

**NETHERLANDS ANTILLES &  
ARUBA ASSURANCE COMPANY  
(NA&A) N.V.**

at

Aruba

Annual report 2021

Initialed on behalf of  
Grant Thornton Aruba.  
For identification purposes only.

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**Auditor's Report**

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## Independent auditor's report

*Our reference: 138517/ A-32599*

To Management and the Supervisory Board of  
Netherlands Antilles & Aruba Assurance Company (NA&A) N.V.  
Dominicanessenstraat 5  
Oranjestad, Aruba

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### ***Report on the financial statements included in the annual report***

In our opinion, the financial statements give a true and fair view of the financial position of Netherlands Antilles & Aruba Assurance Company (NA&A) N.V., Aruba (the "Company") as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Netherlands.

### ***What we have audited***

The Company's financial statements comprise:

- Balance sheet as at 31 December 2021;
- Profit and loss account for the year ended 31 December 2021;
- Cash flow statement for the year ended 31 December 2021;
- Notes to the financial statements, which include a summary of significant accounting policies.

### ***Basis for opinion***

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

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

### ***Emphasis of matter – Impact of COVID-19***

We draw attention to page 12 section 'Going concern and assessment of the impact of the Coronavirus (COVID-19) pandemic' of the financial statements which includes Management's assessment of the impact of the COVID-19 pandemic in 2021 as well as its impact on the future results, cash flows and financial position of the Company.

Our opinion is not modified in respect of this matter.

### ***Independence***

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

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### ***Report on the other information included in the annual report***

Management is responsible for the other information. The other information comprises:

- “Management Report”

(but does not include the financial statements and our auditor’s report thereon).

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

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

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

### ***Responsibilities of Management and the Supervisory Board for the Financial Statements***

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with accounting principles generally accepted in the Netherlands and the relevant provisions of Book 2 of the Civil Code applicable for Aruba, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company’s financial reporting process.

### ***Auditor’s responsibilities for the audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

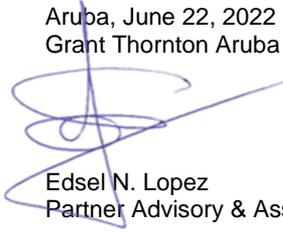
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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

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

Aruba, June 22, 2022  
Grant Thornton Aruba



Edsel N. Lopez  
Partner Advisory & Assurance

## **Management report**

The expectation was that in 2021 the COVID-19 pandemic would have ended and that we would have returned to normal. This was not the case and we all know the consequences, amongst other a stagnated/shrinking economy. We also felt this internally and saw a shrinkage in our various product portfolios. Collection suddenly became the point of attention and how to deal with this. But on the other hand we also took the opportunity to review and align our internal processes to deal with the challenges in case of a reoccurrence. We started with various digitalization projects with the focus on the possibility of returning to normal in 2022, and improving efficiency at both ends of the business, internal as well as external.

## **Financials**

Comparing the net result against 2020 it is showing a minimal loss mainly caused by a decrease in the earned premium and increase in expenses. The loss of premium is mainly related to the Covid 19 with its origin in 2021 where we had to deal with the shutdown of the economy, and an increase in committed expenses, mainly for the re-alignment of the business. It was not possible to maintain the level of sales of previous years, let stand to achieve an increase in sales.

## **Outlook**

The year 2021 has taught us many lessons. One of them is the path into innovation. Innovation will align the organization for the future to be better prepared to quickly react and absorb these types of shocks. Also it will allow the organization to be future proof and be capable to offer the ease of doing business with us. Digitalizing the internal processes will enable the organization to offer our customers and partners a more rapid and efficient to their way of selling our products and to get quick reactions to their problems and questions providing a superior service experience. Citizens Insurance Aruba would like to be recognized as the innovator amongst its peers.

Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba  
N.V., Aruba

FINANCIAL STATEMENT

BALANCE SHEET AS AT 31 DECEMBER 2021

before appropriation of result

ASSETS (in Aruban florin)	31 December 2021	31 December 2020
<b>Fixed assets</b>		
Tangible fixed assets(2)	582,346	639,382
Intangible fixed assets	33,854	0
Financial fixed assets(3)	3,755,920	3,755,920
<b>Current assets</b>		
Receivables		
Accounts receivable(4)	541,357	834,322
Related party receivable(5)	50,832	69,791
Deferred Tax assets	52,291	0
Other receivables, prepayments and accrued income(6)	<u>1,113,984</u>	<u>1,010,745</u>
	1,758,464	1,914,858
Securities(7)	0	1,000,000
Cash at bank and in hand(8)	6,785,146	6,046,890
Total assets	<u>12,915,730</u>	<u>13,357,050</u>

Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba  
N.V., Aruba

SHAREHOLDER EQUITY AND LIABILITIES

Shareholder equity(9)

Capital	200,000	200,000	
Share premium	2,230,000	2,230,000	
Other reserves	5,989,291	4,459,574	
Undistributed result	<u>-156,872</u>	<u>1,529,717</u>	
	8,262,419		8,419,291

Provisions(10) 4,135,568 3,956,166

Short-Term  
Liabilities(11) 517,743 981,593

Total liabilities and Shareholder  
equity 12,915,730 13,357,050

Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba  
N.V., Aruba

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
(in Aruban florin)		
Net earned premiums(12)	9,216,245	11,352,405
Claims incurred(13)	-4,681,108	-4,757,479
Reinsurance premium(14)	<u>-227,308</u>	<u>-252,745</u>
<b>Gross insurance result</b>	4,307,829	6,342,181
Net commissions(15)	<u>-1,181,866</u>	<u>-1,464,979</u>
<b>Net insurance result</b>	3,125,963	4,877,202
Other Income	108,488	0
Personnel expenses(16)	1,877,520	1,802,548
Depreciation(17)	94,681	87,498
Amortization	4,231	0
Other operating expenses(18)	<u>1,638,750</u>	<u>1,191,704</u>
<b>Total operating expenses</b>	<u>3,615,182</u>	<u>3,081,750</u>
<b>Operating result</b>	-380,731	1,795,452
Financial income and expense(19)	<u>171,568</u>	<u>187,890</u>
<b>Result before taxation</b>	-209,163	1,983,342
Taxation(20)	<u>52,291</u>	<u>-453,625</u>
<b>Result after taxation</b>	<u><u>-156,872</u></u>	<u><u>1,529,717</u></u>

Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba  
N.V., Aruba

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The movements of funds can be specified as follows:

(in Aruban florin)	2021		2020	
	amount	amount	amount	amount
<b>Cash flow from operating activities</b>				
Operating result		-380,731		1,795,452
<i>Changes/modifications for:</i>				
Depreciation(17)	94,681		87,498	
Amortization	4,231		0	
Movements in provisions(10)	<u>179,402</u>		<u>-1,454,652</u>	
		278,314		-1,367,154
<i>Movement in working capital:</i>				
Receivables	156,394		766,072	
Short-term liabilities(11) (banks excluded)	<u>-463,850</u>		<u>-57,123</u>	
		<u>-307,456</u>		<u>708,949</u>
Cash flow from operating activities		<u>-409,873</u>		<u>1,137,247</u>
Received interest income	171,568		187,890	
Taxation(20)	<u>52,291</u>		<u>-453,625</u>	
		<u>223,859</u>		<u>-265,735</u>
Total cash provided by operating activities		-186,014		871,512
<b>Cash flow from investment activities</b>				
Investments in tangible fixed assets	-37,645		-95,843	
Investments in intangible fixed assets	-38,085		0	
Proceeds from maturity financial assets	1,000,000		0	
Purchases in financial fixed assets	<u>0</u>		<u>0</u>	
Total cash used in investing activities		924,270		-95,843
Movements in cash funds		<u>738,256</u>		<u>775,669</u>
The movement of funds is as follows:				
Balance as at 1 January		6,046,890		5,271,215
Movement for the year		<u>738,256</u>		<u>775,675</u>
Balance as at 31 December		<u>6,785,146</u>		<u>6,046,890</u>

