SUMMARY FINANCIAL STATEMENTS 2019

Abbreviated Statement of Financial Position

ennia
CARIBE LEVEN (ARUBA) NV

As of December 31st (All amounts in AWG x 1,000)

ASSETS	2019	2018
Intangible assets	12	12
Property and equipment	6,911	5,154
Investment property	6,169	6,085
Financial investments	287,062	268,665
Loans and overdrafts to customers	145,936	72,821
Deferred insurance policy acquisition costs	4,433	4,580
Reinsurance assets	1,036	1,039
Deferred tax assets	184	527
Receivables and other financial assets	7,473	10,817
Amounts due from related parties	11,909	13,688
Prepayment and accrued income	6,540	5,313
Cash and cash equivalents	37,715	108,486
TOTAL ASSETS	**515,380**	**497,187**
Equity		
Share Capital	26,000	26,000
Fair value reserve	531	185
Retained Earnings	17,637	16,626
Total equity attributable to the equity holders	**44,168**	**42,811**
Liabilities		
Insurance liabilities	462,399	441,135
Tax liabilities	524	524
Amounts due to related parties	4,552	6,306
Payables and other financial liabilities	3,737	6,411
Total liabilities	**471,212**	**454,376**
TOTAL EQUITY AND LIABILITIES	**515,380**	**497,187**

Abbreviated Statement of Comprehensive Income

ennia
CARIBE LEVEN (ARUBA) NV

As of December 31st (All amounts in AWG x 1,000)

	2019	2018
Gross written life premiums	34,352	36,917
Written premiums ceded to reinsurers, net	(772)	(797)
Premiums written net of reinsurance	**33,580**	**36,120**
Net Investment income	15,736	13,362
Other income	348	440
Total income	**49,664**	**49,922**
Expenses		
Insurance expenses	39,994	44,958
Other expenses	8,635	5,159
Total expenses	**48,629**	**50,117**
Profit / (loss) before taxation	**1,035**	**(195)**
Taxation (expense)/release	(227)	6,098
Profit after taxation	**808**	**5,903**
Other comprehensive income		
Change in fair value of available-for sale securities	188	(308)
Revaluation of Properties	274	-
Deferred tax on other comprehensive income	(116)	79
Other comprehensive income for the financial period, net of taxation	346	(229)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	1,154	5,674

Notes to the Abbreviated Financial Statements

1. Reporting Entity

ENNIA Caribe Leven (Aruba) NV ("the Company") is a financial services provider active in the field of insurance in Aruba. The ultimate parent company is Parman International BV, Curaçao. The Company was incorporated in June of 2008 as a dormant company and effectively started operations on January 1, 2009 resulting in figures as of January 1, 2009.
The address of its registered office is J.E. Irausquin Blvd 16, Oranjestad, Aruba. ENNIA Caribe Holding (Aruba) NV is the sole shareholder of the Company.

The financial statements of the Company for the year ended December 31, 2019 were authorized for issuance by the Managing Board on July 3, 2020.

2. Summary of significant accounting policies

Basis of Preparation - Statement of compliance

The abbreviated financial statements of the Company have been prepared in accordance with the "Directive on the Publication of the Audited Annual Financial Statements" prescribed by the Central Bank of Aruba. These abbreviated financial statements, which are derived from the audited financial statements of the Company, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) applicable as at December 31, 2019.

The abbreviated financial statements comprise the Abbreviated Statement of Financial Position, Abbreviated Statement of Comprehensive Income and accounting and valuation principles. The abbreviated financial statements do no contain all the disclosures required by International Financial Reporting Standards (IFRS). The abbreviated financial statements have been prepared under the assumption that the Company operates on a going concern basis.

Items included in the abbreviated financial statements of the Company are stated in Aruban Guilders (AWG), which is the Company functional and presentation currency. All amounts in the notes are shown in thousands of AWG, rounded to the nearest thousand, unless otherwise stated.

