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

located, Aruba

Annual report 2023

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

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

1. Management Board's report

General

The year 2023 has marked the beginning of the first changes in the approach of Citizens Insurance Aruba.

Under the leadership of a new management team, a constructive and controlled approach has been adopted for the activities of Citizens Insurance Aruba. This includes changes in the way of working, customer focus, profitability, and risk management in the areas of Sales and Underwriting, as well as the initiation of a more efficient method for handling Claims. We are grateful to our team of employees for their willingness to contribute to these efforts.

The market in Aruba is in full swing, and Citizens Insurance Aruba has captured growth through intensified marketing efforts regarding brand awareness and product promotion. There is fierce competition in the personal insurance and Group Medical insurance market, but within this, Citizens Insurance Aruba has expanded its position and welcomed many new customers. This movement began in the first half of the year and paid off especially in the second half of 2023, resulting in a positive outcome.

Citizens Insurance Aruba's ambition is to become the best personal insurer in Aruba. To achieve this, important strategic choices have been made regarding the product range and expansion of the offerings, which are expected to materialize in 2024. Significant investments have been made in the quality of personnel, enhancing the service provided to our customers, and we will continue to invest in this area. Further digitization and automation of services play a particularly large role in this, and it receives considerable attention.

The positive developments in Aruba's economy offer ample opportunities from which Citizens Insurance Aruba will certainly benefit. Of course, we could not have achieved all of this without the trust shown by our existing and new customers, and we are incredibly grateful to them. We will continue to do our utmost to exceed our customers' expectations and achieve further growth.

Financials

The net earned premiums show an upward trend (6% higher) compared to the previous year. The recovery in the total portfolio from the effect of Covid 19 continuous and the strategy choices of management also contribute to this.

Unfortunately, the net claims incurred show also an upward trend of 11% higher than the previous year. This is mainly due to an almost 15% increase in motor claims. In general, the number of incidents in Aruba increased compared to the previous year and also the number of clients of Citizens involved in incidents.

Due to better control of the costs the operating expenses stayed in line with expectations and as a result of the aforementioned the result before taxation improved slightly.

Oranjestad, Aruba June 2024

Gerard Timmermans	Henk Timmermans
Managing Director	Managing Director

2. Financial statements

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

2.1 Balance sheet as at 31 December 2023

		31-12-2023		31-12-2022	
		AWG	AWG	AWG	AWG
Assets					
Fixed assets					
Intangible assets	*1*		42,325		76,403
Property, plant and equipment	*2*		740,002		680,230
Financial assets					
Investments	*3*		2,381,469		200,000
Current assets					
Receivables					
Accounts receivable	*4*	1,130,151		767,511	
Related party receivable	*5*	65,968		43,913	
Taxes and social security charges	*6*	525,088		565,959	
Other accounts receivable	*7*	1,598,721		1,277,543	
			3,319,928		2,654,926
Securities	*8*		1,200,000		4,555,920
Cash and banks	*9*		4,151,824		2,681,574
			11,835,548		10,849,053

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		31-12-2023		31-12-2022	
		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		3,069,150		2,912,417	
Result for the year		149,252		156,733	
			5,648,402		5,499,150
Provisions					
Technical reserve for claims	*11*	2,292,877		1,977,471	
Technical reserve for unearned premiums	*12*	3,164,220		2,853,757	
			5,457,097		4,831,228
Current liabilities, accruals and deferred income					
Taxes and social security contributions	*13*	266,859		201,145	
Other liabilities and accrued expenses	*14*	463,190		317,530	
			730,049		518,675
			11,835,548		10,849,053

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

2.2 Profit and loss account for the year 2023

			2023		2022
		AWG	AWG	AWG	AWG
Net earned premiums	*15*	9,959,850		9,425,240	
Other income		168,075		169,302	
Net claims incurred	*16*	-5,273,121		-4,747,532	
Other insurance costs	*17*	-1,475,230		-1,419,997	
Net insurance result			3,379,574		3,427,013
Personnel expenses	*18*	1,799,467		1,702,717	
Amortization of intangible assets	*19*	34,078		21,603	
Depreciation of property, plant and equipment	*20*	89,189		87,176	
Other operating expenses	*21*	1,442,087		1,677,755	
Total operating expenses			3,364,821		3,489,251
Operating result			14,753		-62,238
Financial income and expense	*22*		175,369		171,910
Result before taxation			190,122		109,672
Taxation	*23*		-40,870		47,061
Net result after taxation			149,252		156,733