## ACCOUNTING PRINCIPLES

### Accounting principles - General

#### General

##### Incorporation company

Netherlands Antilles & Aruba Assurance Company (NA&A) N.V. (The “Company”) is an insurance company which was established on March 16, 2007 under the laws of Aruba and started its operations on January 1, 2008.

The deed of incorporation of the company shows that Netherlands Antilles & Aruba Assurance Company (NA&A) N.V., a private company with limited liability, was incorporated on the date referred to above. The company is registered in the Chamber of Commerce and Industry Aruba, under number 35969.0.

As of January 1, 2008, the company has one shareholder.

#### Activities

The company primarily markets and services personal insurances, car, property and medical insurances. Its customers range from individuals in the lower and higher segment income, to large international hotels on Aruba. These two groups demand value priced insurance premiums as well as quality comprehensive coverages. We also provide insurance to businesses, mostly group health benefits for hotel operations, as well as individual health insurances.

#### Disclosure of group structure

Netherlands Antilles & Aruba Assurance Company (NA&A) N.V. is part of a group. The head of this group is Citizens Holding B.V., Curaçao. The financial statements of Netherlands Antilles & Aruba Assurance Company (NA&A) N.V. are included in the consolidated financial statements of Netherlands Antilles & Aruba Assurance Company (NA&A) N.V., Curaçao.

The company had transactions or balances with the following related parties:

- Netherlands Antilles & Aruba Assurance Company (NA&A) N.V., Curacao

#### The accounting standards used to prepare the financial statements

The financial statements relate to the financial year 2021, which ended on the balance sheet date December 31, 2021 and are drawn up in accordance with Guidelines for Annual Reporting of the Dutch Accounting Standards Board (DASs).

Assets and liabilities are generally valued at historical cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Previous year's figures have been reclassified wherever necessary to make them comparable with the current year's classification.

The financial statements are presented in AWG's, which is also the functional currency of the company

#### Foreign currencies

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the profit and loss account, unless hedge accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

#### Risk profile

The company is a risk-averse organization. The governance structure (consultations and decision-making in the consensus model), the limited size and complexity of the organization, the simplicity of the products and the direct involvement of management in the risk monitoring play an important role in this

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N.V., Aruba**

The risk that claim payments (now or in the future) cannot be financed from premium income as a result of incorrect and/or incomplete (technical) assumptions and principles for the development and premium setting of the product. The company manages these technical insurance risks through an adequate system of claim reservation, a reinsurance policy and the evaluation of the premium/claim ratios.

Credit risk is the risk that a third party will fail to meet contractual or other agreed obligations (including loans, receivables, guarantees received). The company manages credit risk of its affiliated member insurers, reinsurers and on its investments. Strict collection procedures are followed for accounts receivable.

Interest rate is the risk that the company runs with changes in the value of financial instruments as a result of a change in interest rates in the market. The interest rate risk policy is aimed at controlling the net financing costs for fluctuations in market interest rates.

Going concern and assessment of the impact of the Coronavirus (COVID-19) pandemic

The COVID-19 pandemic has had a significant impact on the Entity's operations and results and as per the date of issuance of these financial statements, it is still not certain to estimate what the eventual impact of this pandemic will be on the (Aruban) economy and the Entity's future results, cash flows and financial position.

The Entity's liquidity is expected to remain adequate. The entity current ratio as of March 31, 2022, resulted in 4.5 to 1. Based on its assessment of the impact of the pandemic for the year 2022 and beyond and considering the uncertainties that exist as per the date of issuance of these financial statements, management concludes that it does not consider the impact to cast significant doubt upon the Entity's ability to continue as a going concern.

