

# Financial Highlights

## Report of the Managing Board

### Introduction

As per May 12, 2017, Vidanova Pension Fund has incorporated Vidanova Life Insurance N.V. ("Vidanova Life" or "Company") as part of its Integrated Financial Services concept. This is a business model in which the pension fund, together with other (affiliated) companies takes care of the lifelong financial planning of a client. The Company was however dormant and started operations as of June 1, 2018.

The Company has received a formal authorization from the shareholder and approval of the Central Bank of Curacao and St. Maarten, that these financial highlights can be based on an extended accounting year running from the start of business as of June 1, 2018 – December 31, 2019. As of the next book year the reporting will be based on a calendar year.

### The economic situation of the islands

For the year 2019, the Curacao economy continued to show little positive signs. St. Maarten is in some sense still recovering in the aftermath of the hurricane of 2017. Rebuilding is also still continuing. Both Curacao and St. Maarten are working on the shape up of their public sector finance, and are in an extensive discussion with College Financieel Toezicht ("CFT").

One of the most pressing issues for the island of Curacao during 2019 was the uncertainty surrounding the refinery. At year-end, the contract with PDVSA has expired and it will not be continued. The Government has reached an agreement with the Klesh Group to start as a new operator of the Refinery at the latest as per June 2020. However, due to the Corona virus crisis the target date of June 2020 has been deferred to December 2020. The consequence of this is that the uncertainties regarding the refinery remain.

### Major developments within Vidanova Life

Vidanova Life has done a thorough preparation before it opened its doors on June 1, 2018. Once the doors were opened, what had been prepared was tested in practice. On the basis of feedback obtained and self-observations, processes have been re-designed or fine-tuned, policy conditions have been tightened up and several information has been translated into English in order for these to be accessible for the English speaking (potential) customers. Further agreements have also been made with parties in the field.

### Vidanova Life's performance – financial highlights

As this reporting period is the first period during which Vidanova Life was operational, there are no comparative figures except for the capital which was been paid up at the start of the operations.

During the reporting period a net profit before Corporate taxes of ANG 1.818.241 was recorded.

As of December 31, 2019 the total assets equaled ANG 68.489.670 including amongst others ANG 7.906.882 in Current Assets and ANG 45.000.000 in Deposits with Financial Institutions. The total liabilities equaled ANG 66.130.365 and the total capital was ANG 2.359.305.

### Our commitment to you

Vidanova Life is committed to help its policyholders achieve financial well-being during all phases of their life, or thereafter.

When people retire they want to enjoy a quieter and financial comfortable lifestyle. Unfortunately, due to lacking regulation for mandatory pension schemes for employees and entrepreneurs, many in Curacao and Sint Maarten do or will not have sufficient financial funds to enjoy their pension or to maintain their current lifestyle. At Vidanova Life we believe that life even after ceasing to work should be comfortable and good for everyone: "Bida ta bon!" Sigur'è!

Starting a company from scratch is a challenging task. The Management Board therefore wishes to express its gratitude and appreciation to everybody who in one way or another has contributed to this enormous task.

Curacao, June 30, 2020

On behalf of the Board of Managing Directors:

**Charlene Alberto**  
Managing Director

## Report of the independent auditor on the financial highlights

### Opinion

The 2019 Financial Highlights, which comprise the balance sheet as at 31 December 2019, the Profit and Loss Statement, analysis of Unassigned earnings and the notes to the financial highlights are derived from the audited Life Insurance Annual Statements of Vidanova Life Insurance N.V. for the year ended 31 December 2019.

In our opinion, the accompanying Financial Highlights are consistent, in all material respects, in accordance with the audited Life Insurance Annual Statements of Vidanova Life Insurance N.V.

### Financial highlights

The financial highlights do not contain all the disclosures required by the Life Insurance Annual Statement Composition and Valuation Guidelines (2015) of the Central Bank of Curaçao and Sint Maarten. Reading the financial highlights and the auditor's report thereon, therefore, is not a substitute for reading the audited Life Insurance Annual Statements and the auditor's report thereon.

### The audited Life Insurance Annual Statements

We expressed an unmodified audit opinion on the audited 2019 Life Insurance Annual Statements in our report dated 30 June 2020. The financial highlights and the Life Insurance Annual Statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited Life Insurance Annual Statements.

### Other information

Other information consists of Report of the Managing Board. Management is responsible for other information. Our opinion on the financial highlights does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Life Insurance Annual Statements of Vidanova Life Insurance N.V. our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited Life Insurance Annual Statements of Vidanova Life Insurance N.V. 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 information we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Highlights

Management is responsible for the preparation of the financial highlights in accordance with the accounting policies as applied in the Life Insurance Statements of Vidanova Life Insurance N.V.

