



Annual Report

Vidanova Group



2023

IF WE DON'T UNDERSTAND
PEOPLE, WE DON'T
UNDERSTAND BUSINESS

- SIMON SINEK

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A photograph of a woman with dark curly hair, wearing a light blue blazer over a white top. She is smiling and looking upwards and to the right. She is holding a purple folder. The background is a modern office interior with a white grid ceiling and a large window on the left. A purple semi-transparent overlay covers the bottom half of the image, containing white text.

“To understand
is to know
what to do.”

Ludwig Wittgenstein





vidanova
PENSION FUND

I. BOARD OF MANAGING DIRECTORS AND MANAGERMENTS' REPORT

Foreword

After a challenging year 2022, Vidanova Pension Fund ("the Fund"), experienced a relatively good year in 2023, whereby not only the investment returns were much better than 2022, but also the operations and services of the Fund continued on a very good level. Some of the highlights are:

- Passing the external ISO renewal audit without points of improvement
- Prioritizing of the enhancement of our communication with our participants:
 - the participant's portal was upgraded
 - presentations to participants were continued in a more intensive manner both in St. Maarten as well as in Curaçao
 - HR training programs were conducted to enhance the knowledge of the participants and professionals

We have seen that 2023 has been characterized by an increasingly active role of the Central Bank, requiring financial institutions to demonstrate compliance with several IT and business continuity guidelines. We continued to demonstrate that our organization is well on its way with its IT management.

On the local front it is worthwhile mentioning that we saw a record breaking performance of the Tourism industry in Curaçao. The Curaçao Tourism Board informed in its information bulletin that a "historic milestone in tourism" was achieved in the year 2023 for the island, marking the year as the best record-breaking year for stayover tourism arrivals. The economy in Sint Maarten has shown promising signs of recovery and growth for the year 2023. The continuous and gradual increase in visitor arrivals, particularly in stay-over tourism, contributed to the expansion of hotel occupancy, and consequently positive impacts on employment rates and government revenue.

On a fully consolidated basis, the Fund realized a return on its international portfolio of 6.04% (2022: -5.81%) and an investment return of 5.02% (2022: 4.65%) over its local investment portfolio resulting in an overall return on the total investment portfolio of 5.41% (2022: 0.12%). Despite the good performance of especially the international investment portfolio, the funding ratio of the Fund remained almost unchanged at 106.1% for the year 2023, (2022: 106.2%). The almost stable ratio is due to the fact that the dotation to the provisions of the Fund was almost equal to the growth of the Fund's assets. Furthermore, it is important to mention that in the year 2023, the Fund made an adjustment to its actuarial provision concerning partner pension liabilities.

Acknowledgements

The Board wishes to express its gratitude and appreciation to the management and staff of Vidanova Management and Administrative Services ("ViMAS"), being the servicing entity of the Fund, for their efforts and dedication during the year 2023. During this year also, the staff continued to demonstrate their full commitment to the Fund and the participants and sponsors, always to excel in their service. We thank them from the bottom of our hearts for their dedication.

We also would like to give a special word of thanks to our former President of the Board Mr. Humberto C. d'Abreu de Paulo MBA. After many years of service he stepped down per December 31, 2023 as President and Managing Board member. It has been a pleasure to have him on board and we wish to thank him from the bottom of our hearts for the dedication, encouragement and guidance of the Fund and team.

Undersigned, Mr. Karel van Haren has taken over the President of the Managing Board position and looks forward to work with the other members of the Managing Board, Management, the Supervisory Board, and the whole Vidanova Pension Fund team.

We also express our gratitude to the Board of Supervisory Directors (BSD) for their supervision and support during the year 2023. We hereby, also want to express our well deserved thanks and gratitude to the former Chairman of the Supervisory Board Mr. Anthony Haile. After many years he also stepped down per December 31, 2023. We wish him all the best and he can be sure we will continue to do our utmost to continue the great service level of the Fund.

We also would like to welcome Mr. John R.E. Soliano as the new Chairman of the Board of Supervisory Directors of the Fund. We look forward to a great working relationship in helping the Fund continue its growth.

Finally, we want to thank all our sponsors, our participants and our pensioners for trusting their financial future to us for 55 years.

Curaçao, May 31, 2024

ON BEHALF OF VIDANOVA PENSION FUND FOUNDATION

K. van Haren
President





Key figures for the year 2023

	2023	2022	2021	2020	2019
(Amounts in thousands Antillean guilders)					
Total assets	1,818,049	1,733,565	1,763,644	1,608,864	1,583,345
Total investments	1,576,361	1,490,970	1,410,646	1,358,256	1,306,328
Provision and reserves	1,176,272	1,126,371	1,160,520	1,101,410	1,046,221
Total premium income	45,588	43,767	36,051	34,931	98,651
Pension payments	44,403	40,608	40,710	37,004	34,197
Solvency	106%	106%	114%	111%	111%

Profile

Vidanova Pension Fund ("the Fund") is an open, multi-employer collective pension fund foundation that has been providing its services to all the islands of the former Netherlands Antilles for 55 years now. The Fund executes and administers the collective pension arrangements offered by its affiliated companies to their employees. The Fund is supervised by the Central bank of Curacao and St. Maarten.

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.

We are actively working on realizing our vision by:

- Further consolidating the Integrated Financial Service concept.
- Attracting more customers.
- Maintaining the quality of management, services and reputation at the highest level possible.
- Investing eagerly, but supported by well-balanced risk assessment in order to guarantee the nominal pensions and to be able to grant some indexation on the medium term and full indexation on the long term.
- Reduction of our costs through the growth of our subsidiary ViMAS.
- Implementing innovations, mainly in the IT but also other areas through our subsidiary ViMAS.

Vidanova group of company services

With respect to the Integrated Financial Services, we have strengthened the Vidanova group image with the roll out of a new Corporate Identity for the Vidanova group. Vidanova Group continued to be able to offer a range of financial products that can serve the Fund's participants through all phases of their lives. We celebrated the 5th anniversary of the launching of the Funds youngest subsidiary Vidanova Life. Management and the Managing Board, together with the management of the subsidiaries of the Fund being Vidanova Bank and Vidanova Life continued working towards realizing a good alignment as far as possible between the Fund and its subsidiaries.

Governance of the Fund

The Fund has a three tiers structure consisting of a Board of Supervisory Directors, a Board of Management Directors ("BMD") and Management. The composition of the Board of Supervisory Directors, the Board of Managing Directors, and Management as of December 31, 2023 is as follows.

Board of Supervisory Directors

As per December 31, 2023, the Board of Supervisors consists of the following persons:

	Name	Function	Representative of
1	Mr. A.C. Haile	Independent Chairman	Independent
2	Mr. S.A. Frankena	Secretary	Participants
3	Mr. I.G.R. Sosa	Member	Participants
4	Mrs. A.F. Martha-Weert	Member	Sponsor
5	Mrs. A.M. Daou	Member	Sponsor
6	Mr. N.C.A. Boekhoudt	Member	Participants
7	Mrs. H.X.A. Bernardus	Member	Participants
8	Mr. T.A. Washington	Member	Sponsor
9	Mr. R Sprecher	Member	Sponsor
10	Mr. G.S. Williams	Member	Participants
11	Mrs. H.T. Etnel-Hermelijn	Member	Sponsor
12	Mr. M.A. Gumbs	Member	Participants
13	Mrs. N. Pahlplatz	Member	Sponsor
14	Mrs. Y.J. Balentien-Nicastia	Member	Sponsor
15	Mr. M.D. Manuela	Member	Participants

As per January 1, 2024, Mr. Haile has been substituted by Mr. J.R.E. Soliano as independent Chairman.

