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Grant Thornton Aruba.
For identification purposes only.

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

located, Aruba

Annual report 2022

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

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Management report

General

In 2022 the horizon started to change concerning COVID-19. Restrictions were softened or even completely lifted. The economic downward turbulence, that started in 2020, came mostly to a hold and started to turn around in a slow upward trend. This also had its effects on Aruba. The tourism industry slowly but surely started to recover and in the slipstream several other industries. The recovery for our insurance portfolio started also by first stabilizing and later in the year showing a slight increase. The motor portfolio is the first portfolio that started to increase. This could also be noticed, in general, in the traffic on the roads of Aruba. Unfortunately, the number of car accidents registered in Aruba also increased.

In 2022 various digitalization projects didn't develop yet as foreseen and required additional attention of the staff of Citizens. Those projects have the attention of management and the expectations are that the year 2023 will be the "turn-around" year for the implementation of several of these projects. With the implementation of these projects, Citizens will be able to provide its clients with more information tailored to their wishes. Also, the processing part of some of these projects will benefit the clients due to more efficient (digitally) handling.

In the context of risk management, the introduction of the Business Continuity Management (BCM) process, in the first half of the year, and the Business Continuity Plan, in the second part of the year contributed to an improved risk management cycle.

Financials

The net insurance result of 2022 showed a slight improvement of 0,2 mln compared to 2021. This is mainly due to an increase in the net earned premiums and despite a small increase in the net claims incurred. This marks the start of the slow recovery in the total portfolio from the effect of Covid 19.

The net result also improved compared to 2021 as a result of the improved net insurance result and a small decrease in the operating expenses.

We thank our clients for the trust they placed in us and expect to continue the chosen path upwards in order to meet the wishes of our clients in the future. We continue to strive towards excellence for our clients and also for our team.

Oranjestad, Aruba
Henk Timmermans

June 2023
Managing Director

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2. Financial statements

**Netherlands Antilles & Aruba Assurance Company
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2.1 Balance sheet as at 31 December 2022

	<u>31-12-2022</u>		<u>31-12-2021</u>	
	AWG	AWG	AWG	AWG
Assets				
Fixed assets				
<i>Intangible assets</i>	1	76,403		33,854
<i>Property, plant and equipment</i>	2	680,230		582,345
<i>Long term financial assets</i>				
Long term Investments	3	200,000		3,755,920
Current assets				
<i>Receivables</i>				
Accounts receivable	4	767,511	541,358	
Related party receivable	5	43,913	50,832	
Taxes and social security charges	6	565,959	52,291	
Other accounts receivable	7	<u>1,277,543</u>	<u>1,113,986</u>	
		2,654,926		1,758,467
<i>Short term financial assets</i>				
Short term investments	8	4,555,920		-
<i>Cash and banks</i>	9	2,681,574		6,785,147
		<u>10,849,053</u>		<u>12,915,733</u>

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		<u>31-12-2022</u>		<u>31-12-2021</u>	
		AWG	AWG	AWG	AWG
Equity and liabilities					
Equity					
	¹⁰				
Issued share capital		200,000		200,000	
Share premium		2,230,000		2,230,000	
Other reserve		2,912,417		5,989,291	
Result for the year		<u>156,733</u>		<u>-156,874</u>	
			5,499,150		8,262,417
Provisions					
Technical reserve for claims	¹¹	1,977,471		1,566,575	
Technical reserve for unearned premiums	¹²	<u>2,853,757</u>		<u>2,568,993</u>	
			4,831,228		4,135,568
Current liabilities, accruals and deferred income					
Taxes and social security contributions	¹³	201,145		179,902	
Other liabilities and accrued expenses	¹⁴	<u>317,530</u>		<u>337,846</u>	
			518,675		517,748
			<u>10,849,053</u>		<u>12,915,733</u>

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2.2 Profit and loss account for the year 2022