**Accounting policies - assets and liabilities**

Tangible fixed assets (2)

*Land and buildings*

Land and buildings are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected useful life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account. With regard to the determination as to whether a tangible fixed asset is subject to an impairment, please refer to the relevant section.

*Other tangible assets*

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

*Intangible assets*

Intangible assets are valued at historical cost or production cost including directly attributable costs, less straight-line amortization based on the expected future life and impairments.

Receivables (4-6)

Current assets are initially valued at the fair value of the consideration to be received. Trade receivables are subsequently valued at the amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the expected revenues. Interest gains are recognised using the simple interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Fixed and Current Securities (7)

Securities are recognised initially at fair value. Securities can, for the subsequent valuation, be divided into securities that are held for trading and securities that are not held for trading, being time deposits and/or bonds.

Securities which are held for trading are carried at fair value after initial recognition. Changes in the fair value are recognised directly in the profit and loss account.

Transaction costs are expensed in the profit and loss account if these are related to financial assets carried at fair value through profit or loss.

Securities classified under the current assets have a maturity of less than twelve months.

Cash at bank and in hand (8)

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than three months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Shareholder equity (9)

Shares are classified equity when there is no obligation to transfer cash or other assets.

Provisions (10)

*Technical reserve for claims*

The technical reserve for claims refers to reported claims incurred but not settled as per year-end and to claims incurred but not yet reported at year-end.

*Technical reserve for unearned premiums*

The technical reserve for unearned premiums refers to accrued insurance premiums written in the reporting period, but with a remaining term of the policy in the following year.

Short-term liabilities (11)

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

### Accounting policies - profit and loss account

#### General result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

#### Net earned premiums (12)

The company earns premiums on income evenly over the term of the insurance policy generally using the pro rata method. The portion of the premium related to the unexpired portion of the policy at the end of the fiscal year is reflected in unearned premiums.

#### Claims incurred (13)

The company pays all costs related to settled the obligations arising from insurance contracts to claimants.

#### Net commissions (15)

Commissions paid to brokers and reinsurances for insurance contracts related to securing new contracts and renewing existing contracts are expensed over the terms of the policies as premium is earned. All other costs are recognized as expense when incurred.

#### Depreciation (17)

Tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to buildings, and other tangible fixed assets. Land is not depreciated.

Future depreciation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of tangible fixed assets are included in depreciation.

#### Financial income and expense (19)

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

#### Taxation (20)

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of nondeductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable.

### Principles of the cash flow summary

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2021

ASSETS

Fixed assets

Tangible fixed assets (2)

(in Aruban florin)	12/31/2021	12/31/2020
Land and buildings	450,136	488,588
Furniture and equipment	<u>132,210</u>	<u>150,794</u>
	<u>582,346</u>	<u>639,382</u>

(in Aruban florin)	Land and buildings	Furniture and equipment	Total
<u>Balance as at 1 January 2021</u>			
Costs	1,746,199	779,832	2,526,031
Accumulated depreciation	<u>-1,257,611</u>	<u>-629,038</u>	<u>-1,886,649</u>
Book value	<u>488,588</u>	<u>150,794</u>	<u>639,382</u>

Movements in book value:

Actual cost investments	0	37,645	37,645
Depreciation	<u>-38,452</u>	<u>-56,229</u>	<u>-94,681</u>
	<u>-38,452</u>	<u>-18,584</u>	<u>-57,036</u>

Balance as at 31 December 2021

Costs	1,746,199	817,477	2,563,676
Accumulated depreciation	<u>-1,296,063</u>	<u>-685,267</u>	<u>-1,981,330</u>
Book value	<u>450,136</u>	<u>132,210</u>	<u>582,346</u>

Depreciation rates	<u>0-10%</u>	<u>10-33%</u>
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Residual Value	0%	0%
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**Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba N.V., Aruba**