Board of Managing Directors

	Name	Function
1	Mr. H.C. d'Abreu de Paulo	Independent President
2	Mr. R.F. Hato	Treasurer
3	Mr. A.G. Romero	Secretary

As per January 1, 2024, Mr. d'Abreu de Paulo was substituted by Mr. K.P. van Haren as independent President.

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 Management and Administrative Services B.V. ("ViMAS"), formerly Vidanova Pension Management Foundation, a full subsidiary of the Fund. ViMAS is led by its Management team consisting of Executive Director Mrs. C. Alberto and Finance Director Mr. U. Dalnoot.

Board meetings

During the year 2023, the Board of Supervisory Directors met four (4) times alone, and four (4) times with the Board of Managing Directors. The Board of Managing Directors met with the Management of ViMAS 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.

Promotion of knowledge and effective management

Vidanova ensures that the Board members and management are competent for their tasks. At the start of each membership, a prospective member undergoes a review based on a number of selection criteria like knowledge, profile, experience etc. The members must ensure that they continue to meet the requirements set forth at the time they became a member. Management did follow during the year a variety of courses and seminars. Furthermore, a number of Supervisory board members attended a Corporate Governance course during the second half of the year.

Quality assurance policy and compliance

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 fulfils 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. The Fund and ViMAS, also undergo on a yearly basis, a quality management system ISO 9001 audit performed by an external independent ISO auditor from Dekra Certification B.V. Every 3 years an extension audit is also conducted by Dekra. In 2023 the two entities underwent their yearly surveillance ISO audit. We are pleased to mention that again, both entities passed the test without any issues. Both entities hold the ISO 9001:2015 certificate.

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



“Understanding is deeper than knowledge. There are many people who know you, but very few who understand you.”

Nicolas Cage

Customer Satisfaction

For Vidanova, satisfaction of its several types of customers is very important. Therefore, on a yearly basis the Fund analyzes how its clients view the Fund in order to see where any improvements can be implemented if achievable. 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 been performed in 2023 with the following results. The affiliated companies have scored the services of the Fund with an 8.2 and the pensioners gave a score of 8.6. These scores show an improvement compared to last year, indicating that the efforts we have made to improve our services has paid off.

Furthermore, for the first time, we have also conducted a clients satisfaction survey with our active participants. They scored our services with a 7.9.

Besides the Fund, each year ViMAS conducts a client satisfaction survey. This has also been done in 2023. Our clients have scored the services of ViMAS with an 8.0. We are very satisfied with this score as we do not take our responsibility for good service towards our customers lightly. We will continue our efforts to maintain this good score and improve it where possible.

In all work meetings with the several departments, we reflect on e.g. our service towards our clients, our response time, the way we communicate and how we can improve on this in our day-to-day functioning. As was the case this year, we will continue our customer visits in 2024 and take the feedback of our clients into account so that we can better meet their expectations.

Financial development of the Fund during the year

Development in pension plans

The Fund continued its efforts to attract more clients. Therefore, in 2023 we saw an increase in the number of request for quotations received and eight (8) new contracts have been signed, while two (2) sponsors left due to one ceased operations and one that requested a transfer of rights. However, we see though that the number of new sponsors have a limited number of employees while the affiliated sponsors do not have many new hires. The above means that the number of active participants has not changed much. Consequently, the relationship between DB scheme and DC scheme did not show much change. The Fund will continue working on growth as this is essential for the Fund.

Development in Provision Pension Obligations DB-plan

The provision for pension obligations DB-plan (including the Provision for Adjustment to Recent Mortality Tables (VAS) amounted to ANG 842,407K as per December 31, 2023 (2022: ANG 823,697K). This is an increase of 2.3% compared to 2022.

As per December 31, 2023, the Fund continued using the mortality tables GBM-GBV 2014-2019. The actuarial rate remained unchanged at 3.75%. The provision pension obligations as per year-end is calculated based on these actuarial matrices.

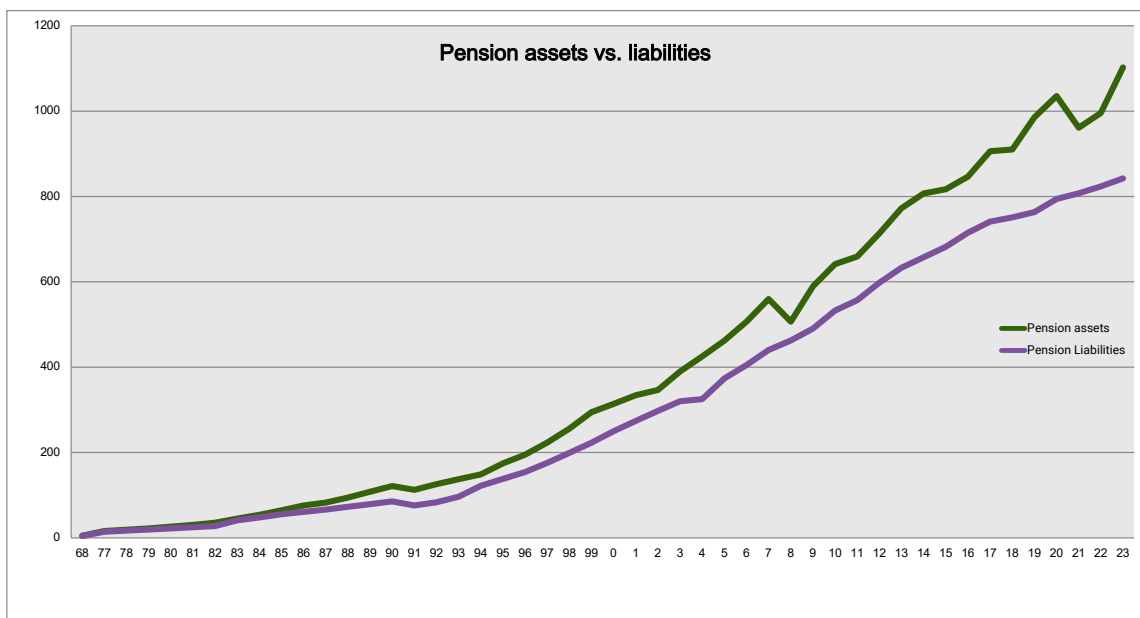


Coverage Ratio development

The coverage ratio of the Fund as per December 31, 2023 was 106.1% compared to 106.2% for 2022. Despite the fact that the investment performance of the Fund was much better than last year the funding ratio remained almost stable. This development is due to the fact that the dotation to the provisions of the Fund was almost equal to the growth of the Fund's assets. Furthermore, it is important to mention that in the year 2023, the Fund made an adjustment to its actuarial provision concerning partner pension liabilities which led to an additional dotation to the provision pension obligations.

For the year 2023, the Fund managed to remain with a funding ration that still complies with the minimum as prescribed by the CBCS (100%) and the minimum required by the Fund itself (105%).

Please see below a chart, that gives a graphic overview of the development of the pension assets versus the pension liabilities since inception. The graph shows that the Fund has never been in a situation of underfunding, even in the extreme worldwide negative years for international investment markets.



