

## Fatum Annual Report 2022

We are delighted to present to you the annual report for the year 2022 of Guardian Group Fatum, a proud member of the Guardian Holdings Limited (GHL) group of companies. The financial year 2022 of the Guardian Group Fatum was marked by strategic resilience in mitigating the effects of the unprecedented challenges posed by the past years' pandemic. These strategies have proven successful enabling Guardian Group Fatum to maintain a strong presence in Curaçao, Bonaire, Aruba, St. Maarten and the Netherlands.

The figures presented herein are unconsolidated and have been diligently generated by the ARAS system (Annual Reports Automated Statement) which is in accordance with the Annual Statement Composition and Valuation Guidelines issued by the Central Bank of Curaçao and St. Maarten. We would like to emphasize that while the figures herein are presented accurately, they are subject to inherent limitations and may not capture the full financial picture of our organization. Consequently, we encourage readers to also review the consolidated financial statements which may show significant differences, and which are prepared in accordance with the Group's accounting principles providing a more holistic approach.

Based on the ARAS guidelines, the activities of Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V. recorded a lower net result before taxes in 2022, being a combined net loss in the amount of ANG 5.2 Million compared to a net profit of ANG 35.4 Million in the previous year. The overall results from insurance activities remained solid with a net combined operational profit of ANG 3.5M in the current year whereby net earned premiums increased and direct attributable expenses increased accordingly. The investing activities (including unrealized gains and losses) on the other hand, generated a lower combined result of ANG 36.3 Million compared to ANG 68.8 Million the previous year. The lower results from investing activities are amongst others due to unrealized losses, impairment losses and foreign exchange losses. This was also the main cause for the lower combined result before taxes.

### Change in accounting policy

During 2022, Guardian Group Fatum moved into the system implementation phase of the new insurance accounting standard, IFRS 17, which was issued by the International Accounting Standard Board (IASB). The new comprehensive international accounting standard became effective as of January 1, 2023 replacing IFRS 4 on accounting for insurance contracts. Guardian Group continues to

work on assessing the implementation and organizational challenges of the new standard. There has been an increased focus in the organization on understanding the strategic implications and financial impacts in order to maintain a strong financial performance. Therefore, this transitioning process requires education and evolving roles of all internal and external stakeholders.

### Strategic initiatives

Throughout 2022, we made consistent progress in establishing a company that focuses on retaining and expanding our customer base by providing an improved customer experience. So far, our strategy has served us in efficiently allocating the necessary resources to achieve the intended outcomes, and we noticed that the impact has been significant. We continue to deliver progress by streamlining operations from core underwriting activities to achieve an increasing profit contribution from operational performance and investment income. We remain optimistic for the future and will continue to deploy our plan which includes increased levels of automation, straight-through-processing, customer self-service and data-analytics.

The deliberate realignment of our investment portfolios to secure enhanced investment returns and a good match with our insurance liabilities still remains one of our important strategic initiatives. We are meeting this objective across all geographies and lines of business.

### Moving forward, with confidence

In 2023 we will maintain substantial investments in technology, human resources, and organizational structure necessary to further revolutionize Guardian Group into an insurer capable of thriving in global markets. There is significant value to be extracted from our existing core businesses. The results achieved so far in implementing our strategic plan have been impressive and we are confident that, through the continued development of this plan, we will position ourselves to grow our home markets and to compete effectively in any other market of our choosing.

Lastly, we extend our gratitude to our shareholders and customers for their unwavering support of Guardian Group, as well as our staff for their energy and commitment in pursuing our vision of becoming a world-class insurer.

Curaçao,  
29 June 2023



Diego Fränkel,  
President & CEO Fatum Holding N.V.

## Independent Auditor's Report on the financial highlights of Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V.

To the board of directors and the supervisory board of directors of Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V.

### Our opinion

The accompanying financial highlights 2022 of Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V., based in Curaçao are derived from the audited 2022 Annual Reports Automated Statements ("ARAS") of Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V. for the year ended December 31, 2022.

In our opinion the financial highlights are consistent, in all material respects, with the ARAS of Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V. in accordance with the Provisions for the Disclosure of Consolidated Financial Highlights of Insurance Companies issued by the Central Bank of Curaçao and Sint Maarten ("CBCS").

