	-2	-2	3
EGBM1	GBM 76 - 80	4%	-1	-2	-3
EGBV1	GBV 76 - 80	4%	-1	-3	-3
EM859	GBM 85 - 90	4%	-1	-2	-3
EV859	GBV 85 - 90	4%	-1	-3	-3
FM859	GBM 85 - 90	4%	2	-3	-3
FV859	GBV 85 - 90	4%	1	-2	-3
RM305	GBM 00 - 05	3%	2	-3	-3
RV305	GBV 00 - 05	3%	0	-4	-3
RM308	GBM 03 - 08	3%	2	-2	-3
RV308	GBV 03 - 08	3%	0	-5	3

Age and terms

Life

- Exact birthdate is used
- For age and terms, an interpolation is used between the following four points:
  - Age rounded up and term rounded up
  - Age rounded up and term rounded down
  - Age rounded down and term rounded up
  - Age rounded down and term rounded down

Group

- Age and terms rounded to months

Cost loadings

2% and 3% are cost loadings on the pension payment. For old policies, this percentage is 3%. The 0.1% of the premium-free capital is for future administration costs on premium-free policies.

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

	2023	2022
Individual life provisions	101,467	103,347
Group life provisions	425,188	406,743
Gross technical provision	**526,655**	**510,090**
Reinsurance for individual life	(961)	(969)
Deferred acquisition costs	(4,956)	(4,375)
Net technical provision	**520,738**	**504,746**

Individual life insurance

The following changes have occurred in the individual insurance during the years December 31, 2023 and December 31, 2022.

	2023	2022
Balance at January 1	103,345	104,077
Required interest	3,597	3,658
Available costs	(4,194)	(4,027)
Change in technical provision	8	(13)
Other movements	(1,289)	(350)
Balance at December 31	**101,467**	**103,345**

The following changes have occurred in the reinsurance of individual insurance assets during the years December 31, 2023, and December 31, 2022.

	2023	2022
Balance at January 1	(969)	(1,024)
Required interest	(38)	(40)
Available costs	356	302
Change in technical provision	(310)	(207)
Balance at December 31	**(961)**	**(969)**

Group life insurance

The following changes have occurred in the gross group life insurance during the years December 31, 2023 and December 31, 2022.

	2023	2022
Balance at January 1	406,743	386,667
Required interest	14,721	14,132
Available costs	(1,807)	(1,784)
Change in technical provision	5,531	7,728
Balance at December 31	**425,188**	**406,743**

Deferred Acquisition costs

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

	2023	2022
Balance at January 1	(4,375)	(4,067)
Amortization deferred acquisition costs	976	892
Acquisition costs deferred during the year	(1,557)	(1,200)
Balance at December 31	**(4,956)**	**(4,375)**

14 Financial Provisions

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

	2023	2022
Provision for reorganization	99	218
Deferred tax provision	1,030	953
Other provisions	1,125	-
	2,254	**1,171**

Provision for reorganization

A detailed reorganization plan has been formalized at the consolidated 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.

Deferred tax provision

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

Deferred tax assets		
At January 1	315	812
Carried forward tax losses	-	(388)
Unrealized valuation movements on assets	(128)	(109)
Total deferred tax assets	**187**	**315**
Deferred tax liabilities		
At January 1	1,268	1,017
Unrealized valuation movements on liabilities	(51)	(16)
Movement in fair value reserves	-	267
Total deferred tax liabilities	**1,217**	**1,268**
Total deferred tax	**1,030**	**953**

The Company, together with its parent entity, Ennia Caribe Holding (Aruba) N.V., and related entity, Ennia Caribe Schade (Aruba) N.V., forms a fiscal unity for tax purposes. 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 2023 is AWG 1.2 million (2022: AWG 0.7 million). The losses available for loss compensation are allocated from the parent company. As of 2023, there are no remaining losses available for loss compensation. The AWG 1.2 million includes a current profit tax of AWG 1,167,000 after loss compensation. New subsidiaries acquired in 2023 do not form part of the fiscal unity and are, hence, individually liable for profit tax.