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%. The policy coverage ratio is calculated as follows:

$$\frac{\text{Total capital} - / - (105\% * \text{Savings capital DC})}{\text{The provision for pension obligation DB} + \text{provision for adjustment to recent mortality tables}}$$

The provision for pension obligation DB + provision for adjustment to recent mortality tables

As per December 31, 2023, the policy coverage ratio equals 106,4%.

Taking into consideration that the policy coverage ratio is below the minimum of 115%, the Board of Supervisory Directors have taken the decision, in accordance with the indexation policy, not to grant an indexation as per January 1, 2024.



Asset Management

Introduction

The Board of Managing Directors is charged with the responsibility for the management of the assets and liabilities of the Fund. It discharges its duties with the care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent man, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims will do, all in accordance with the articles of incorporation of the Fund as well as established policies.

In order to invest the Fund's assets as prudent and diversified as possible, the Fund invests 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, LCG Associates, has been engaged to oversee and control these international managers. The independent investment advisor reports formally at least each quarter to the Fund and has frequent contact with Management on the international investments. Furthermore, on an annual basis, the Fund has a team that meet with the several investment managers on an individual basis in an investment managers meeting together with our independent investment advisor. By means of this structure, we do our utmost to monitor our international investments as good as possible. The local (Dutch Caribbean) investment portfolio is managed by the Fund itself.

The investments of the Fund are guided by its investment policy statement (IPS) which aims is to outline the overall investment philosophy of the Fund. One very important aspect of the overall investment philosophy, besides downside protection, is to identify and limit concentration risk. In its IPS and its detailed procedures, the Fund has set certain thresholds for various

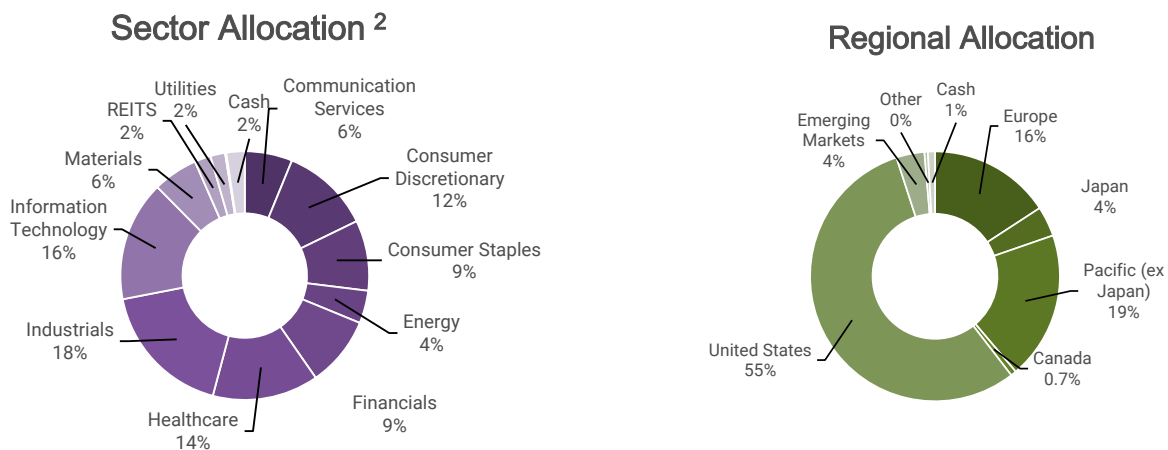
types of exposures in order to limit concentration to a certain borrower (group) and/or sector.

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 increase in liabilities, cover part of 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 1

The distribution of the Fund's international investment portfolio as per December 31, 2023, is as follows.

Sector and Regional Allocations - International Portfolio as of December 31, 2023^{1,3}



¹Includes only the managers which we can analyze sector and regional data. These include U.S., Non-U.S., and Hedged Equity and Fixed Income managers

²Cash % is higher in the Sector Allocation Graph due to the fact that Sector Allocation cannot be accurately illustrated for Hedged Equity managers

³Allocations do not reflect cash held at BNY Money Market or Bonaire Banks

Note: The Graphics of allocations are based on Independent Investment Advisor's information.

Global equity and fixed income markets sharply reversed course from the steep downturn in 2022 and drove strongly forward during 2023. As Central banks continued their rate hiking cycles and began to get inflation under control, investors began to anticipate a future recession and potential future rate cuts, propelling equity valuations higher. Equity markets were driven by growth-oriented stocks, particularly a small cadre of mega-cap tech stocks. Markets experienced some turbulence midway through the year as investors re-assessed the likelihood of rates remaining elevated, but rallied to finish out the year.

U.S. Equities as measured by the S&P 500 gained 26.3%. Large cap stocks led the rally and meaningfully outpaced small cap stocks, while growth-oriented stocks significantly outpaced value-oriented stocks. Large Cap Growth stocks gained 42.7% for the year, compared to an 11.7% gain for their Large Cap Value peers. Growth stocks outperformed value largely due investors' anticipated discount rate declines, with a handful of stocks accounting for an outsized proportion of the return.

Non-U.S. stocks gained 15.6% while Emerging Market Equities only gained 9.8%. The biggest story with regards to non-U.S. investing was the massive fluctuations in the U.S. Dollar. Though non-U.S. stocks underperformed, the U.S. Dollar was a modest tailwind to those stocks after a long period of Dollar strengthening. Emerging markets lagged developed markets as investors began to anticipate a rate cutting cycle.

Traditional Fixed Income had a good year despite ongoing rate increases, as the Bloomberg Aggregate Bond Index gained 5.5% and the Bloomberg Global Aggregate Bond Index gained 5.7%. Credit performed well during the year amid robust economic performance.

For the full year, the Fund's own investment portfolio returned 7.4%, reflecting the strong investment environment for both equities and fixed income. Notably, the portfolio more than recouped the -6.96% loss during 2022, an unusually negative year for nearly all asset classes. This shows the importance of the downside protection embedded in the portfolio.

As we go into 2024, we again face risks and uncertainty, including the upcoming U.S. election and emerging geopolitical tensions, which continue to dictate a conservative position. However, changing market conditions—namely, the normalization of the yield curve—also present an opportunity to reallocate the portfolio to improve both the risk and return profile and the liquidity of the portfolio. We remain positive about the portfolio's positioning relative to the markets.

Local investment portfolio

Major local macro-economic developments

In its economic bulletin of December 2023, the President of the Central Bank of Curacao and St. Maarten ("CBCS") reported that the external environment remained a challenge for the islands in the monetary union amongst which the war in Ukraine, heightened geopolitical tensions etc. He further stated: "Notwithstanding these global headwinds, the monetary union continued its path of economic recovery in 2023, although the pace of expansion was less pronounced than in 2022."

According to the latest estimates, real GDP growth in Curaçao fell from 7.9% in 2022 to 4.1% in 2023. For Sint Maarten, the growth slowdown was more significant; from 9.8% in 2022 to 3.8% in 2023". Meanwhile, inflation is estimated to have reached 2.1% in 2023. According to the CBCS estimates, the unemployment rate in Sint Maarten dropped from 8.6% in 2022 to 7.2% in 2023, consistent with the increase in economic activity.

During the year 2023 we saw a great performance of the Tourism industry in Curacao which is worthwhile mentioning. The year 2023 can be typified as a historic year with respect to tourism for the Island of Curacao. The Curacao Tourism Board ("CTB") informed in its information bulletin that a "historic milestone in tourism" was achieved in the year 2023 for the island, marking the year as the best record-breaking year for stayover tourism arrivals. The CTB informed that Curaçao welcomed 582,409 stayover visitor arrivals in 2023. This marks a 19% growth compared to the year 2022. The CTB also mentions that the month December 2023 was the most exceptional month in terms of visitation, with a amazing stream in arrivals, reaching an all-time high in one single month. CTB registered a total of 63,390 stayover arrivals in December, which is a 41% growth compared to the same period last year.

