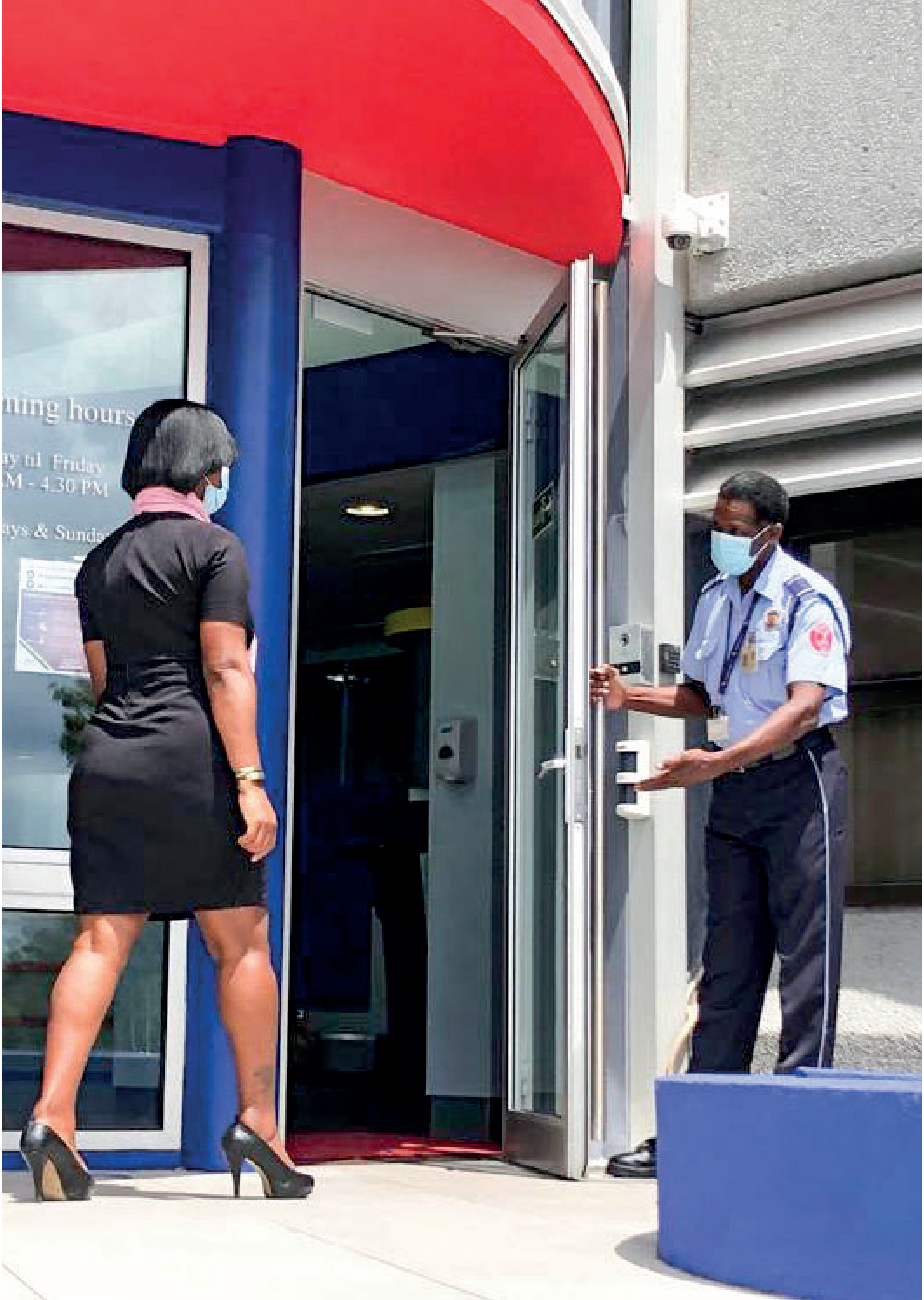
Annual report 2020

Excellence in customer service in the new normal

Guardian Group
Fatum

live easy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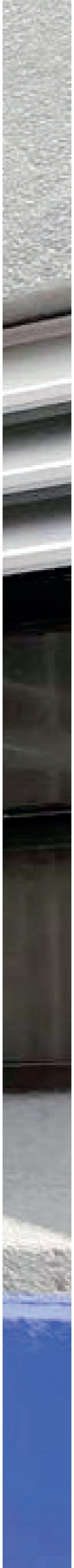


Content

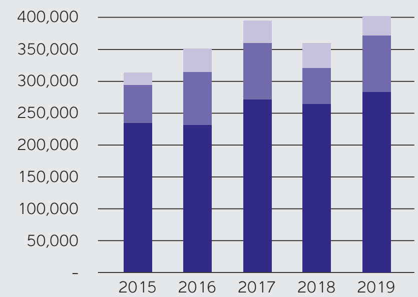
Consolidated Financial Highlights

(Expressed in thousands of Antillean Guilders)