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

A deferred taxation asset of AWG nil (2022: AWG 157 thousand) has been recognized with respect to unutilized carried-forward tax losses.

15 Payables and other financial liabilities

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

	2023	2022
Payables arising out of direct insurance	(305)	(88)
Payables arising out of reinsurance	1,403	1,417
Other financial liabilities	2,024	1,217
	3,122	**2,546**

16 Insurance premium revenue

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

	2023	2022
Gross written premiums	31,405	31,548
Gross insurance premium revenue	**31,405**	**31,548**
Written premiums ceded to reinsurers	(746)	(761)
Ceded earned premiums	**(746)**	**(761)**
Net insurance premium revenue	**30,659**	**30,787**

17 Fee and commission income

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

	2023	2022
Fee and commission income	379	298
Total fee and commission income	**379**	**298**

18 Investment income

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

Actual Return	2023	2022
Financial investment income	27,052	22,373
Land and building investment income	549	1,170
Change in values of investments	505	-
Dividend income	125	2
Net investment income	**28,231**	**23,545**
Other interest income	191	94
Total investment and other income	**28,422**	**23,639**

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

	2023	2022
Interest from loans	20,143	15,004
Interest from debt securities	6,544	6,271
Interest from deposits	365	1,098
Total financial investment income	**27,052**	**22,373**

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

	2023	2022
Income from rent	549	157
Change in fair value	-	1,013
Total land and building investment income	**549**	**1,170**

19 Insurance claims and benefits incurred

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

	2023	2022
Claims paid	21,896	19,890
Movement in technical provision	16,561	19,345
Gross insurance claims and benefits incurred	**38,457**	**39,235**
Movement in reinsurance assets	(8)	(55)
Ceded insurance claims and benefits incurred	**(8)**	**(55)**
Investment result for risk of policyholders	8	(13)
Investment result for risk of policyholders	**8**	**(13)**
Net insurance claims and benefits incurred	**38,457**	**39,167**

20 Insurance policy acquisition costs

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

	2023	2022
Amortization deferred acquisition costs	976	892
Policy acquisition cost deferred	(1,556)	(1,200)
Total insurance policy acquisition costs	**(580)**	**(308)**

21 Other operating expenses

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

	2023	2022
Staff expenses	3,851	3,488
General & administrative expenses	3,112	3,029
Amortization & depreciation expenses	17	4
Other expenses	2,229	224
Total other operating expenses	**9,209**	**6,745**

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

Staff expenses	2023	2022
Salaries	2,792	2,522
Pension expenses	296	251
Social security costs	543	523
Other employee expenses	220	192
Total staff expenses	**3,851**	**3,488**

22 Taxation

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

Deferred tax	2023	2022
Related to origination and reversal of temporary differences	76	452
Related to carried forward losses	-	388
Deferred tax expenses	**76**	**840**
Adjustment on tax rate percentage	-	(93)
Total deferred tax expenses	**76**	**747**

Current tax	2023	2022
Current year	1,167	-
Total current tax expenses	**1,167**	**-**
Total tax expenses	**1,243**	**747**

The Company, together with its parent entity, Ennia Caribe Holding (Aruba) N.V., and a related entity, Ennia Caribe Schade (Aruba) N.V., forms a fiscal unity for tax purposes. Under this fiscal structure, the Company's income is allocated to its shareholder, Ennia Caribe Holding (Aruba) N.V., for taxation on the basis of profits. New subsidiaries acquired in 2023 do not form part of the fiscal unity and are, hence, individually liable for profit tax. The current tax charge for the Group for the period 2023 is AWG 1.2 million (2022: AWG 0.7 million). The losses available for loss compensation are allocated from the parent company. As of 2023, there are no remaining losses available for loss compensation. The total tax charge for AWG 1.2 million includes a current profit tax charge of AWG 1,167,000 after loss compensation.