Development of local investment portfolio

In the Curaçao market, we saw many requests for financing especially in the hospitality sector. However, the Fund did, and will continue to evaluate only those that fit within the risk profile of the Fund, taking also into consideration concentration risk in sectors and maximum exposures to borrowers. Furthermore, the Fund continued its focus on its own projects.

- The Hofi Vidanova project is making steady progress. In particular, the sale of individual plots is progressing satisfactorily. The expectation is that once the houses are completed, sales hereof will also pick up. But interest in the project is certainly there.
- The Court Yard by Marriott project has experienced delays in the finalization and opening. But the hotel is expected to open in the second quarter of 2024.
- The construction of third and final tower of the Cape St. Marie Apartments B.V. ("CSMA") started on October 1st, 2023. This tower consists of a total 11 apartments. The total construction period is estimated to last 21 months and the apartments should be delivered by 2025.
- The Fund realized the purchase and transfer of ownership of the East Point site during the year 2023. During the year 2024 the planning and masterplan for the project will be worked on.
- On St. Maarten, the Fund has signed an MoU with an affiliated sponsor to work on jointly realizing a housing project on the island.

Management and the Managing Board will continue monitoring the performance of the Fund's investment portfolio carefully. We will continue analyzing carefully new financial requests with the necessary caution and prudence, looking not only at the merits of the project itself but also the economic situation of the island and its consequences as can be seen from the market.



“The most basic of all human needs is the need to understand and be understood.”

Ralph Nichols

Fund Return

During 2023, the Fund (without line by line consolidation of Vidanova bank N.V. and Vidanova Life Insurance N.V.) realized a return on its international portfolio of 7.01% (2022: -6.96%) and investment return of 3.97% (2022: 4.90%) over its local investment portfolio, resulting in an overall return on the total investment portfolio of 5.57% (2022: -2.07%).

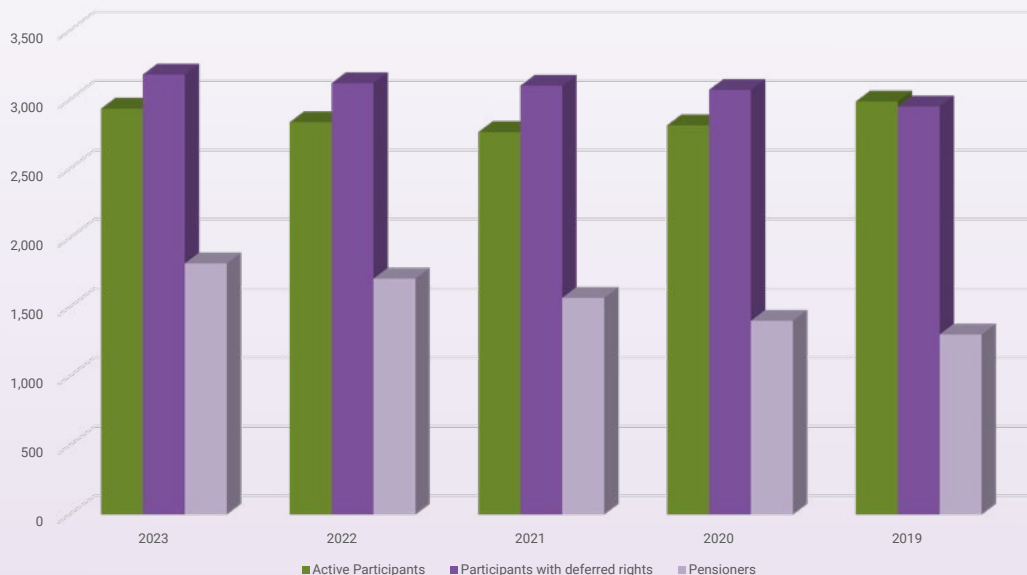
Pension Management

Development in participants

The year 2023 showed a 3.5% increase in the number of active participants. The number of participants with deferred rights increased slightly by 2% while the number of pensioners grew a little bit less than last year with a growth of 6.4%.

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

Participants Chart



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 DC plans and DB plans. The 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.

Development with respect to our sponsors

The number of sponsors affiliated to the Fund increased to 95 compared to 89 last year. The pension plan of the personnel of the Fund is carried out by the Fund itself. Besides this arrangement, the following active companies are affiliated to the Fund as per December 31, 2023.

ADMINPERFECT, CURACAO	FA Advisory & Tax
ALLYANT GROUP B.V., CURACAO	FIRST INDEPENDENT TRUST (CURACAO)
AMERICAN CONSULATE, CURACAO	FLAMINGO TELEVISION BONAIRE
ATLANTIS ADVENTURES	FLORIS SUITE HOTEL, CURACAO
AQUALECTRA, CURACAO	FUNDASHON CAS BONAIRIANO, BONAIRE
AQUALECTRA HOLDING, CURACAO	FUNDASHON NOS TEI PA OTRO, CURACAO
AQUALECTRA MULTI UTILITY, CURACAO	FUNDASHON PA MANEHO DI ADIKSHON, CURACAO
AVENTA/PHARMACEUTICAL WAREHOUSING N.V., CURACAO	FERETERIA SKERPENE
AUDIT ST.MAARTEN	FBTT TRAVEL
BES OPENBAAR LICHAAM	GI-RO SETTLEMENT HOLDING
BETONWARENFABRIEK BRIEVENGAT, CURACAO	HEART & LUNG, CURACAO
BDO B.V., CURACAO	HEREN2, CURACAO
BDO BON B.V., BONAIRE	MIJNMAATSCHAPPIJ, CURACAO
BDO SXM B.V., SINT MAARTEN	N.V. AUTOBUSBEDRIJF, CURACAO
BLUE BANK INTERNATIONAL N.V., CURACAO	N.V. GEBE, SINT MAARTEN
BONAIRE HOLDING MAATSCHAPPIJ N.V., BONAIRE	NAGELMAKERS ADVOCATEN, CURACAO
BOTIKA SORSAKA	NC Audit & Advisory
CARIBBEAN MEDIC HEALTH CARE SYSTEMS, CURACAO	ORIGIN IT SOLUTION
CARIBBEAN NAUTICAL	PBC OPERATING N.V. (HOTEL), CURACAO
CCR CASINO MANAGEMENT N.V., CURACAO	PRINCESS BEACH CASINO, CURACAO
CCR HOTEL MANAGEMENT N.V., CURACAO	PRODUCTIVE BUSINESS SOLUTIONS (CURACAO) B.V.
CITIZENS INSURANCE, CURACAO	REFINERIA DI KORSOU N.V., CURACAO
CMC OPERATIONS N.V., CURACAO	SABA ELECTRIC COMPANY N.V., SABA
COLOMBUS COMMUNICATIONS CURACAO N.V., CURACAO	SATEL, SABA
CONSTRUCTION AND SUPPLY DELF N.V., CURACAO	STICHTING SONA, CURACAO
CONTOURGLOBAL BONAIRE	ST. EUSTATIUS SPORTS FACILITIES FOUNDATION, SINT EUSTATIUS
CURACAO BEVERAGE BOTTLING COMPANY, CURACAO	ST. KORPORASHON PA DESAROYO DI KORSOU, CURACAO
CURACAO DOLPHIN ACADEMY, CURACAO	ST. ZORGVERLENING HET WIT GELE KRUIS, SINT MAARTEN
CURACAO DOLPHIN THERAPY & RESEARCH CENTER	STATIA HOUSING FOUNDATION, SINT EUSTATIUS
CURACAO INDUSTRIAL SERVICES N.V., CURACAO	STATIA UTILITY COMPANY N.V., SINT EUSTATIUS
CURACAO INVESTMENT & EXPORT (CINEX), CURACAO	STICHTING ANIMO, CURACAO
CURACAO PUBLIC AQUARIUM, CURACAO	STICHTING CORDELCO, CURACAO
CURACAPOSE WEGENBOUW MAATCHAPPIJ, CURACAO	STICHTING NAAM, CURACAO
CURGAS, CURACAO	STICHTING OPVANGTEHUIS BRASAMI, CURACAO
CUROIL (BONAIRE), BONAIRE	STICHTING S.A.L. (MONGUI) MADURO, CURACAO
CUROIL CURACAO N.V.	SUB STATION CURACAO
CUROIL GASSTATION, CURACAO	TELBO N.V., BONAIRE
DATAPLANET, CURACAO	TELEM, SINT MAARTEN
DE MEANDERSCHOOL, CURACAO	THE GALAN GROUP, CURACAO
DOLPHIN HOTEL, CURACAO	TOUCAN BEACH RESORT N.V., CURACAO
DRIVE YOURSELF, CURACAO	TOURISM CORPORATION BONAIRE, BONAIRE
DUTCH CARIBBEAN SECURITIES EXCHANGE, CURACAO	TRUSTMOORE (CURACAO) N.V., CURACAO
DUTCH CARIBBEAN TRUST, CURACAO	UTILITY CREDIT UNION, CURACAO
DYNAF CURACAO	UTS, CURACAO
EJL SERVICE B.V.,	VIDANOVA BANK N.V., CURACAO
EUTEL N.V., SINT EUSTATIUS	VR SHIPPING N.V., CURACAO
EXTRA PRODUCTIONS, CURACAO	WEB N.V., BONAIRE
EZORG	

