

## Abbreviated Consolidated Balance Sheet

(In thousands of NAf)

ADMISSIBLE ASSETS	12-31-2018	12-31-2017
1. Intangibles	329	374
2. Investments:		
2.1 Real Estate	1,559	1,841
2.2 Unconsolidated Affiliated Companies and Other Participations	-	-
2.3 Stocks	-	-
2.4 Bonds and Other Fixed Income Securities	2,103	2,833
2.5 Participation in Non-Affiliated Investment Pools	-	-
2.6 Mortgage Loans	-	-
2.7 Other Loans	610	819
2.8 Deposits with Financial Institutions	2,306	2,081
2.9 Other Investments	-	-
3. Current Assets	6,291	6,760
4. Other Assets	8,499	7,877
<b>TOTAL</b>	<b>21,697</b>	<b>22,585</b>

EQUITY, PROVISIONS AND LIABILITIES	12-31-2018	12-31-2017
5. Capital and Surplus		
5.1 Capital	200	200
5.2 Surplus	6,843	7,434
5.3 Less Treasury Stock	-	-
6. Subordinated Instruments	-	-
7. Provisions for Insurance Obligations:		
7.1 Net Unearned Premium Provision	7,891	8,285
7.2 Net Claim Provision	5,004	5,190
7.3 Net Claim Adjustment Expense Provision	-	-
7.4 Funds Provision	-	-
7.5 Other Technical Provisions	-	-
8. Other Provisions and Liabilities	-	-
9. Current Liabilities	1,759	1,476
10. Contingent Liabilities	-	-
<b>TOTAL</b>	<b>21,697</b>	<b>22,585</b>

## Report of the Independent Auditor

To management and supervisory board of Netherlands Antilles & Aruba Assurance Company (NA&A) N.V.

### OUR OPINION

The abbreviated consolidated financial statements 2018 ('the abbreviated consolidated financial statements') of Netherlands Antilles & Aruba Assurance Company (NA&A) N.V. (the "entity"), based in Curaçao are derived from the audited consolidated financial statements 2018 of Netherlands Antilles & Aruba Assurance Company (NA&A) N.V.

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

### ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

The abbreviated consolidated financial statements do not contain all the disclosures required by accounting principles generally accepted in the Netherlands. Reading the abbreviated consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Netherlands Antilles & Aruba Assurance Company (NA&A) N.V. and our auditor's report thereon. The abbreviated consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on those consolidated financial statements of 16 July 2019.

### THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR AUDITOR'S REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements 2018 of Netherlands Antilles & Aruba Assurance Company (NA&A) N.V. in our auditor's report of July 16, 2019.

### RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the abbreviated consolidated 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 abbreviated consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which we conducted in accordance with International Standard 810 'Engagements to report on abbreviated consolidated financial statements'.

CURACAO, SEPTEMBER 2019 | GRANT THORNTON CURACAO

## Management report

**INTRODUCTION** Citizens Insurance NA&A is pleased to present the Financial Report for the financial year 2018. Citizens Insurance continues to be a Company focused on growth while maintaining a high level of customer satisfaction and integrity within the Insurance market in Curacao and Aruba. Our property insurance product was introduced in Curacao within recent years, and we expect to begin with the same in Aruba soon.

**FINANCIALS** As you will see from the report, Net earned premiums have increased from the previous year due to increased efforts in sales and new products such as property. With that of course comes with an increase in claims and Management put extra efforts in to closing claim files from previous years. Further on, expenses have an increased somewhat especially in personnel. Citizens has always been astute to the needs of the capacity and making sure that growth within the company is adequately staffed. The effects can be seen here. Although there is a decrease in the net result from previous year, this can be expected due to investments made into the overall growth of the Company. This strategy has also been taken due to the limited investment opportunities in the market.

