

# Annual Report 2018

Consolidated Financial Statements



vidanova  
PENSION FUND





Projecting ahead  
On a solid legacy  
Adding more quality  
To every phase of your life  
Di nasementu te penshun  
Nos ta ofresé bo mas opshon  
Ku produkto finansiero  
Tailored to your needs  
Proud of our 50 aña  
Na kabuya bieu  
We will sigui sigui  
konopá nobo

**Vidanova!**



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# Board of Managing Directors and Managements' Report



## Foreword

In 2018 Vidanova Pension Fund (“the Fund” or “Vidanova”) celebrated its 50<sup>th</sup> years of existence. For any organization the Golden Anniversary is an extremely fitting occasion for reflection in an appropriate and festive way. The big day of the 50<sup>th</sup> anniversary of Vidanova Pension Fund was April 25, 2018, which was celebrated with a lively reception, and the launching of Vidanova Life. In the following two months the golden anniversary was celebrated on all five islands where the Fund is active, with all those involved, that is to say the sponsors, the retirees and the active members who also look forward to enjoying their retirement in due time.



Unfortunately, 2018 was not only a year of festivities. It was also a year full of challenges taking into consideration amongst others the developments in the pension arrangements of two of our large sponsors, and the developments on the international financial markets.

During the year under review two large sponsors of the Fund have opted to change their pension scheme on a retrospective basis as per January 1, 2018, from a DB plan to a DC plan with also a lower premium level compared to their DB scheme. This happened after one big sponsor already took this step in 2016. This change has led to a major decrease in the Provision Pension Obligation of active DB participants from ANG 231 million as per December 31, 2017 to ANG 61 million as per December 31, 2018, therefore a drop of 74%.

The year 2018 was very tough for global equity markets as well, as almost every major market ended the year in firmly negative territory. Even fixed income markets were tumultuous given apprehension over growth and the direction of future central bank action. As the Fund invests internationally it was also affected by these trends. The investment portfolio generated negative returns, though its conservative positioning helped mitigate losses.

We are aware of the fact that we are long term investors and that a negative result during one year is not uncommon in the investment world. However, considering the changing environment on the pension side (switch from DB to DC ) and the distressed markets on the investment sides, without losing focus of our long term horizon, the Fund has decided to conduct a new Asset and Liability Matching (“ALM”) study in 2019. Based on this ALM study the way ahead for the Fund will be determined.

### Acknowledgements

During last year, which was a tough one, the Board of Managing Directors was able to count on the efforts of everyone involved. The Board therefor wishes to express its gratitude and appreciation to the management and staff of Vidanova Pension Management for their efforts and dedication during the past year. We also want to thank the Board of Supervisory Directors for their supervision and support during the year 2018.

A special word of thanks goes to the secretary of the Board of Managing Directors Mr. Rafael Pichardo. Mr. Pichardo has been a big driving force for the Fund for the last 20 years.

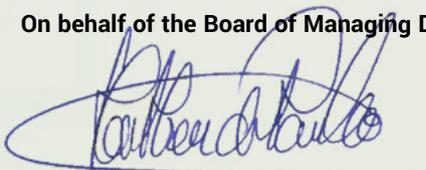
After having served the Fund for numerous years as a director, he took the position of Secretary of the Board of Managing Directors as of January 2014. Also in this position he was a valuable asset for the Fund with his great support, advice and his push towards achieving the Integrated Financial Services (“IFS”) philosophy for the Fund which culminated in the acquiring of all the shares of Vidanova Bank (“the Bank”) and the establishment of Vidanova Life.

We also would like to express our gratitude to the Supervisory Board Member Mrs. Veronica Jansen-Webster that left the Board. We thank you for the support and the work performed as a member of the Supervisory Board during the last year and wish you all the best for the future.

We welcome the new member of the Managing Board respectively Supervisory Board Mr. A. Romero and Mr. Bares Kingsale to the Fund, wishing them all the best in their new position. We are sure we will have a fruitful cooperation to the benefit of the Fund.

Finally, we want to thank all of our affiliated companies, their employees and our retirees for having entrusted their future to us for over 50 years.

**On behalf of the Board of Managing Directors:**



**Humberto C. d' Abreu de Paulo MBA**  
**President**

## Key figures for the last five (5) years

(Amounts in thousands Antillean guilders)	2018 <sup>(*)</sup>	2017 <sup>(*)</sup>	2016 <sup>(*)</sup>	2015	2014
<b><u>Assets and Liabilities</u></b>					
<b>Investments</b>	1,131,436	1,095,863	1,073,567	742,628	768,378
<b>Other assets</b>	197,340	207,236	212,613	92,512	61,605
<b>Total assets</b>	<b>1,328,776</b>	1,303,099	1,286,180	835,140	829,983
<b>Technical provision <sup>1)</sup></b>	<b>847,345</b>	805,785	769,175	734,210	703,199
<b>Other Reserves <sup>2)</sup></b>	<b>63,094</b>	100,196	77,556	82,826	103,885
<b>Solvency</b>					
<b>Asset to liability ratio</b>	<b>107%</b>	112%	111%	113%	117%
<b>Investments</b>					
<b>Equity Instruments</b>	263,371	316,827	262,311	292,600	295,262
<b>Fixed income Instruments</b>	868,065	779,036	811,256	450,028	473,116
<b>Total investments</b>	<b>1,131,436</b>	1,095,863	1,073,567	742,628	768,378
<b>Premium Income</b>	<b>43,414</b>	33,203	27,748	33,191	31,630
<b>Pension payments</b>	<b>28,927</b>	25,996	24,256	22,688	21,183
<b>Total Net Investment Income</b>	<b>19,606</b>	79,723	52,460	5,189	28,652
<b>Total operational cost</b>	<b>28,826</b>	25,548	22,979	4,900	4,650
<b><u>Participants</u></b>					
(Figures in numbers)					
<b>Total participants</b>	<b>6,992</b>	5,946	5,620	5,110	4,803
<b>Participating companies</b>	<b>75</b>	65	59	59	56

(\*) Including Vidanova Bank N.V.

<sup>1)</sup> Consists of the Provision Pension Obligation DB plan, the Pension Capital DC plan and the Provision mortality table (VAS).

<sup>2)</sup> Consists of the fund capital and other reserves.

## Profile

The Fund is a tax exempt private and open, multi-employer collective pension fund foundation that has been providing its services to all the islands of the former Netherlands Antilles for over fifty years now. The Fund executes and administers the collective pension arrangements offered by its sponsors (affiliated companies) to their employees.

Vidanova started operations on April 25, 1968, originally as “Stichting Pensioenfonds voor de Antiliaanse Energie Bedrijven” which later was changed into: “Stichting Pensioenfonds Utiliteitsbedrijven”. On December 23, 2002, the current name “Stichting Pensioenfonds Vidanova” or “Vidanova Pension Fund Foundation” was adopted.

### Mission

We are committed to help our participants achieve financial well-being during all phases of their life.

### Vision

With one leg in the daily business and one leg in the future, we provide a strong organization which, on the one hand responds in a customer-friendly, fast and diligent way to the current needs of our customers while on the other hand, in an innovative way we are getting a step ahead of developments in the market but always ensuring that the Fund remains solid and future-proof.

### Integrated Financial Services

In 2018 the Managing Board supported by Vidanova Pension Management have, in their role as a shareholder, together with the Vidanova bank team continued the actions to expand the services of Vidanova Bank to more members of the Fund, whereby the bank has been offering its products to a broad spectrum of participants of the Fund. In this respect, the Bank has been working also towards in particular achieving presence in the islands of Bonaire and St. Maarten. Unfortunately this process has not been finalized as yet but is in a far advanced stage. The bank is confident that in the upcoming year 2019, it will finalize this process in order to welcome fully the participants of all the islands on which the Fund has its clients.