Risk Management

One of the key activities that the Board of Managing Directors and Management do on a regular basis, is reviewing and approving 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.

In connection with its ALM study, 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 have 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 to better be prepared than sorry. Therefore, the policies have already been 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 should be exercised. By having the policy in place in advance, the policy can be applied with a better focus. During 2023, the Fund continued its risk analysis and risk monitoring process.

One of the main risk areas that deserves immense attention now a days is the IT risk. Considering the risks involved, the Fund implemented an even higher-level of network security in accordance with the latest "best practices". Furthermore, the staff is periodically updated on security aspects by means of so-called awareness trainings.

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, we will continue to do our utmost to achieve the right balance between achieving of objectives and adequate control of risks.

Goals for 2024

Our main goal is to safeguard continuity, meaning guaranteeing the nominal pensions, with the lowest possible probability of curtailment, and with the greatest possible probability of indexation. The expected return and the expected development in the provision pension obligations should lead to a coverage ratio above the minimum of 105% stipulated by the Fund and in the future meet at least the threshold of 115% whereby the Fund can start applying indexation. The Fund will be conducting an ALM and risk budget study during the year 2024 to re-assess the established parameters.

In 2024 we will review our long-term strategy for both the Fund and its subsidiaries within the group to determine the way forward. Furthermore, through our executive bureau ViMAS, we will keep doing our utmost to live up to the expectation of our clients during 2024.

Management of the Fund has identified that there is a knowledge gap amongst participants, employers, and HR professionals regarding their pension regulations and pensions in general. Considering that it is important to help all these parties to gain a better understanding of their plans and pensions in general, the Fund will implement targeted and strategic initiatives to bridge the knowledge gap.

Therefore, in 2024 we will work on amongst others on the development and upgrading of the employers' portal, refinement of the participants' portal. Furthermore, we will work closely with HR teams to provide additional clarity on several important policy principles and keep improving our direct engagement with participants via their employers.

On behalf of Vidanova Pension Fund Foundation

Management:

Charlene C. Alberto
Executive Director

Ulrich E. Dalnoot
Finance Director

Board of Managing Directors

K. van Haren
President

A. Romero
Secretary

R. Hato
reasurer

II. CONSOLIDATED BALANCE SHEET AS PER DECEMBER 31, 2023

(After profit appropriation)

	2023	2022
(figures in thousands Antillean guilders) All risks are for the fund		
Assets		
Non current assets:		
Investments:		
Bonds and Foreign Fixed Income Instruments	224,724	219,891
Equity instruments	142,070	272,515
Loans & advances	756,359	699,718
Time Deposits	185,064	155,949
	1,308,217	1,348,073
Investment property	161,717	53,444
Intangible fixed assets	13,805	15,375
Tangible fixed assets	25,021	21,999
Current assets:		
Loans & advances	106,427	89,453
Receivables	39,054	32,066
Liquid assets	31,114	33,120
Due from Banks	132,694	140,035
Total Fund Assets	1,818,049	1,733,565
Pension Capital and Liabilities		
Technical and other designated reserves	63,668	61,788
Minority interest third parties	4,774	4,284
Provision and savings capital	1,112,604	1,064,583
Non-current Liabilities:	118,736	115,924
Current Liabilities:	518,267	486,986
Total Pension Capital and Liabilities	1,818,049	1,733,565

III. CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
(figures in thousands Antillean guilders)		
Income		
Total premium income	45,588	43,767
Investment income	57,170	(29,973)
Bank operating income	32,024	30,311
Other income	12,665	7,070
Total income	147,447	51,175
Expenses		
Pension payments	44,403	40,608
Organizational expenses	35,147	33,846
Re- insurance (DC coverage)	5,280	3,890
Amortization intangible assets and addition bad debts	3,340	1,419
Total Expenses	88,170	79,763
Minority interest	(478)	(93)
Net operational income before additions to provision and saving capital	58,799	(28,681)
Total additions to provision and saving capital	(56,042)	(42,602)
Net income (loss) after additions to provision and saving capital	2,757	(71,283)
Income Tax	(111)	63
Net income (loss) after additions to provision, savings capital and tax	2,646	(71,220)

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2023

General

Vidanova Pension Fund ("the Fund") is a Curacao based, open, multi-company pension fund, with the aim to grant or facilitate the extension of pensions and other benefits to participants or former participants, and their eligible relatives. The Fund functions in accordance with its articles of incorporation, the existing policies and other relevant laws and regulations amongst others set forth by the Central Bank of Curacao and St. Maarten ("CBCS") being the regulator.

Changes in accounting policies

There were no changes in accounting policies for the year. The accounting policies applied are consistent with those applied for the previous year.

Comparative figures

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 assess 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 converted in Antillean guilders using the exchange rate applicable per year-end. Profit and loss statement transactions are being recorded based on the exchange rate applicable at the moment of the transaction.

Consolidation & Participation

In the consolidated financial statements of the Fund, the assets and liabilities of Vidanova Management and Administrative Services B.V. ("ViMAS"), Vidanova Beheer B.V., Kaya Flamboyen Real Estate 1 C.V. ("KFR"), In the Blue 2 C.V., Vidanova Real Estate Development N.V., Vidanova Eastpoint Properties B.V., Vidanova Life N.V. ("V-Life") and Vidanova Bank N.V. ("the Bank") 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 a considerable stake (but no control) in the share capital of CMC Real Estate N.V. ("CRE") and a 50% stake in a joint venture Cape St. Marie Apartments B.V. ("Cape St. Marie"), with no control. Both companies have their statutory seat in Willemstad, Curaçao. Therefore, except for CRE and Cape St. Marie, it has consolidated the figures of all these entities fully in its own financial figures on a line by line basis, 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".