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

2.3 Cash Flow statement for the year 2023

		2023		2022
	AWG	AWG	AWG	AWG
Cash flow from operating activities				
Operating result		14,753		-62,238
Changes/modifications for:				
Depreciation	89,189		89,131	
Amortization	34,078		21,603	
Interest income	-175,369		-171,910	
Tax	40,870		-47,061	
Total		-11,232		-108,237
Movement in working capital:				
Movement in receivables	-710,440		-561,517	
Movements in provisions	625,869		695,660	
Movement in short-term liabilities	211,374		-927	
Total movement in working capital	126,803		133,216	
Total Cash flow from operating activities		130,324		-37,259
Cash flow from investment activities				
Investments/disposals in tangible fixed assets		-211,461		-216,656
Investments/disposals in intangible assets		-		-64,152
Disposal of fixed assets		62,500		31,495
Interest Received		314,436		103,000
Proceeds and/or purchases of financial assets		1,174,451		-1,000,000
Total cash from investment activities		1,339,926		-1,146,313
Financing Activities				
Dividend paid		-		-2,920,000
Movement in cash funds		1,470,250		-4,103,572
Balance as at 1 January		2,681,574		6,785,146
Movement for the year		1,470,250		-4,103,572
Balance as at 31 December		4,151,824		2,681,574

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. The company 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 company manages 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 through an adequate system of claim reservation, reinsurance policies 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 risk 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.

**Netherlands Antilles & Aruba Assurance Company
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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

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements relate to the financial year 2023, which ended on the balance sheet date December 31, 2023 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

Fixed and Current Securities:
Securities are recognized 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 recognized 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.

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.

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 settle the obligations arising from insurance contracts to claimants.

Net commissions and (other) expenses:
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 tax rate.

Cash flow statement

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 recognized as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognized in the cash flow statement. Payments of finance lease installments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

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2.5 Notes to the balance sheet

Fixed assets

	31-12-2023	31-12-2022
	AWG	AWG
1 Intangible assets		
Software	42,325	76,403

Intangible assets

	Software
	AWG
Balance as at 1 January 2023	
Cost or manufacturing price	102,237
Accumulated amortization	-25,834
Book value as at 1 January 2023	76,403
Movements	
Amortization	-34,078
Balance movements	-34,078
Balance as at 31 December 2023	
Cost or manufacturing price	102,237
Accumulated amortization	-59,912
Book value as at 31 December 2023	42,325

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

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	31-12-2023	31-12-2022
	AWG	AWG
2 Property, plant and equipment		
Land and buildings	388,921	417,910
Furniture and equipment	51,816	76,695
Assets under construction	198,325	-
Vehicles	102,500	185,625
	741,562	680,230

Property, plant and equipment

	Land and buildings	Furniture and equipment	Vehicles	Assets under construction	Total
	AWG	AWG	AWG	AWG	AWG
Balance as at 1 January 2023					
Cost or manufacturing price	1,746,199	778,679	187,500	-	2,712,378
Accumulated depreciation	-1,328,289	-701,984	-1,875	-	-2,032,148
Book value as at 1 January 2023	417,910	76,695	185,625	-	680,230
Movements					
Investments	-	13,136	-	198,325	211,461
Disposals	-	-	-62,500	-	-62,500
Depreciation disposals	-	-	2,813	-	2,813
Depreciation	-28,989	-39,575	-23,438	-	-92,002
Balance movements	-28,989	-26,439	-83,125	198,325	59,772
Balance as at 31 December 2023					
Cost or manufacturing price	1,746,199	791,815	125,000	198,325	2,861,339
Accumulated depreciation	-1,357,278	-741,559	-22,500	-	-2,121,337
Book value as at 31 December 2023	388,921	50,256	102,500	198,325	740,002

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

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

	31-12-2023	31-12-2022
	AWG	AWG
3 Investments		
Time deposit, Aruba Bank N.V. – January 24, 2028- 2.6%	475,871	-
Time deposit, Aruba Bank N.V. - Apr 16, 2024 - 2.5%	-	200,000
Government of Aruba -June 5, 2032-6.25%	1,905,598	-
	2,381,469	200,000

Movement Investments

Balance as at 1 January	200,000	3,755,920
Purchases/additions	2,381,469	-
Repayments/retracts	-200,000	-3,555,920
Balance as at 31 December	2,381,469	200,000

Current assets

4 Accounts receivable

Broker accounts and policy holders	1,313,991	950,545
Bad debt	71,578	76,842
	1,385,569	1,027,387
Provision for bad debts	-255,418	-259,876
	1,130,151	767,511

5 Related party receivable

Current account Netherlands Antilles & Aruba Assurance Company N.V., Curacao	65,968	43,913

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) N.V.