### Auditor's Responsibility

Our responsibility is to express an opinion on whether these financial highlights are consistent, in all material respects, with the audited Life Insurance Annual Statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Curaçao, 30 June 2020

Ernst & Young Accountants

C. Smorenburg RA AA

2019

## Balance Sheet as per December 31, 2019 *(Amounts in ANG)*

<b>Assets</b>	<b>December 31, 2019</b>
Non-Admissible Assets	468,969
<b>Investments</b>	
Bonds and Other Fixed Income Securities	2,258,765
Deposits with Financial Institutions	45,000,000
Other Loans	12,322,760
<b>Total Investments</b>	<b>59,581,525</b>
Other Assets	532,294
Current Assets	7,906,882
<b>TOTAL ASSETS</b>	<b>68,489,670</b>
<b>Capital and Liabilities</b>	<b>December 31, 2019</b>
Capital	420,000
Surplus	1,939,305
<b>Capital and Surplus</b>	<b>2,359,305</b>
Net Technical Provision for Life Insurances	60,153,218
Current Liabilities	5,977,147
<b>Total Capital and Liabilities</b>	<b>68,489,670</b>

## Profit and Loss Statement

for June 1, 2018 to December 31, 2019 *(Amounts in ANG)*

Premium and Other Policy Considerations	65,710,855
Net Investment Income and realized Capital Gains and Losses	1,012,580
Net Benefits Incurred	3,523,142
Change in Provisions for Insurance Obligations	60,153,218
Net Operational Expenditures Incurred	1,228,835
<b>Net Operational Results Before Corporate Taxes and Net Results From Separate Accounts</b>	<b>1,818,241</b>
Corporate Taxes Incurred	(400,013)
<b>Net Operational Results After Corporate Taxes and Net results From Separate Accounts</b>	<b>1,418,228</b>
Net Results from Separate Accounts	-
<b>Net Operational Results</b>	<b>1,418,228</b>
Net Unrealized Gains or Losses	-
<b>Net Profit or Loss</b>	<b>1,418,228</b>

## Analysis of unassigned earnings *(Amounts in ANG)*

	<b>2019</b>
Unassigned Earnings (Beginning of Year)	-
Net Profit or Loss	1,418,228
Other Changes in Unassigned Earnings	52,108
Distribution of Accumulated Earnings	1.470.335,98

## Notes to the Financial Highlights

### General

The Company has been incorporated in Curacao on May 12, 2017. The company was however, dormant and started operations as of June 1, 2018. The Company has received a formal authorization from the shareholder, and the Central Bank of Curacao and St. Maarten to report based on an extended accounting year running from date of incorporation (May 12, 2017) till December 31, 2019. Due to the limited transactions in 2018, the Company deemed it practical to present the combined profits and losses from the start of business up to December 31, 2019, in the profit and loss statement. As of the next book year the reporting will be based on a calendar year.

### Capital

The Company complies with the Central Bank ("CBCS") regulation which stipulates that the solvency requirement equals 4% of the previous year's gross provision for insurance obligations with an absolute minimum of ANG. 400,000.

### Basis of preparation

The financial highlights of Vidanova Life Insurance N.V. have been prepared in accordance with the "Provisions for the Disclosure of Financial Highlights of Insurance Companies" issued by the Centrale Bank van Curacao en St. Maarten, the provisions of the "Landsverordening Toezicht verzekeringsbedrijf (P.B. 1990,77)" and "Landsbesluit Financiële eisen verzekeringsbedrijf (P.B. 1992,52)". Items included in the financial highlights of the Company are stated in Antillean Guilders (ANG), which is the Company's functional and presentation currency.

### Basis of estimates

The preparation of the financial highlights requires the Company to make estimates and assumptions that affect items reported in the balance sheets and profit and loss statements. Actual results ultimately may differ possibly significantly, from those estimates.

### Investments

- Bonds and Other Fixed Income Securities are recognized at amortized cost;
- Other loans and Deposits with Financial Institutions are recognized initially at fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary. These receivables are subsequently measured at amortized cost.

### Actuarial principles and assumptions

The Provision Insurance Obligations is determined on the basis of the so-called 'lasten minus baten' method based on obligations from the policies in the future minus the incoming premiums from the policies in the future. The calculation is performed taking into account the discount rate between 3% and 3.25% and making use of the mortality tables for man and woman being the GBM/V 2012. All re-insurance finance expenses are fully recognized in the profit & Loss.

### Capital and or Surplus Commitments

The company has an outstanding commitment to participate in a loan for an amount of ANG 6.827.154 as per December 31, 2019.

### Subsequent events

The Covid-19 pandemic has extended rapidly as a worldwide crisis leading to shutdowns and job losses for a great number of entities and people. The Insurer as with all entities is not immune to this crisis. The Insurer has analyzed the situation and has updated its business continuity plan and acted upon the current situation.

Despite the fact that this crisis is very serious we do not see that it will have an effect on the continuity of the Insurer. The Company is considered to continue without major interruptions of its business activities. However, it must be said that the current market conditions and the economic impact of the crisis on individuals are not the most favorable situation for the further growth of the Company.