		2022		2021	
		AWG	AWG	AWG	AWG
Net earned premiums	15	9,425,240		9,216,242	
Other income		169,302		108,488	
Net claims incurred	16	-4,747,532		-4,681,108	
Other insurance costs	17	<u>-1,419,997</u>		<u>-1,409,173</u>	
Net insurance result			3,427,013		3,234,449
Personnel expenses	18	1,702,717		2,045,208	
Amortization of goodwill	19	21,603		4,231	
Depreciation of property, plant and equip- ment	20	87,176		94,681	
Other operating expenses	21	<u>1,677,755</u>		<u>1,471,061</u>	
Total operating expenses			<u>3,489,251</u>		<u>3,615,181</u>
Operating result			-62,238		-380,732
Financial income and expense	22		<u>171,910</u>		<u>171,567</u>
Result before taxation			109,672		-209,165
Taxation	23		<u>47,061</u>		<u>52,291</u>
Net result after taxation			<u>156,733</u>		<u>-156,874</u>

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2.3 Cash Flow statement for the year ended 31 December 2022

	2022		2021	
	AWG	AWG	AWG	AWG
Cash flow from operating activities				
Operating result		-62,238		-380,731
<i>Changes/modifications for:</i>				
Depreciation	89,131		94,681	
Amortization	21,603		4,231	
Movements in provisions	695,660		179,402	
<i>Total</i>		806,394		278,314
<i>Movement in working capital:</i>				
Movement in receivables	-896,459		156,394	
Movement in short-term liabilities	-927		-463,850	
<i>Total</i>	-897,386		-307,456	
<i>Cash flow from operating activities</i>		-90,992		-409,873
Interest income	171,910		171,568	
Taxation	47,061		52,291	
<i>Total</i>		218,971		223,858
<i>Total cash provided by operating activities</i>		65,741		-186,014
<i>Cash flow from investment activities</i>				
Investments in tangible fixed assets		-216,656		-37,645
Investments in intangible assets		-64,152		-38,085
Net disposal of fixed assets		31,495		-
Proceeds and/or purchases of financial assets		-1,000,000		1,000,000
<i>Total</i>		-1,249,313		924,270
<i>Dividend paid</i>		-2,920,000		-
<i>Movement in cash funds</i>		-4,103,572		738,256
Balance as at 1 January		6,785,146		6,046,890
Movement for the year		-4,103,572		738,256
Balance as at 31 December		2,681,574		6,785,146

**Netherlands Antilles & Aruba Assurance Company
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2.4 Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Netherlands Antilles & Aruba Assurance Company (NA&A) N.V. is Dominicanessenstraat 5, in Aruba. Netherlands Antilles & Aruba Assurance Company (NA&A) N.V. is registered at the Chamber of Commerce under number H35969.0.

General notes

The most important activities of the entity

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.

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

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 coverage. We also provide insurance to businesses, mostly group health benefits for hotel operations, as well as individual health insurances.

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.

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.

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Disclosure of group structure

Netherlands Antilles & Aruba Assurance Company (NA&A) N.V. is part of the 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

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements relate to the financial year 2022, which ended on the balance sheet date December 31, 2022 and are drawn up in accordance with accounting principles generally accepted in the Netherlands.

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 functional currency

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

Conversion of amounts denominated in foreign currency

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.

Accounting principles

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.

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.

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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.

Financial assets

Short- and long-term investments:

Investments are measured at fair value unless if the assets meet the following conditions, then they are measured at amortised cost

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Short-term investments are accounted for at their carrying value, the entity does not account for changes in the interest rate due to the short-term nature of the investments. Long term investments are accounted for at amortized cost.

Receivables

Current assets are initially valued at the fair value of the consideration to be received. Trade receivables are subsequently valued at the amortized 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 recognized using the simple interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

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 recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Equity

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

Provisions

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.

Current liabilities

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

Gross operating result

General result:

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

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Net earned premiums:

The company earns premiums on income evenly over the term of the insurance policy generally using the pro rated 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:

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

Net commissions:

Commissions paid to brokers and reinsurance 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.

