

Fatum Annual Report 2023

The Management of Guardian Group Fatum is pleased to present the financials for the listed entities for the financial year ended December 31st, 2023. The figures presented 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.

Based on the ARAS guidelines, Fatum Life N.V., Fatum Health N.V. and Fatum General Insurance N.V. recorded a higher net result before taxes in 2023, with a combined net profit in the amount of ANG 29.3 million compared to a net loss of ANG 14.0 million in the previous year. The strong performance of the companies was mainly due to higher results from investing activities especially the combined net unrealized gains in the current year of ANG 31.7 million compared to losses prior year of ANG 8.8 million.

The overall results from insurance activities remained solid in the 2023. The decline in the insurance activities of Fatum General Insurance N.V. was due to the transfer of our activities in the Netherlands to a separate legal entity under the name Guardian Group Nederland N.V. However, this entity remains a 100% subsidiary of Fatum General Insurance N.V.

The solvency positions of all our subsidiaries continued to be strong and well above the requirements of the Central Bank of Curaçao and Sint Maarten and the Central Bank of Aruba and this remains solid base for future growth of our Company.

In addition to the foregoing, Guardian Group Fatum is proud to announce the Company's successful implementation and full compliance with the International Financial Reporting Standard (IFRS) 17. This great achievement continues to underscore our dedication to align with global best practices, transparency and provide our internal and external stakeholders with clear and understandable information about our financial health. With IFRS 17, Guardian Group Fatum provides more insight into our insurance contracts, revenue recognition and financial performance. These condensed financials which do differ materially from the ARAS based financials in some aspects are available to our valued stakeholders via our website.

Independent Auditor's Report

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 2023 of Fatum Life N.V., Fatum General Insurance N.V. and Fatum Health N.V., based in Curaçao are derived from the audited 2023 Annual Reports Automated Statements ("ARAS") of Fatum Life N.V., Fatum General Insurance N.V. and Fatum Health N.V. for the year ended 31 December 2023. In our opinion the financial highlights are consistent, in all material respects, with the ARAS of Fatum Life N.V., Fatum General Insurance N.V. and Fatum Health N.V. and are prepared 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.

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 as issued by the Central Bank of Curaçao and Sint Maarten. Reading the financial highlights and our report thereon, therefore, is not a substitute for reading the audited ARAS of Fatum Life N.V., Fatum General Insurance N.V. and Fatum Health N.V. and our independent auditor's report thereon. The financial highlights of Fatum Life N.V., Fatum General Insurance N.V. and Fatum Health N.V. do not reflect the effects of events that occurred subsequent to the dates of our auditor's reports on the ARAS.

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

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

Strategic initiatives

In 2023, we continued to enhance our organization with retention and growth of our customer base through improved customer experience. Our strategic plan has effectively guided resource allocation, yielding significant benefits. We are making strides in streamlining core underwriting operations, which has increased profit contributions from both operational performance and investment activities. We remain confident in our objectives and will persist with our plan, which includes increased automation, straight-through-processing, customer convenience, and data analytics.

Moving forward, with confidence

Since the acquisition by NCB Financial Group Limited ("NCB Group") of 62% of GHL shares in 2018, Guardian Group Fatum has become part of a leading financial conglomerate in the Caribbean. This affiliation enables us to leverage knowledge, infrastructure, and access capital optimally. Guardian Group Fatum benefits from its strong local presence while relying on the regional recognition of both NCB and GHL. In 2023, we worked on various initiatives to prepare for future challenges. Across all lines of business, we continue to deploy strategies to increase product density, cross-sales, and digital sales, which are already showing promising results.

In 2024, we will continue significant investments in technology, people, and organizational structure to transform Guardian Group into a globally competitive insurer. Our strategic plan has already yielded positive returns as shown by our financial results, and its ongoing implementation will help us grow our home markets and compete internationally.

We thank our shareholders and customers for their loyalty and our staff for their energy and commitment to pursuing our vision of becoming a world-class insurer.

Curaçao,
26 July 2024



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

2023, 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 Provisions for the Disclosure of Consolidated Financial Highlights of Insurance Companies as issued by the Central Bank of Curaçao and Sint Maarten. In our auditor's reports of Fatum Life N.V. dated 26 July 2024, Fatum General Insurance N.V. dated 26 July 2024 and Fatum Health N.V. dated 15 July 2024, we expressed unmodified opinions on the ARAS from which these financial highlights were 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, 26 July 2024

Grant Thornton Curaçao
Marisol Roosberg RA

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 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.
- 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.

Financial Highlights Balance Sheet

| (In Thousands of ANG) | Fatum Life N.V. | | Fatum Health N.V. | | Fatum Gen. Ins. N.V. | |
|--|------------------|------------------|-------------------|---------------|----------------------|----------------|
| ASSETS | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Non-Admissible Assets | 11,084 | 19,618 | 16,498 | 11,072 | 10,615 | 17,969 |
| Investments: | | | | | | |
| Real Estate | 38,416 | 39,030 | - | - | - | - |
| Unconsolidated Affiliated Companies and Other Participations | 81,761 | 68,260 | - | - | 74,318 | 30,684 |
| Stocks | 112,237 | 86,837 | - | - | 312 | 323 |
| Bonds and Other Fixed Income Securities | 599,266 | 556,762 | 34,636 | 31,815 | - | 25 |
| Mortgage Loans | 105,505 | 59,068 | - | - | - | - |
| Other Loans | 163,761 | 158,741 | 10,794 | 10,606 | 15,211 | 17,183 |
| Deposits with Financial Institutions | 101,060 | 139,978 | 573 | 3,198 | 21,952 | 24,450 |
| Other Investments | | | | | | |
| Current Assets | 57,064 | 75,383 | 3,927 | 6,483 | 30,413 | 76,027 |
| Other Assets | 3,609 | 3,441 | 100 | 128 | 3,694 | 3,648 |
| From Separate Accounts Statement | 4,508 | 5,151 | - | - | - | - |
| TOTAL | 1,278,271 | 1,212,269 | 66,528 | 63,302 | 156,515 | 170,309 |