The Board of Managing Directors and Management have been working diligently on the further set-up and roll out of Vidanova Life N.V. This process is going slowly but surely and is expected to be a great addition to the Vidanova group. Vidanova Life is an insurer that is offering various kinds of individual pension plans and other life insurance products to its clients.



## ■ Governance of the Fund

The Fund has a three tiers structure consisting of a Board of Supervisory Directors, a Board of Management Directors and Management.

The composition of the Board of Supervisory Directors (“BSD”), the Board of Managing Directors (“BMD”), and Management as of December 31, 2018 was almost unchanged compared to 2017.

There was only one change in the BSD during the year under review whereby Mrs. V.C. Jansen-Webster has resigned and has been replaced by Mr. B.V. Kingsale. Furthermore, as per January 1, 2019, the BMD has undergone a change whereby Mr. R. Pichardo has retired and has been replaced by Mr. A.G. Romero as secretary of the BMD.

### Board of Supervisory Directors

As per December 31, 2018, the Board of Supervisors consists of the following persons:

	Name	Function	Representative of
1	Mr. A. Haile	Independent Chairman	Independent
2	Mr. S. Frankena	Secretary	Participants
3	Mr. C. Willems	Member	Participants
4	Mrs. Martha-Weert	Member	Sponsor
5	Mrs. A. Daou	Member	Sponsor
6	Mr. S. Antonisia	Member	Participants
7	Mr. E. Valks	Member	Participants
8	Mr. B. Kingsale	Member	Sponsor
9	Mr. R. Sprecher	Member	Sponsor
10	Mr. G. Williams	Member	Participants
11	Mrs. R. Francees	Member	Participants
12	Mrs. H. Etnel-Hermelijn	Member	Sponsor
13	Mrs. M. Holiday-Hazel	Member	Participants
14	Mr. R. Engels	Member	Sponsor
15	Mrs. J. Balentien	Member	Sponsor
16	Mr. M. Manuela	Member	Participants

As per December 31, 2018, there was one vacancy in the Board.

## Board of Managing Directors

Mr. H.C. d' Abreu de Paulo

Independent President

Mr. W.J. Curiel

Treasurer

Mr. A.G. Romero

Secretary (as per January 1, 2019)

## Management of the Fund

The day to day activities of the Fund and the support to the Board of Managing Directors are executed by Vidanova Pension Management Foundation ("VPM"), a full subsidiary of the Fund. VPM is led by its Management team consisting of Executive Director Mrs. C. Alberto and Finance Director Mr. U. Dalnoot.

## Board meetings

During the year 2018 the Board of Supervisory Directors met 5 times alone, and 4 times with the Board of Managing Directors.

The Board of Managing Directors met with the Management of Vidanova Pension Management on a bi-weekly basis regarding the Fund's issues and developments, as well as its policies. These meetings were prepared by the Executive Director in close cooperation with the Board of Managing Directors. All decisions have been recorded in the minutes.

## Quality assurance policy

The Fund has formulated its quality assurance policy as follows:

"In order to be able to provide services of a high quality, the Fund works with a management system that meets the criteria of NEN ISO 9001: 2015. The management system promotes the professionalism of the organization, and ensures that the Fund consistently provides its customers with a product and / or service that fulfills the contractual needs. The Fund also affirms that it will comply with legal and other applicable requirements".

The Fund concentrates on "getting things right the first time" by avoiding deviations, in contrast to rectifying errors on an ad hoc basis. In this context, the Fund evaluates its own performance annually, by performing a customer satisfaction survey among its customers, to find out how they experience this service.

Furthermore, each year the Board of Managing Directors performs a Management review whereby the performance of the Fund is evaluated. Alongside this management review, the independent auditors of Dekra Certification B.V. conduct an independent review of the quality assurance system of the Fund through an ISO external audit 9001 as mentioned below under compliance.

## Customer Satisfaction

Vidanova, considers it of utmost importance that its clients are satisfied with our performance and service. The Fund has committed itself to continuously assess whether this is the case. The Fund conducts on a yearly basis a customer satisfaction survey amongst a representative sample of our sponsors and pensioners based on the ISO 9001 quality assurance policy/system.

This survey has also been performed in 2018. The affiliated companies has scored the service of the Fund with an 8.5 and the pensioners have given a score of 8.4. We are very glad with this score and will continue striving to increase it as much as possible.

## Compliance

The Fund undergoes on a yearly basis, a quality management system ISO 9001 audit, which is performed by an external independent ISO auditor from Dekra Certification B.V. This year as well, the Fund has undergone its yearly ISO audit. Hence, previously, only VPF held the NEN ISO 9001 - 2015 certificate. In 2018 Vidanova Pension Management ("VPM") being the servicing entity of the Fund, has also obtained this certificate as both entities passed the test with flying colors ('met vlag en wimpel'). The BMD are proud of the continued great performance in this regard and congratulates management and staff with again a job well done.

Management and Managing Board continue to strive for excellence, being in control of all processes and will do its utmost to maintain the current progress and if possible excel in this respect.

## Financial development of the Fund during the year

The number of affiliated companies continue to grow every year. We have seen that mostly all new companies opted for a defined contribution plan instead of a defined benefit plan. The Fund has taken this trend into consideration when the ALM study was conducted back in 2016. However, one very important and far reaching event that took place is the fact that two large sponsors of the Fund have opted in 2018, to change their pension scheme from a DB plan to a DC plan with also a lower premium level compared to their DB scheme. This happened after one big sponsor took this step in 2016.

Despite the above mentioned, the Fund will maintain a considerable amount of Provision Pension Obligation under the DB-scheme since the pension rights already accrued, are being maintained in DB. The aforementioned developments will however, have major effects on the financial position of the Fund. Amongst others this will have negative consequence for the Fund, as the surcharge for administrative costs in the DC-premium is much lower than the surcharge for administrative costs in the DB-premium. Furthermore, there is a solvency margin included in de DB-premium which is not included in the DC-premium.

Afore mentioned developments have negative effects on the financial position of the Fund. Besides the lower premium contribution, this will have negative consequences considering that the surcharge for administrative costs in the DC-premium is much lower than the surcharge for administrative costs in the DB-premium. Furthermore, there is a solvency margin included in de DB-premium while

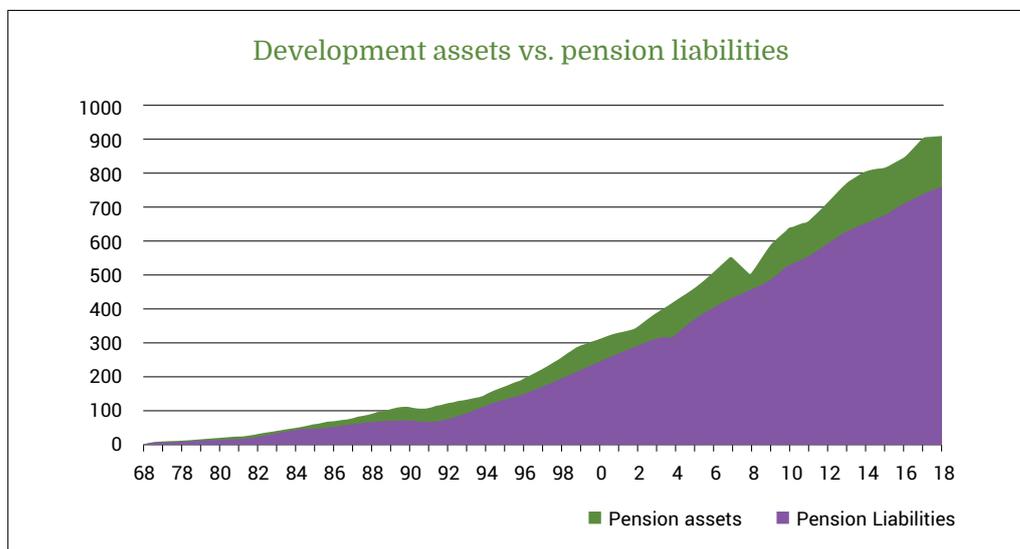
this is not the case in the DC-premium. All the before mentioned aspects will have also their negative effect on the coverage ratio of the Fund on the mid to long term.