**Financial fixed assets (3)**

Long-term securities

	12/31/2021	12/31/2020
(in Aruban florin)		
Time deposits	<u>3,755,920</u>	<u>3,755,920</u>
	12/31/2021	12/31/2020
(in Aruban florin)		
Time deposit, Aruba Bank N.V. - Jan 23, 2023 - 2.65%	420,141	420,141
Time deposit, Aruba Bank N.V. - Apr 16, 2024 - 2.5%	200,000	200,000
Government of Aruba - June 22, 2023 - 5.15%	2,000,000	2,000,000
Time deposit, Aruba Bank N.V. - Dec 5, 2023 - 2.5%	1,135,779	1,135,779
	<u>3,755,920</u>	<u>3,755,920</u>

The company has its investments concentrated in Aruba Bank N.V and Government Bonds. Management periodically reviews the financial position of Aruba Bank N.V. in order to control the risk of the investments.

**Current assets**

**Receivables**

Accounts receivable (4)

	12/31/2021	12/31/2020
(in Aruban florin)		
Broker accounts and policy holders	679,439	971,404
Bad debt	<u>77,842</u>	<u>78,842</u>
	757,281	1,050,246
Provision for bad debts	<u>-215,924</u>	<u>-215,924</u>
	<u>541,357</u>	<u>834,322</u>

Accounts receivable older than 30 days are assessed on an individual basis and accounts receivables older than 365 days are fully provided for.

Related party receivable (5)

Current account Netherlands Antilles & Aruba Assurance Company N.V., Curacao	<u>50,832</u>	<u>69,791</u>
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A 7% interest is calculated on the average balance of the current account with Netherlands Antilles & Aruba Assurance Company N.V. No repayment term and collateral have been agreed on.

**Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba  
N.V., Aruba**

**Other receivables, prepayments and accrued income (6)**

(in Aruban florin)	12/31/2021	12/31/2020
Prepaid commissions Motor and Property	419,535	449,486
Reimbursement for car claims	275,564	207,408
Interest receivable	201,684	159,322
Prepaid on fixed assets	96,120	98,439
Prepaid reinsurance premium	58,516	64,227
Accruals and prepaid expenses	0	17,353
Other receivables	31,057	13,904
Risk Reinsurance premium receivable	31,506	0
Prepaid commissions Medical	<u>2</u>	<u>606</u>
	<u>1,113,984</u>	<u>1,010,745</u>

From the total amount of reimbursements for car claims 85% has been provided for.

**Securities (7)**

The securities can be specified as follows:

Time deposit, Aruba Bank N.V. - Nov 23, 2021 - 1.90%	<u>0</u>	<u>1,000,000</u>
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**Cash at bank and in hand (8)**

Caribbean Mercantile Bank N.V., current account	3,470,385	3,101,985
Aruba Bank N.V., current account	1,934,669	2,684,337
Banco di Caribe N.V., current account	224,984	203,143
CIBC FirstCaribbean International Bank	1,153,609	49,838
Cash in hand and transit	<u>1,500</u>	<u>7,587</u>
	<u>6,785,147</u>	<u>6,046,890</u>

**Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba  
N.V., Aruba**

**SHAREHOLDER EQUITY AND LIABILITIES**

**Shareholder equity (9)**

(in Aruban florin)	<i>Issued share capital</i>	<i>Share premium</i>	<i>Other reserves</i>	<i>Undistributed result</i>	<i>Total</i>
Balance as at 1 January 2021	200,000	2,230,000	4,459,574	1,529,717	8,419,291
<i>Appropriated profit last financial year</i>					
Allocation to other reserves	0	0	1,529,717	-1,529,717	0
Result after taxation	0	0	0	-156,872	-156,872
Balance as at 31 December 2021	<u>200,000</u>	<u>2,230,000</u>	<u>5,989,291</u>	<u>-156,872</u>	<u>8,262,419</u>

The authorized capital of the company is divided into 1,000 ordinary shares with a par value of AWG 1,000, 200 shares have been issued and 200 shares have been paid up.

