2022 Annual Report

Growing Together On Purpose

Guardian Group

Fatum

Growing Together
On Purpose

We believe in the power of intentionality. We believe that success becomes even more achievable with an integrated and inspired team working together to deliver on a common purpose.
We recognise that there is something magical that occurs when people are aligned by a common purpose and shared values. It's the philosophy that is bringing us together at Guardian Group, one that integrates employees, customers and investors achieving our individual and collective goals, through a single vision. That's what Growing Together means to you and everyone else on this exciting journey. Welcome aboard.

Guardian Group
Fatum

myguardiangroup.com

Contents

Consolidated Financial Highlights

(Expressed in thousands of Antillean Guilders)

Gross Written Premiums	2022	2021
Life and pension business	210,217	143,490
Health business	24,235	25,647
Property and casualty business	240,666	256,597
Total Gross Premiums Written	475,118	425,734

Revenue	2021	2021
Revenue from insurance operations	353,611	296,086
Revenue from investment activities	65,232	91,988
Commission income from brokerage activities	35,236	33,136
Total Revenue	454,079	421,210

Geographic Distribution of Revenue	2022	2021
Aruba	198,325	140,943
BES	15,148	164,804
Curaçao	142,230	15,088
St. Maarten	21,693	18,405
Netherlands	76,683	81,970
Total Revenue	454,079	421,210

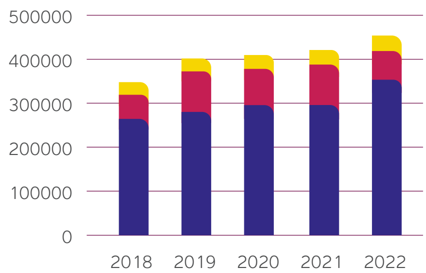
Results	2022	2021
Profit for the year	85,794	28,952
Other comprehensive income	(65,274)	(36,760)
Total comprehensive income	20,520	(7,808)

Financial Position	2022	2021
Total assets	2,474,872	2,435,909
Liabilities	2,224,029	2,184,703
Net Equity	250,843	251,206

	2022	2021
Operating expenses	111,749	108,469
Depreciation and amortization	11,726	10,457
Total operating expenses	123,475	118,926

Key Performance Indicators

Total Revenue (ANG´000)

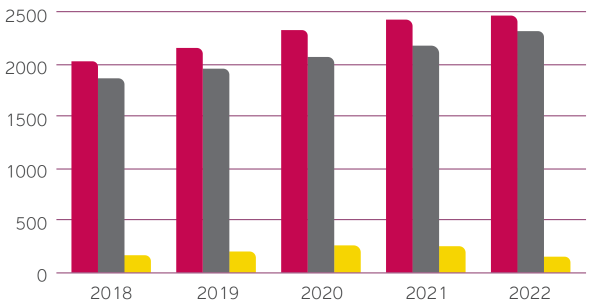


Total Revenue	2018	2019	2020	2021	2022
Insurance activities	264,564	280,401	295,887	296,086	353,611
Investing activities	54,810	92,180	82,401	91,988	65,232
Brokerage activities*	28,751	29,392	31,498	33,136	35,236
Total	348,125	401,973	409,786	421,210	454,079

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

Insurance activities Investing activities Brokerage activities

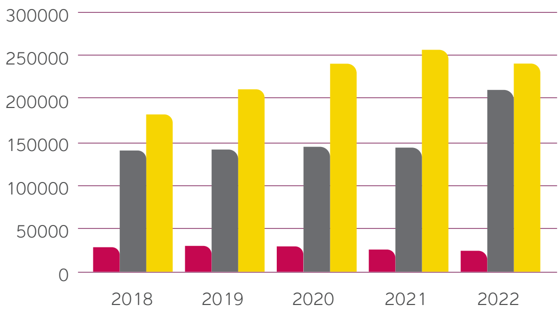
Financial Position (ANG million)



Financial Position	2018	2019	2020	2021	2022
Total assets	2,034	2,163	2,335	2,436	2,475
Liabilities	1,870	1,963	2,076	2,185	2,224
Net equity	164	200	259	251	251