In order to be able to deal with these developments in an appropriate way, new policy has to be established. The Fund will therefore conduct a new ALM study in 2019. Based on this ALM study the way ahead for the Fund will be determined.

The coverage ratio of the Fund as per December 31, 2018, is 107% (2017: 112%). The main reason for this lower coverage ratio is the fact that investment return was lower than both the actuarial rate for DB as the guaranteed return for DC, with the consequence that the Fund must draw on its reserves in order to be able to finance the increase of the provision pension obligation of DB and the return on the savings capital of DC. As a consequence the Funding Ratio has decreased.

Despite the fact that the funding ratio has decreased, the Fund maintains a solid funding ratio which is higher than both the minimum as prescribed by the Central Bank (100%) and the minimum required net assets as determined by The Fund itself (105%). So the Fund is in the position to guarantee the pension payments now and in the future. The Board will continue its efforts to maintain and strengthen the financial position of the Fund.

Please see below a chart, that gives a graphic overview of the development of the pension assets versus the pension liabilities since inception.



## Indexation

The Fund's policy is aimed at being able to adjust the pensions as much as possible to the price index. However, any indexation will only be possible if the indexation policy terms are fulfilled. Based on the indexation policy, indexation can only be granted if the policy-coverage ratio is above 115%. As per December 31, 2018, the policy coverage ratio equals 108%.

Taking into consideration that as per December 31, 2018, the policy coverage ratio is below the limit of 115%, and in accordance with the indexation policy, no indexation will be granted as per January 1, 2019.

## Asset Management

### Introduction

In order to invest the Fund's assets as prudent and diversified as possible, the Fund invests both locally as well as in the international financial markets. In order to better control the inherent risks of our investments as much as possible, realizing that any investment does carry a certain level of risks, the Fund has chosen for an international investment portfolio mix that is relatively conservative positioned.

In doing so, the Fund tries to ensure a good level of downside protection (being our primary goal) while maintaining an acceptable level of return over full market cycles. The Fund's international investment portfolio is diversified into countries, regions, asset classes, sectors, and currencies.

The international investments are done through a variety of investment managers whereby an independent investment advisor has been engaged to oversee and control these international managers. The independent investment advisor reports formally each quarter to the Fund and more frequently if necessary.

The investments of the Fund are guided by its investment policy statement (IPS) which main aim is to outline the overall investment philosophy of the Fund. One very important aspect of the overall investment philosophy is to identify and limit concentration risk. In its IPS, it has set certain thresholds for various types of exposures in order to limit concentration to a certain borrower (group) and sector. In doing so the Fund wants to ensure that over a full market cycle it will achieve enough

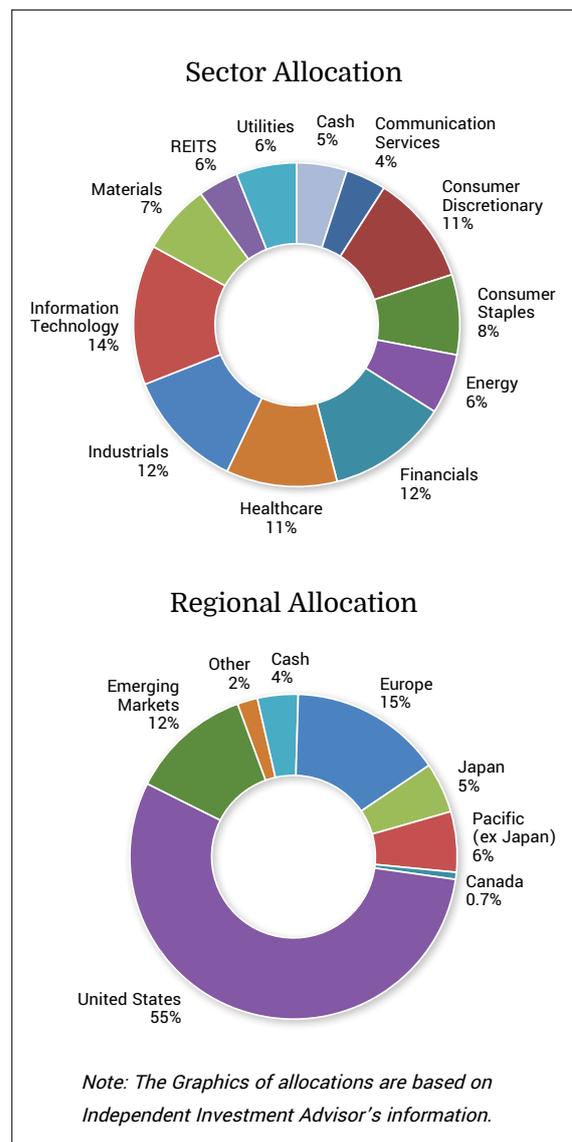
return to enable it to fund its liabilities, cover its organizational costs, strengthen the reserves it maintains and make conditional indexation of pensions(rights) possible.

This policy has worked relatively well for years. This does not entail however, that the returns are always as desired. The international investment portfolio is and will continue to be subject to market volatility leading to higher or lower returns during a market cycle.

## Development International Investment Portfolio

The distribution of the international investment portfolio as per December 31, 2018, is presented in below graphics.

Asset Allocation - International Investment Portfolio:





2018 was a tough year for global equity markets, as almost every major market ended the year firmly in negative territory. Volatility returned to international investment markets in a major way, driving returns lower in the spring and autumn months. While largely ignored last year, markets were disturbed by slowing prospects for global growth, higher interest rates, increasing geopolitical concerns, including protectionist trade rhetoric and ongoing Brexit negotiations. Even fixed income markets were choppy given apprehension over growth and the direction of future central bank action. The Fund was not immune from these trends and generated negative returns, though its conservative positioning helped mitigate losses.

This volatility was greatest in the first weeks of December, and quickly declined on December 26th as the global equity market began a rebound that has continued through February 2019, leading the Fund to positive returns for the two first months of the year 2019.

Below are highlights of the capital markets in 2018:

- U.S. Equities – The U.S. Equity markets experienced significant volatility as each major sector asset class experienced a correction in the fourth quarter. Large cap stocks, as measured by the S&P 500, returned -4.4%. Small cap stocks, as measured by the Russell 2000, returned -11.0%. Growth stocks outperformed value stocks overall despite a reversal in the last few months of the year. Healthcare was the best performing sector, returning 6.5%. Energy and Materials were the weakest sectors, down 18.1% and 14.7%, respectively.
- Non-U.S. Equities – Developed Markets returned -13.8% during 2018 while Emerging Markets returned -14.6%. Non-U.S. Dollar denominated assets experienced a headwind during the year, as the U.S. Dollar appreciated against most major currencies.
- Fixed Income – The Fixed Income markets, as measured by the Barclays Aggregate Bond Index, were flat in 2018 as the yield curve flattened throughout the year. Concerns about the U.S. Federal Reserve’s continued interest rate increases weighed on markets, while not experiencing the typical flight to quality during the equity market volatility. The best performing segment of fixed income was along the intermediate end of the curve, with Intermediate Governments the top performers at +1.4%. Non-U.S. fixed Income struggled more given the USD headwinds, declining 1.2% overall.