Amortisation of intangible assets and depreciation of property, plant and equipment

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 expenses

Interest income and expenses are recognized 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 recognized 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.

Income tax expense

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.

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2.5 Notes to the balance sheet

Fixed assets

	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG	AWG
1 Intangible assets		
Costs relating to intellectual property	<u>76,403</u>	<u>33,854</u>

Intangible assets

	<u>Costs relating to intellectual property AWG</u>
Balance as at 1 January 2022	
Cost or manufacturing price	38,085
Accumulated amortization	<u>-4,231</u>
Book value as at 1 January 2022	<u>33,854</u>
Movements	
Investments	64,152
Amortization	<u>-21,603</u>
Balance movements	<u>42,549</u>
Balance as at 31 December 2022	
Cost or manufacturing price	102,237
Accumulated amortization	<u>-25,834</u>
Book value as at 31 December 2022	<u>76,403</u>

Intangible assets will be amortized over a maximum period of 3 years. The Intangible assets relate to intellectual property.

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	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG	AWG
2 Property, plant and equipment		
Land and buildings	417,910	450,136
Furniture and equipment	76,695	91,029
Vehicles	<u>185,625</u>	<u>41,180</u>
	<u>680,230</u>	<u>582,345</u>

Property, plant and equipment

	Land and buildings	Furniture and equipment	Vehicles	Total
	AWG	AWG	AWG	AWG
Balance as at 1 January 2022				
Cost or manufacturing price	1,746,199	746,476	71,000	2,563,675
Accumulated depreciation	<u>-1,296,063</u>	<u>-655,447</u>	<u>-29,820</u>	<u>-1,981,330</u>
Book value as at 1 January 2022	<u>450,136</u>	<u>91,029</u>	<u>41,180</u>	<u>582,345</u>
Movements				
Investments	-	29,156	187,500	216,656
Disposals value of assets	-	-	-71,000	-71,000
Disposals value of depreciation	-	-	39,405	39,405
Depreciation	<u>-32,226</u>	<u>-43,490</u>	<u>-11,460</u>	<u>-87,176</u>
Balance movements	<u>-32,226</u>	<u>-14,334</u>	<u>144,445</u>	<u>97,885</u>
Balance as at 31 December 2022				
Cost or manufacturing price	1,746,199	778,679	187,500	2,712,378
Accumulated depreciation	<u>-1,328,289</u>	<u>-701,984</u>	<u>-1,875</u>	<u>-2,032,148</u>
Book value as at 31 December 2022	<u>417,910</u>	<u>76,695</u>	<u>185,625</u>	<u>680,230</u>

	Depreciation rates:	Residual Values:
Land and buildings	0%-10%	0%
Furniture and equipment	10%-33%	0%
Vehicles	10%-33%	0%

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Financial assets

	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG	AWG
3 Investments		
Time deposit, Aruba Bank N.V. - Dec 5, 2023 - 2.5%	-	1,135,779
Time deposit, Aruba Bank N.V. - Jan 23, 2023 - 2.65%	-	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%	-	<u>2,000,000</u>
	<u>200,000</u>	<u>3,755,920</u>

Current assets

4 Accounts receivable

Broker accounts and policy holders	950,545	679,440
Bad debt	<u>76,842</u>	<u>77,842</u>
	1,027,387	757,282
Provision for bad debts	<u>-259,876</u>	<u>-215,924</u>
	<u>767,511</u>	<u>541,358</u>

5 Related party receivable

Current account Netherlands Antilles & Aruba Assurance Company N.V., Curacao	<u>43,913</u>	<u>50,832</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.