### Financial Highlights

The financial highlights do not contain all the disclosures required by the life insurance annual statement composition and valuation guidelines and the General insurance annual statement composition and valuation guidelines issued by the CBCS. Reading the financial highlights and our report thereon, therefore, is not a substitute for reading the audited ARAS of Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V. and our auditor's report thereon. The financial highlights of Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V. do not reflect the effects of events that occurred subsequent to the date of our auditor's report on the ARAS of June 29, 2023.

### The audited ARAS of Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V. and our auditor's report thereon

We have audited the ARAS of Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V. for the year ended December 31,

2022, from which these financial highlights consisting of the balance sheet, explanatory notes to the balance sheet, the profit and loss statement and analysis of unassigned earnings, were derived. These highlights have been completed in accordance with the Bank's Reporting Guidelines.

In our auditor's report dated June 29, 2023 we expressed an unmodified opinion on the ARAS from which these financial highlights were derived.

In our opinion, the disclosed financial highlights are consistent, in all material respects, with the ARAS from which they have been derived.

### Responsibilities of the board of directors and the supervisory board of directors for the financial highlights

The board of directors is responsible for the preparation of the financial highlights derived from the ARAS, in accordance with the Provisions for the Disclosure of Consolidated Financial Highlights of Insurance Companies issued by the Central Bank of Curaçao and Sint Maarten. The supervisory board of directors is responsible for overseeing the company's financial reporting process.

### Our responsibilities for the financial highlights

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

Curaçao, 29 June 2023

Grant Thornton Curaçao  
Marisol Roosberg RA

## Financial Highlights Balance Sheet

(In Thousands of ANG)	Fatum Life N.V.		Fatum Health N.V.		Fatum Gen. Ins. N.V.	
ASSETS	2022	2021	2022	2021	2022	2021
<b>Non-Admissible Assets</b>	28,595	73,018	7,862	-	18,561	468
<b>Investments:</b>						
Real Estate	39,030	40,135	-	-	-	-
Unconsolidated Affiliated Companies and Other Participations	7,161	93,501	-	-	33,098	31,469
Stocks	86,837	89,220	-	-	323	318
Bonds and Other Fixed Income Securities	556,762	549,573	31,815	63,733	25	25
Mortgage Loans	59,068	33,595	-	-	-	-
Other Loans	155,516	152,023	10,468	-	17,167	18,001
Deposits with Financial Institutions	139,978	147,458	3,198	263	24,450	27,462
Other Investments	-	-	-	-	-	-
<b>Current Assets</b>	75,383	73,655	6,483	9,372	76,027	101,760
<b>Other Assets</b>	3,441	3,237	128	159	3,648	3,294
<b>From Separate Accounts Statement</b>	5,151	6,521	-	-	-	-
<b>TOTAL</b>	<b>1,221,372</b>	<b>1,261,936</b>	<b>59,954</b>	<b>73,527</b>	<b>173,299</b>	<b>182,797</b>

### EQUITY, PROVISIONS AND LIABILITIES

Capital and Surplus	2022	2021	2022	2021	2022	2021
Capital	46,637	46,637	6,194	6,194	32,730	32,730
Surplus	114,073	185,669	40,966	40,215	62,787	65,702
Less Treasury Stock	-	-	-	-	-	-
<b>Subordinated Instruments</b>						
<b>Provisions for Insurance Obligations</b>						
Net Technical Provision for Life Insurances	1,024,988	994,906	-	-	-	-
Net Unearned Premium Provision	-	-	3	-	8,841	8,789
Net Claim Provision	-	-	3,967	3,568	17,561	20,005
Net Claim Adjustment Expense Provision	-	-	191	217	2,904	-
Other Technical Provisions	-	-	6,025	7,019	-	-
Other Net Policy and Contract Provisions	5,543	6,735	-	-	-	-
<b>Other Provisions and Liabilities</b>			113	146	1,293	1,063
<b>Current Liabilities</b>	24,814	21,040	2,495	16,168	47,183	54,508
<b>Other Liabilities</b>	166	428	-	-	-	-
<b>Contingent Liabilities</b>						
From Separate Accounts Statement	5,151	6,521	-	-	-	-
<b>TOTAL</b>	<b>1,221,372</b>	<b>1,261,936</b>	<b>59,954</b>	<b>73,527</b>	<b>173,299</b>	<b>182,797</b>