- Major events – Volatility was largely isolated to the spring and autumn months, with initial concerns about escalating trade restrictions and inflation worries first weighing on markets in February and March. October and December proved the toughest months of the year, as concerns about the sustainability of the economic recovery and uncertainty around U.S. political elections came into the forefront.

The above data is based on information from LCG, our independent investment advisors. Please refer to the following capital market review – Market Dashboard for investors worldwide over 2018:

Asset Class	Commentary	4Q 2018	YTD		
<b>Domestic Equity</b> <i>(S&amp;P 500 Index)</i>	<ul style="list-style-type: none"> <li>• Ten of the eleven S&amp;P 500 sectors generated negative results, driven by weak performance within Energy (-23.8%) and Industrials (-17.3%).</li> <li>• Domestically, global trade tensions and rising interest rates stoked fears of slowing global growth and corporate earnings.</li> </ul>	-13.5%	-4.4%		
<b>International Equity</b> <i>(EAFE Index)</i>	<ul style="list-style-type: none"> <li>• Outpacing the U.S., Developed International Markets generated negative results during the quarter. The U.S. dollar was mixed relative to most major currencies.</li> <li>• In local currency terms, results were mixed. Hong Kong (-4.5%) and Spain (-8.7%) were the best performers while Germany (-15.5%) and Canada (-15.3%) performed the worst.</li> </ul>	-12.5%	-13.8%		
<b>Emerging Market Equity</b> <i>(MSCI Emerging Markets Index)</i>	<ul style="list-style-type: none"> <li>• Brazil (+10.1%) and India (-1.3%) were the top performers on a local currency basis; Mexico (-14.5%) and Taiwan (-13.1%) were the worst performers on a local currency basis during the quarter.</li> <li>• Emerging Market currencies were mixed relative to the USD. The Brazilian Real and Indian Rupee appreciated, while the Russian Ruble and Mexican Peso depreciated significantly.</li> </ul>	-7.5%	-14.6%		
<b>Fixed Income</b> <i>(Bloomberg Barclays Capital Aggregate Index)</i>	<ul style="list-style-type: none"> <li>• Fixed income performance was positive as interest rates decreased across the yield curve.</li> <li>• Long Term Government (+4.2%) and Intermediate Government Bonds (+2.2%) were the strongest sectors during the quarter, driven by a flight to quality amid concerns of slowing global growth.</li> </ul>	1.6%	0.0%		
<b>Interest Rates</b>	<ul style="list-style-type: none"> <li>• The FOMC voted to raise the target federal funds rate by 25 bps to a range of 2.25% - 2.50%.</li> <li>• The 10-year yield fell 36 basis points from 3.05% to 2.69%, and the 30-year yield fell 17 basis points from 3.19% to 3.02%.</li> </ul>				
<b>Currencies</b>	USD / EUR	USD / JPY	USD / GBP	USD / CNY	USDX (DXY)
<b>4Q 2018</b>	1.2%	-3.5%	2.1%	0.1%	1.1%
<b>YTD</b>	4.7%	-2.7%	5.9%	5.7%	4.4%

The Fund has realized a return on its international portfolio of -3.53%. Looking at the market dashboard for investment worldwide we see that the portfolio held up relative well compared to the major asset classes during the toughest times of the year. So we can conclude that on a strategic level the portfolio continues to be well positioned.



## Local investment portfolio

### Major local macro-economic developments

The financial and economic conditions in Curaçao and Sint Maarten have continued to show weakening during 2018. As per the third quarter of the year, The Central bank reported that Curaçao, has confronted major economic effects of the issues surrounding and in Venezuela which is taking a toll on the local economy. According to the official figures from the Central bank, Real GDP fell in Curaçao by 1.7%, while Sint Maarten recorded a 4.7% contraction. Furthermore, inflation accelerated in both countries. In Curaçao, inflation edged up to 3.1% in the third quarter of 2018 from 1.1% in the third quarter of 2017 driven mainly by higher international oil prices. Sint Maarten's inflation also is estimated to have risen as a result of higher prices of consumer goods, construction materials, and insurance premiums.

According to the IMF in their 2018 Article IV consultation paper, the fiscal positions of both countries have deteriorated, while the current account deficit of the monetary union has widened since 2016. The expectation is that IMF expects the monetary union's current account deficit will reach 21 percent of GDP in 2019 and gradually narrow over the medium term.

With respect to economic growth, IMF expects, economic growth to resume in both economies in 2019. In Curaçao, real GDP growth is projected to turn slightly positive in 2019 and remain below ½ percent in the medium term. In Sint Maarten, a



combination of the recovery in the tourism industry and the strong investment for reconstruction is projected to increase real GDP by about 2 percent, keeping it slightly above its historical trend over the medium term.

#### Development of local investment portfolio

The local investment markets have become more and more challenging. As mentioned above, the local economy continued to show little positive signs. However, the Fund has noticed that as of the second half of the year more projects have started whereby financing is being sought. This is a very positive development considering the fact that for years this was not the case. The Fund has been reviewing several requests and will continue to do that based on its prudent basis of a good risk-return analyses. We have come to a point whereby if all these projects, which will be a boost for the wavering economy, materialize, the Fund's over-liquidity will be diminished substantially. This will consequently give a boost to the local returns for the Fund since the cash that does not generate a lot of income, would be put to work, earning a yield of at least 4%. We are glad to see that despite all the negative news, it seems that finally there is light on the horizon. We will continue to do our utmost to support this process for all our islands on which the Fund is active.

Managing Board of the Fund continues to believe in the possibilities of our islands to reach the turning point for the deteriorating economy and would be glad to help in this process. The Fund will continue reviewing all prospective projects that have a

good risk-return ratio and that may contribute to the further development of the Dutch speaking Caribbean Islands, while being cautious not to increase risks in a non-prudent manner.

#### Fund Return

During 2018, the Fund (without line by line consolidation of Vidanova Bank) has realized a return on its international portfolio of -3.53% (2017: 11.20%) and a return of 3.59% (2017: 1.77%) over its local portfolio resulting in an overall return on the total portfolio of -0.17% (2017: 6.64%).

As explained earlier, the negative return on the international portfolio is based on the fact that volatility has returned to international investment markets in a major way, driving returns lower in the spring and autumn months. Especially the week before Christmas led to a considerable decrease in the investment markets worldwide due to fear, wiping out the returns build up until then.

A very positive note however, is the fact that in the first week of January going through February, the international markets bounced back strongly including the Fund's portfolio, leading to very strong performance for the Fund's international investment portfolio. As per the end of February 2019, the Fund had a return on its international portfolio of 5.2% YTD showing that the portfolio is well positioned and able to bounce back because of its fundamentally strong base.

