

Report of the Managing Board

Introduction

In 2022 the Covid-19 pandemic diminished heavily in intensity and many countries, including Curacao started recuperating from the effects of the pandemic showing more optimism in the economy, business, hospitality entities, consumers and investors. Yet, the World was hit by another crises fueled mainly by supply chain problems and the Russian – Ukraine war. Globally, we saw inflation rates higher than seen in several decades, including on our islands that depends on import of goods and services.

Despite these challenging circumstances, Vidanova Life has expanded its market penetration and its brand awareness as evidenced by an increase in the number of request for quotations, the conversion rate and the number of both individual and collective/business (larger) clients.

The economic situation of the islands

The Central Bank of Curacao and St. Maarten ("CBCS") reported that "according to the latest estimates of the CBCS, real GDP grew by 5.9% in Curaçao, while Sint Maarten recorded an expansion of 5.1%". The CBCS also points out that the rising international commodity prices caused increased inflationary pressure across the monetary union. As a consequence, the inflation in Curacao has been estimated to reach 6.0% in 2022. For St. Maarten the CBCS revised its estimate of inflation to 4.6%.

Major developments within Vidanova Life

During 2022, the following aspects of the operations received special attention:

- Work continued on the implementation of a full fledge insurance policy administration system.
- We have developed two new products, being SparMAS and Combi-product being Life Insurance/Disability Insurance.
- The development of one other product, being a funeral insurance, has started and has been completed in 2023.
- We have reviewed the cooperation with our medical advisers and made further agreements where necessary
- Reviewing our conditions and continuously testing our products against the market to see where we can improve in order to achieve a better competitive position without losing sight of the fact that we must always remain prudent.
- The terms and conditions for insured parties and beneficiaries have been revised.
- We have intensified our marketing campaign.
- Together with our parent company, Vidanova Pension Fund, we inaugurated and moved to our new building at the Schottegatweg Oost 28
- Together with the inauguration of the new building, the Vidanova group launched a new corporate image, in order to reposition the group on the market and to emphasis the fact that as a group we can cater our participants during all phases of their lives.

Vidanova Life’s performance – financial highlights
(Amounts in Thousands of Naf)

During 2022 a net profit before Corporate taxes of ANG 1,425 (2021: ANG 321) was recorded.

As of December 31, 2022 the total assets equaled ANG 79,701 (2021: ANG 75,843) including amongst others ANG 5,203 (2021: ANG 5,415) in Current Assets and ANG 45,400 (2021: ANG 45,400) in Deposits with Financial Institutions. The total liabilities equaled ANG 73,842 (2021: ANG 71,095) and the total capital was ANG 5,859 (2021: ANG 4,747).

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’é!”

The Board wishes to express its gratitude and appreciation to the management and staff of Vidanova Management and Administrative Services (“ViMAS”) for their efforts and dedication during the year 2022. We also express our gratitude to the Board of Supervisory Directors for their supervision and support during the year 2022. Finally, we want to thank all our clients for choosing Vidanova Life as their Insurer.

Curacao, 28 June 2023

The Board of Managing Directors:

Charlene Alberto
Managing Director

Elma Velgersdijk
Managing Director

Balance Sheet as per December 31, 2022

(Amounts in Thousands of Naf)

ASSETS	12-31-2022	12-31-2021
Non-Admissable Assets	2,316	365
Investments		
Other Loans	13,452	14,292
Deposits with Financial Institutions	45,400	45,400
Current Assets	18,533	15,786
TOTAL	79,701	75,843
EQUITY, PROVISIONS AND LIABILITIES	12-31-2022	12-31-2021
Capital and Surplus		
Capital	1,020	1,020
Surplus	4,839	3,727
Provision for Insurance Obligations		
Net Technical Provision for Life Insurances	61,694	56,554
Current Liabilities	5,045	5,126
Other Liabilities	7,103	9,416
TOTAL	79,701	75,843

Profit and Loss Statement for 2022

(Amounts in thousands of Naf)

	2022	2021
Premium and Other Policy Considerations	9,131	2,958
Net Investment Income and Realized Capital Gains and Losses	2,696	2,637
Net Other Operational Income	2,803	6,368
Net Benefits Incurred	4,011	10,457
Change in Provisions for Insurance Obligations	5,140	(9,202)
Net Operational Expenditures Incurred	1,223	971
Other Changes Affecting Net Results	2,831	9,416
Net Operational Results Before Corporate Taxes and Net Results From Separate Accounts	1,425	321
Corporate Taxes Incurred	313	39
Net Operational Results After Corporate Taxes and Before Net results From Separate Accounts	1,112	282
Net Results from Separate Accounts	0	0
Net Operational Results	1,112	282
Net Unrealized Gains or Losses	0	0
Net Profit or Loss	1,112	282

Analysis of unassigned earnings

(Amounts in Thousands Naf)

	2022	2021
Unassignd Earnings (Beginning of Year)	3,362	3,029
Net Profit or Loss	1,112	282
Other changes in Unassigned Earnings	43	51
Unassignd Earnings (End of Year)	4,517	3,362

Report of the independent auditor on the financial highlights

Opinion

The 2022 Financial Highlights, which comprise the balance sheet as at 31 December 2022, the Profit and Loss Statement for 2022, 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 2022.

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 2022 Life Insurance Annual Statements in our report dated 21 june 2023. 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

Notes to the financial highlights 2022

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 is a 100% subsidiary of the Vidanova Pension Fund Foundation.

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 derived off the Life Annual Statements. The Life Annual Statements have been prepared in accordance with accounting policies defined in the Life Insurance Annual Statement Composition and Valuation Guidelines (2015). 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 Life Annual Statements and 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% (depending on the tariff of the policy) and making use of the mortality tables for man and woman being the GBM/V 2012. The reinsured part is disclosed separately. All re-insurance finance expenses are fully recognized in the profit & Loss.

Capital and or Surplus Commitments

The Company has no outstanding commitment or contingencies as per year end 2022.

Subsequent events

No subsequent events have been identified in the year 2023.

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, 28 June 2023

Ernst & Young Accountants

Christiaan Smorenburg RA AA