Change in accounting policies

IFRS 16 Leases

The Company has adopted International Financial Reporting Standard (IFRS) 16 Leases with a date of transition of January 1, 2019, which resulted in changes in accounting policies and no adjustments to the amounts previously recognized in the financial statements. The Company did not early adopt IFRS 16 in previous periods.

The new standard replaces the existing standard IAS 17 Leases along with three Interpretations; IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 applies to all leases for both lessee and lessor, except for a few scope exclusions. The new standard requires lessees to account for leases 'on-balance sheet' by recognizing a 'right-of-use' and a lease liability, measured at the present value of future lease payments. The right-of-use is accounted for similarly to a purchased asset and depreciated or amortized. The lease liability is accounted for similarly to a financial liability using the effective interest rate method. The agreements of the Company containing a lease are limited to low value assets. Hence the adoption of IFRS 16 has had no significant impact on the Company.

New Standards and Interpretations not yet Adopted

At the date of authorization of the audited financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, Amendments or Interpretations have been adopted early by the Company. Other Standards and amendments that are not yet effective and have not been adopted early by the Company include:

- IFRS 17 Insurance Contracts (effective for annual reporting periods beginning on or after 1 January 2022).
- Definition of a Business (Amendments to IFRS 3) (effective for annual reporting periods beginning on or after 1 January 2020 and required to be applied prospectively).
- Definition of Material (Amendments to IAS 1 and IAS 8) (effective from 1 January 2020 and required to be applied prospectively).
- Conceptual Framework for Financial Reporting (effective for annual reporting periods beginning on or after 1 January 2020).

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, Amendments and Interpretations not yet adopted have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

IFRS 17 Insurance Contracts

IFRS 17 *Insurance Contracts* is effective for annual periods beginning on or after January 1, 2022. IFRS 17 is expected to have a material impact on the Company's financial statements. The Company is expected to commission a project team to consider the impact of the new standards and provide training to the Company's personnel.

IFRS 9 *Financial Instruments* in respect of the Company's financial statements is being considered as part of the project for the adoption of IFRS 17 *Insurance Contracts.*

Accounting Policies

The principal accounting policies adopted in the preparation of the Company audited financial statements are set out below. These notes are an extract of the detailed notes prepared in the audited financial statements of the Company. The accounting policies set out below have been applied consistently to all periods presented in these abbreviated financial statements, and have been consistently applied, except when indicated otherwise.

Basis of measurement

The audited financial statements, from which these abbreviated financial statements have been derived, are prepared on the historical cost basis except for the following:

- Financial instrument at fair value through profit or loss are measured at fair value.
- Available-for-sale financial assets are measured at fair value.
- Investment property is measured at fair value.
- Insurance liabilities are actuarial calculated.
- Premises are measured at the market value at revaluation date minus accumulated depreciation.

Use of estimates

The preparation of the abbreviated financial statements requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts in the statement of financial position and statement of comprehensive income. Actual results ultimately may differ, possibly significantly, from those estimates.

Basis of presentation

IAS 1, *Presentation of financial statements*, requires a distinction between current and non-current items for all assets and liabilities in the balance sheet of the Company. Such a distinction is not appropriate for insurance companies, where close control over liquidity, asset and liability matching, and highly regulated capital and solvency positions are considered more relevant. The current/non-current distinction is therefore not provided.

Financial instruments

The Company classifies its financial assets in the following categories financial investments at fair value through profit or loss; available-for-sale financial investments, held-to-maturity investments and loans and overdrafts to customers.

Recognition

The Company initially recognizes loans and receivables, deposits and debt securities issued on the date on which they are originated. All other financial assets and liabilities, including assets and liabilities designated at fair value through profit or loss, are initially recognized on the trade date on which the Company becomes a party to the contractual provision of the instrument.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company derecognized as a separate asset or liability. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or when these expire.

Fair value through profit or loss (FVTPL)

Financial assets and financial liabilities at fair value through profit or loss are reported at fair values with changes in fair value recognized in the income statement.