**OUTLOOK** Citizens continues to look beyond the current possibilities into a future where it can compete on a scale further than what lies directly ahead. For the present moment, the executives in Curacao and Aruba strive to be progressive in their operative actions and continue to do so with the cooperation of the Board of Directors, Brokers, strategic partners Central Banks, team members and of course our valuable clients that always come first and foremost in all that we do.

ADAM WHARTON LAKE | SEPTEMBER 2019

## Abbreviated consolidated profit and loss statement and analysis of unassigned earnings

(In thousands of NAf)

PROFIT AND LOSS STATEMENT	2018	2017
1 Net Earned Premiums	22,652	22,166
2 Net Other Underwriting Income	99	67
3 Net Claims Incurred	13,156	11,777
4 Net Claim Adjustment Expenses Incurred	-	-
5 Net Changes In Various Other Provisions	-	-
6 Policyholders' Dividends and Other Similar Benefits Incurred	-	-
7 Underwriting Expenses Incurred	8,453	8,148
8 Net Other Expenses Incurred	-	-
<b>9 Underwriting Results</b> (Without Investment Income and Realized Capital Gains or Losses)	<b>1,142</b>	<b>2,308</b>
10 Net Investment Income and Earned and Capital Gains or Losses	317	358
11 Other Results	-	-
12 Extraordinary Results	-	-
<b>13 Net Operational Results Before Taxes</b>	<b>1,459</b>	<b>2,666</b>
14 Corporate Taxes Incurred	-450	-672
<b>15 Net Operational Results After Taxes</b>	<b>1,009</b>	<b>1,994</b>
16 Net Unrealized Gains or Losses	-	-
<b>17 NET PROFIT OR LOSS</b>	<b>1,009</b>	<b>1,994</b>

ANALYSIS OF UNASSIGNED EARNINGS	2018	2017
18 Unassigned Earnings (Beginning of Year)	7,434	6,940
A Net Profit or Loss	1,009	1,994
B Distribution of Accumulated Earnings	(1,600)	(1,500)
C Other Changes in Unassigned Earnings	-	-
<b>19 Unassigned Earnings (End of Year)</b>	<b>6,843</b>	<b>7,434</b>

## Accounting principles

### ACCOUNTING PRINCIPLES | GENERAL

**General accounting policies** | The general principle for the valuation of assets and liabilities, as well as the determination of results, is the historical purchase price. Unless otherwise stated, assets and liabilities are stated at the values at which they were acquired or incurred. Some balance sheet items, in the comparison figures, have been reclassified for comparison purposes.

### ACCOUNTING POLICIES | ASSETS AND LIABILITIES

**Intangibles** | Intangible assets are valued at cost and will be depreciated in ten years.

**Real estate** | Real estate is stated at acquisition costs less depreciation calculated on a straight-line basis over the estimated useful life. Acquisitions during the year are depreciated from the date of acquisition.

**Other investments** | Listed securities are stated at market value; no listed securities are carried at the lower of cost and market value.

**Current assets** | Accounts receivable are shown after deduction of a provision for bad and doubtful debts where appropriate.

**Cash at bank and in hand** | Cash and bank balances are freely disposable, unless stated otherwise.

### Provisions for insurance obligations

**Net unearned premium provision** | The technical reserve for unearned premiums refers to accrued insurance premiums written in the reporting period, but with a remaining term of the policy in the following year.

**Net claim provision** | The technical reserve for claims refers to reported claims incurred but not settled as per year end and to claims incurred but not reported at yearend.

### ACCOUNTING POLICIES | PROFIT AND LOSS STATEMENT

**General result** | Profit is determined as the difference between net earned premiums and all claims and expenses relating to the reporting period. Costs are determined in accordance with the accounting policies applied to the balance sheet. Profit is realized in the year in which the premiums are recognized. Losses are taken upon recognition. Other income and expenses are allocated to the periods to which they relate.

**Net earned premiums** | Premium income consists of the proceeds from insurance services to third parties less discounts.

**Net investment income** | Net investment income relate to interest received or due from and paid or due to third parties and group companies.