## Profit & Loss Statement

	2022	2021	2022	2021	2022	2021
(Net Earned) Premiums and Other Policy Considerations	80,016	80,234	15,887	15,901	76,291	81,089
Net Investment Income and Realized Capital Gains and Losses	40,080	58,361	2,556	3,249	2,466	3,988
Net Other Operational Income	613	2,496	484	(498)	35	1,436
Net Benefits / Claims Incurred	70,013	61,650	7,949	7,032	16,631	18,636
Change In Provisions for Insurance Obligations	29,038	43,429	-	-	-	-
Net Changes In Various Other Provisions	-	-	(994)	(2,501)	-	-
Net Claim Adjustment Expenses Incurred	-	-	(26)	(33)	2,904	-
Net Operational Expenditures / Underwriting Expenses Incurred	22,015	19,925	9,553	8,991	51,153	49,191
Net Other (Operational) Expenditures / Other Expenses Incurred	932	907	(198)	82	(1,680)	1,832
Profit Sharing to Policyholders	1,099	533	-	-	-	-
Extraordinary Results	-	-	-	-	-	-
<b>Net Operational Results Before Corporate Taxes and Net Results From Separate Accounts</b>	<b>(2,388)</b>	<b>14,647</b>	<b>2,643</b>	<b>5,081</b>	<b>9,784</b>	<b>16,854</b>
Corporate Taxes Incurred	5,588	(422)	223	2,170	541	2,684
<b>Net Operational Results After Corporate Taxes and Before Net Results From Separate Accounts</b>	<b>(7,976)</b>	<b>15,069</b>	<b>2,420</b>	<b>2,911</b>	<b>9,243</b>	<b>14,170</b>
Net Results from Separate Accounts	(172)	52	-	-	-	-
<b>Net Operational Results</b>	<b>(8,148)</b>	<b>15,121</b>	<b>2,420</b>	<b>2,911</b>	<b>9,243</b>	<b>14,170</b>
Net Unrealized Gains or Losses	(8,755)	3,194	-	-	-	-
<b>Net Profit or Loss</b>	<b>(16,903)</b>	<b>18,315</b>	<b>2,420</b>	<b>2,911</b>	<b>9,243</b>	<b>14,170</b>

## Analysis of Unassigned Earnings

Unassigned Earnings (Beginning of Year)	160,808	142,493	40,215	37,304	65,702	52,875
Net Profit or Loss	(16,903)	18,315	2,420	2,911	9,243	14,170
Distribution of Accumulated Earnings	8,922	1,669	-	-	10,877	-
Other Changes In Unassigned Earnings	258	-	-	-	(1,281)	(1,343)
<b>Unassigned Earnings (End of Year)</b>	<b>135,241</b>	<b>160,808</b>	<b>40,966</b>	<b>40,215</b>	<b>62,787</b>	<b>65,702</b>

## Investment exhibit

Investments	ANG	%	ANG	%	ANG	%
In Curaçao and Sint Maarten	340,763	30.7%	13,666	30.0%	52,244	69.6%
Outside Curaçao and Sint Maarten	768,039	69.3%	31,815	70.0%	22,819	30.4%
<b>Total Investments</b>	<b>1,108,802</b>	<b>100.0%</b>	<b>45,481</b>	<b>100.0%</b>	<b>75,063</b>	<b>100.0%</b>

Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V. are insurance companies registered in Curaçao.

## Notes to the Balance Sheet

### Basic Principles

The financial highlights have been derived from the Annual Reports Automated Statements (ARAS) which are prepared in accordance with the Annual Statement Composition and Valuation Guidelines issued by the Central Bank of Curaçao and St. Maarten (CBCS). The accounting principles applied for the preparation of the ARAS follow the accounting principles used in the preparation of the financial statements of the Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V. The Entities applied International Financial Reporting Standards (IFRS).

The figures presented for each individual company in the financial highlights are unconsolidated.

The significant accounting policies are set out below. These policies have been consistently applied in all the years presented, except as described below.