The share premium was fully paid in 2008 for a total amount of AWG 2,230,000.

**Provisions (10)**

The movements in technical reserves were as follows:

(in Aruban florin)	<i>Claims</i>	<i>Unearned</i>	<i>Total</i>
Balance as at 1 January 2021	1,451,742	2,504,424	3,956,166
Movements	114,833	64,569	179,402
Balance as at 31 December 2021	<u>1,566,575</u>	<u>2,568,993</u>	<u>4,135,568</u>

Technical reserve for claims

(in Aruban florin)	<i>12/31/2021</i>	<i>12/31/2020</i>
Reserve for claims motor	1,287,822	1,169,988
Reserve for claims property	1,685	0
Reserve for claims medical	<u>277,068</u>	<u>281,754</u>
	<u>1,566,575</u>	<u>1,451,742</u>

Technical reserve for unearned premiums

Unearned premium for motor	2,537,108	2,440,316
Unearned premium for property	7,013	33,353
Unearned premium for medical	<u>24,872</u>	<u>30,755</u>
	<u>2,568,993</u>	<u>2,504,424</u>

**Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba  
N.V., Aruba**

**Short-term liabilities (11)**

(in Aruban florin)	12/31/2021	12/31/2020
Taxes and social security contributions	179,902	659,220
Other liabilities	<u>337,841</u>	<u>322,373</u>
	<u>517,743</u>	<u>981,593</u>
 <u>Taxes and social security contributions</u>		
Value added tax	25,266	27,335
Wage tax	9,205	8,863
Dividend tax (ruling 2015)	131,771	131,771
Pension premiums	5,047	31,578
Company tax	0	443,662
Social security premiums	<u>8,613</u>	<u>16,011</u>
	<u>179,902</u>	<u>659,220</u>
 <u>Other liabilities</u>		
Accounts payable	128,397	134,170
Payments received in advance	0	95,031
Accruals expenses and other payables	96,691	64,194
Clearing account Setar N.V.	84,482	26,884
Risk reinsurance premiums	0	2,094
Clearance account Treston	28,271	0
Prepaid commissions Medical	<u>0</u>	<u>0</u>
	<u>337,841</u>	<u>322,373</u>

NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

Revenues

Net earned premiums (12)

(in Aruban florin)	2021	2020
Premium written motor	6,076,036	6,309,614
Premium written medical	3,206,100	4,095,741
Premium written property	65,332	58,087
Alteration unearned premium motor	-167,354	813,733
Alteration unearned premium medical	5,883	193
Alteration unearned premium property	30,248	-19,555
Other insurance income	0	94,592
	<u>9,216,245</u>	<u>11,352,405</u>

Claims incurred (13)

Claims paid motor	2,149,020	2,458,324
Road services costs	606,261	649,285
Deductibles motor claims	-97,725	-90,800
Subrogation claim motor	42,560	-23,372
Claims paid medical	1,836,169	2,396,053
Alteration claim reserve motor	117,834	-540,900
Alteration claim reserve medical	-4,686	-119,381
Medical consulting fees	27,600	27,600
Property claims and expertise costs	4,075	670
	<u>4,681,108</u>	<u>4,757,479</u>

Reinsurance premium (14)

Net reinsurance premium motor	-146,473	-223,773
Net reinsurance premium AD&D	-12,372	-14,443
Net reinsurance premium property	-68,463	-14,529
	<u>-227,308</u>	<u>-252,745</u>

**Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba  
N.V., Aruba**

Net commissions (15)

	2021	2020
(in Aruban florin)		
Commissions paid motor	-1,074,787	-1,179,880
Commissions paid medical	-67,275	-142,712
Commissions paid property	-9,249	-8,943
Alteration prepaid commissions motor	-23,430	-137,081
Alteration prepaid commissions medical	-604	800
Alteration prepaid commissions property	-6,521	2,837
	<u>-1,181,866</u>	<u>-1,464,979</u>