EQUITY, PROVISIONS AND LIABILITIES

| Capital and Surplus | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|---|------------------|------------------|---------------|---------------|----------------|----------------|
| Capital | 46,637 | 46,637 | 6,194 | 6,194 | 32,730 | 32,730 |
| Surplus | 114,202 | 104,970 | 47,908 | 44,314 | 68,000 | 59,797 |
| Less Treasury Stock | - | - | - | - | - | - |
| Subordinated Instruments | - | - | - | - | - | - |
| Provisions for Insurance Obligations | | | | | | |
| Net Technical Provision for Life Insurances | 1,074,055 | 1,024,988 | - | - | - | - |
| Net Unearned Premium Provision | - | - | 3 | 3 | 9,059 | 8,841 |
| Net Claim Provision | - | - | 3,738 | 3,967 | 12,828 | 17,561 |
| Net Claim Adjustment Expense Provision | - | - | 128 | 191 | - | 2,904 |
| Other Technical Provisions | - | - | 6,069 | 6,025 | - | - |
| Other Net Policy and Contract Provisions | 7,373 | 5,543 | - | - | - | - |
| Other Provisions and Liabilities | - | - | 107 | 113 | 1,159 | 1,293 |
| Current Liabilities | 31,077 | 24,814 | 2,381 | 2,495 | 32,739 | 47,183 |
| Other Liabilities | 419 | 166 | - | - | - | - |
| Contingent Liabilities | - | - | - | - | - | - |
| From Separate Accounts Statement | 4,508 | 5,151 | - | - | - | - |
| TOTAL | 1,278,271 | 1,212,269 | 66,528 | 63,302 | 156,515 | 170,309 |

Profit & Loss Statement

| (Net Earned) Premiums and Other Policy Considerations | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|--|-----------------|-----------------|--------------|--------------|---------------|--------------|
| Net Investment Income | 86,852 | 80,016 | 15,502 | 15,887 | 34,514 | 76,291 |
| and Realized Capital Gains and Losses | 45,127 | 36,729 | 1,793 | 2,556 | 2,512 | 52 |
| Net Other Operational Income | 1,558 | 613 | 994 | 484 | 2,138 | 35 |
| Net Benefits / Claims Incurred | 71,750 | 70,013 | 7,012 | 7,949 | 10,711 | 16,631 |
| Change In Provisions for Insurance Obligations | 48,907 | 29,038 | - | - | - | - |
| Net Changes In Various Other Provisions | - | - | 44 | (994) | - | - |
| Net Claim Adjustment Expenses Incurred | - | - | (63) | (26) | (2,904) | 2,904 |
| Net Operational Expenditures / Underwriting Expenses Incurred | 25,339 | 27,766 | 4,636 | 6,205 | 19,296 | 51,729 |
| Net Other (Operational) Expenditures / Other Expenses Incurred | 2,022 | 932 | (137) | (198) | 958 | (1,680) |
| Profit Sharing to Policyholders | 2,974 | 1,099 | - | - | - | - |
| Extraordinary Results | - | - | - | - | - | - |
| Taxes | | | | | | |
| and Net Results From Separate Accounts | (17,455) | (11,490) | 6,797 | 5,991 | 11,103 | 6,794 |
| Corporate Taxes Incurred | 2,284 | 5,588 | 173 | 223 | 152 | 541 |
| Taxes | (19,739) | (17,078) | 6,624 | 5,768 | 10,951 | 6,253 |
| Accounts | | | | | | |
| Net Results from Separate Accounts | (147) | (172) | - | - | - | - |
| Net Operational Results | (19,886) | (17,250) | 6,624 | 5,768 | 10,951 | 6,253 |
| Net Unrealized Gains or Losses | 24,992 | (8,755) | - | - | 6,707 | - |
| Net Profit or Loss | 5,106 | (26,005) | 6,624 | 5,768 | 17,658 | 6,253 |

Analysis of Unassigned Earnings

| Unassigned Earnings (Beginning of Year) | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
|--|----------------|----------------|---------------|---------------|---------------|---------------|
| Net Profit or Loss | 5,106 | (26,005) | 6,624 | 5,768 | 17,658 | 6,253 |
| Analysis of Unassigned Earnings | - | 8,922 | 3,030 | 1,669 | 11,224 | 10,877 |
| Other Changes In Unassigned Earnings | (9,206) | 257 | - | - | 1,769 | (1,281) |
| Unassigned Earnings (End of Year) | 122,038 | 126,138 | 47,908 | 44,314 | 68,000 | 59,797 |

Investment exhibit

| Investments | ANG | ANG | ANG | ANG | ANG | ANG |
|----------------------------------|------------------|------------------|---------------|---------------|----------------|---------------|
| In Curacao and Sint Maarten | 389,840 | 343,988 | 11,367 | 13,804 | 18,187 | 52,260 |
| Outside Curacao and Sint Maarten | 812,166 | 764,688 | 34,636 | 31,815 | 93,606 | 20,405 |
| Total Investments | 1,202,006 | 1,108,676 | 46,003 | 45,619 | 111,793 | 72,665 |

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

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.