Accounting policies

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands, among which the 'Richtlijn voor 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. Two items to be mentioned specifically in this regard are: the liabilities and some investments are not valued at fair value. Furthermore, the applicable rules and regulations of the CBCS have been observed. The accounting policies have been consistently applied to all the years presented.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the Netherlands requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

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 loans. Changes in such judgments and analyses may lead to changes in the provisions for loan losses over time.

Provision Pensions Obligations

The Fund's Provision for Pension Obligations is determined on the basis of the so-called 'accrued entitlements' method based on the entitlements acquired in respect of past years of membership. The provision for pension liabilities is, in fact, the amount (the present value) which is necessary on the balance-sheet date to provide cover for the pension rights acquired by the insured.

Provision Insurance Obligations

The Provision is calculated based on a fixed discount rate per policy. Taking into consideration the net premium.

V. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The related parties of the Fund are the consolidated entities, and its sponsors. All transactions between the Fund and its consolidated entities (except for Vidanova Bank and Vidanova Life) have been fully eliminated in the consolidation.

VI. 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.





Management report

General

Vidanova Life has steadily worked on expanding its market penetration and further increase of its brand awareness. The positive trend we saw in 2022, where we started to attract larger clients, has also continued in 2023. Another encouraging development during the year is the fact that Vidanova Life is attracting both individual and collective/business clients. Furthermore, we are also receiving more requests for quotes from St. Maarten. We are still flexible and able to adapt our products where necessary and possible in order to offer appropriate insurance solutions and strengthen our competitive edge while staying prudent.

The economic situation of the islands

The Central Bank of Curacao and St. Maarten ("CBCS") reported that the external environment remained a challenge for the islands in the monetary union amongst which the war in Ukraine, heightened geopolitical tensions etc. The bank further stated: "Notwithstanding these global headwinds, the monetary union continued its path of economic recovery in 2023, although the pace of expansion was less pronounced than in 2022." Also, that "according to the latest estimates of the CBCS, real GDP fell from 7.9% in 2022 to 4.1% in 2023. For Sint Maarten, the growth slowdown was more significant; from 9.8% in 2022 to 3.8% in 2023".

Major developments within Vidanova Life

During 2023, the following aspects of the operations received special attention:

- Work continued on the implementation of a full fledge insurance policy administration system.
- We have developed a funeral insurance.
- For our pension product, we have made sure that all pension clients have the corresponding pension-letter (which describes the applicable pension plan).
- The development of a collective pension plan has started and will be completed in the coming year.
- We have reviewed the cooperation with our medical advisers and made further agreements where necessary.
- Reviewing our conditions and continuously testing our products against the market to see where we can improve in order to achieve a better competitive position without losing sight of the fact that we must always remain prudent.
- The terms and conditions for insured parties and beneficiaries have been revised.
- We have intensified our marketing campaign and strengthened our marketing with a dedicated marketing specialist within the group.

Vidanova Life's performance – financial highlights

During 2023 a net profit before Corporate taxes of ANG 195K (2022: ANG 1,425K) was recorded.

As of December 31, 2023, the total assets equaled ANG 84,393K (2022: ANG 79,701K) including amongst others ANG 18,475K (2022: ANG 18,533K) in Current Assets and ANG 45,400K (2022: ANG 45,400K) in Deposits with Financial Institutions. The total liabilities equaled ANG 78,368K (2022: ANG 73,842K) and the total capital was ANG 6,025K (2022: ANG 5,859K).

Our commitment to you

Vidanova Life is committed to help its policyholders achieve financial well-being during all phases of their life, or thereafter.

When people retire they want to enjoy a quieter and financial comfortable lifestyle. Unfortunately, due to lacking regulation for mandatory pension schemes for employees and entrepreneurs, many in Curacao and Sint Maarten do or will not have sufficient financial funds to enjoy their pension or to maintain their current lifestyle. At Vidanova Life we believe that life even after ceasing to work should be comfortable and good for everyone: "Bida ta bon! Sigur'é!"

The Board wishes to express its gratitude and appreciation to the management and staff of Vidanova Management and Administrative Services ("ViMAS") for their efforts and dedication during the year 2023. We also express our gratitude to the Board of Supervisory Directors for their supervision and support during the year 2023. Finally, we want to thank all our clients for choosing Vidanova Life as their Insurer.

A special word of thanks goes to our Chairman that has departed, Mr. Humberto C. d'Abreu de Paulo. He was one of the driving forces that lead to the incorporation of Vidanova Life and has been a great support for the Insurer during its 5 years of existence. We sincerely express our great appreciation for the work and guidance during the existence of the Insurer and wishes Mr. d'Abreu de Paulo all the best in his further endeavor.

Curaçao, June 26, 2024

The Board of Managing Directors:

Charlene Alberto
Managing Director

Elma Velgersdijk
Managing Director

Balance Sheet as per December 31, 2023

ASSETS	December 31, 2023	December 31, 2022
Non-Admissable Assets	267	2,316
Investments		
Bonds and Other Fixed Income Securities	7,188	-
Other Loans	13,063	13,452
Deposits with Financial Institutions	45,400	45,400
Current Assets	18,475	18,533
TOTAL	84,393	79,701

EQUITY, PROVISIONS AND LIABILITIES	December 31, 2023	December 31, 2022
Capital and Surplus		
Capital	1,020	1,020
Surplus	5,005	4,839
Provision for insurance obligations		
Net Technical Provision for Life Insurances	65,689	61,694
Current liabilities	4,829	5,045
Other Liabilities	7,850	7,103
TOTAL	84,393	79,701

Profit and Loss Statement for the year ended December 31, 2023

Income	2023	2022
Premium and Other Policy Considerations	9,209	9,131
Net Investment Income and Realized Capital Gains and Losses	3,218	2,696
Net Other Operational Income	8,660	2,803
Total income	21,087	14,630
Net Benefits Incurred	(5,651)	(4,011)
Change in Provisions for Insurance Obligations	(3,995)	(5,140)
Net Operational Expenditures Incurred	(1,411)	(1,223)
Net Other Operational Expenditures Incurred	(1,067)	-
Other Changes Affecting Net Results	(8,768)	(2,831)
	(20,892)	(13,205)
Net Operational Results Before Corporate Taxes and Net Results From Separate Accounts	195	1,425
Corporate taxed Incurred	(29)	(313)
Net Operational Results After Corporate Taxes and Before Net results From Separate Accounts	166	1,112

Analysis of unassigned earnings

	2023	2022
Unassigned Earnings (Beginning of Year)	4,517	3,362
Net Profit or Loss	166	1,112
Other changes in Unassigned Earnings	54	43
Unassigned Earnings (End of Year)	4,737	4,517

NOTES TO THE FINANCIAL HIGHLIGHTS 2023

General

The Company has been incorporated in Curacao on May 12, 2017. The company was however dormant and started operations as of June 1, 2018. The Company is a 100% subsidiary of the Vidanova Pension Fund Foundation.