- Office buildings and properties are stated at fair values less straight-line depreciation over the estimated useful lives of these assets. All other property, plant and equipment are stated at cost less straight-line depreciation over their estimated useful lives.
- Fatum Life N.V. applies IFRS 16 Leases. The right-of-use asset of leased properties are initially measured at cost and subsequent 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. 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. 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.
- Unconsolidated affiliated companies and participations are accounted for using the equity method of accounting.
- Current assets and 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. The financial assets are measured as follow:

- 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. Investments in corporate bonds, government bonds and deposits have been classified at amortised cost. In addition, commercial loans, policy loans, mortgage loans, receivables from insurance contracts and reinsurance contracts and other receivables are carried at amortised cost.
- 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. Bonds have been classified as fair value through other comprehensive income.
- Equity investments are measured at fair value through profit or loss. Changes in the fair value of equity are recognized in the Profit & Loss.
- Other assets include Furniture, Equipment and Vehicles which are stated at historical cost less accumulated depreciation.
- At each reporting date, on a forward-looking basis, the expected credit losses (ECL) associated with the financial assets measured at amortised cost and fair value through other comprehensive income are assessed. Loss allowances for ECL are presented as follow:
  - Financial assets measured at amortised cost: the loss allowance is deducted from the gross carrying amount of the assets in the balance sheet. Movement in ECL is recognised in the statement of income.

- Debt instruments measured at fair value through other comprehensive income: the loss allowance is recognised in other comprehensive income with the corresponding entry recognised in the statement of income. The loss allowance does not reduce the carrying amount of the financial asset in the balance sheet.

- For Life insurance, capitalized interest rate rebates are amortized at annual rate of 15% during the first four years and 10% during the next four years.
- For Health Insurance provision for outstanding claims is calculated as a percentage of the net premium earned based on experience ratios of previous years. This provision is calculated on a non-actuarial basis.
- For General Insurance provision for outstanding claims are stated at estimated cost per event. This provision is calculated on a non-actuarial basis.
- The (reinsured) provision for life policy liabilities is principally calculated according to the net reserve method using mortality tables and interest rates customary in the industry, almost without exception in the range of 3-4%. This provision is calculated on an actuarial basis.
- The Entities manage their insurance risks through their underwriting strategies, adequate reinsurance arrangements and proactive claims handling. The Entities only contract reinsurance protection with reinsurance companies that are at least "A-" rated.
- Other Technical Provisions consist mainly of the aging reserve, which is used to compensate for the shortage in premiums charged for the elderly insured. The release of the aging reserve is meant to cover the difference between the targeted claims ratio and the operational claims ratio.
- Other and current liabilities consist of ceded premiums to reinsurance, accrued expenses, premiums received in advance, credit balances to agents and lease liability. All other and current liabilities are shown at face value, except for the lease liability (refer to note 2).

- Certain prior year line items of Fatum General Insurance N.V. have been reclassified for consistency with the current year's presentations. The reclassification had no effect on net result.

### Contingent Liabilities

Corporate guarantees and letters of comfort have been given by Fatum General Insurance N.V. together with, Fatum Health N.V. and Fatum Life N.V. to Fatum Holding. This was given to the Group in connection with the syndicated loan. The total balance of syndicated loan USD 40 Mln is financed by third party and related parties; Guardian Asset Management & Investment Services Ltd and GAM Mutual Funds. These balances are presented in the consolidated financial statements of Fatum Holding.

Group companies of the Fatum Holding Group established on Curaçao, form a fiscal unity for tax purposes. Each company within the fiscal unity is jointly and severally liable for income tax payable. Group companies are defendant in various legal actions which arise in the ordinary course of its business, including in connection with its activities as insurer, investor and its position as employer and taxpayer. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant impact on the financial statements.

### Capital and or Surplus Commitments

As of December 31, 2022, Fatum General insurance N.V. has a capital commitment of ANG 5.3 Mln and Fatum Life N.V. has capital commitment of ANG 60.9 Mln. Capital commitments held are in relation to minimum capital requirements of the respective subsidiaries; Fatum General Insurance Aruba N.V. and Fatum Life Aruba N.V.

### Subsequent events

As of January 1, 2023, the branch of Fatum General Insurance N.V. in the Netherlands operates as a separate legal entity under the name Guardian Group Nederland N.V. The newly established legal entity is a subsidiary of Fatum General Insurance N.V. There were no (other) material subsequent events which have not been disclosed in the Annual Statement.