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	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG	AWG
6 Taxes and social security charges		
Prepaid profit taxes	466,678	-
Deferred tax assets-(refer to note 23)	<u>99,281</u>	<u>52,291</u>
	<u>565,959</u>	<u>52,291</u>
7 Other accounts receivable		
Prepaid commissions Motor and Property	454,750	419,535
Reimbursement for car claims	188,420	275,564
Interest receivable	261,379	201,684
Other receivables	46,122	31,060
Claim Recoverable	59,619	-
Clearing account Aruba Airport Authority	84,005	-
Prepaid reinsurance premium	91,389	58,516
Prepaid on fixed assets	91,859	96,120
Reinsurance premium receivable	<u>-</u>	<u>31,507</u>
	<u>1,277,543</u>	<u>1,113,986</u>
8 Investments		
Time deposit, Aruba Bank N.V. - Dec 5, 2023 - 2.5%	1,135,779	-
Time deposit, Aruba Bank N.V. - Jan 23, 2023 - 2.65%	420,141	-
Time deposit, Aruba Bank N.V. - Jan 9, 2023 - 1.5%	1,000,000	-
Government of Aruba - June 22, 2023 - 5.15%	<u>2,000,000</u>	<u>-</u>
	<u>4,555,920</u>	<u>-</u>
9 Cash and banks		
Caribbean Mercantile Bank N.V., current account	1,325,382	3,470,385
Banco di Caribe N.V., current account	522,457	224,984
Aruba Bank N.V., current account	819,939	3,085,530
Cash in transit	12,296	2,748
Cash	<u>1,500</u>	<u>1,500</u>
	<u>2,681,574</u>	<u>6,785,147</u>

**Netherlands Antilles & Aruba Assurance Company
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10 Equity

Movements in equity were as follows:

	Issued share capital	Share pre- mium	Other reserve	Result for the year	Total
	AWG	AWG	AWG	AWG	AWG
Balance as at 1 January 2022	200,000	2,230,000	5,989,291	-156,874	8,262,417
Dividend paid	-	-	-2,920,000	-	-2,920,000
Result prior year	-	-	-156,874	156,874	-
Result for the year	-	-	-	156,733	156,733
Balance as at 31 December 2022	<u>200,000</u>	<u>2,230,000</u>	<u>2,912,417</u>	<u>156,733</u>	<u>5,499,150</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.

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Provisions

	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG	AWG
Other provisions		
Technical reserve for claims	1,977,471	1,566,575
Technical reserve for unearned premiums	<u>2,853,757</u>	<u>2,568,993</u>
	<u>4,831,228</u>	<u>4,135,568</u>

11 Technical reserve for claims

Reserve for claims motor	1,485,747	1,287,822
Reserve for claims medical	491,724	277,068
Reserve for claims property	-	<u>1,685</u>
	<u>1,977,471</u>	<u>1,566,575</u>

	<u>2022</u>	<u>2021</u>
	AWG	AWG
Reserve for claims motor		
Balance as at 1 January	1,287,822	1,169,988
Movement in reserve	<u>197,925</u>	<u>117,834</u>
Balance as at 31 December	<u>1,485,747</u>	<u>1,287,822</u>

Reserve for claims medical		
Balance as at 1 January	277,068	281,754
Movement in reserve	<u>214,656</u>	<u>-4,686</u>
Balance as at 31 December	<u>491,724</u>	<u>277,068</u>

Reserve for claims property		
Balance as at 1 January	1,685	-
Movement in reserve	<u>-1,685</u>	<u>1,685</u>
Balance as at 31 December	<u>-</u>	<u>1,685</u>

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	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG	AWG
12 Technical reserve for unearned premiums		
Unearned premium for motor	2,783,600	2,537,108
Unearned premium for medical	33,819	24,872
Unearned premium for property	<u>36,338</u>	<u>7,013</u>
	<u><u>2,853,757</u></u>	<u><u>2,568,993</u></u>
	<u>2022</u>	<u>2021</u>
	AWG	AWG
Unearned premium for motor		
Balance as at 1 January	2,537,108	2,440,316
Movement in reserve	<u>246,492</u>	<u>96,792</u>
Balance as at 31 December	<u><u>2,783,600</u></u>	<u><u>2,537,108</u></u>
	<u>2022</u>	<u>2021</u>
	AWG	AWG
Unearned premium for medical		
Balance as at 1 January	24,872	30,755
Movement in reserve	<u>8,947</u>	<u>-5,883</u>
Balance as at 31 December	<u><u>33,819</u></u>	<u><u>24,872</u></u>
	<u>2022</u>	<u>2021</u>
	AWG	AWG
Unearned premium for property		
Balance as at 1 January	7,013	33,353
Movement in reserve	<u>29,325</u>	<u>-26,340</u>
Balance as at 31 December	<u><u>36,338</u></u>	<u><u>7,013</u></u>