Total assets Liabilities Net equity

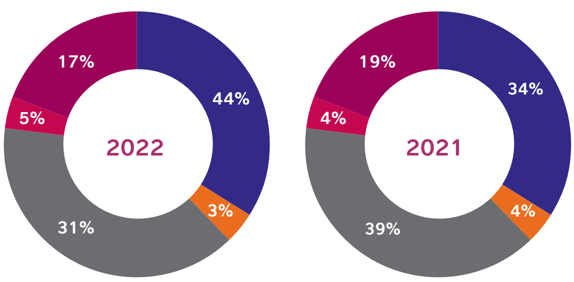
Gross Premium (ANG´000)



Gross Premium	2018	2019	2020	2021	2022
Health	28,359	29,890	29,309	25,647	24,235
Life	140,141	141,274	144,450	143,490	210,217
Property & casualty	181,880	210,936	240,499	256,597	240,666
Total	350,380	382,101	414,257	425,734	475,118

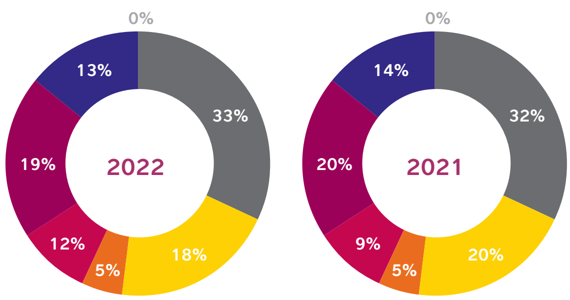
Health Life Property & casualty

Geographic Distribution of Revenue



Aruba
Curaçao
BES
St. Maarten
Netherlands

Investment Mix



Investment properties
Government securities
Debentures & corporate brands
Equities
Loans & morgages
Deposits
Cash and cash equivalents

CEO´s Statement

The Board of Fatum Holding and subsidiaries (the Fatum Group) derives satisfaction from the continued delivery of strong financial performances during 2022. The financial year 2022 of the Fatum Group was marked by resilience and innovation in mitigating the effects of the unprecedented challenges posed by the past years´ pandemic. We are pleased to report that the strategies implemented in the recent past have proven successful in enabling Fatum Group to maintain a strong presence in Curaçao, Bonaire, Aruba and St. Maarten.

Despite challenging economic conditions in the Dutch Caribbean islands, the Fatum Group has achieved outstanding results in 2022 through successful interventions. These achievements include securing significant new business contracts and deepening existing client relationships. These results serve as a testament to our robust foundation and the trust that customers place in our organization.

Insurance Operations

Net result from insurance activities increased by ANG 91,1 Million (296%) to ANG 121,8 Million in 2022 from ANG 30,7 Million in 2021. This exceptional growth can be attributed to the following key factors:

- Increase in underwriting revenue by ANG 57,5 Million which is mainly due to increase in insurance premiums by ANG 50.7 Million and decrease of reinsurance premiums ceded by ANG 5.9 Million. Insurance premium income for Life, Health and Pension business increased by ANG 65.3 Million during 2022 while the Group reported a decrease of ANG 14.5 Million in Property and Casualty during the year 2022.
- Decrease in underwriting expenses by ANG 33.5 Million which is mainly caused by lower net benefits and claims of ANG 32.4 Million and policy acquisition expenses of ANG 1.1 Million. Net insurance benefits for the Life, Health and Pension business decreased with ANG 36.3 Million during the year 2022 while an increase of ANG 3.9 Million in Net insurance claims and loss adjustments for the Property and Casualty has been reported in 2022.

We have seen our new business growing rapidly with new group pension contracts coming in from all territories where we operate.

Brokerage line of business.

Our Brokerage line of business significantly contributes to our Operating Profit, exhibiting steady growth and providing stable profits independent of underwriting volatility. Especially the brokerage business in the Netherlands plays an important role in driving impressive results. We will continue to pursue growth in this area by capitalizing on favorable market opportunities.

The direct sales distribution channel, operating on GHL Group wide platforms with automated systems and procedures, continues to generate a satisfactory stream of new business. We will continue to employ advanced agent recruitment strategies to assemble an exceptional team of service providers.

