

Report of the independent auditor on the abbreviated financial statements

Opinion

The abbreviated financial statements, which comprise the balance sheet as at December 31, 2019, the statement of income 2019 and the summary of significant accounting policies to the abbreviated financial statements are derived from the audited financial statements of Massy United Insurance Aruba N.V. for the year ended December 31, 2019. In our opinion, the accompanying abbreviated financial statements are consistent, in all material respects, with the audited financial statements of Massy United Insurance Aruba N.V.

Abbreviated Financial Statements

The abbreviated financial statements do not contain all the disclosures required by the accounting principles generally accepted in the Netherlands. Reading the abbreviated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The abbreviated audited financial statements and the financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Audited Financial Statement

We expressed an unmodified audit opinion on the audited 2019 financial statements in our report dated July 20, 2020.

Management's Responsibility for the Abbreviated Financial Statements Management is responsible for the preparation of the abbreviated financial statements in accordance with the basis as described in the summary of significant accounting policies to the abbreviated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the abbreviated financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Aruba, November 12, 2020

For Ernst & Young Accountants
Signed by Garrick de Cuba, MSc, RA

Summary of Significant Accounting Policies

This summary of significant accounting policies is an extract of the summary of significant accounting policies as included in the audited financial statements. The abbreviated financial statements are derived from the audited financial statements of the company which have been prepared in accordance with accounting principles generally accepted in the Netherlands.

The abbreviated financial statements and audited financial statements have been prepared under the historical cost convention.

Long-term deposits

Time deposits with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as long term deposits. Long term deposits are initially recorded at nominal value. After initial measurement long term deposits are measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of income when the deposits are derecognized or impaired, as well as through the amortization process.

Receivables

Receivables are recognized and carried at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Related parties

The Company had transactions or balances with its shareholder Massy United Insurance Limited in Barbados and with Unirisk N.V. (Aruba). Unlike the relationship with Massy United Insurance Limited, there is no (direct or indirect) shareholder's interest between the Company and Unirisk N.V. The relationship between the Company and Unirisk N.V. is exclusively based on commercial interests.

Other assets and liabilities

Unless stated otherwise, all assets and liabilities are valued at their face value.

Technical provision

Written premiums are reflected in the financial statements evenly over the terms of the insurance policies. Unearned premiums represent the unearned portion of the net premiums written on the policies in force at the end of the year.

Outstanding claims consist of estimates of the ultimate cost of settling claims in respect of notified incidents that have occurred up to the balance sheet date, as well as estimates for claims that have been incurred but not reported at that date. Estimates, net of insurance recoveries are calculated using methods and assumptions considered to be appropriate to the circumstances of the branch and the business undertaken. The provision, while believed to be adequate to cover the ultimate cost of losses incurred, may ultimately be settled for a different amount. It is continually reviewed and any adjustments are recovered in operations in the period in which they are determined.

Income and Expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

Expenses are charged to the statement of income taking into consideration the before mentioned accounting principles and in the period in which the related revenues are recognized. Losses expected on the balance sheet are accounted for in the current financial year. Depreciation on fixed assets is accounted for and charged to the statement of income from the moment the investments are used.

Balance Sheet as at December 31, 2019

(All amounts expressed in thousands of Aruban Florin)

ASSETS

Investments

Short-term Deposits	2,000	-
Long-term Deposits	1,500	500

Receivables

Related Parties	391	391
Accounts Receivable	4,814	2,851
Technical Provision Ceded to Reinsurer	8,535	6,196

Other Assets

Other Receivables	55	24
Cash & Cash Equivalents	2,289	5,336

Total Assets	19,584	15,298
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SHAREHOLDER'S EQUITY AND LIABILITIES

Shareholder's Equity

Share Capital	200	200
Additional Paid-In Capital	2,300	2,300
Accumulated Surplus	329	175
Result for the Year	225	154

Total Equity	3,054	2,829
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Liabilities

Technical Provision

Net Unearned Premium Provision	6,984	5,242
Net Claim Provision	1,552	954

Other Liabilities

Due to Related Parties	6,664	4,363
Other Liabilities	1,330	1,910

Total Liabilities	16,530	12,469
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Total Equity and Liabilities	19,584	15,298
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Company Background

Massy United Insurance Aruba N.V. is fully owned and backed by Massy United Insurance Ltd., a Barbados registered company. Massy United Insurance Ltd. is one of the leading general insurance companies in the Caribbean, providing comprehensive insurance coverage in 19 Caribbean countries.

Massy United Insurance Ltd. has maintained an A.M. Best rating of "A-" (Excellent) for 14 consecutive years.

A.M. Best is an international rating agency, which reports on the financial stability of insurers and

the insurance industry. Our continued rating of 'A-' (Excellent) is a result of our very good balance sheet liquidity, favourable capitalisation, comprehensive reinsurance program and prudent management.

The company is part of Massy Group, one of the largest conglomerates in the Caribbean region. The Group, employs over 11,000 people in retail, distribution, automotive and industrial equipment, energy and gas products, financial services and other business sectors through more than 60 operating companies in 25 countries.

Massy Group is listed on the Trinidad & Tobago Stock Exchange.

Statement of Income 2019

(All amounts expressed in thousands of Aruban Florin)

INCOME

Gross premiums	16,859	12,713
Facultative Reinsurance	(4,292)	(3,285)

	12,567	9,428
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Change in provision for unearned gross premium	(1,742)	(386)
Change in provision for reinsurer's share of unearned	(654)	(44)

Change in provision for unearned net premium	(1,088)	(342)
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	11,479	9,086
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Gross Losses Incurred	(3,532)	(3,858)
Technical Results for Reinsurers	(7,947)	(5,228)
Reinsurance Commission	4,399	3,300
Other Income	892	296

Total Income	5,291	3,596
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Acquisition Costs	(3,752)	(2,813)
General and Administrative Expenses	(1,314)	(629)

Total expenses	(5,066)	(3,442)
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Net profit	225	154
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