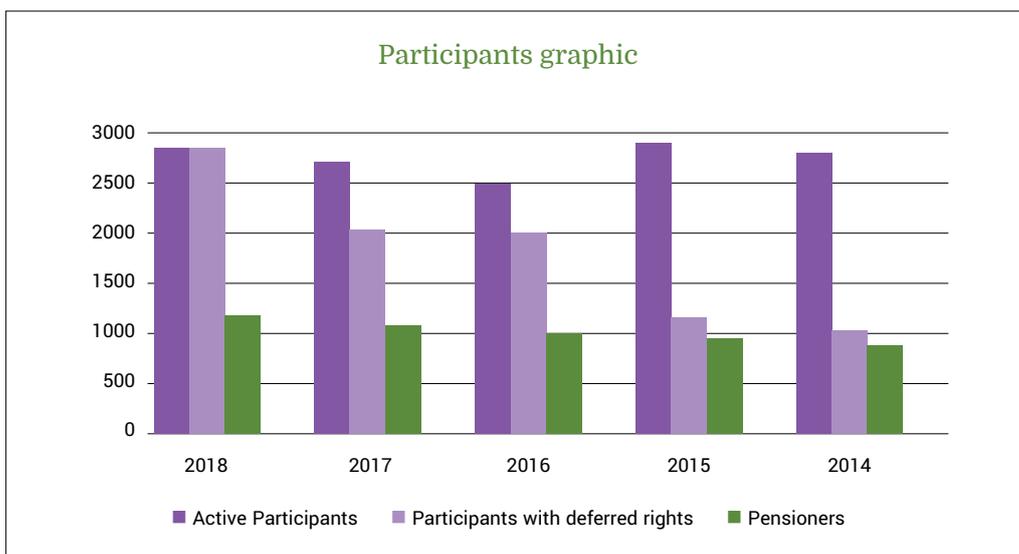


## Pension Management

### Development in participants

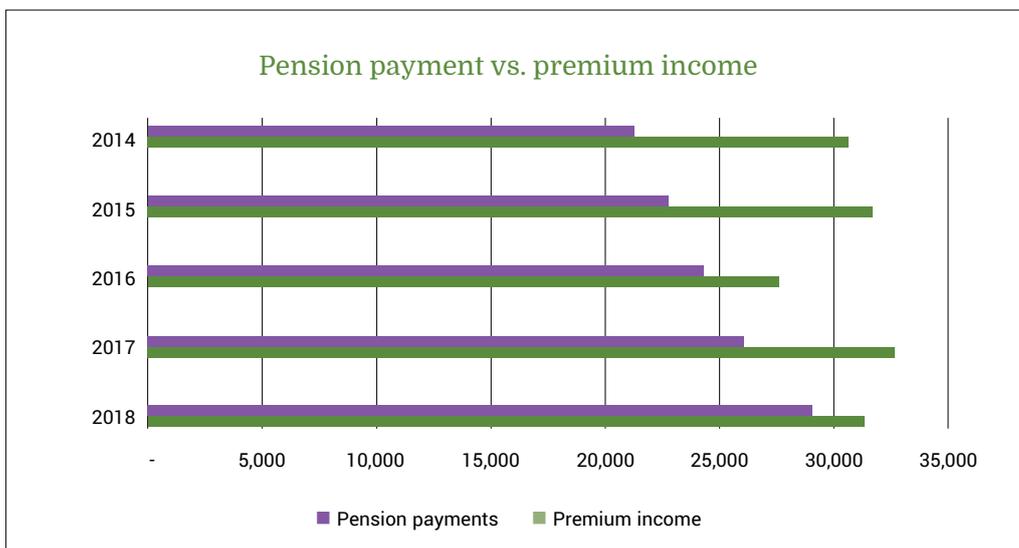
The year 2018 showed an increase in the number of active participants of 5% compared to last year. This increase is primarily due to the new sponsors that joined the Fund during the year. The growth in the number of participants with deferred rights is mainly due to the fact that two large sponsors switched from one type of pension plan to another in 2018. Consequently, their participants will become non-contributory participants under the “old” pension plan and active participants under the new pension plan, leading to an increase in the participants with deferred rights in 2018. Hence, by coincidence the number of participants with deferred rights is equal to the number of active participants. The pensioners grew by 9% compared to last year, which is higher than last year’s growth (6%).

In the following graphs the development in the participants are shown.



### Development pension payment versus pension income

The premium income for the year 2018 shows a strong (32%) increase compared to last year. This increase is mainly due to the increase in the number of sponsors and two large value transfers. The pension payments have also shown a noticeable increase of 11% compared to last year.



## Development with respect to our sponsors

During 2018, the number of affiliated sponsors of the Fund grew from 65 last year to 75 as per the end of the year. Almost all these new sponsors opted for a defined contribution plan instead of a defined benefit plan.

The following active companies are affiliated to the Fund as per December 31, 2018:

ACSION CURA B.V., CURACAO	FLORIS SUITE HOTEL, CURACAO
ADMINPERFECT	FUNDASHON CAS BONAIRIANO, BONAIRE
AMERICAN CONSULATE, CURACAO	FUNDASHON NOS TEI PA OTRO, CURACAO
AQUALECTRA, CURACAO	FUNDASHON PA MANEHO DI ADIKSHON, CURACAO
AQUALECTRA HOLDING, CURACAO	HEART & LUNG
AQUALECTRA MULTI UTILITY, CURACAO	HEREN2, CURACAO
BAKER TILLY CURACAO	MIJNMAATSCHAPPIJ, CURACAO
BETONWARENFABRIEK BRIEVENGAT, CURACAO	N.V. AUTOBUSBEDRIJF, CURACAO
BINT, CURACAO	N.V. GEBE, SINT MAARTEN
BLUE BANK INTERNATIONAL N.V., CURACAO	NAGELMAKERS ADVOCATEN
BONAIRE HOLDING MAATSCHAPPIJ N.V., BONAIRE	OPRA PROMO PROS, CURACAO
BROADSERVICES, CURACAO	PBC OPERATING N.V. (HOTEL), CURACAO
CARIBBEAN MEDIC HEALTH CARE SYSTEMS, CURACAO	PRINCESS BEACH CASINO, CURACAO
CCR CASINO MANAGEMENT N.V., CURACAO	PRODUCTIVE BUSINESS SOLUTIONS (CURACAO) B.V.
CCR HOTEL MANAGEMENT N.V., CURACAO	REFINERIA DI KORSOU N.V., CURACAO
CINEMARK CURACAO B.V.	SABA ELECTRIC COMPANY N.V., SABA
CITIZENS INSURANCE	SATEL, SABA
COMPLETE CARGO SERVICES N.V.	SONA
CONSTRUCTION AND SUPPLY DELF N.V.	ST. EUSTATIUS SPORTS FACILITIES FOUNDATION, SINT EUSTATIUS
CURACAO INDUSTRIAL SERVICES N.V., CURACAO	ST. KORPORASHON PA DESAROYO DI KORSOU, CURACAO
CURACAO INVESTMENT & EXPORT (CINEX)	ST. ZORGVERLENING HET WIT GELE KRUIS, ST MAARTEN
CURACAO REFINERY UTILITIES, CURACAO	STATIA HOUSING FOUNDATION, SINT EUSTATIUS
CURGAS, CURACAO	STATIA UTILITY COMPANY N.V., SINT EUSTATIUS
CUROIL, BONAIRE	STICHTING ANIMO
CUROIL CURACAO N.V.	STICHTING HAMIËD, CURACAO
CUROIL GASSTATION, CURACAO	STICHTING NAAM
DATAPLANET	STICHTING OPVANGTEHUIS BRASAMI, CURACAO
DE MEANDERSCHOOL	TELBO N.V., BONAIRE
SMITH & NEPHEW INC, CURACAO	TELEM, SINT MAARTEN
DRIVE YOURSELF	THE GALAN GROUP, CURACAO
DUTCH CARIBBEAN TRUST	TOUCAN BEACH RESORT N.V.
DYNAF CURACAO	TOURISM CORPORATION BONAIRE, BONAIRE
CONTOURGLOBAL BONAIRE	TRUSTMOORE (CURACAO) N.V., CURACAO
EJL SERVICE B.V.	UTILITY CREDIT UNION, CURACAO
EUTEL N.V., SINT EUSTATIUS	UTS, CURACAO
EXTRA PRODUCTIONS	VR SHIPPING N.V.
FIRST INDEPENDENT TRUST (CURACAO)	WEB N.V., BONAIRE
FLAMINGO TELEVISION BONAIRE	

## Pension arrangements

In order to service its clients better considering its technological possibilities, the Fund has a flexible range of pension arrangements and /or plans available for DB plans as well as for DC plans. The Collective DC plan called CDC plan, is a DC plan with some DB characteristics. These plans offered are very flexible to incorporate the several requirements of actual and potential sponsors. New and current sponsors are welcome to adopt any of our plans.