**Netherlands Antilles & Aruba Assurance Company
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Current liabilities, accruals and deferred income

	<u>31-12-2022</u>	<u>31-12-2021</u>
	AWG	AWG
13 Taxes and social security contributions		
Wage tax	1,796	9,205
Dividend tax (ruling 2015)	131,771	131,771
Value added tax and other taxes	<u>67,578</u>	<u>38,926</u>
	<u>201,145</u>	<u>179,902</u>
14 Other liabilities and accrued expenses		
Accounts payable	118,610	128,409
Clearing account Setar N.V.	76,669	84,484
Reinsurance premium payable	50,211	-
Reinsurance premium payable property	16,078	-
Clearance account Treston	28,272	28,272
Accruals expenses and other payables	<u>27,690</u>	<u>96,681</u>
	<u>317,530</u>	<u>337,846</u>

Contingent assets and liabilities

Disclosure of off-balance sheet commitments

Contingencies and liabilities:

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 these contracts can be classified as follows:

Within 1 year	1 to 5 years
AWG	AWG
113,370	12,000

**Netherlands Antilles & Aruba Assurance Company
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2.6 Notes to the profit and loss account

	<u>2022</u>	<u>2021</u>
	AWG	AWG
15 Net earned premiums		
Premium written motor	6,365,912	6,076,033
Premium written medical	3,188,278	3,206,100
Premium written property	89,160	65,332
Alteration unearned premium motor and accident	-175,930	-167,354
Alteration unearned premium medical	-8,947	5,883
Alteration unearned premium property	<u>-33,233</u>	<u>30,248</u>
	<u>9,425,240</u>	<u>9,216,242</u>
16 Net claims incurred		
Claims paid motor	-2,163,902	-2,149,019
Road services costs	-560,059	-606,262
Deductibles motor claims	50,605	97,725
Subrogation claim motor	122,916	-42,560
Claims paid medical	-1,750,677	-1,836,169
Claims paid property	-6,719	-2,390
Alteration claims reserve motor	-197,925	-117,834
Alteration claims reserve medical	-214,656	4,686
Alteration claims reserve property	1,685	-1,685
Medical consulting fee	<u>-28,800</u>	<u>-27,600</u>
	<u>-4,747,532</u>	<u>-4,681,108</u>
17 Other insurance costs		
Reinsurance premium	264,536	227,308
Net commissions	<u>1,155,461</u>	<u>1,181,865</u>
	<u>1,419,997</u>	<u>1,409,173</u>
Reinsurance premium		
Net reinsurance premium motor	191,050	146,473
Reinsurance fire	59,474	68,463
Net reinsurance premium AD&D	<u>14,012</u>	<u>12,372</u>
	<u>264,536</u>	<u>227,308</u>