Available-for-sale (AFS)

Available-for-sale investments are non-derivative investments that are intended to be held for an indefinite period of time. Available-for-sale investments are initially recognized at fair value plus transaction cost, with fair value changes recognized directly in comprehensive income, until the investment is derecognized or impaired, whereupon the cumulative gains or losses previously recognized in comprehensive income are recognized in the income statement for the period.

Unquoted equity securities whose fair value cannot be reliably measured are carried at cost less impairment, if applicable. The current value is deemed to approximate fair value.

Held-to-maturity (HTM)

Held-to-maturity investments are non-derivative assets with fixed or determinable payment and fixed maturity that the Company has the positive intent and ability to hold to maturity. Held-to-maturity investments are initially recognized at fair value plus transaction costs and are subsequently carried at amortized cost using the effective interest method. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years.

Loans and receivables

Loans and receivables (L&R) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale. Loans and receivables are initially measured at fair value plus incremental transaction costs and are subsequently measured at amortized cost using the effective interest rate method, net of an allowance for impairment.

Financial liabilities

The Company recognizes financial liabilities initially at fair value less any directly attributable transactions costs. Subsequent to the initial recognition, these financial liabilities are measures at amortized cost using the effective interest rate method.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measuring using quoted process (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Impairment of financial investments at fair value

The Company reviews the carrying value of its investments on a regular basis. If the carrying value of an investment is greater than the recoverable amount for a significant amount or a prolonged period, the carrying value is reduced through a charge to the income statement in the period of decline. Impairment losses recognized in the income statement for an investment in an equity instrument classified as AFS shall not be reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as AFS increases and the increase can be objectively related to an event occurring after the recognition of the impairment loss, then the impairment is reversed through the income statement. Financial assets carried at fair value with changes in the fair value recognized in the profit or loss is not subject to impairment testing. The fair value of these assets already reflects possible impairments.

Impairment of other financial assets

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping with similar risk characteristics.

The Company considers evidence of impairment for loans to customers at both a specific asset and collective level. All individually significant loans to customers are assessed for specific impairment. The individually significant loans to customers found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans to customers that are not individually significant are collectively assessed for impairment by grouping loans and overdrafts to customers with similar risk characteristics.

The impairment loss on loans to customers is measured as the difference between the carrying amount of the loan and the present value of estimated future cash flows discounted at the loan's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and overdrafts to customers. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

When all the necessary legal procedures have been completed, the loan is determined to be uncollectible and the final loss has been determined, then the loan is written off against the allowance for impairment. Subsequent recoveries are credited in profit or loss.

Foreign currency translation

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates at the dates that the values were determined.

Premises & equipment

Owner-occupied property

Owner-occupied property (including property that is being constructed or developed for future use as investment property) is measured on initial recognition at cost. Following initial recognition at cost, owner-occupied property (land and buildings) is carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and subsequent accumulated impairment losses. A revaluation reserve is established in shareholder's equity when there's an increase in the carrying amount arising from the revaluation being the difference between the book value and the revalued amounts at the moment of revaluation. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. A deferred tax liability is created for the differences between the carrying value of the assets and the tax base. Land is not depreciated. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Management report

Development world economy 2019
In October 2019, IMF wrote that global growth is forecasted at 3% for 2019, its lowest level since 2008–09. Over the past year, IMF continues, global growth has fallen sharply. Among advanced economies, the weakening has been broad based, affecting major economies (the United States and especially the euro area) and smaller Asian advanced economies. On January 9, 2020, IMF says that global growth is projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020. But as a result of the pandemic, IMF says on April 6, 2020, the global economy is projected to contract sharply by minus 3 percent in 2020, much worse than during the 2008–09 financial crisis.

Development Aruba economy 2019
The Centrale Bank van Aruba (CBA) recently revised its economic forecast for the year 2019 based upon economic developments and available data up to and including September 2019. In addition, the CBA carried out its first economic output projection for 2020. Based upon aforementioned data, the Gross Domestic Product (GDP) for 2019 is expected to decrease by 0.7 percent in real terms, down from a previously forecasted growth of 0.9 percent. The downward revision resulted mainly from weaker investment, exports, and consumption figures than previously foreseen. The economy of Aruba is hit hard by the pandemic. As of March 15, 2020, the lockdown has paralyzed tourism as the sole economic pillar. Aruba receives liquidity support from the Netherlands as of April 2020. The rating of Aruba by Standard & Poor's in 2020 stayed at BBB+.