## Risk Management

One of the key activities that the Board of Managing Directors and Management do on a regular basis, is approving and reviewing the overall risk strategy of the Fund. This involves identifying the several risks, understanding the risks, determining the Fund's exposure to each risk and the likelihood of adverse outcomes related to each risk.

Furthermore, setting acceptable levels of risk; measuring, monitoring and controlling these risks; and ensuring that an adequate and effective internal control system is in place. The Fund uses a Risk Monitoring Matrix in which for each top-level risk it has outlined the corresponding key risks, the control mechanism, and the key risk indicator. The Risk Monitoring Matrix is used to monitor the several risks of the Fund on a periodic basis.

Based on the extensive ALM study that the Fund has performed in 2016, the Fund has defined on a strategic level its risk appetite and a number of key risk aspects. Management and the Board have defined in this process the following important key risk:

- Maximum chances of underfunding.
- Maximum chances of shortening of pension rights.
- Maximum percentage of any possible shortening if applicable.

This risk appetite has been defined beforehand and corresponding policies to avoid exceeding the limits stipulated for the risk appetite has been developed in order for the Fund to be prepared in the unlikely case of underfunding. The philosophy of

management and the Board of Managing Directors is better to be prepared than to be sorry. So, the policy is already developed and will be applied if unfortunately such a situation presents itself. This prevents the Fund to take hasty decisions in times where careful analysis is necessary. By having the policy in place beforehand, the policy can be applied with a better focus. During 2018, the Fund continued its risk analysis and risk monitoring process.

There have been no changes in the extent to which the Fund is willing to take investment risk to meet its goals and the extent in which the Fund can take investment risk taking the characteristics of the Fund into consideration. The risk appetite of the Fund on the long term continues to be based on the chosen maximum chance of underfunding and the probability of curtailment of accrued pension rights. On the short term this manifests itself in minimum funding requirement or the bandwidth thereof.

One main criteria the Fund always takes into consideration is the saying: No risk, No return. Therefore, the Fund's main goal with its existing and future risk control mechanism is to provide reasonable, but not absolute, assurance to its stakeholders, that the entity's business objectives are achieved. In determining the policy, and taking important decisions, the Managing Board and Management will continue to do their utmost to achieve the right balance between risk, achieving of objectives and adequate control of risks.



## Goals for 2019

Our main goal is to safeguard continuity. The goal of the Fund during the recent years was to meet the capital requirements defined in the ALM, whereby according to the projections in the ALM study, within 5 years (2021) a coverage ratio of 114% will be reached. However, chances are that we will not meet the 114% within 5 years. The main reason for this is that the growth in DC was up till now much more than expected and the fact that two large sponsors moved this year from a DB-plan to a DC-plan. In 2019 a new ALM study will be conducted to guide the way ahead for the Fund under the changed structure of plans whereby it changed from a basic DB-plan Fund to a DC-plan Fund.

On the asset management front, a number of items will be considered for the next year:

- We will keep pursuing investment opportunities in especially the local market (consisting of the former Dutch Antilles).
- Risk evaluation for financing projects offered will be maintained.
- The Fund will further explore the possibilities of implementing Environmental Social and Governance factors (ESG) in the investment policy.

We will furthermore, continue our pre-pension session for future pensioners. The Fund wants to maintain the direct contact also on a sponsor level, but will do this according to a schedule in order to ensure that within a certain timeframe, all sponsors will have received a visit from Vidanova Management.

On an individual participant and pensioner level however, the Fund will further pursue a digital strategy considering the number of participants, in order to decrease the growing pressure on the organization.

Information Technology ("IT") is no longer considered to be a luxury; it is a key factor for every financial organization that wants to offer good service to its customers; for Vidanova Pension Fund this is not different. During 2018, the Fund has introduced a new Website, a management portal and the first phase of the new participants portal will be finalized in the first months of 2019. With this first phase, the participants will be able to have online insight in their pension information.

In 2019 the Fund will continue optimizing its service by further implementing its digital strategy. Phase 2 of the participants portal, will give the members the possibility to make pension projections, and other types of calculations regarding their pensions. There is also a new Employers portal which is currently in an advanced stage of development and will be launched during the first half of 2019.

Besides focusing on providing an optimal service to our members by implementing a digital strategy, the Fund will continue its primary focus on IT, being to ensure IT-security and business continuity at all times.

Curaçao, April 26, 2019

ON BEHALF OF VIDANOVA PENSION FUND FOUNDATION

Management:

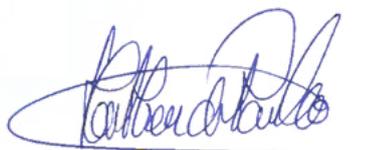


Charlene C. Alberto  
Executive Director



Ulrich E. Dalnoot  
Finance Director

Board of Managing Directors:



H.C. d' Abreu de Paulo  
President



A. Romero  
Secretary



W.J. Curiel  
Treasurer

# Consolidated Financial Statements

## Consolidated Balance Sheet as per December 31, 2018

(Amounts in thousands Antillean guilders)	2018	2017
All risks are for the Fund		
<b>Assets</b>		
<b>Non Current assets:</b>		
<b>Investments:</b>		
Bonds and Foreign Fixed Income Instruments	262,826	212,238
Shares	225,158	277,421
Alternative investments	1,630	3,678
Loans & advances	367,137	339,253
Time Deposits	148,532	163,532
	<b>1,005,283</b>	996,122
<b>Investment property</b>	<b>36,583</b>	35,728
<b>Intangible fixed assets</b>	<b>13,914</b>	13,343
<b>Tangible fixed assets</b>	<b>12,117</b>	12,015
<b>Current assets</b>		
<b>Loans &amp; advances</b>	<b>89,570</b>	64,013
<b>Receivables</b>	<b>30,670</b>	18,131
<b>Liquid assets</b>	<b>76,045</b>	76,787
<b>Due from Banks</b>	<b>64,594</b>	86,960
<b>Total Fund Assets</b>	<b><u>1,328,776</u></b>	<b><u>1,303,099</u></b>
<b>Pension Capital and Liabilities</b>		
<b>Technical and other designated reserves:</b>		
Premium Equalisation Reserve (PER)	18,956	18,859
Return Guarantee Reserve (RGR)	710	3,361
General Reserve	43,428	77,976
<b>Total technical and other designated reserves:</b>	<b>63,094</b>	100,196
<b>Minority interest third parties</b>	<b>4,987</b>	20,077
<b>Provision obligations</b>		
Provision Pension Obligations	751,502	741,061
Pension Capital DC Plan (Spaarkapitaal)	95,843	64,724
	<b>847,345</b>	805,785
<b>Long term debt</b>	<b>2,704</b>	4,850
<b>Non-current Liabilities:</b>		
Funds entrusted	78,882	108,135
Deferred tax liability	1,591	1,298
	<b>80,473</b>	109,433
<b>Current Liabilities:</b>		
Funds entrusted	319,693	249,105
Accruals and deferred income	3,813	4,563
Due to banks	162	15
	<b>323,668</b>	253,683
<b>Other short term liabilities and accrued expenses</b>	<b>6,505</b>	9,075
<b>Total Pension Capital and Liabilities</b>	<b><u>1,328,776</u></b>	<b><u>1,303,099</u></b>
Note: the Fund capital is the minimum capital required being a foundation for an amount of ANG 100. All risks are for the account of the Fund.		