Investments

The Group registered a lower income from investing activities of ANG 26.8 Million which is the result of:

- Realized and unrealized (fair value) losses of ANG 12.3 Million compared to a gain of ANG 9.2 Million of the previous year (a fluctuation of ANG 21.4 Million);
- The investment income showed an increase of ANG 5.4 Million which is higher than the previous year, mostly due to higher interest income earned on bonds (ANG 4.8 Million) and loans and receivables (ANG 1.9 Million);
- Net impairment losses were ANG 1.6 Million higher than the prior year.

The year 2022 was a challenging year for both fixed income securities and equities. Both primary asset classes were negatively affected by spikes in global inflation and the reaction of the world´s central banks. However, our investments continue to be of very high quality and our long-term horizon bodes well for value recovery and future gains. In 2023 we have already seen a rebound in asset prices and the consensus outlook is moderately optimistic.

Operating Expenses
The operating expenses consisting of staff cost, depreciation and amortization and other operating expenses, increased by ANG 4.6 Million (4%) from ANG 118.9 Million to ANG 123.5 Million.

- Staff cost increased by ANG 4.0 million (from ANG 61.2 Million to ANG 65.2 Million) mostly as a result of regular salary increase.
- Depreciation and amortization increased by ANG 1.3 Million (from ANG 10.4 Million to ANG 11.7 Million) mostly due to (higher) amortization of software.
- Other operating expenses decreased slightly by ANG 0.7 Million (from ANG 47.2 Million to ANG 46.5 Million).

Our focus remains on keen cost containment and efforts are all targeted to create maximum efficiencies.

Guardian Group Nederland N.V.
We are pleased to report that the subsidiary, Guardian Group Nederland N.V. incorporated in 2021 in the Netherlands, has successfully transitioned into full operational mode in 2022. The subsidiary's launch aligns precisely with our planned timeline, demonstrating our commitment to executing strategic initiatives efficiently. We have diligently worked towards establishing a robust operational framework, enabling us to provide comprehensive insurance services to our valued clients. Guardian group Nederland N.V. is a general insurance company fully equipped to servicing the proxy brokers in the Netherlands by providing tailor made products and services to these intermediaries. Operating under the Supervision of the Dutch Central bank ("DNB") under the Solvency 2 regime enables Guardian Group Nederland N.V. to also provide its services to other parts in Europe.

Consolidated results
The Fatum Group net profit after tax for the year 2022 reflects an excellent performance. The net profit is ANG 56.8 Million (196%) higher compared to the previous year. This outperformance is mainly the result of higher underwriting revenues and lower net claims. The key technical ratios of all lines of business remained satisfactory. The Guardian Group Fatum maintained a robust solvency position in excess of all regulatory requirements which gives us confidence for future growth of the company.

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.

Meet the members of the Supervisory Board

AT DECEMBER 31, 2022


Mr. O.M. van der Dijs


Mr. J.W.H. Richters


Mr. J. Veel


Mr. H.P. Ganteaume


Mr. R.A. Tewari


Mr. Y. Lasten


M. Kock

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 superior customer experience. So far, our strategy has served us in efficiently allocating the necessary resources to achieve the intended outcomes, and we are pleased to report that the impact has been significant. We constantly streamline operations to achieve efficiency and enhanced customer service. 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 better 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.

Corporate governance, compliance and risk management

Good corporate governance is a fundamental pillar of the Fatum Group, benefiting shareholders, customers, employees, and other stakeholders. Our structures, rules, and procedures ensure proper organization and conduct of business. Various governance and control functions are in place to assess and monitor risks, as well as ensure effective internal controls. Responsibilities are assigned at different levels of authority, promoting alignment and cooperation through information exchange and coordinated activities. This robust governance framework ensures efficiency throughout the organization.

The Supervisory Board of Directors

Guardian Group Fatum has a dual Supervisory Board structure, with separate boards for the companies in Aruba and Curaçao. This structure is in place to ensure a firm commitment to avoid conflicts of interest related to the territories of operation.

In 2022, the Curaçao Board consisted of three members, two of whom were independent non-executive directors. The Aruba Board comprised four members, three of whom were independent non-executive directors. The Board effectively exercised all its powers and held four meetings during the year. Key areas of focus included approving the budget and strategic plan, assessing capital adequacy, defining and overseeing investment strategy, and monitoring new initiatives to meet shareholder and customer expectations. Board members also participated in Group training sessions as part of our ongoing educational strategy. Strategic sessions were additionally organized for the Boards.