Personnel expenses (16)

Wages and salaries and other employee benefits	1,571,149	1,497,224
Social security charges	241,870	239,176
Pension costs	64,501	66,149
	<u>1,877,520</u>	<u>1,802,549</u>

*Wages and salaries and other employee benefits*

Wages and salaries	1,365,279	1,385,506
Other employee benefits	205,870	111,718
	<u>1,571,149</u>	<u>1,497,224</u>

	<u>2021</u>	<u>2020</u>
Average employees employed as follow:	24.0	24.0

Depreciation (17)

*Depreciation of tangible fixed assets*

	2021	2020
(in Aruban florin)		
Land and buildings	38,452	38,035
Furniture and equipment	56,229	49,469
	94,681	87,504
Profit on sale of tangible fixed assets	0	-6
	<u>94,681</u>	<u>87,498</u>

**Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba  
N.V., Aruba**

Other operating expenses (18)

(in Aruban florin)	2021	2020
Other personnel expenses	237,485	35,974
Housing expenses	120,979	121,441
Selling expenses	163,465	151,094
General expenses	<u>1,116,821</u>	<u>883,195</u>
	<u>1,638,750</u>	<u>1,191,704</u>
 <i>Other personnel expenses</i>		
Other staff expenses	233,405	33,848
Travel and lodging	<u>4,080</u>	<u>2,126</u>
	<u>237,485</u>	<u>35,974</u>
 <i>Housing expenses</i>		
Maintenance buildings	51,226	56,852
Water & electricity	38,175	36,607
Cleaning expenses	16,632	14,524
Property taxes	5,840	5,840
Insurance premium property	6,461	5,414
Security	<u>2,645</u>	<u>2,204</u>
	<u>120,979</u>	<u>121,441</u>
 <i>Selling expenses</i>		
Allowance for doubtful debts	0	48,188
Advertising expenses	154,289	90,965
Representation expenses	<u>9,176</u>	<u>11,941</u>
	<u>163,465</u>	<u>151,094</u>
 <i>General expenses</i>		
Computer and hardware expenses	514,347	342,142
Legal and advisory fees	211,276	174,301
Supervisory board expenses	97,004	105,601
Audit and accounting fee	66,037	82,048
Telephone and fax expenses	51,965	39,516
Bank charges	38,624	29,393
Rental Office Equipment	29,397	24,857
Postage & Courier	36,242	23,252
Office expenses	14,969	19,450
Contributions	22,323	18,890
Other general expenses	15,062	9,876
Stationary and printed forms	11,719	7,414
Car expenses including car insurance	<u>7,856</u>	<u>6,455</u>
	<u>1,116,821</u>	<u>883,195</u>

**Netherlands Antilles & Aruba Assurance Company (NA&A) Aruba  
N.V., Aruba**

**Financial income and expense (19)**

(in Aruban florin) 2021 2020

Interest on time deposit and bonds and current accounts 171,568 187,890

Interest on time deposit and bonds and current accounts

Interest income on time deposit and bonds 171,783 183,473

Interest of receivables from related parties -215 4,417

171,568 187,890

**Taxation (20)**

Income tax expense from current financial year 52,291 -453,625

Effective tax rate 0% 22.9%

Applicable tax rate 25% 25%

The effective tax rate deviates from the applicable tax rate as a result of tax benefits offered by tax regulators in Aruba. Due to the entity incurring net losses at the end of the period 2021, the entity has decided to reflect deferred tax asset related to carryforward losses calculated as the applicable tax rate multiplied by the loss of the period.

**Contingencies and liabilities (21)**

The entity has several contracts and agreements related to services needed to cover the daily operations, such as digital, compliance and expert services. The liabilities arising from this contracts can be classified as follows:

<u>Within 1 year</u> AWG	<u>1 to 3 years</u> AWG	<u>3 to 5 years</u> AWG
530,430	1,060,860	1,060,860