## Consolidated Profit and Loss Statement for the year ended December 31, 2018

(Amounts in thousands Antillean guilders)	2018	2017
<b>Income</b>		
<b>Employers' and employees' Contributions</b>	31,174	31,889
<b>Value transfers</b>	12,240	657
<b>Investment income</b>	(3,479)	58,192
<b>Bank Operating Income</b>	23,085	21,531
<b>Interest current accounts sponsors</b>	124	577
<b>Lease Income</b>	193	116
<b>Other income</b>	2,103	1,719
<b>Total income</b>	<b>65,440</b>	<b>114,681</b>
<b>Expenses</b>		
Pension payments	28,927	25,996
Organizational expenses	28,826	25,548
Amortization Intangible Assets	2,046	1,444
Addition to bad debt provision	1,837	2,249
<b>Total Expenses</b>	<b>61,636</b>	<b>55,237</b>
<b>Minority interest</b>	<b>150</b>	<b>250</b>
<b>Net operational income before additions to provisions</b>	<b>3,954</b>	<b>59,694</b>
Movements in Technical Provisions (VPV) and VAS	10,441	25,838
Movements in Accrued Savings (Spaarkapitaal)	31,119	10,772
Redemption Pension Right DC	-	140
<b>Net income (loss) after additions to provisions</b>	<b>(37,606)</b>	<b>22,944</b>
<b>Income Tax Expenses</b>	430	(301)
<b>Net income after (loss) additions to provisions and after tax</b>	<b><u>(37,176)</u></b>	<b><u>22,643</u></b>

## Notes to the consolidated financial statements 2018

### General

The purpose of the Fund, with its statutory seat in Willemstad, Curaçao, is to grant or facilitate the extension of pensions and other benefits to participants or former participants, and their posthumous positions, all this in accordance with the articles of incorporation, the existing policies and other relevant regulations set by the Supervisory and Managing Board, and within the limits of the means of the Fund. These consolidated financial statements have been approved on April 26, 2019.

### Changes in accounting policies

There were no changes in accounting policies for the year.

### Comparative figures

The accounting policies applied are consistent with those applied for the previous year. Where necessary, comparative figures have been adjusted to align with the presentation in the current year.

### Impairment of non-current assets

At each balance sheet date, the Fund tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### Going Concern

The going concern assumption was applied during the preparation of these consolidated financial statements.

### Foreign currency

Assets and liabilities denominated in foreign currency are being translated in Antillean guilders using the per year end applicable exchange rate. Profit and loss statement transactions are being recorded based on the exchange rate applicable at the moment of the transaction.

Per December 31, 2018, the following exchange rates are used:

USD 1 = ANG 1.78/ 1.79 for BES  
EURO 100 = ANG 208.26

Per December 31, 2017, the following exchange rates are used:

USD 1 = ANG 1.78/ 1.79 for BES  
EURO 100 = ANG 217.91

### Consolidation & Participation

In the consolidated financial statements of the Fund, the assets and liabilities of Vidanova Pension Management Foundation, Vidanova Beheer B.V., Kaya Flamboyan Real Estate 1 C.V. ("KFR"), In the Blue 2 C.V., Vidanova Real Estate Development N.V., Vidanova Life N.V. and Vidanova Bank N.V. are consolidated on a line by line basis. All these entities have their statutory seat in Willemstad, Curaçao.

The Fund has an absolute majority and control over all the above mentioned entities, and has also a minority stake in the capital of CMC Real Estate N.V. with its statutory seat in Willemstad, Curaçao. Control is achieved where the Company has the power to govern the financial and operation policies of an enterprise so as to obtain benefits from its activities. Therefore, except for CMC Real Estate N.V., it has consolidated the figures of all these entities fully in its own financial figures, taking into consideration the interest of its other partners as "minority interest" on the balance sheet and profit and loss statement. The subsidiaries have the same functional currency as the Fund being: "ANG".

All significant intercompany transactions and balances between group enterprises have been eliminated on consolidation.

### Accounting policies

The consolidated financial statements have been prepared in accordance with Book 2, Title 2 of the Civil Code of Curaçao and the generally accepted accounting principles in the Netherlands, among which the "Richtlijnen voor de Jaarverslaggeving" as published by the "Raad voor de Jaarverslaggeving" taking as much as possible into consideration "Richtlijn 610". RJ 610 is linked to the Dutch

“Pensioenwet” and contains regulations regarding valuation principles and presentations for pension funds as included in the related “Algemene Maatregelen van Bestuur”. Since Vidanova has its statutory seat in Curaçao, Management has decided to apply RJ 610 as much as possible except where it may be in contrast with local regulations, and/or where the situation in Curaçao differs from the Netherlands”. Furthermore, the applicable rules and regulations of the Central Bank of Curaçao and St. Maarten have been observed.

The separate consolidated financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (“IFRS”), on the historical cost basis, except for the revaluation of financial instruments. The historical cost is generally based on the fair value of the consideration given in exchange for assets. For the consolidation of the Fund a consolidation package has been prepared, as much as possible based on the accounting principle of the Fund.

If not otherwise mentioned, the assets and liabilities are stated at nominal value less incurred impairment losses.

Realized investment income regards the accrued interest on bonds, savings and bank accounts and mortgage loans, as well as received dividend on shares and accrued rental income on real estate. Dividends are being recorded on cash basis and interest is recorded in the period they relate to.

“Fair Value gains and losses” regards gains and losses on the per year end outstanding investment portfolio resulting from the valuation of investments at fair values.

For the DC-plans the short-life risk and disability risk are insured by means of a risk reinsurance contract that has been concluded with KTB Life. The reinsured capital sums consist of the sum of the positive risk capital sums. The insurance premiums are guaranteed during the duration of the contract with the reinsurer. The reinsurer’s actual rates are charged on the member’s premium in the case of almost all employees.

The investments are valued as follows:

- Fixed Income instruments, consisting of:
  - o Bonds held till maturity: amortized cost;
  - o Bonds trading account: fair value;
- Equity instruments and Alternative investments (Publicly and non-Publicly traded): fair value;
- Loans and mortgage loans: these are recognized initially at fair value of the amount owed, which normally consists of its face value,

net of any provisions considered necessary. These receivables are subsequently measured at amortized cost.

- Time deposits: These are recognized initially at fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary. These receivables are subsequently measured at amortized cost.
- Mutual fund: the valuation is based on (un) audited Net Assets Value figures received from the fund administrators. For a number of these mutual funds, the audited financial statements will only be available in the second quarter of 2019. For these funds, the unaudited financial figures have been used.
- Receivables: Receivables are recognized initially at fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary. These receivables are subsequently measured at amortized cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.
- Cash and Cash equivalents include cash at hand, bank balances, and deposits held at call with maturities of less than 12 months. Cash and Cash equivalent are stated at face value. All Cash and Cash equivalents are at free disposal of the Fund.

Goodwill is initially recognized based on the difference between the acquisition price and the fair value of the identifiable assets. Subsequently, goodwill is activated and being depreciated on a straight-line basis in 10 years

The accounting policies have been consistently applied to all the years presented.

### Use of estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Although these estimates are based on management’s best knowledge of current events and actions, actual results in the future could differ from such estimates and the differences may be material to the consolidated financial statements.

Provisions for loan losses (specific provisions) are recognized based on periodic valuation of the loan portfolio. Considerable judgment is exercised

in determining the extent of the loan loss provision (impairment) and includes review of individual loss cases. Changes in such judgments and analyses may lead to changes in the provisions for loan losses over time.

### Revenue recognition

Income from services is recognized when services are rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

### Cash and banks

Cash and cash equivalents comprise cash and bank demand deposits. The carrying value approximates fair market value.

### Consolidated statement of cash flows

The consolidated statement of cash flows is prepared according to the direct method. The cash and cash equivalents balance consists of the cash balance and the balances on bank accounts. Cash flows denominated in foreign currency are translated in Antillean guilders using the weighted average exchange rates for the period.