Gross Premiums Written	2020	2019
Life and pension business	144,450	141,274
Health business	29,309	29,890
Property and casualty business	240,499	210,936
Total Gross Premiums Written	414,257	382,101
Revenue		
Revenue from insurance operations	295,887	280,401
Revenue from investment activities	82,401	92,180
Commission income from brokerage activities	31,498	29,392
Total Revenue	409,786	401,973
Geographic Distribution of Revenue		
Aruba	128.342	141,104
BES	14.827	14,226
Curaçao	168.212	174,601
St. Maarten	23.729	16,323
Netherlands	74.676	55,717
Total Revenue	409.786	401,971
Results		
Profit for the year	34,370	26,211
Other comprehensive income	30,767	15,615
Total comprehensive income	65,137	41,826
Financial Position		
Total assets	2,335,480	2,163,162
Liabilities	2,076,466	1,963,301
Net Equity	259,014	199,861
Operating expenses	102,423	92,856
Depreciation and amortization	9,909	9,113
Total operating expenses	112,332	101,969

Key Performance Indicators

Total Revenue (ANG´000)

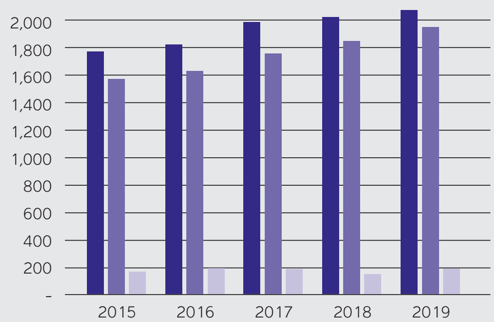


Total Revenue	2016	2017	2018	2019	2020
Insurance activities	240,061	269,379	264,564	280,401	295,887
Investing activities	78,208	90,937	54,810	92,180	82,401
Brokerage activities*	32,706	35,333	28,751	29,392	31,498
Total	350,975	395,649	348,125	401,973	409,786

* Prior year figures have been adjusted to conform with changes in current year presentation.

Insurance activities   Investing activities   Brokerage activities

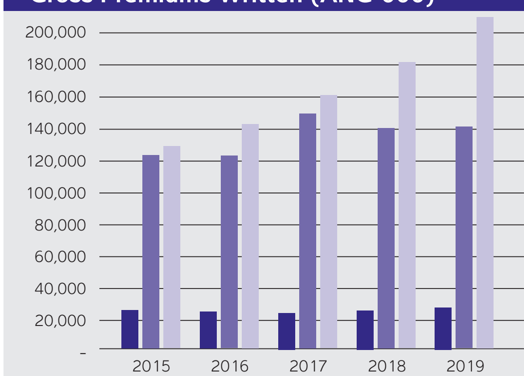
Financial Position (ANG million)



Financial Position	2016	2017	2018	2019	2020
Total assets	1,841	1,957	2,034	2,163	2,335
Liabilities	1,643	1,761	1,870	1,963	2,076
Net equity	198	196	164	200	259

Total assets   Liabilities   Net equity

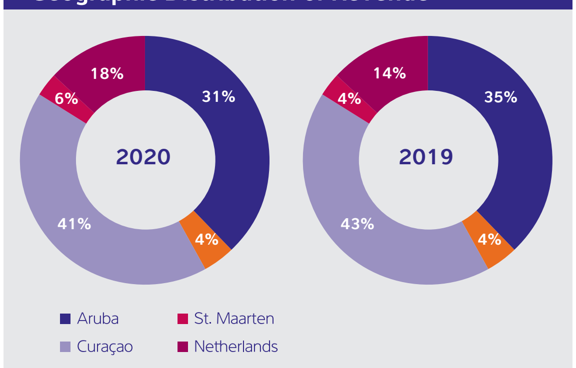
Gross Premiums Written (ANG´000)



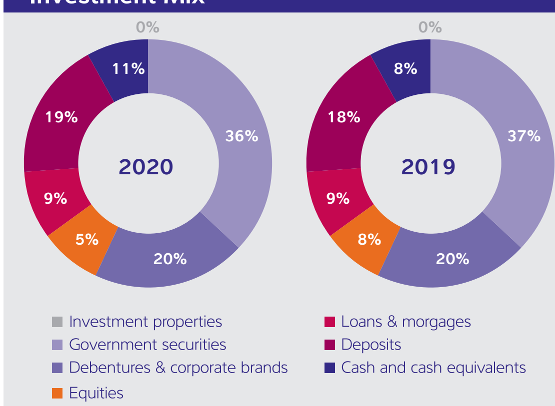
Gross Premium	2016	2017	2018	2019	2020
Health	28,259	27,816	28,359	29,890	29,309
Life	122,138	148,074	140,141	141,274	144,450
Property & casualty	143,743	160,551	181,880	210,936	240,499
Total	294,140	336,441	350,380	382,101	414,257

Health   Life   Property & casualty

Geographic Distribution of Revenue



Investment Mix



Chairman's and CEO's Statement

Mr. H.P. Ganteaume

2020 brought along tremendous challenges. It was by every measure an unprecedented year in recent human history. The widespread economic malaise caused by the COVID-19 pandemic did not spare the Dutch Caribbean markets that we serve. Our tourist industry as well as related industries plummeted, resulting in a significant reduction of general economic activity throughout the whole year.