Development ENNIA Caribe Leven (Aruba) NV 2019
ENNIA Caribe Leven Aruba (ECLA) performed better in 2019 compared to 2018. Although profit after tax decreased from 5.9 mln to 0.8 million, due to a one-off (tax)gain in 2018 of 6.1 mln, the profit before tax of 1.0 mln in 2019 means an improvement of almost 1.2 mln in comparison with 2018.

The improvement of profit before tax of 1.2 mln in 2019 originates from different drivers. In 2019 insurance liabilities decreased with 4.3 mln together with 0.6 mln less claims. Premium income decreased with almost 2.5 mln in 2019 and investment income rose with 2.4 mln. The operational costs increased with 2.8 mln.

The financial position of ECLA at year-end 2019 compared with year-end 2018 improved. Due to different investment opportunities we were able to expand our financial investments in 2019 with 19 mln and we increased our loan portfolio with 73 mln. In the meantime, we successfully continue to decrease our cash position. At the end of 2019, the cash position was 38 mln compared with 108 mln at the end of 2018. Less cash and more investments boosted our investment income with 2.4 mln in 2019, an improvement of 18% from the 13.3 mln in 2018.

In 2019, we continue to step forward. We would like to thank the regulatory authorities for their support and guidance. We are grateful to our loyal and long-standing clients and of course our employees for their commitment. We appreciate the cooperation and leadership of our chairman and members of the Supervisory Board.

Aruba, July 03, 2020

On behalf of management

Albert Niemeijer General Managing Director	Henry van den Berg Managing Director

Independent auditor's report

Our Opinion
The abbreviated financial statements, which comprise the abbreviated statement of financial position as at December 31, 2019, the abbreviated statement of comprehensive income for the year 2019 and notes to the abbreviated financial statements, are derived from the audited financial statements of ENNIA Caribe Leven (Aruba) NV ('the Company') for the year ended December 31, 2019.

In our opinion, the accompanying abbreviated financial statements are consistent, in all material respects, with the audited financial statements of the Company, as described in Note 2 "Summary of Significant Accounting Policies".

The Abbreviated Financial Statements
The abbreviated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the abbreviated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements, and the abbreviated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon
We expressed an unmodified audit opinion on the audited financial statements in our report dated July 3, 2020. That report also includes:

- An emphasis of matter paragraph that draws attention to Note 32 of the audited financial statements. Note 32 of the audited financial statements includes the Managing Board's assessment of the Coronavirus (Covid-19) on the future results, cash flows and financial position of the Company. As stated in Note 32 of the audited financial statements, based on its assessment of the impact of the Coronavirus for the year 2020 and beyond, and taking into account the uncertainties that exist as per the date of issuance of the audited financial statements, the Managing Board concludes that it does not consider the impact to cast significant doubt upon the Company's ability to continue as a going concern. These matters are addressed in Note 4 "Subsequent Events" of the notes to the abbreviated financial statements.

The Managing Board's Responsibility for the Abbreviated Financial Statements
The Managing Board is responsible for the preparation of the abbreviated financial statements in accordance with the basis as described in Note 2 "Summary of Significant Accounting Policies".

Auditor's Responsibility
Our responsibility is to express an opinion on whether the abbreviated financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810, Engagements to Report on Summary Financial Statements.

Aruba, August 05, 2020
Grant Thornton Aruba

Original signed by Edsel N. Lopez

Equipment
All items classified as equipment within the statement of financial position are measured on initial recognition at cost. The historical cost includes capitalized borrowing costs. Following initial recognition, equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses. All other items classified as equipment within the statement of financial position are amortized using a straight-line method over their residual values of their estimated useful lives.