Basis of preparation

The financial highlights of Vidanova Life Insurance N.V. have been derived off the Life Annual Statements. The Life Annual Statements have been prepared in accordance with accounting policies defined in the Life Insurance Annual Statement Composition and Valuation Guidelines (2015). Items included in the financial highlights of the Company are stated in Antillean Guilders (ANG), which is the Company's functional and presentation currency.

Basis of estimates

The preparation of the financial highlights requires the Company to make estimates and assumptions that affect items reported in the balance sheets and profit and loss statements. Actual results ultimately may differ possibly significantly, from those estimates.

Investments

- Bonds and Other Fixed Income Securities are recognized at amortized cost;
- Other loans and Deposits with Financial Institutions 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.

Actuarial principles and assumptions

The Provision Insurance Obligations is determined on the basis of the so-called "lasten minus baten" method based on obligations from the policies in the future minus the incoming premiums from the policies in the future. The calculation is performed taking into account the discount rate between 3% and 3.25% (depending on the tariff of the policy) and making use of the mortality tables for man and woman being the GBM/V 2012. The reinsured part is disclosed separately. All re-insurance finance expenses are fully recognized in the profit & Loss.

Capital and or Surplus Commitments

The Company has no outstanding commitment or contingencies as per year end 2023.

Contingent liabilities

There are no contingent liabilities applicable as per year end 2023.

Subsequent events

No subsequent events have been identified in the year 2024 before the publication of these Financial Highlights.



Management report

General

Curaçao, has been on a path of recovery, after facing significant shocks like the closing of the refinery in 2019, and the Covid pandemic in 2020/2021. Over the past two years, Curacao experienced robust growth primarily driven by a strong resurgence in tourism and the construction sector. Tourist arrivals rebounded swiftly, positioning Curaçao among the fastest-recovering destinations in the Caribbean. The current outcomes even surpass pre-pandemic levels.

Economic Environment

In 2023 the Curaçao economy experienced another year of growth, albeit at a more moderate pace. The CBCS estimates that after 7.9% real GDP growth in 2022 the economy grew with 4.4% in 2023.

Inflation, at 7.4%, posed a challenge for Curaçao in 2022, affecting vulnerable segments of the population. In 2023 the inflation figure decreased to a much more moderate 3.5%.

Despite an elevated external current account deficit the monetary union of Curaçao and Sint Maarten maintains comfortable international reserves. According to the latest estimates, the deficit on the current account of the balance of payments decreased from ANG 1.6 billion in 2022 to ANG 1.3 billion in 2023.

Over 2022 Curacao had a positive budget balance of ANG 142 million (2.6% of GDP) after several years of negative budget balances. Over 2023 the budget balance is estimated at ANG 92 million (1.5% of GDP).

At the same time the public debt, as a percentage of GDP decreased from 78% in 2022 to 69% in 2023 as a consequence of the growth of the economy.

Since the last quarter of 2021 and over 2022 and 2023 we saw a rising demand for hotels, luxury real estate (especially apartment buildings) and residential projects on Curaçao, Aruba and Bonaire. These projects range from public housing projects to middle class to super deluxe water/beach-front apartments. Internationally interest rates remain high while the local rates have only moved upward slowly. Notwithstanding these developments demand from the Dutch market remains high while other markets also continue to show interest.

Consolidated Balance Sheet

During 2023, Vidanova Bank realized a satisfactory increase in its net loans and advances from ANG 498 million to ANG 521 million, an increase in all other assets from ANG 29 million to ANG 31 million, and the due from banks & cash also increased substantially from ANG 179 million to ANG 200 million.

On the liability side of the statement of financial position, the net increase in assets was accompanied by an increase in other liabilities of ANG 1 million. Funds entrusted increased from ANG 606 million to ANG 645 million. Shareholders' equity increased to ANG 97 million.

Consolidated Income Statement

Interest income increased with ANG 2.6 million and interest expenses increased with ANG 1.9 million. This resulted in an increase in interest margin from ANG 21.9 million to ANG 22.5 million.

Net fee and commission income increased by ANG 0.4 million.. Total operating income increased from ANG 27 million to ANG 28.3 million.

Personnel expenses increased from ANG 11.8 million to ANG 12.1 million as we needed to increase staff to handle the increased business. The addition to the expected credit loss provision amounted to ANG 0.4 million, compared to a release of ANG 0.1 million in 2022.

The cumulative effect of these developments resulted in an increase in operating expenses from ANG 22.5 million to ANG 24.3 million.

The resulting operating profit is ANG 3.9 million (2022: ANG 4.6 million) and the net profit decreased from ANG 4.6 million to ANG 3.8 million.

Outlook

There is reason to be optimistic about the Curaçao economy over the coming years. The large number of sizeable construction projects that are either already underway or in a very advanced stage (hotels, apartment buildings, housing projects) generate a large number of jobs in the construction sector and will continue to generate more going forward. After completion many of these projects will require a large number of hospitality workers in order to operate the facilities. After a very respectable 4.4% GDP growth in 2023, output growth is anticipated to increase slightly to 4.8% in 2024. Expectations with respect to other economic indicators such as inflation, employment, budget balance and balance of payment trend in the right direction. The outlook with respect to a restart of the refinery remains very uncertain, however the restart of an asphalt plant on the premises in 2024 seems likely.

Due to the very substantial increase in international interest rates we are experiencing a tightening of liquidity in the local market which is leading to higher deposit rates while lending rates have not increased much.

We continue to see opportunities for growth based on the booming real estate market on Curaçao as well as further expansion on Aruba, Bonaire and Sint Maarten. We believe firmly that our commitment to providing high quality service and personal attention in commercial banking, mortgages, international transactions and loan agency will enable Vidanova Bank N.V. to continue to prosper.

Building and maintaining a correspondent relationship with US banks remains a challenge. Although we are seeing some smaller banks in the US are more willing to open USD bank accounts for the banks in the Caribbean region, the onboarding process is still very lengthy and expensive.

An extended effort is taking place to make Vidanova Bank N.V. a better, improved and more efficient business with our focus on further developing our core businesses. Digital technologies, including the implementation of AI, will continue to be one of our focal points going forward.

Vidanova Bank has started to diminish our environmental footprint over 10 years ago installing solar panels, inverter air conditioning and led lighting, and we have taken the next step by greatly improving the capacity of our solar panels and purchasing our first electric vehicle. In 2024 we are starting with low interest financing for mortgage loans for houses in the eco-friendly Hofi Vidanova. We are also continuing to support good causes in healthcare, sports, culture and other areas, as we have for over 40 years.

We once more want to thank our clients, staff and shareholder for making it possible to continue to be more than just a bank.

Curaçao, April 23, 2024

Managing Board of Directors of Vidanova Bank N.V.