### Rental income

Rental income from investment property is recognized in the profit and loss statements on a straight-line basis over the term of the lease.

### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### Interest income and expense

Interest income and expenses are recognized in the statement of profit or loss on an accrual basis for all interest-bearing instruments using the effective interest rate method. The effective interest rate method allocates interest, amortization of any discount or premium or other differences, including transaction costs and qualifying fees and commissions over the expected lives of the assets and liabilities. The effective interest method requires the company to estimate future cash flows, in some cases based on its experience of customer behavior, considering all contractual terms of the financial

instrument, as well as expected lives of the assets and liabilities.

### Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognized as revenue when the syndication has been completed and the Bank retained no part of the loan package for itself or retained a part at the same effective interest rate for the other participants.

Commission and fees arising from negotiating, or participating in the negotiation of a transaction for a third party - such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses - are recognized on completion of the underlying transaction. Service fees are recognized based on the applicable service contracts, usually on a time-proportionate basis.

### Operating expenses

Operating expenses are recognized in the year to which they relate. Amortization and depreciation charges on intangible and tangible assets are based on cost and are calculated by the straight-line method over the estimated lives of the assets.

### Taxation

Income tax expense represents the sum of the tax currently payable and (the movement in) deferred tax at Vidanova Bank. Contrary to Vidanova Pension Fund, the Fund's subsidiary Vidanova Bank is subject to income tax. The tax is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period by Vidanova Bank N.V. and reduced to the extent that it is no longer probable that sufficient taxable profits

will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit

or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## Provision Pension Obligations

The movement in the Provision Pension Obligation is as follows:

<b>Provision pension obligations</b>	<b>2018</b>	<b>2017</b>
(Amounts in thousands Antillean guilders)		
Balance per January 1	741,061	715,223
Additions provision pension obl. DB-plan	16,614	19,304
Additions provision Vidanova Life	361	-
Additions provision mortality table (VAS)	(6,534)	6,534
<b>Balance per December 31</b>	<b><u>751,502</u></b>	<b><u>741,061</u></b>
<b>Pension Capital DC Plan (Spaarkapitaal)</b>	<b>2018</b>	<b>2017</b>
(Amounts in thousands Antillean guilders)		
Balance per January 1	64,724	53,952
Additions current year	31,119	10,772
<b>Balance at December 31</b>	<b><u>95,843</u></b>	<b><u>64,724</u></b>



# V

## Related Parties and related party transactions

The related parties of the Fund are the consolidated entities, key management, and its sponsors. As per December 31, 2018, the Fund has a total amount of ANG 20.1 million in loans to sponsors, which all have been done at arm's length, with a weighted average interest rate return of 5.6%. All transactions between the Fund and its consolidated entities have been fully eliminated in the consolidation.



# VI

## Other Information

### Statutory appropriation of the surplus

In the articles of incorporation, there is no specific stipulation regarding the appropriation of any surplus or deficit for the Fund. Any surplus or deficit for the year is however, booked respectively in favor of, or charged to the several reserves of the Fund. The Fund is a tax-exempt entity.

### Subsequent events

No subsequent events



# Independent Auditor's report



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ey.com/an

## INDEPENDENT AUDITOR'S REPORT

To: the board of managing directors of Vidanova Pension Fund Foundation

### Opinion

The consolidated glossy financial statements of Vidanova Pension Fund Foundation for the year ended December 31, 2018 are derived from the audited consolidated financial statements of Vidanova Pension Fund Foundation.

In our opinion, the accompanying consolidated glossy financial statements are consistent, in all material respects, with the audited consolidated financial statements 2018 of Vidanova Pension Fund Foundation, in accordance with the notes to the consolidated glossy financial statements.

The consolidated glossy financial statements comprise:

- The consolidated balance sheet as per December 31, 2018
- The consolidated profit and loss statement for the year ended December 31, 2018
- The notes comprising a summary of the accounting policies and other explanatory information

### Consolidated Glossy Financial Statements

The consolidated glossy financial statements do not contain all the disclosures required by the Accounting Principles Generally Accepted in the Netherlands. Reading the consolidated glossy financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The consolidated glossy financial statements do not reflect the effects of events that occurred subsequent to the date of our report.

### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the consolidated financial statements in our report dated April 26, 2019.

### Management's Responsibility for the Consolidated Glossy Financial Statements

Management is responsible for the preparation of the consolidated glossy financial statements on the bases described in the notes to the consolidated glossy financial statements.



**Auditor's responsibility**

Our responsibility is to express an opinion on whether the consolidated glossy financial statements which are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing, including the Standard on Auditing (ISA) 810 (Revised), *Engagements to report on summary financial statements*.

Curaçao, 3 June 2019  
61213093 120/22501

for Ernst & Young Accountants

Signed by  
C. Smorenburg RA AA

# Independent Actuarial report

Aon  
Consulting | Retirement & Investment



## Actuary's statement

### Assignment

With reference to article 10, sub 3 of the National Ordinance Company Pension Funds (N.G. 1985, nr. 44) and the Pension Fund Statutory Report Composition And Valuation Guidelines (March 2017) Vidanova Pension Fund Foundation has asked Aon Nederland C.V. to provide an actuary's statement regarding the financial year ending on December 31, 2018.

### Information used

The opinion below is based on information that has been provided by, and under the responsibility of, the Managing Board of the Pension Fund. My evaluation of the fund assets and the fund reserves is based on the financial information that has been used for the annual accounts.

The auditor of the Pension Fund informed me about the results of the audit, more in particular about the reliability and the completeness of the participant data and the other elements that are important for my opinion.

### Responsibilities

It is my responsibility to assess whether the Pension Fund meets the requirements of the National Ordinance Company Pension Funds (N.G. 1985, nr. 44) and the Pension Fund Statutory Report Composition And Valuation Guidelines (March 2017).

The Pension Fund has provided participant data to me and the auditor has given his opinion on these data. The information on the participant data was such that it can be used for my assessment.

Part of my work was to access:

- whether the reported pension liabilities, the reported minimum legally required reserves and the reported legally required reserves have adequately been determined;
- the financial position of the Pension Fund.

I have organized my work in such a way that, with reasonable reliability, the results will not contain material errors. I also assessed the probability that Pension Fund will be able to meet all the obligations that exist on December 31, 2018, given the financial management by the board of the Pension Fund. My work meets (if applicable) the codes and conventions of the Dutch Actuarial Association and provides sufficient basis for my opinion.

### Opinion

The reported pension liabilities have been determined in accordance with the assumptions that are mentioned in the ABTN and in accordance with the National Ordinance Company Pension Funds (N.G. 1985, nr. 44) and the Pension Fund Statutory Report Composition And Valuation Guidelines (March 2017). However, I recommend the board to keep monitoring the actuarial interest of 4% in the perspective of the specific market circumstances.

The Pension Fund reserves per December 31, 2018, are higher than the legally required reserves under National Ordinance Company Pension Funds (N.G. 1985, nr. 44).

With due regard of the above it is my opinion that the financial position at December 31, 2018, of Vidanova Pension Fund Foundation is sufficient.

## Conclusion

I herewith declare that the provision required for coverage of the pension liabilities of Vidanova Pension Fund Foundation in respect of the defined benefit plans as per the balance sheet date of December 31, 2018 on the basis of the mortality table 2011 – 2016 whole male respectively female population published by the Royal Dutch Actuarial Association, a discount rate of 4% and a loading for disbursement costs of 2%, amounts to ANG 751,140,661.

I declare that the savings capital in respect of the defined contribution plan amounts to ANG 95,842,822.

I declare that the provision for adjustments to more recent mortality tables amounts to ANG 0.

April 26, 2019

Aon Nederland C.V.

Drs. A.G.M. den Hartogh AAG



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