	31-12-2023	31-12-2022
	AWG	AWG
6 Taxes and social security charges		
Prepaid profit taxes	466,677	466,678
Deferred tax assets	58,411	99,281
	525,088	565,959
7 Other accounts receivable		
Prepaid commissions Motor and Property	514,939	454,750
Prepaid on fixed assets	154,972	91,859
Claim recoverable	357,511	59,619
Reimbursement for car claims	175,978	188,420
Interest receivable	117,685	261,379
Clearing account Aruba Airport Authority	112,012	84,005
Prepaid reinsurance premium	103,314	91,389
Other receivables	62,310	46,122
	1,598,721	1,277,543
8 Securities		
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 4, 2023 - 1.5%	-	1,000,000
Government of Aruba - June 22, 2023 - 5.15%	-	2,000,000
Time deposit, Aruba Bank N.V. – January 9, 2024- 1.75%	1,000,000	-
Time deposit, Aruba Bank N.V. - Apr 16, 2024 - 2.5%	200,000	-
	1,200,000	4,555,920
Movement Securities		
Balance as at 1 January	4,555,920	-
Purchases/additions	1,200,000	4,555,920
Repayments/retracts	-4,555,920	-
Balance as at 31 December	1,200,000	4,555,920
9 Cash and banks		
Caribbean Mercantile Bank N.V., current account	1,875,584	1,325,382
Aruba Bank N.V., current account	1,724,328	819,939
Banco di Caribe N.V., current account	539,209	522,457
Cash in transit	11,251	12,296
Cash	1,452	1,500
	4,151,824	2,681,574

10 Equity

Movements in equity were as follows:

	Issued share capital	Share premium	Other reserve	Result for the year	Total
	AWG	AWG	AWG	AWG	AWG
Balance as at 1 January 2023	200,000	2,230,000	2,912,417	156,733	5,499,150
Movement in reserve	-	-	156,733	-156,733	-
Result for the year	-	-	-	149,252	149,252
Balance as at 31 December 2023	200,000	2,230,000	3,069,150	149,252	5,648,402

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

	31-12-2023	31-12-2022
	AWG	AWG
Other provisions		
Technical reserve for claims	2,292,877	1,977,471
Technical reserve for unearned premiums	3,164,220	2,853,757
	5,457,097	4,831,228

11 Technical reserve for claims

Reserve for claims motor	1,686,203	1,485,747
Reserve for claims medical	315,974	491,724
Reserve for claims property	290,700	-
	2,292,877	1,977,471

Reserve for claims motor

Balance as at 1 January	1,485,747	1,287,822
Movement in reserve	200,456	197,925
Balance as at 31 December	1,686,203	1,485,747

Reserve for claims medical

Balance as at 1 January	491,724	277,068
Movement in reserve	-175,750	214,656
Balance as at 31 December	315,974	491,724

Reserve for claims property

Balance as at 1 January	-	1,685
Movement in reserve	290,700	-1,685
Balance as at 31 December	290,700	-

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

	31-12-2023	31-12-2022
	AWG	AWG
12 Technical reserve for unearned premiums		
Unearned premium for motor	3,057,515	2,783,600
Unearned premium for medical	40,213	33,819
Unearned premium for property	66,492	36,338
	3,164,220	2,853,757

Unearned premium for motor

Balance as at 1 January	2,783,600	2,537,108
Movement in reserve	273,915	246,492
Balance as at 31 December	3,057,515	2,783,600

Unearned premium for medical

Balance as at 1 January	33,819	24,872
Movement in reserve	6,394	8,947
Balance as at 31 December	40,213	33,819

Unearned premium for property

Balance as at 1 January	36,338	7,013
Movement in reserve	30,154	29,325
Balance as at 31 December	66,492	36,338

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

	31-12-2023	31-12-2022
	AWG	AWG
13 Taxes and social security contributions		
Wage tax	14,320	1,796
Dividend tax (ruling 2015)	131,771	131,771
Value added tax and other taxes	120,768	67,578
	266,859	201,145

	31-12-2023	31-12-2022
14 Other liabilities and accrued expenses		
Accounts payable	98,317	118,610
Clearing account Setar N.V.	8,242	76,669
Reinsurance premium payable	26,090	66,289
Clearance account Treston	18,272	28,272
Accruals expenses and other payables	312,269	27,690
	463,190	317,530

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 contract can be classified as follows:

Within 1 year	1 to 5 years	Over 5 years
AWG	AWG	AWG
144,734	-	-

2.6 Notes to the profit and loss account

	2023	2022
	AWG	AWG
15 Net earned premiums		
Premium written motor	6,778,805	6,365,912
Premium written medical	3,355,103	3,188,278
Premium written property	136,405	89,160
Alteration unearned premium motor and accident	-273,915	-175,930
Alteration unearned premium medical	-6,394	-8,947
Alteration unearned premium property	-30,154	-33,233
	9,959,850	9,425,240
16 Net claims incurred		
Claims paid motor	-2,542,840	-2,163,902
Road services costs	-544,646	-560,059
Deductibles motor claims	52,250	50,605
Subrogation claim motor	90,682	122,916
Claims paid medical	-2,160,659	-1,750,677
Claims paid property	-24,102	-6,719
Alteration claims reserve motor	-200,456	-197,925
Alteration claims reserve medical	175,750	-214,656
Alteration claims reserve property	-290,700	1,685
Claim recoverable property	204,000	-
Medical consulting fee	-32,400	-28,800
	-5,273,121	-4,747,532
17 Other insurance costs		
Reinsurance premium	259,420	264,536
Net commissions	1,215,810	1,155,461
	1,475,230	1,419,997
Reinsurance premium		
Net reinsurance premium motor	161,474	191,050
Net Reinsurance fire	97,946	59,474
Net reinsurance premium AD&D	-	14,012
	259,420	264,536