Classification	Useful lives	Residual values
Land	No depreciation	No depreciation
Buildings	40 years	10%
Leasehold improvements	4 - 10 years	0% - 25%
Transportation means	4 - 20 years	5% - 20%
Computer equipment	3 – 10 years	0% - 33%
Furniture, fixtures	5 – 10 years	0% - 20%

Gains and losses on disposal of equipment are determined by reference to their carrying amount and are taken into account in determining operating result.

Investment property
Investment property is measured on initial recognition at cost. Following initial recognition at cost, investment property is carried at fair value, which reflects market conditions at year-end. Valuations are performed frequently enough to ensure that the fair value does not differ materially from its carrying amount. A gain or loss arising from a change in the fair value of investment property shall be recognized in the income statement for the period in which it arises. Costs for the repairs and maintenance are recognized in the income statement as incurred. Gains and losses on disposal of investment property are determined by reference to their carrying amount and are taken into account in determining operating result.

Impairment of non- financial assets
Non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is higher of an asset's net selling price and value in use.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances on hand and short-term highly liquid investments with maturities of three months or less when purchased.

Provisions
Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the year-end.

Taxation
Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in comprehensive income, in which case it is recognized in comprehensive income. The Company is a transparent company based on the Aruban Fiscal law. Therefore, the income is allocated to its shareholder ENNIA Caribe Holding (Aruba) NV for tax purposes.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the year end, and any adjustments to tax payable in respect of previous years (e.g. tax carry-forwards).

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each year-end and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Insurance contracts
Insurance contracts are defined as those containing significant insurance risk if, and only if, an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance, at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired. Contracts can be reclassified to insurance contracts after inception if insurance risk becomes significant.

Life Insurance
Life insurance business provisions are calculated separately for each life operation, based on local regulatory requirements and actuarial principles consistent with those applied in Aruba.

The life insurance provision is calculated according to the principles on which the premiums have been based, primarily on a prospective basis and the interest as used in the premium. The provision also includes a provision for future costs of processing benefits, the provision for unearned premiums and unexpired risks as well as the provision for claims outstanding, all as far as related to the life insurance business.

Liability adequacy test for life insurance business
IFRS 4 requires a liability adequacy test to be conducted at year-end so that future losses do not remain unrecognized. The liability adequacy test considers current estimates of all contractual cash flows, and of related cash flows such as claims handling costs, as well as cash flows resulting from embedded options and guarantees. If the liability adequacy test shows that the liability is inadequate, the entire deficiency is recognized in the statement of comprehensive income. If the deficit decreases in the next reporting period, this addition will be reversed from insurance liabilities through profit and loss (via technical claims and benefits).

Reinsurance
Reinsurance assets primarily include balances due from reinsurance companies on ceded insurance liabilities. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provisions associated with the reinsured policies and in accordance with the relevant reinsurance contract. The Company only contracts reinsurance protection with reinsurance companies that are rated.

Deferred insurance policy acquisition costs
The costs directly attributable to the acquisition of new business for insurance contracts are deferred to the extent that they are expected to be recoverable out of future margins on revenues on these contracts. Life insurance business deferred acquisition costs are amortized systematically over a period no longer than the period in which they are expected to be recovered out of these margins. Changes in the expected useful life or the extend pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period and are treated as a change in accounting estimate.
The reinsurers' share of deferred acquisition costs is amortized consistent with the underlying asset. Deferred acquisition costs are reviewed by category of business at the end of each reporting period and are written off where they are no longer considered to be recoverable.

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Insurance premiums
Premiums on life insurance contracts are recognized as income when receivable, except for investment-linked premiums, which are accounted for when the corresponding liabilities are recognized. For single premium business, this is the date from which the policy is effective. For regular premium contracts, receivables are taken at the date when payments are due. Premiums are shown before deduction of commission and before any sales-based taxes or duties. When policies lapse due to non-receipt of premiums, all the related premium income accrued but not received from the date they are deemed to have lapsed is debited to premiums.