However, we successfully managed to overcome all challenges and are genuinely proud to look back at another satisfactory year. Our staff demonstrated commitment and resolve in quickly instigating digital channels to serve our customers and initiate new sales. Our investment in a state-of-the-art technological infrastructure over the past few years paid off by securely enabling our digital channels of sales and service to function without hitch.

Insurance Operations

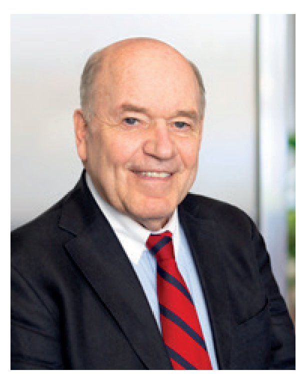
Guardian Group Fatum continues to lead this market segment in the Dutch Caribbean.

- Despite the circumstances related to the COVID-19 pandemic, we managed to produce positive figures with an overall increase on Gross Written Premiums from all classes of business, except for the health line where a modest decrease of 2% was experienced.
- In our successful brokerage line of business, we have seen satisfactory growth in fee income. Our 'Buy and Build' strategy allows us to use the existing organizational infrastructure to acquire new businesses and portfolios and hereby enjoy substantial cost synergies.

Meet the members of the Supervisory Board

At December 31, 2020

Mr. O.M. van der Dijs



Mr. J.W.H. Richters

Mr. J. Veel

Operating expenses

We started a digitizing project to realize optimal efficiency by implementing robotics in our Life, General Insurance and Finance departments. Costs of preparing for IFRS 17 were taken into consideration. Overall, we continued to seek inorganic growth opportunities, while cost control and improvements in our cost ratios remained a key performance objective. All these activities increased our operating expenses by only 10%, which we believe is an excellent performance.

Consolidated results

Our net profit for the year 2020 was ANG 34.86M, as compared to ANG 26.24M in 2019. The main influencing factor was the fair value gains in our international portfolio. The key technical ratios of all lines of business remained satisfactory despite the difficult circumstances. Guardian Group Fatum's solvency position continued to be strong and well in excess of the local requirements of the Central Bank of Curaçao and Sint Maarten and the Central Bank of Aruba. It will remain a solid base for future growth of our company.

Change in accounting policy

We see the new standard IFRS 17 - effective from January 1, 2023 - as a significant opportunity that can cement Guardian Group as a regional leader and position us competitively to take advantage of business opportunities further afield. As stated above, we have started preparing for this implementation to ensure timely and complete compliance.

Strategic initiatives

- We continued the implementation of a new strategic plan designed to create an organization, geared towards retaining and growing our customer base through an enhanced customer experience. **The positive impacts are noticeable and contribute to our results.**
- We have made progress in streamlining operations from core underwriting activities to achieve an increasing profit contribution from operational performance and investment income. **The positive results experienced are very promising.**
- We will continue to deploy our plan which includes increased levels of automation, straight-through-processing, customer self-service and data-analytics.
- An important strategic initiative continued to be the deliberate realignment of our investment portfolios to secure enhanced investment returns and a better match with our insurance liabilities. **We are meeting this objective across all geographies and lines of business.**


Mr. R.A. Tewari


Mr. Y. Lasten


M. Kock

Market expansion and distribution

- In 2020 we continued to invest in multi-channel distribution to further consolidate our presence in the Dutch Caribbean and the Dutch market.
- Our Brokerage line of business contributes a solid part of our Operating Profit. It continues to grow steadily and provides an attractive source of profits not exposed to underwriting volatility.
- The new direct sales distribution continues to generate a satisfying stream of new business. This channel is operated on GHL Group wide platforms and using GHL automated systems and procedures.
- Through advanced agent recruitment strategies, we will continue to work on building a team of outstanding service providers.

Diego Fränkel
President & CEO Fatum Holding N.V.

Corporate governance, compliance and risk management

Guardian Group Fatum is committed to effective corporate governance for the benefit of our shareholders, customers, employees and other stakeholders based on the principles of fairness, transparency and accountability. To meet this objective, various governance and control functions coordinate to help ensure that risks are identified and appropriately managed and internal controls are in place and operating effectively. Distinct mandates and responsibilities are assigned to different levels of authority in the organization, which are closely aligned and co-operate with each other through a regular exchange of information, planning, and other activities.

Supervisory Board of Directors

In 2020 Guardian Group Fatum adopted its Supervisory Board structure with a separate Board for both the companies in Curaçao and Aruba to prevent any conflicts of interest with regard to matters related to the territories in which we operate. The Boards addressed major issues, such as the COVID-19 pandemic, budget approval, strategic plans, capital adequacy, investment strategy and monitoring new initiatives to improve the company performance.

Meet the members of the Executive Board

At December 31, 2020

Dorothy Romero-Sprockel
Chief Finance officer

Francis Gijsbertha
Chief Customer Officer

Audit, compliance and risk committee (ACRC)
The members of the Board at the same time are members of the Audit, Compliance and Risk Committee. The Board is satisfied that the Internal Audit function as well as the Compliance function have been discharged in an objective and transparent manner and are not subject to management´s undue influence. The members have confirmed that appropriate actions were taken to resolve the weaknesses in internal controls observed by the internal and external auditors and management´s risk corrective actions.