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

	2023	2022
	AWG	AWG
Net commissions		
Commissions paid motor and accident	1,207,166	1,118,378
Commissions paid medical	52,769	62,293
Commissions paid property	16,064	10,005
Alteration prepaid commissions motor	-54,600	-29,564
Alteration prepaid commissions property	-5,589	-5,651
	1,215,810	1,155,461
18 Personnel expenses		
Wages and salaries and other employee benefits	1,491,171	1,409,263
Social security charges and pensions cost	308,296	293,454
	1,799,467	1,702,717
Quantity of Personnel		
Quantity of Personnel at the end of the period	28	23
Wages and salaries and other employee benefits		
Wages and salaries	1,399,334	1,322,474
Other employee benefits	91,837	86,789
	1,491,171	1,409,263
Social security charges and pensions cost		
Social security charges	233,858	232,057
Pension premiums	74,438	61,397
	308,296	293,454
19 Amortization of intangible assets		
Amortization of intangible assets	34,078	21,603
20 Depreciation of property, plant and equipment		
Land and buildings	28,989	32,226
Furniture and equipment	39,575	43,490
Vehicles	20,625	11,460
	89,189	87,176

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

	2023	2022
	AWG	AWG
21 Other operating expenses		
Other staff expenses	148,148	124,084
Housing expenses	116,835	100,736
Selling expenses	85,914	193,650
General expenses	1,091,190	1,259,285
	1,442,087	1,677,755
Other staff expenses		
Travelling and hotel expenses	33,653	70,662
Other expenses	114,495	53,422
	148,148	124,084
Housing expenses		
Water & electricity	57,489	50,416
Maintenance buildings	30,258	25,718
Cleaning expenses	18,335	19,469
Property taxes	5,840	-
Insurance premium property	2,558	2,533
Security	2,355	2,600
	116,835	100,736
Selling expenses		
Advertising expenses	70,148	120,163
Sale commission	12,217	16,803
Travelling and hotel expenses	3,549	12,732
Allowance for doubtful debts brokers	-	43,952
	85,914	193,650

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

	2023	2022
	AWG	AWG
General expenses		
Legal and advisory fees	375,498	302,421
Computer and hardware expenses	308,059	365,870
Supervisory director's fee	93,519	119,711
Communication and couriers	85,509	97,785
Audit costs	66,176	68,513
Bank expenses	54,873	41,125
Stationary and printed forms	38,800	37,063
Fine and increases of taxes and social insurance premiums	21,249	24,494
Rental Office Equipment	15,964	21,678
Supervision cost CBA	12,288	140,949
Contributions	11,414	7,081
Other general expenses	7,841	32,595
	1,091,190	1,259,285

22 Financial income and expense

	2023	2022
Interest from banks and financial assets	175,369	171,910

23 Taxation

	2023	2022
Beginning balance deferred tax assets	99,281	52,220
Movement in taxes	-40,870	47,061
Ending balance deferred tax assets	58,411	99,281

	Effective tax rate	Applicable tax rate
2022	1%	25%
2023	22%	22%

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 carry forward losses calculated as the applicable tax rate multiplied by the loss of the period.

3. Independent Auditor's Report

Grant Thornton

Reference: 138516/MR-2240298

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Independent Auditor’s Report

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

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. (the “entity”) as at 31 December 2023, and its financial performance for the year then ended in accordance with accounting principles generally accepted in the Netherlands.

What we have audited

We have audited the financial statements of Netherlands Antilles & Aruba Assurance Company (NA&A) N.V., based in Aruba.

The entity's financial statements comprise:

1. balance sheet as at 31 December 2023;
2. Profit and loss account for the year 2023;
3. Cash Flow statement for the year 2023; and
4. the notes to the financial statements, which include a summary of significant accounting policies.

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

Basis for our opinion

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

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

Independence

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

Report on the other information included in the annual report

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

- the management board's report

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

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

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

Management is responsible for the preparation of the other information.

Responsibilities for the financial statements and the audit

Responsibilities of management and the supervisory board for the financial statements

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

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements 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. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

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

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

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

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

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

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

Curaçao, June 19, 2024
Grant Thornton Curaçao

Marisol Roosberg RA