Investment income
Investment income includes interest on financial investments and realized and unrealized result from fair value changes related to financial assets at fair value through profit or loss, realized results on available-for-sale securities, and rental income from investment property.
Interest income is recognized as it accrues. Interest income arising on debt securities and deposits is recognized as it accrues, taking into account the effective yield on the investment. It includes the interest rate differential on forward foreign exchange contracts.

Fee and commission income
Fee and commission income, including account servicing fees, transaction fees, investment management fees, insurance brokerage fees, trade financing fees, placement fees and syndication fees, are recognized when the policy has been agreed contractually by the insured and the provider, and the provider has a present right to payment from the insured. Fee and commission income for the life insurance policies sold to those entering a personal loan agreement are fully due at the start of the loan.

Fee and commission expense
Fee and commission expense relate mainly to transaction and services fees, which are expenses as the services are received.

3. Critical accounting estimates and judgements in applying accounting policies

The principal accounting policies adopted by the Company are set out in note 3. In the application of these accounting policies, Management are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the key critical judgments and estimates that Management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the Financial Statements.

Insurance liabilities
Judgment is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. At each reporting date liability adequacy tests are performed to ensure the adequacy of the liabilities. Any deficiency is recognized in the Income Statement.

Premises and equipment
Property held for own use in the supply of services or for administrative purposes is included in the Statement of Financial Position at revalued amount. Property valuations are affected by general economic and market conditions. The carrying value of property held for own use is determined by valuations conducted at the reporting date by independent professional appraisers and management judgement were valuations are dependent on unobservable inputs. A decrease in the valuation of the property is charged as an expense to the Income Statement to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to previous revaluation of that asset.

Properties are held at revalued amount less any subsequent depreciation in line with the accounting standard.

Depreciation is provided in respect of all equipment and is calculated to write off the cost or valuation of the assets over their expected useful lives. The useful life of equipment is estimated to be three to ten year dependent on the asset. Depreciation on assets in development commences when the assets are ready for their intended use.

Investment property
Investment property, which is property held to earn rentals and/or for capital appreciation, is recognized initially at cost and stated in the Statement of Financial Position at fair value at the reporting date. The fair value of investment property is determined by valuations conducted at the reporting date by qualified independent professional appraisers, and management judgement where valuations are dependent on unobservable inputs. Gains or losses arising from changes in the fair value are included in the Income Statement for the period in which they arise.

Valuation of financial instruments
The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Management believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

Uncertain tax positions
Uncertain tax positions are measure to the extent that the likelihood of the resulting tax impact. Probable amounts are included within the tax line in the Income Statement, and the liability would be included within the tax liability on the Statement of Financial Position. Where uncertain tax position is deemed to not be probable they are disclosed in the notes to the Financial Statements.

4. Subsequent Events
Due to the impact of the Coronavirus (COVID-19), Management has assessed its impact on the future results, cash flows and financial position of the Company. Management emphasizes that as per the date of issuance of these abbreviated financial statements, it is uncertain to estimate what the eventual impact of the Coronavirus will be on the (Aruban) economy and the company's future results, cash flows and financial position.

Notwithstanding this uncertainty, Management has assessed the Company's future results, cash flows and financial position by estimating the impact of COVID-19. Management has prepared a stress test/going concern analysis using 8 base and 16 combined scenarios. The assumptions were based on fluctuations in the following line items:
- Premium
- Investment Income
- Change in Technical provision
- Cost
- Commissions

Management then used the GDP based on the economic shocks for Aruba as determined by S&P and an extreme shock scenario of a 25% decrease. The four base scenarios for premium decrease were as follows:
- 5.93%
- 10.24%
- 14.55%
- 25% (extreme scenario)

From the 16 combined scenarios (using the assumptions as described above) the P&L stayed positive in 3 scenarios. Although the net results were negative in the remaining scenarios, the solvency was well above the minimum margin as required by the Central Bank of Aruba.

Overall, based on its assessment of the impact of the Coronavirus for the year 2020 and beyond, and taking into account the uncertainties that exist as per the date of issuance of these abbreviated financial statements, Management concluded that it does not consider the impact to cast significant doubt upon the Company's ability to continue as a going concern.