The driving force behind the Guardian Group Fatum success
Employees
Although our staff has been forced to work remotely, is has in no way impeded the pace of transformation of our business model with a positive impact on sales, service and profitability. Our employees provided the best possible service to our customers and continued to offer expert advice. **We are truly proud of our employees**!
Human capital
The transformation of our approach to **human capital is of great significance**, using the tremendous expertise of our staff through a `bottom-up´ approach. The experience and knowledge of our employees are drivers of change.

Corporate social responsibility
Being a flagship organization in the Caribbean, we continued to expand our social community outreach programs, although social activities were strongly affected by governmental measurements to mitigate the COVID-19 risks. We still managed to contribute to the well-being of communities, despite the strong reduction of in- and outdoor activities. We target our financial support at the youth, sports and physical activities as well as at various non-governmental organizations. For obvious reasons, the annual Guardian Group Fatum Walk and Run with over 5000 participants could not be held in 2020. We look forward to organizing this largest annual run and walk on our islands as soon as this can responsibly be done.

We sincerely thank our shareholders and customers for their loyalty, as well as our staff for their energy and commitment in pursuing our vision of becoming a world-class insurer.

Henry Peter Ganteaume
Chairman of the Supervisory Board of Directors

Diego Fränkel
President & CEO Fatum Holding N.V.

Guiselle Coco
Chief Operating officer

Consolidated statement of financial position as at 31 December 2020

(Expressed in thousands of Antillean Guilders)

Assets	2020	2019
Property, plants and equipment	40,188	41,231
Right-of-use assets	7,818	9,748
Investment properties	8,274	9,024
Intangible assets	81,746	70,152
Investment in associated companies	72,729	76,285
Investment securities	1,546,546	1,490,179
Loans and receivables including insurance receivables	239,696	217,124
Pension plan assets	16,504	9,388
Deferred tax assets	10,359	10,907
Reinsurance assets	81,018	59,527
Due from affiliated companies	392	4,825
Deferred acquisition costs	12,593	10,900
Cash and cash equivalents	217,617	153,872
TOTAL ASSETS	**2,335,480**	**2,163,162**
Equity and liabilities		
Share capital	25,000	25,000
Share premium	74,030	74,030
Reserves	39,680	17,580
Retained earnings	120,304	83,250
Total Equity	**259,014**	**199,860**
Liabilities		
Insurance contracts	1,817,406	1,723,210
Financial liabilities	57,369	57,219
Lease liabilities	8,342	10,120
Post retirement medical benefit obligations	20,140	21,414
Deferred tax liabilities	21,957	18,195
Provision for taxation	5,182	4,212
Due to affiliates	14,606	14,793
Other liabilities	131,464	114,139
Total liabilities	**2,076,466**	**1,963,302**
TOTAL EQUITY AND LIABILITES	**2,335,480**	**2,163,162**

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Willemstad, Curaçao

Summary consolidated statement of comprehensive income for the year ended 31 December 2020

(Expressed in thousands of Antillean Guilders)

	2020	2019
Insurance premium income	411,667	380,726
Insurance premium ceded to reinsurers	(182,397)	(146,858)
Reinsurance commission income	66,617	46,533
Net underwriting revenue	295,887	280,401
Policy acquistion expenses	(50,392)	(42,735)
Net insurance benefits and claims	(201,852)	(225,057)
Underwriting expenses	(252,244)	(267,792)
Net income from insurance underwriting activities	43,643	12,609
Net income from investing activities	82,401	92,180
Net income from brokerage activities	31,498	29,392
Net income from all activities	**157,542**	**134,181**
Net impairment gains/(losses) on financial assets	(1,104)	(1,682)
Operating expenses	(112,332)	(101,969)
Finance charges	(3,950)	(4,980)
Operating profit	**40,156**	**25,550**
Share of profit of associated companies	1,168	4,668
Profit before taxation	**41,324**	**30,218**
Taxation	(6,954)	(4,007)
Profit for the year	**34,370**	**26,211**
Other comprehensive income/(loss)		
Exchange differences on translating foreign operations	5,825	(3,175)
Net gains/(losses) on debt securities at fair value through other comprehensive income	20,155	29,613
Gains on property revaluation	–	3,109
Remeasurement of pension plans	6,820	(6,959)
Actuarial losses on post-employment benefits	1,452	(3,471)
Income tax relating to components of other comprehensive income	(3,485)	(3,502)
Other comprehensive loss for the period, net of tax	**30,767**	**15,615**
Total comprehensive income/(loss) for the period, net of tax	**65,137**	**41,826**

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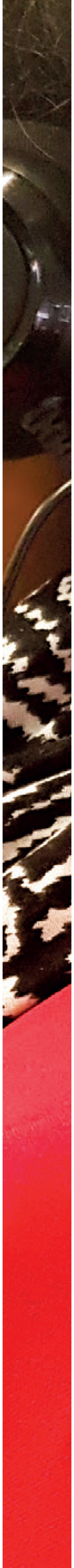

Significant Accounting Policies

The summary consolidated statement of financial position and statement of comprehensive income as presented on page 10 and 11 have been derived from the consolidated financial statements of Fatum Holding N.V. These explanatory notes are an extract of the detailed notes included in the consolidated financial statements. These consolidated financial statements can be consulted at the Fatum office.