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

23 Commitments and contingencies

The table below gives the contractual amounts of credit commitments of the Group for corporate and customer loans.

Credit Commitments	2023	2022
Corporate loans		
- less than 1 year	36,446	14,480
- 1 year and over	25,407	14,689
Loans		
- less than 1 year	833	738
- 1 year and over	-	-
Total Credit commitments	**62,686**	**29,907**

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

24 Subsequent events

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

Standalone Financial Statement 2023

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

	Notes	2023	2022
Assets			
Intangible assets	**25**	284	6
Land and buildings	**26**	13,267	13,267
Financial investments	**7**	477,313	453,416
Investment in subsidiaries	**27**	22,283	-
Receivables and other financial assets	**28**	11,967	12,905
Accrued investment income	**29**	6,700	6,659
Cash and cash equivalents	**30**	67,599	85,857
Other assets	**31**	25	108
Total assets		**599,438**	**572,218**
Equity			
Issued capital	**12**	26,000	26,000
Revaluation reserves	**12**	225	221
Retained earnings		37,534	30,410
Profit for the financial year		9,645	7,124
Total equity attributable to equity holders		**73,404**	**63,755**
Liabilities			
Technical provision	**13**	520,738	504,746
Financial provisions	**14**	2,254	1,171
Payables and other financial liabilities	**32**	3,042	2,546
Total liabilities		**526,034**	**508,463**
Total equity and liabilities		**599,438**	**572,218**

Standalone income statement for the year ended December 31, 2023
in thousands AWG

Technical account life-insurance	Notes	2023	2022
Income			
Gross written life premiums		31,405	31,548
Written premiums ceded to reinsurers		(746)	(761)
Premiums written net of reinsurance	**16**	**30,659**	**30,787**
Fee and commission income	**33**	299	298
Investment income	**34**	27,765	23,639
Other income	**35**	21	-
Total income		**58,744**	**54,724**
Expenses			
Insurance claims and benefits		21,904	19,877
Movement in insurance liabilities		16,561	19,345
Movement in reinsurance		(8)	(55)
Insurance claims and benefits	**19**	**38,457**	**39,167**
Insurance policy acquisition costs	**20**	(580)	(308)
Fees and commission expenses		1,633	1,314
Other operating expenses	**36**	9,084	6,745
Total expenses		**48,594**	**46,918**
Result technical account life-insurance		**10,150**	**7,806**
Life-insurance non-technical account			
Interest related parties	**37**	(750)	(65)
Taxation	**38**	1,255	747
Profit for the financial year		**9,645**	**7,124**

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25 Intangible assets

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

	2023	2022
Development costs	4	6
Goodwill	280	-
Intangible assets at December 31	**284**	**6**
Development costs		
Cost at January 1	18	18
Additions	-	-
Cost at December 31	**18**	**18**
Accumulated amortization at January 1	(12)	(11)
Amortization charge for the year	(2)	(1)
Accumulated amortization at December 31	**(14)**	**(12)**
	4	**6**
Goodwill		
Cost at January 1	-	-
Additions	287	-
Cost at December 31	**287**	-
Accumulated amortization at January 1	-	-
Amortization charge for the year	(7)	-
Accumulated amortization at December 31	**(7)**	-
	280	-

26 Land and buildings

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

	2023	2022
Owner-occupied	7,611	7,611
Investment properties	5,656	5,656
Carrying amount at December 31	**13,267**	**13,267**
Owner-occupied		
Balance at January 1	7,611	7,611
Carrying amount at December 31	**7,611**	**7,611**

Land and buildings are stated at market value. The market value represents the amount at which the land and buildings could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation.

