

Management Report 2020

We are pleased to present the 2020 financial highlights of Massy United Insurance Curaçao branch. The 2020 financial year was very challenging, as the Covid-19 crisis had a significant impact on the local economy. We've especially seen cancellations from customers due to loss of employment and reduced revenues in the tourism industry. Fortunately, the main lines of business such as motor-, accident, health- and home insurance have remained relatively stable. The number of new claims also went down due to the lockdowns; however, we incurred some large fire- and motor insurance claims in 2020, which inevitably affected our bottom line. Despite a myriad of challenges, we still managed to increase the earned gross premium and the company has continued to grow across the region. As a result of the group's strong performance in 2020, Massy United Insurance was once again able to secure an A.M. Best rating of A- Excellent for the 15th consecutive year.

On another positive note, the lockdowns imposed by the government expedited the digital transformation of our company. In 2020 and 2021 we've rolled out digital technology that enable our brokers to work more efficiently online. We will also soon release new web-based solutions that will improve the way we interact with our customers. Undeterred by setbacks, we're forging ahead with our ambition to be the most forward-thinking and impactful insurer in the Caribbean.

Massy United is a non-life insurer with local presence in 24 different territories and a member of the Massy Group, one of the largest conglomerates in the Caribbean and Colombia, with over 60 subsidiary companies, 11,000 employees and annual revenues of USD 1.7 Billion.

We would like to thank all brokers and customers for their loyalty, our dynamic team who makes our success possible, the CBCS and all other stakeholders for their ever present support.

Curacao, 30 April 2021
Ernie Croes • Managing Director

Basic Principles:

The General Insurance Annual Statement has been prepared in accordance with the General Insurance Annual Statement Composition and Valuation Guidelines (2015) as issued by the Central Bank of Curacao and Sint Maarten. Such practices differ from International Financial Reporting Standards. Claims reserves are based on the company's estimates of losses incurred.

The specification shown in file 203-3.5 Reinsurances Balance Receivable and file 203-9 Reinsurance Balances Payable do not have comparable figures as the presentation of the receivables has been changed this year.

Contingent Liabilities:
None

Capital and or Surplus Commitments:
None

Subsequent Events Affecting the Stated Earnings of the Company:
None

Massy United Insurance Ltd, Curaçao branch is a branch of Massy United Insurance Ltd, Barbados.

Report of the independent auditor on the financial highlights**Opinion**

The 2020 Financial Highlights, which comprise the balance sheet as at 30 September 2020, the Profit and Loss Statement 2020, analysis of unassigned earnings and investment exhibit and the notes to the financial highlights are derived from the audited General Insurance Annual Statements of Massy United Insurance Limited-Curaçao Branch for the year ended 30 September 2020. In our opinion, the accompanying Financial Highlights are consistent, in all material respects, in accordance with the audited General Insurance Annual Statements of Massy United Insurance Limited-Curaçao Branch.

Financial highlights

The financial highlights do not contain all the disclosures required by the General Insurance Annual Statement Composition and Valuation Guidelines (2015) of the Central Bank of Curaçao and Sint Maarten. Reading the financial highlights and the auditor's report thereon, therefore, is not a substitute for reading the audited General Insurance Annual Statements and the auditor's report thereon.

The Audited General Insurance Annual Statements

We expressed an unmodified audit opinion on the audited 2020 General Insurance Annual Statements in our report date 22 April 2021.

The financial highlights and the General Insurance Annual Statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited General Insurance Annual Statements.

Other Information

Other Information consists of the Management Report. Management is responsible for other information. Our opinion on the financial highlights does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the General Insurance Annual Statement of Massy United Insurance Limited-Curaçao Branch our responsibility is to read the other information and, in doing so, consider

whether the other information is materially inconsistent with the audited General Insurance Annual Statements of Massy United Insurance Limited-Curaçao Branch or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this information we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Highlights

Management is responsible for the preparation of the financial highlights in accordance with the accounting policies as applied in the General Insurance Annual Statements of Massy

United Insurance Limited-Curaçao Branch.

Auditor's responsibility

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

Curacao, 19 May 2021
For Ernst & Young Accountants
C. Smorenburg RA AA

Balance Sheet as at September 30, 2020

(All amounts expressed in thousands of Netherlands Antillean Guilders)

	2020	2019
ASSETS		
Non-Admissible Assets	1,025	1,236
Deposits with Financial Institutions	1,462	1,500
Current Assets	30,234	14,375
Total assets	32,721	17,111
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Surplus	3,184	4,533
Total equity	3,184	4,533
Provisions		
Net Unearned Premium Provision	4,930	4,737
Net Claim Provision	4,190	3,612
Total provisions	9,120	8,349
Current Liabilities	20,417	4,229
Total liabilities	20,417	4,229
Total liabilities	32,721	17,111

Profit and loss Statement 2020

(All amounts expressed in thousands of Netherlands Antillean Guilders)

	2020	2019
REVENUE		
Gross premium earned	34,371	30,404
Change in unearned premium provision	(193)	(508)
Reinsurance premium ceded	(19,400)	(15,971)
Net premiums earned	14,778	13,925
Net Claims Incurred	(8,215)	(7,325)
Net Other Underwriting Income	207	74
Underwriting Expenses Incurred	(6,900)	(6,456)
Underwriting results	(130)	218
Other income	330	-
Net Investment Income and Earned and Capital Gains or Losses	10	46
Net Operational Results before Taxes	210	264
Corporate Taxes incurred	263	267
Net Operational Results after Taxes	(53)	(3)
Net Profit or Loss	(53)	(3)
Analysis of Unassigned Earnings		
Unassigned Earnings (Beginning of Year)	(9,983)	(9,980)
Net Profit or Loss	(53)	(3)
Unassigned Earnings (End of Year)	(10,036)	(9,983)

Investment exhibit:

	NAf	%
Investments		
In Curaçao	1,462	100%
Outside Curaçao		
Total Investments	1,462	100%