Basis of preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). They have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, investment properties, derivative financial instruments and financial assets at fair value through profit or loss, which are carried at fair value. The consolidated financial statements are prepared using the going concern basis of accounting.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated statement of income.

All intra-group transactions and balances are eliminated on consolidation. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The following subsidiaries have been included in the consolidation:

- Fatum Health N.V.
- Fatum General Insurance Aruba N.V.
- Fatum General Insurance N.V.
- Fatum Life Aruba N.V.
- Fatum Brokers Holding B.V.
- Fatum Life N.V.
- Homes & Properties N.V.
- Thoma Exploitatie B.V.
- Kruit en Venema Assuradeuren B.V.
- Fatum Internationale Financierings-maatschappij VBA

(b) Associated companies

The Group's investment in associated companies is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence, and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, the investment in associates is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is not amortized. The consolidated statement of income reflects the share of the results of operations of the associates. When there has been a change recognised directly in the equity of the associates, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity.

The financial statements of the associates are prepared for the same reporting period as the Parent. Where necessary, adjustments are made to bring their accounting policies in line with the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in associates. The Group determines at each consolidated statement of financial position date, whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value and recognizes the amount in the consolidated statement of income.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale.

The Group holds 42.3% interest in Guardian Resorts International Inc.

Financial Assets

(a) Initial recognition and measurement

Financial assets are recognised when Group entities become a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on settlement date, the date on which the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

At initial recognition, the Group measures financial assets at its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of income.

The Group's financial assets include cash and short-term deposits, investment in debt and equity securities, interest receivable, receivables arising from insurance contracts and reinsurance contracts and other loans and receivables.

(b) Classification and subsequent measurement

Subsequent to initial recognition, the Group's debt instruments are measured in accordance with the business models determined by the Group's respective business units for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classified its debt instruments:

(i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The carrying amounts of these assets are adjusted by any expected credit loss allowance recognised. In addition to certain debt securities, the Group's loans and receivables are carried at amortised cost.

(ii) Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss.

(iii) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the consolidated statement of income in the period in which it arises.

The Group may, on initial recognition, irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or fair value through other comprehensive income as fair value through profit or loss, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets held for trading, or are managed and whose performance is evaluated on a fair value basis, are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be infrequent.

Business model assessment

The Group's business units determine their business models at the level that best reflects how it manages groups of financial assets to achieve its business objective. Factors considered by the business units in determining the business model for a group of assets include:

- the stated policies and objectives for the group of assets and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets with the duration of any related liabilities or expected cash outflows or realizing cash flows through sale of the assets;
- how performance of the group of assets is evaluated and reported to management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

If cash flows after initial recognition are realized in a way that is different from original expectations, the business units do not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets.

The solely payment of principal and interest (SPPI) test

`Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). `Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and other basic lending risks and costs, as well as a profit margin.

Where the business model is to hold assets and collect contractual cash flows or to collect contractual cash flows and sell, the Group's business units assesses whether the financial assets' cash flows represent solely payments of principal and interest. In making this assessment, the business units consider whether the contractual cash flows are consistent with a basis lending arrangement i.e. the definition of interest. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Equity instruments

Subsequent to initial recognition, the Group measures all equity investments at fair value, and changes in the fair value of equity instruments are recognised in the consolidated statement of income.

(c) Derecognition of financial assets

A financial asset (or when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a `pass-through´ arrangement.
- The Group has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risk and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group´s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset´s carrying amount and the sum of the consideration received is recognised in the consolidated statement of income. In addition, on derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to the consolidated statement of income.

(d) Modifications of financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different from that of the original asset. If the terms are substantially different, the Group derecognises the original financial asset and recognises a new financial asset at fair value. The date of modification is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. The Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the modification was driven by the debtor being unable to make the originally agreed payments.

If the cash flows of the modified asset are not substantially different, the modification does not result in derecognition of the financial asset. The Group recalculates the gross carrying amount of the financial asset based on revised cash flows, discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets), and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated statement of income.

Insurance and investment contracts/Net insurance premium revenue/Net insurance benefits and claims

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk.

Insurance and investment contracts are classified into five main categories, depending on the duration of risk and whether or not the terms and conditions are fixed.

(a) Short-term insurance contracts
These contracts are principally property, motor, casualty (employers' liability, public liability), marine, and health insurance contracts. Health insurance contracts include both group and individual health insurance.

For all these contracts, premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premiums received on in-force contracts that relate to unexpired risks at the consolidated statement of financial position date is reported as an unearned premium liability. Premiums are shown before deduction of commissions payable to agents and brokers and exclude any taxes or duties levied on such premiums. Premium income includes premiums collected by agents and brokers not yet received by the Group.

Unearned premiums represent the portion of premiums written in the current year that relate to periods of insurance subsequent to the consolidated statement of financial position, date calculated using either the three hundred and sixty-fifths method or the twenty-fourths method. Unearned premiums relating to marine cargo are calculated using 180 days after the first date of sailing.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders. They arise from events that have occurred up to the consolidated statement of financial position date, even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims other than for disability claims. Liabilities for unpaid claims are estimated using techniques such as the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported ("IBNR"), and to estimate the expected ultimate cost of more complex claims that may be affected by external factors such as court decisions. Estimates are continually revised as more information becomes available and for the effects of anticipated inflation. Adjustments arising on these revisions are recognised within claims expense in the current year.