Ennia Caribe Leven (Aruba) N.V. owns the property & building at J.E. Irausquin Boulevard 16. The land and buildings at J.E. Irausquin Blvd 16 has been appraised on March 16th, 2023 by a registered appraiser. The valuation method used is carried out at present value based on the rentable value with a capitalization based on a yield of 7%. The Board of Directors of the Company reviewed the valuations performed by the appraiser and is of the opinion that the valuation technique is appropriate.

The change in market value is recognized in the consolidated income statement.

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

Investment property

	2023	2022
Balance at January 1	5,656	6,219
Change in market value	-	(563)
Carrying amount at December 31	**5,656**	**5,656**

The investment properties are stated at market value. The market value represents the amount at which they could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation.

The land and building located at Caya G.F. Betico Croes and other land and properties located at Windstraat/Oude Schoolstraat were appraised on April 3rd, 2023, by a registered appraiser. The valuation method used is present value based on the rentable value with capitalization based on a yield of 7%. The Board of Directors of the Company reviewed the valuations performed by the appraiser and is of the opinion that the valuation methods are appropriate.

Investment properties comprise land and buildings located at Caya G.F. Betico Croes carried at AWG 5.1 million, and other land properties located at Windstraat/Oude Schoolstraat carried at AWG 0.6 million.

27 Investment in subsidiaries

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

	2023	2022
Balance at January 1	-	-
Receivable from participations	22,142	-
Acquisition of participations	141	-
Balance at December 31	**22,283**	-

The Company acquired 100% shares in EFS Equidad Financial Services N.V., and Ennia Caribe Real Estate (Aruba) VBA in 2023. The receivable on EFS Equidad Financial Services N.V. amounts to AWG 338 thousand (2022: AWG nil), and on Ennia Caribe Real Estate (Aruba) VBA amounts to AWG 21,804 thousand (2022: AWG nil). The receivables are loans from the Company to its subsidiaries with a yearly fixed interest rate of 3%. The repayment terms of amounts with related parties are not formalized in an agreement.

28 Receivables and other financial assets

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

	2023	2022
Receivable from related parties	4,837	5,027
Amounts owed out of direct insurance	3,977	4,296
Amounts owed out of agents & brokers	1,476	1,543
Provision for doubtful receivables	(535)	(535)
Receivable Reinsurance	2,212	2,574
Total receivables and other financial assets	**11,967**	**12,905**

The carrying amounts of receivables and other financial assets are considered to approximate their fair value.

Receivable from related parties

The following table presents details of the movements in receivables from related parties for the years ended December 31, 2023, and December 31, 2022.

	2023	2022
Balance at January 1	5,027	2,084
Interest income	750	65
Other movements	(940)	2,878
Balance at December 31	**4,837**	**5,027**

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.

(a) Transactions with parent company

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

	2023	2022
Outstanding balance with parent company	(457)	1,171

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

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

	2023	2022
Payroll	(2,294)	(2,087)
Allocated operational expenses	(1,481)	(1,442)
Settlement De Hoop	-	(1,406)
Tax current year	(1,179)	-
Others	3,327	3,600
Total transactions with parent company	**(1,627)**	**(1,335)**

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

(b) Transactions with other related parties

The Company entered into transactions with the following related parties: Ennia Caribe Schade (Aruba) N.V., Ennia Caribe Holding N.V., and its subsidiaries in the normal course of business. The sales and purchases from related parties are made at normal market prices.

The outstanding balances with other related parties are as follows:

	2023	2022
Outstanding balance with other related parties	5,294	3,856

The outstanding balances are unsecured and with interest as of the reporting date. Settlement is expected to take place in cash. As of the reporting date, settlement has taken place for the loans and the outstanding balance with other related parties.