The Audit, Compliance and Risk Committee (ACRC)

The members of the Supervisory Boards of Aruba and Curaçao also serve as members of the respective ACRC. The ACRC operates under a charter that outlines its responsibilities for financial statements, internal controls, internal audit, external audit, compliance, and risk matters.

In 2022, the ACRC held four meetings attended by representatives from the Supervisory Boards, Fatum's internal auditor, and compliance officer. The external auditors have a standing invitation to all ACRC meetings. The Board is satisfied with the objective and transparent discharge of the Internal Audit and Compliance functions, free from undue influence from manage-

Meet the members of the Executive Board

AT DECEMBER 31, 2022

Irene Pourier

Chief Finance officer

Francis Gijsbertha

Chief Customer Officer

Guiselle Coco

Chief Operating officer

ment. Weaknesses in internal controls identified by auditors and management's risk mitigation measures were presented to the ACRC, which confirmed appropriate actions were taken to address them. In 2022, the ACRC also dedicated attention to regulatory compliance, Anti Money Laundering, Risk Management, and general Integrity and Governance matters.

Market expansion and distribution
In 2022, Guardian Group Fatum continued to pursue digital transformation resulting in the expansion of our product offerings on our portal. This led to increased business, improved efficiency, and enhanced communication with our customers. We will persist in driving business growth through innovative digital solutions and remain focused on multi-channel distribution to strengthen our presence in the Dutch Caribbean and the Netherlands market.

Employees: The driving force behind the Guardian Group Fatum success
At Guardian Group Fatum, we value our employees as crucial drivers of our success. Throughout 2022, we remained dedicated to fostering a positive and healthy work culture. We organized various events to promote unity and express appreciation for our employees' contributions. Additionally, we prioritize their well-being by providing sessions focused on mental wellness, recognizing their significant impact on performance. Our employees have consistently delivered excellent service and expert advice to our valued customers, making us immensely proud.

A notable development is our transformative approach to human capital. We have implemented a process that harnesses the immense expertise and innovation of our staff. Through a "bottom-up" approach, our employees actively contribute their experience and knowledge to drive change, overcome obstacles, and provide visionary leadership, direction, and resource allocation.

Corporate Social responsibility
In 2022, we prioritized connecting with the citizens of the Dutch Caribbean islands and promoting social transformation. Through successful projects and initiatives, we actively supported community development, focusing on enhancing individual and societal well-being. Our financial support was primarily targeted at the youth, sports, physical activity, and various non-governmental organizations. One notable achievement was the revival of the Guardian Group Fatum Walk and Run, the largest annual run and walk event on our islands, which attracted over 5000 participants. This event raised funds for several good causes including the promotion of overall good health.

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 the Fatum Group, as well as our staff for their energy and commitment in pursuing our vision of becoming a world-class insurer.

Diego Fränkel

PRESIDENT & CEO FATUM HOLDING N.V.

Consolidated statement of financial position

AS AT 31 DECEMBER 2022

(Expressed in thousands of Antillean Guilders)

	2022	2021
Assets		
Property, plant and equipment	38.740	40.109
Right-of-use assets	5.266	6.795
Investment properties	7.706	7.465
Intangible assets	80.098	77.719
Investment in associated companies	80.275	72.358
Investment securities	1.546.723	1.577.545
Loans and receivables including insurance receivables	307.116	256.470
Pension plan assets	24.035	11.227
Deferred tax assets	6.624	10.427
Reinsurance assets	84.261	80.741
Due from affiliated companies	392	392
Deferred acquisition costs	19.652	21.475
Cash and cash equivalents	271.276	271.930
Cash and cash equivalents of mutual fund unit holders	2.708	1.256
Total assets	**2.474.872**	**2.435.909**
Equity and liabilities		
Share capital	25.000	25.000
Share premium	74.030	74.030
Reserves	(72.777)	7.562
Retained earnings	224.590	144.614
Total equity	**250.843**	**251.206**
Liabilities		
Insurance contracts	1.956.459	1.909.554
Financial liabilities	59.171	59.171
Lease liabilities	5.715	7.294
Post retirement medical benefit obligations	13.975	18.229
Deferred tax liabilities	17.652	19.852
Provision for taxation	6.865	5.263
Due to affiliates	12.673	12.974
Other liabilities	151.519	152.366
Total liabilities	**2.224.029**	**2.184.703**
Total equity and liabilities	**2.474.872**	**2.435.909**