(b) Long-term insurance contracts with fixed and guaranteed terms and without DPF
These contracts insure events associated with human life over a long duration. Premiums are recognised as revenue when they become payable by the policyholder. Premiums are shown before deduction of commission. Benefits are recorded as an expense when incurred.

A liability for policyholders' benefits that are expected to be incurred in the future is established on acceptance of the insurance risk. The liability is based on the present value of estimated amounts for projected future premiums, claims, benefits, investment income and policy maintenance expenses. The liability is based on key assumptions made with respect to variables such as mortality, persistency, investment returns and expense inflation.

The liabilities are actuarially recalculated at each reporting date and the change in the liability is recognised as an expense in the consolidated statement of income.

(c) Long-term insurance contracts without fixed terms
These contracts insure human life events (for example death or survival) over a long duration. Insurance premiums are recognised directly as liabilities whereas the change in the liabilities is reflected in the consolidated statement of income. These liabilities are increased by credited interest or change in the unit prices and are decreased by policy administration fees, mortality and surrender charges and any withdrawals.

(d) Long-term insurance contracts with fixed and guaranteed terms and with DPF

In addition to death or life benefits, these contracts contain a DPF that entitles the holders to a bonus or dividend declared by the company from time to time. The discretionary element of the benefits payable under these policies, as well as the guaranteed elements are treated as liabilities. The actuarial calculations make allowance for future expected policyholder bonuses and dividends. Any changes in the total benefits due are recognised as charges in the consolidated statement of income and form part of increases in reserves for future benefits of policyholders.

(e) Investment contracts

The Group issues investment contracts including deposit administration contracts and individual deferred annuity contracts. Insurance premiums are recognised directly as liabilities. These liabilities are increased by credited interest or change in the unit prices and are decreased by policy administration fees, mortality and surrender charges and any withdrawals. Revenue consists of investment income and interest credited is treated as an expense.

Revenue recognition

Revenue comprises the fair value for services rendered after eliminating revenue within the Group. Revenue is recognised as follows:

(a) Premium income

Premium income is recognised on the accrual basis in accordance with the terms of the underlying contracts.

(b) Investment income

Interest income is recognised using the effective interest method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- Purchased or originated credit-impaired financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- Financial assets that are not purchased or originated credit-impaired but have subsequently become credit-impaired, for which interest revenue is calculated by applying the effective interest rate to their amortised cost i.e. net of the expected credit loss provision.

(c) Rental Income

Rental income is recognised in the consolidated statement of income on the accrual basis.

(d) Realised and unrealised investment gains and losses

Realised and unrealised gains and losses on investments measured at amortised cost or fair value through profit or loss are recognised in the consolidated statement of income in the period in which they arise.

Unrealised gains and losses on investment securities measured at fair value through other comprehensive income are recognised in other comprehensive income. On derecognition, debt securities gains and losses accumulated in other comprehensive income are reclassified to the consolidated statement of income.

(e) Commission income

Commissions are recognised on the accrual basis when the services have been provided.

(f) Fee income

Fees are earned from the management of the assets of the segregated funds and deposit administration funds and from general policy administration and surrenders. Fees are recognised in the period in which the services are rendered.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Group as a lessee

The Group mainly leases various office space and motor vehicles used in its operations. Rental contracts for these leases are typically made for fixed periods of 1 to 10 years but may have extensions options, which is described below. Some contracts contain lease and non-lease components, which are accounted for as separate components based on the stand-alone prices stated in the contracts.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

The Group applies a single recognition and measurement approach to all leases, except for short-term leases and leases of low-value assets. At lease commencement date, the Group recognises a right-of-use asset and a lease liability in the consolidated statement of financial position.

The right-of-use asset is initially measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequent to initial measurement, the right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group also assesses the right-of-use asset for impairment when such indicators exist. The Group does not revalue any of its right-of-use assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalty payments for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

The Group remeasures the lease liability when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option. Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of income if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments. The Group did not have any variable lease payments that do not depend on an index or a rate for the period ended 31 December 2018.

The Group applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets to leases that are considered to be low value. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

The Group as a lessor

The Group leases out investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income arising is accounted for on a straight-line basis over the lease term and is included in other income in the consolidated statement of income.

Policy applicable before 1 January 2019

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of income on a straight-line basis over the period of the lease.

Solvency Margin	**2020**	**2019**
	(ANG'000)	(ANG'000)
Regulatory required margin	126,917	107,958
Available margin	259,014	199,860
Surplus	**132,097**	**91,902**

Subsequent events

In the year 2020, Fatum Holding N.V. and its subsidiaries have to deal with the consequences of the COVID-19 virus. The financial position of Fatum Holding N.V. is stable, and the COVID-19 virus has no direct impact on the short term. The long-term consequences are still unclear. The long-term consequences are mainly influenced by the economic conditions of the countries in which Fatum Holding N.V. and its subsidiaries operate and the impact of the economic conditions on the investments of Fatum Holding N.V. and its subsidiaries.