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

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

Purchase of	2023	2022
Interest on loans and current accounts with related parties	750	536

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

29 Accrued investment income

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

	2023	2022
Accrued interest income debt securities	2,889	2,756
Accrued interest income deposits	384	2,110
Accrued interest income loans	3,222	1,588
Accrued interest income mortgages	205	205
TOTAL ACCRUED INVESTMENT INCOME	**6,700**	**6,659**

30 Cash and cash equivalents

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

	2023	2022
Cash at banks	67,823	76,757
Short-term time deposits	-	9,100
Items in the course of transit, transmission, and clearing	(224)	-
	67,599	**85,857**

Cash and cash equivalents comprise cash at banks.

31 Other assets

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

	2023	2022
Vehicles and equipment	13	13
Prepayments and deposits	12	95
Other assets at December 31	**25**	**108**

Equipment		
Cost at January 1	1,019	1,009
Additions	4	10
Cost at December 31	**1,023**	**1,019**
Accumulated depreciation at January 1	(1,006)	(1,003)
Depreciation charge for the year	(4)	(3)
Accumulated depreciation at December 31	**(1,010)**	**(1,006)**
Carrying amount at December 31	**13**	**13**

Computer equipment		
Cost at January 1	36	-
Additions	-	-
Cost at December 31	**36**	-
Accumulated depreciation at January 1	(36)	-
Disposals	-	-
Depreciation charge for the year	-	-
Accumulated depreciation at December 31	**(36)**	-
Carrying amount at December 31	-	-
Total vehicles and equipment	**13**	**13**

32 Payables and other financial liabilities

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

	2023	2022
Payables arising out of direct insurance	(305)	(88)
Payables arising out of reinsurance	1,403	1,417
Other financial liabilities	1,944	1,217
	3,042	**2,546**

33 Fee and commission income

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

	2023	2022
Fee and commission income	299	298
Total fee and commission income	**299**	**298**

34 Investment income

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

Actual Return	2023	2022
Financial investment income	27,052	22,373
Land and building investment income	39	1,170
Change in values of investments	505	-
Dividend income	125	2
Net investment income	**27,721**	**23,545**
Other interest income	44	94
Total investment and other income	**27,765**	**23,639**

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

	2023	2022
Interest from loans	20,143	15,004
Interest from debt securities	6,544	6,271
Interest from deposits	365	1,098
Total financial investment income	**27,052**	**22,373**

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

	2023	2022
Income from rent	39	157
Change in fair value	-	1,013
Total land and building investment income	**39**	**1,170**

35 Other income

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

	2023	2022
Result participations	21	-
Other income	**21**	**-**

36 Other operating expenses

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

	2023	2022
Staff expenses	3,849	3,488
General & administrative expenses	2,993	3,029
Amortization & depreciation expenses	13	4
Other expenses	2,229	224
Total other operating expenses	**9,084**	**6,745**

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

Staff expenses	2023	2022
Salaries	2,790	2,522
Pension expenses	296	251
Social security costs	543	523
Other employee expenses	220	192
Total staff expenses	**3,849**	**3,488**

37 Interest related parties

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

	2023	2022
Interest income loan related parties	750	65
Interest related parties	**750**	**65**

38 Taxation

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

	2023	2022
Deferred tax		
Related to origination and reversal of temporary differences	76	452
Related to carried forward losses	-	388
Deferred tax expenses	**76**	**840**
Adjustment on tax rate percentage	-	(93)
Total deferred tax expenses	**76**	**747**
Current tax		
Current year	1,179	-
Total current tax expenses	**1,179**	**-**
Total tax expenses	**1,255**	**747**

The Company, together with its parent entity, Ennia Caribe Holding (Aruba) N.V., and related entity, Ennia Caribe Schade (Aruba) N.V., forms a fiscal unity for tax purposes. 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 profit tax charge for the Company for 2023, after loss compensation, is AWG 1,179 thousand (2022: nil). The losses available for loss compensation are allocated from the parent company. All losses available for loss compensation have been compensated in 2023.

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

A deferred taxation asset of AWG nil (2022: AWG 157 thousand) has been recognized with respect to unutilized carried-forward tax losses.