Summary consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2022

(Expressed in thousands of Antillean Guilders)

	2022	2021
Insurance premium income	478.069	427.362
Insurance premium ceded to reinsurers	(157.936)	(163.818)
Reinsurance commission income	33.478	32.542
Net underwriting revenue	353.611	296.086
Policy acquistion expenses	(51.536)	(52.685)
Net insurance benefits and claims	(180.275)	(212.653)
Underwriting expenses	(231.811)	(265.338)
Net income from insurance underwritting activities	121.800	30.748
Net income from investing activities	65.232	91.988
Net income from brokerage activities	35.236	33.136
Net income from all activities	**222.268**	**155.872**
Net impairment gains/(losses) on financial assets	(2.688)	(1.064)
Operating expenses	(123.475)	(118.926)
Finance charges	(3.012)	(3.920)
Operating profit	**93.093**	**31.962**
Share of profit of associated companies	6.846	4.480
Profit before taxation	**99.939**	**36.442**
Taxation	(14.145)	(7.490)
Profit for the year	**85.794**	**28.952**
Other comprehensive income/(loss)		
Exchange differences on translating foreign operations	(3.062)	(15.859)
Net gains/(losses) on debt securities at fair value through other comprehensive income	(82.731)	(18.657)
Remeasurement of pension plans	12.033	(6.392)
Actuarial losses on post-employment benefits	3.887	1.750
Income tax relating to components of other comprehensive income	4.599	2.398
Other comprehensive loss for the period, net of tax	**(65.274)**	**(36.760)**
Total comprehensive income/(loss) for the period, net of tax	**20.520**	**(7.808)**

Significant Accounting Policies

The summary consolidated statement of financial position and statement of comprehensive income as presented on page 12 and 13 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 according to Book 2 of the Civil Code of Curacao and 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 recognized 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 Financieringsmaatschappij 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 recognized 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 recognized when Group entities become a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized 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

Debt instruments

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 recognized. 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 recognized 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 recognized 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 recognized 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 derecognized 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 recognized 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 recognized 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 recognizes 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized as follows:

(a) Premium income

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

(b) Investment income

Interest income is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognizes 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 maximize 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 recognized 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 2021.

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 recognition exemption to leases that are considered to be low value. The Group recognizes the lease payments associated with these leases as an operating 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.

Solvency Margin

	2022 (ANG'000)	2021 (ANG'000)
Regulatory required margin	144,019	136,366
Available margin	250,843	251,206
Surplus	106,824	114,840
Solvency ratio	174%	184%

Subsequent events

In February 2022, in response to the violation of Ukraine's sovereignty, various sanctions were issued against Russia, Belarus, and parts of Ukraine. The Group does not have direct exposure to Ukraine, Russia, or Belarus, nor do we expect to have material indirect exposures adhered to the sanctions imposed, i.e. the Group closely monitors all transactions and assess them on an individual basis. However, the economic consequences of the situation in Ukraine and their impact on the Group are at this time difficult to estimate.

There have been no other material post balance sheet events that could require disclosure or adjustment to the 31 December 2022 consolidated financial statements.

Independent Auditors´ Report

Grant Thornton

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Independent Auditor's Report

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

Our opinion

The summary financial statements 2022 ('the summary financial statements') of Fatum Holding N.V (the "entity"), based in Curaçao are derived from the audited financial statements 2022 of Fatum Holding N.V.

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

Summary financial statements

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements of [client] and our auditor's report thereon. The summary 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 28 April 2023.

The audited financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited financial statements 2022 of Fatum holding N.V. in our auditor's report of 28 April 2023.

Responsibilities of management and the supervisory board for the summary financial statements

The board of directors is responsible for the preparation of the summary financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities

Our responsibility is to express an opinion on whether the summary 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 financial statements’.

Curaçao, 29 August 2024
Grant Thornton Curaçao

Marisol Roosberg RA

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