Grant Thornton

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Grant Thornton Curaçao
Julianaplein 38
P.O. Box 360
Willemstad
Curaçao

T +(599) 9 430 0000
W grantthornton.com.cw

linkedin.com/gt-dutch-caribbean
facebook.com/grantthorntoncw

Independent Auditor's Report

To the board of directors and the supervisory board of directors of Fatum Holding N.V.

Report on the summary financial statements included in the annual report

The summary consolidated financial statements 2020 ('the summary consolidated financial statements') of Fatum Holding N.V. (the "entity"), based in Curaçao as included on page 10 – 21, are derived from the audited financial statements 2020 of Fatum Holding N.V.

In our opinion the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS). Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements of Fatum Holding N.V. and our auditor's report thereon. The summary consolidated financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on those financial statements of 31 March 2021.

The audited financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited financial statements 2020 of Fatum Holding N.V. in our auditor's report of 31 March 2021.

Responsibilities of the board of directors and the supervisory board of direcotrs for the summary consolidated financial statements

The board of direcotes is responsible for the preparation of the summary consolidated financial statements.
The supervisory board of directors is responsible for overseeing the company's financial reporting process.

Our responsibilities

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which we conducted in accordance with International Standard 810 'Engagements to report on summary consolidated financial statements'.

Curaçao, 2 March 2022
Grant Thornton Curaçao

Marisol Roosberg RA

Excellence in customer service in the new normal

The COVID-19 measures had a significant impact on our business operations. A "new" way of working was introduced internally. A plan had been made to inform customers about our availability and services through various communication channels.
Winning externally is starting internally. That is why we asked a few colleagues to share their thoughts on excellence in the new normal.

Rins Spinhoven

Excellence: being great, not just good, it's a cliché but going that extra mile for internal and external clients.
In the new normal: being readily available online and respond promptly to missed (Google Teams) calls, chats and your e-mails in Outlook.

Rins Spinhoven
Legal Counsel, Legal Department
Curaçao

Shahaira Richardson

For me now it is absolutely imperative to maintain keen attention to emails and telephone response time. While digital communication is now the "new norm" I believe keeping clients/Brokers in the loop with the status of their request(s)/inquire(s) is now more critical than ever. Being sure to contact them first with a follow up, even if it is just to request more time. It gives customers comfort in knowing that you are indeed working on their request(s)/inquire(s). It is for this reason we have to respect and maintain a high level of communication internally to assure our clients have a peace of mind.

It's if VERY difficult to explain briefly what it takes to maintain excellent customer service. So much goes into the process and there is no ONE person who can achieve that on their own. When we all do our part it lightens the load. As little is a lot when everyone brings something to the table…

Shahaira Richardson
Supervisor
Sint Maarten

Sonali Landburg

To provide our customers with the right, important information and tools in this Digital new normal so we can maintain our customers, gain their loyalty and earn their respect.

Deliver what you promise to build the customer's trust to achieve satisfaction.

My personal contribution to achieve excellence in customer service is by doing my best to be professional and very patient. Having a positive, helpful and friendly customer first attitude.

Sonali Landburg
Collection Officer, Collection Department
Curaçao

Jessica Godfried

The optimal customer experience starts with excellent service.

Customer experience is about being humble and serving. That is why improving the customer experience always starts with the same question for me. What if I am the costumer? But it goes deeper than this, it is about humanity, the interaction between equal people. It is about creating a good feeling instead of the usual sales pitch talk.

In my view, service excellence is looking for a balance, the right balance between professionals who enjoy working and make the customers feel good.

As we enter the new normal in an era where customers demand high-speed information, the day-to-day communication with the client is very important and my role of the customer service in the sales function to deliver this service is crucial.

Jessica Godfried
Senior Account Manager
Consumer & Corporate Markets
Curaçao

The pandemic has taught me many lessons, one of them is that today's customer service function has a huge impact on customer retention and future plans. We all need to learn new ways to listen to our customers and expand the parameters of what we listen for. Customers with strong feelings, positive or negative, are the customers who are most likely and least likely to do business with us again.

For me Excellence in customer service in the new normal means that we must pay increasing attention to whatever it takes, one-on-one and one-by-one, to earn the love, loyalty and respect of our customers.

Yelitza Y. Martina-Figaroa
Compliance Officer
Compliance Department
Aruba

Yelitza Y. Martina-Figaroa

Excellence in customer service in the new normal:
For me it is letting the customers feel that almost nothing has changed.

Especially the elderly customers, that sometimes do not have digital access, to make it possible for them to receive and send documents digitally.
It also means making our customers aware of our online services.

I listen to them, have a little conversation with them, ask if everything is alright and letting them know that we are here to continue to serve them.

Morena Haynes

In excellence in customer service I understand valuing the customers' time, having a pleasant attitude, and providing knowledgeable resourceful resources, but that you also take things a step further to exceed rather than just meet expectations.

In the new normal it's important to enhance communications skills. Changing work habits and communication styles takes time, but I make it my goal to help our customers to choose the right product for them and leave the office satisfied.

Morena Haynes
Customer/Business Desk Officer
Bonaire

Arlène Dorant

I have daily contact with our customers because I work at the helpdesk in the Health Department.