**Netherlands Antilles & Aruba Assurance Company
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	<u>2022</u>	<u>2021</u>
	AWG	AWG
Net commissions		
Commissions paid motor and accident	1,118,378	1,074,786
Commissions paid medical	62,293	67,275
Commissions paid property	10,005	9,249
Alteration prepaid commissions motor	-29,564	23,430
Alteration prepaid commissions medical	-	604
Alteration prepaid commissions property	<u>-5,651</u>	<u>6,521</u>
	<u><u>1,155,461</u></u>	<u><u>1,181,865</u></u>
18 Personnel expenses		
Wages and salaries and other employee benefits	1,409,263	1,738,837
Social security charges and pensions cost	<u>293,454</u>	<u>306,371</u>
	<u><u>1,702,717</u></u>	<u><u>2,045,208</u></u>
Wages and salaries and other employee benefits		
Wages and salaries	1,322,474	1,385,737
Other employee benefits	<u>86,789</u>	<u>353,100</u>
	<u><u>1,409,263</u></u>	<u><u>1,738,837</u></u>
Social security charges and pensions cost		
Social security charges	232,057	241,870
Pension premiums	<u>61,397</u>	<u>64,501</u>
	<u><u>293,454</u></u>	<u><u>306,371</u></u>
19 Amortization of goodwill		
Amortization of goodwill	<u>21,603</u>	<u>4,231</u>
20 Depreciation of property, plant and equipment		
Land and buildings	32,226	38,452
Furniture and equipment	43,490	43,449
Vehicles	<u>11,460</u>	<u>12,780</u>
	<u><u>87,176</u></u>	<u><u>94,681</u></u>

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

	<u>2022</u>	<u>2021</u>
	AWG	AWG
21 Other operating expenses		
Other staff expenses	124,084	69,797
Housing expenses	100,736	120,980
Selling expenses	193,650	163,466
General expenses	<u>1,259,285</u>	<u>1,116,818</u>
	<u><u>1,677,755</u></u>	<u><u>1,471,061</u></u>
Other staff expenses		
Travelling and hotel expenses	70,662	4,080
Other expenses	<u>53,422</u>	<u>65,717</u>
	<u><u>124,084</u></u>	<u><u>69,797</u></u>
Housing expenses		
Water & electricity	50,416	38,175
Cleaning expenses	19,469	16,362
Security	2,600	2,645
Maintenance buildings	25,718	51,497
Insurance premium property	2,533	6,461
Property taxes	<u>-</u>	<u>5,840</u>
	<u><u>100,736</u></u>	<u><u>120,980</u></u>
Selling expenses		
Marketing and promotion expenses	120,163	154,289
Travelling and hotel expenses	12,732	-
Sale commission	16,803	9,177
Allowance for doubtful debts brokers	<u>43,952</u>	<u>-</u>
	<u><u>193,650</u></u>	<u><u>163,466</u></u>

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

	<u>2022</u>	<u>2021</u>
	AWG	AWG
General expenses		
Computer and hardware expenses	365,870	514,347
Legal and advisory fees	302,421	211,276
Supervision cost CBA	140,949	13,453
Supervisory director's fee	119,711	97,003
Communication and couriers	97,785	88,207
Audit costs	68,513	66,037
Bank expenses	41,125	38,624
Stationary and printed forms	37,063	26,688
Vehicle expenses	24,494	7,856
Rental Office Equipment	21,678	29,397
Other general expenses	32,595	15,061
Contributions	<u>7,081</u>	<u>8,869</u>
	<u><u>1,259,285</u></u>	<u><u>1,116,818</u></u>

22 Financial income and expense

Interest and similar income	<u><u>171,910</u></u>	<u><u>171,567</u></u>
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23 Taxation

	Effective tax rate	Applicable tax rate
2021	0%	25%
2022	1%	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 a net loss in 2021, the entity has decided to take into account a deferred tax asset related to the carry forward loss calculated at the applicable tax rate multiplied by the loss of the period.

Beginning balance deferred tax asset	52,220	52,220
Movement in taxes	<u>47,061</u>	<u>-</u>
Ending balance deferred tax assets	<u><u>99,281</u></u>	<u><u>52,220</u></u>

Independent auditor's report

Our reference: 138517/ A-33128

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

Grant Thornton Aruba
L.G. Smith Boulevard 62
Oranjestad
Aruba
T +297 522 1647
F +297 582 4864

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 2022, 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 2022;
- Profit and loss account for the year 2022;
- Cash flow statement for the year ended 31 December 2022;
- 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.

Independence

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

Report on the other information included in the annual report

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 27, 2023
Grant Thornton Aruba



Edsel N. Lopez
Partner Advisory & Assurance