In this new normal I learned that we can approach our customers not only personally and by telephone, but also via e-mail to optimally continue providing our same good service.

We also have the Misalú app, this is a new method where customers can submit their claims for reimbursement digitally. Customers love this service.

And now we also have a new product "Messagebird", an app system to communicate even better with our customers.

I try and will do my best every day to serve my customers better and with all these new technologies we are well on our way.

Excellence for me means: Happy client, happy me.

Arlène Dorant
Customer staff
Health & Accident Department
Curaçao

Shrayelle M.S. Giel

In the new normal "excellence in customer service" is even more important. We live in an era where customers demand high-speed information. Here, we as the employees of Guardian Group, can play an important role in delivering valuable services.

As the world is living in uncertain times, in these moments we need to be there for our customers and create a superior customer experience for them. Focusing on all types of contacts that we have with our customers. This includes phone calls, e-mails, Teams, WhatsApp or online. Making the business they are doing with us, a smooth, fast and easy transaction. Every contact is an opportunity for us to make them feel that you care and that you are there for them. Which will eventually creates customer loyalty and brand ambassadors who will tell other potential clients about their experiences.

This is a great chance that we can all embrace to create an excellent competitive business strategy.

Shrayelle M.S. Giel
Employee Benefit Consultant
Employee Benefit Department
Aruba

Charlotte Hart - Leer

For us, the new normal is a situation we have never thought of, it is an unthinkable situation. The new normal has certainly broadened my horizon in many aspects and yes, also on the field of service. Not just providing service but providing excellent service by thinking out of the box.

Charlotte Hart - Leer
Claims Handler, Motor Department
Curaçao

My personal experience is the following: It was just in the beginning of this year when we were told to work from home. In all haste I forgot to reschedule an appointment. On the first Wednesday of our lock down I received a call from my colleague that there was a gentleman at the office for me, he had an appointment with me. I was in shock and angry with myself because I had not informed him in time that I would not be at the office because of the lockdown implemented by the government. It did not seem sensible to let my colleague take over for me as it concerns a complex claim with too much information to just take over on the spot and above all, the customer had specifically agreed the appointment date with me.

There the costumer had arrived a few minutes before our agreed time, it was just enough time for me to dress myself for business, get into the car and quickly drive to the office. It also happened to be my drive-day implemented by the government. The appreciation and thanks that I received from the customer for coming to the office to speak to him was huge and he praised our service.

Our new normal occasionally presents obstacles, however it can certainly be overcome as long as we put the customer first and think solution-oriented instead of focus on the problem. It is a challenging time for us to keep service standards high but keep in mind that it is also difficult for the customers to adapt to the forced government implemented changes. If we are good and do it right, the excellence in customer service in this new normal will be our second skin. Together we can succeed and provide an outstanding customer experience.

Rinelva Oviedo-Lovert

My name is Rinelva Oviedo-Lovert
I work on the life department as project officer.

The question you always must ask is `How would you like to be treated `when you need a service?

I would want to be treated with respect, regardless, I want the person to be someone that radiates trust and confidence, a person who also understands my question or my concern. Maybe the person does not know all the answers but can bring me in contact with another person that can give me the right information.

The personal contact with client is not possible nowadays. When in contact with a client via phone it is important to listen and be patient.

Rinelva Oviedo-Lovert
Supervisor , Individual Life Department
Curaçao

I am not in direct contact with clients, however support my colleagues providing them with the information needed and assistance they need to provide excellent service to the clients.

You need to be prepared and knowledgeable about the products your company is selling. Our company is also like the restaurants that offer take out or delivery services.
Take out; It is when we fill ourselves with the knowledge (know the product our company sells) that we can offer this to the client. The client can then use this knowledge. However, it is only possible to meet the client's expectation of on demand information if you are knowledgeable.

Delivery: technology became an important communication media for our company. It is through these channels that we can reach the clients by responding their e-mails and the e-mails from colleagues as quickly as possible. When these channels do not work properly, it is here that I also intermediate to have the problem solved as fast as possible.

You learn when you ask questions, and not be afraid of the answer. Never be ashamed to ask questions to your colleagues, supervisor, or manager to get the correct information. Make notes, so that you can always reference back to them.

Company information

Office Aruba
L.G. Smith Boulevard 162
P.O. Box 510
Aruba
Tel.: (297) 582 1111
Fax: (297) 582 6138

Office Bonaire
Kaya Gobernador N. Debrot 35
P.O. Box 152
Bonaire
Tel.: (599) 717 8811
Fax: (599) 717 5222

Office Netherlands
Brainpark II
Lichtenauerlaan 102-120
3062 ME Rotterdam
Tel.: (31) 10 798 2455
Fax: (31) 10 204 5555

Office Curaçao
Cas Coraweg 2
P.O. Box 3002
Curaçao
Tel.: (599-9) 777 7100
Fax: (599-9) 736 6333

Office Sint Maarten
A.J.C. Brouwers Road 6
P.O. Box 201
Sint Maarten
Tel.: (1-721) 542 2248
Fax: (1-721) 542 3127

Guardian Group
Fatum

info@myguardiangroup.com
myguardiangroup.com