L. Rigaud

A. Hammoud

Consolidated Balance sheet as of December 31, 2023

All amounts in ANG x 1,000	December 31, 2023	December 31, 2022
ASSETS		
Cash and due from banks	199,827	179,020
Due from Other financial institutions		
Loans and advances to customers	521,021	498,212
Bank premises and equipment	9,832	7,366
Goodwill and other intangible assets	12,251	13,125
Deferred tax assets	801	782
Other assets	4,354	4,640
TOTAL ASSETS	751,593	706,652
LIABILITIES		
Customer deposits	645,227	605,557
Due to other banks	160	128
Deferred tax liabilities	1,980	1,850
Other liabilities	7,007	5,735
	645,374	613,270
STOCKHOLDER'S EQUITY		
Issued capital	5,000	5,000
Share premium	19,935	19,935
Other reserves	15,725	14,981
Retained earnings	56,559	53,466
	97,219	93,382
Total liabilities and stockholder's equity	751,593	706,652

Consolidated Income statement for the year ended December 31, 2023

(All amounts in ANG x 1,000)	2023	2022
Interest income	30,020	27,451
Interest expenses	7,526	5,537
Net income	22,494	21,914
Fee and commission income	3,351	3,351
Fee and commission expenses	(1,774)	(2,188)
Total net fee and commission income	1,577	1,163
Other operating income	4,247	3,966
Total operating income	28,318	27,043
Salaries and other employee expenses	12,085	11,780
Occupancy expenses	4,124	3,763
Net impairment losses on loans and advances	398	(135)
Other operating expenses	7,763	7,118
Total operating expenses	24,370	22,526
Net result from operations	3,948	4,517
Profit tax (expense)/income	(111)	63
Result of the year	3,837	4,580

Explanatory notes to the Consolidated Financial Highlights for the year ended December 31, 2023

A. Accounting policies

General

The principal accounting policies adopted in the preparation of the consolidated financial highlights of Vidanova Bank N.V. (‘the Bank’) are set out below. These explanatory notes are an extract of the detailed notes included in the consolidated financial statements and are consistent in all material respects with those from which they have been derived.

Basis of preparation

The Consolidated Financial Highlights have been prepared in accordance with the “Provisions for the Disclosures of Consolidated Financial Highlights of Domestic Banking Institutions” as issued by the Central Bank of Curaçao & Sint Maarten (CBCS). Our consolidated financial statements, from which these Consolidated Financial Highlights have been derived, are prepared in accordance with International Financial Reporting Standards (“IFRS”) and book 2 of the Curacao Civil Code and are available at the Bank. The accounting policies have been applied consistently during the year. The consolidated financial statements are presented in thousands of Netherlands Antillean Guilders (ANG) and all values are rounded to the nearest ANG thousands, except when otherwise indicated.

The statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for good and services.

Basis of consolidation

Subsidiaries are those institutions in which the Bank, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from its activities. Vidanova Asset Holding B.V. was founded in 2017 and is a wholly-owned subsidiary of the Bank. Vidanova Asset Holding 2 B.V. was founded in 2022 and is a wholly-owned subsidiary of the Bank. The consolidated financial statements of the Bank for the year ended December 31, 2023 comprise of the Bank and its subsidiaries.

Classification and subsequent measurement of financial assets

Classification and subsequent measurement of the financial assets depend on:

- The Bank’s business model for managing the asset; and
- The cash flow characteristics of the asset.

Based on these factors the Bank classifies its debt instruments into one of the following two measurement categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (“SPPI”), and that are designated at fair value through profit and loss (FVPL), are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance as further described below. Interest income from these financial assets is included in ‘interest income’ using the effective interest rate method.

Fair value through profit and loss (“FVPL”): Assets that do not meet the criteria for amortized cost are measured at fair value through profit and loss. These assets are unquoted equity securities that are held for trading purposes. A gain or loss on such an equity investment is subsequently measured at fair value through profit of loss. Interest income from these financial assets is included in ‘interest income’ using the effective interest rate method.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or if the contractual terms give rise to collect cash flows that are solely payments of principal and interest on the principal amount outstanding. If this condition is not applicable (unlisted equity securities), then the financial assets are classified as part of 'other' business model and measured at FVPL.

SPPI

The Company's business model for the loans and advances is to hold and collect the contractual cash flows. '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 (e.g., if there are repayments of principal or amortisation of the premium / discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

The Company considered whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement and concluded that the portfolio of loans and advances passed the SPPI test.

Derecognition of financial assets

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. If the terms are substantially different, the Company derecognizes a 'new' asset and recalculates a new effective interest rate for the asset.

Expected credit loss principles

Based on IFRS 9 the financial assets and loan commitments are grouped into Stage 1, Stage 2 and Stage 3 as described below.

Stage 1: When financial assets (loans) are first recognized, the Company recognizes an allowance based on twelve months' ECLs. Stage 1 financial assets also include facilities where the credit risk has improved, and the financial asset has been reclassified from Stage 2.

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the Lifetime ECLs. Stage 2 financial assets also include facilities, where the credit risk has improved, and the financial asset has been reclassified from Stage 3.

Stage 3: Financial assets considered credit-impaired and the Company records an allowance for these Lifetime ECLs.

Calculation of Expected credit losses

The key elements of the ECL calculation are as follows:

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is expressed as a percentage of the EAD.

In its ECL model, the Bank relies on a broad range of forward looking information as economic inputs such as GDP growth and unemployment rates. The inputs and models used for calculating ECLs may not always capture all the characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Explanatory notes to the Consolidated Financial Highlights for the year ended December 31, 2023

B. Specification of accounts

The specification of accounts is an extract of the most important accounts derived from the consolidated financial statements of the Bank.

Assets

	December 31, 2023	December 31, 2022
	x ANG 1,000	x 1,000
Investment securities		
Shares, participations and securities	3,507	3,507
Total investments	3,507	3,507

	December 31, 2023	December 31, 2022
	x ANG 1,000	x 1,000
Loans and advances to customers		
Retail customers	160,343	161,566
Corporate customers	249,168	217,686
Other	114,543	122,380
Total loans and advances	524,054	501,632
Accrued interest receivable on loans and	3,443	3,339
Less: allowance for expected credit losses	(6,476)	(6,759)
Net loans and advances	521,021	498,212

Liabilities

	December 31, 2023	December 31, 2022
	x ANG 1,000	x 1,000
Customer deposits		
Retail customers	181,977	138,879
Corporate customers	126,458	132,065
Other	336,792	334,613
Total customer deposits	645,228	605,557



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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL HIGHLIGHTS

To: the Board of Managing Directors of Vidanova Pension Fund Foundation

Opinion

The (consolidated) financial highlights of Vidanova Pension Fund Foundation, Vidanova Bank N.V. and Vidanova Life Insurance N.V. for the year ended December 31, 2023 are derived from the audited (consolidated) financial statements of Vidanova Pension Fund Foundation and Vidanova Bank N.V. and the audited Life Insurance Annual Statements of Vidanova Life Insurance N.V.

In our opinion, the (consolidated) financial highlights are consistent, in all material respects, with the audited (consolidated) financial statements 2023 of Vidanova Pension Fund Foundation and Vidanova Bank N.V. and the audited Life Insurance Annual Statements of Vidanova Life Insurance N.V.

The (consolidated) financial highlights comprise:

- The (consolidated) balance sheet as per December 31, 2023 of Vidanova Pension Fund Foundation, Vidanova Bank N.V. and Vidanova Life Insurance N.V.
- The (consolidated) profit and loss statement for the year ended December 31, 2023 of Vidanova Pension Fund Foundation, Vidanova Bank N.V. and Vidanova Life Insurance N.V.
- The notes comprising a summary of the accounting policies and other explanatory information of Vidanova Pension Fund Foundation, Vidanova Bank N.V. and Vidanova Life Insurance N.V.

(Consolidated) Financial highlights

The (consolidated) financial highlights do not contain all the disclosures required by the Accounting Principles Generally Accepted in the Netherlands or International Financial Reporting Standards (IFRS) or the Life Insurance Annual Statement Composition and Valuation guidelines (2015) of the Central Bank of Curacao and Sint Maarten. Reading the (consolidated) financial highlights and our report thereon, therefore, is not a substitute for reading the audited (consolidated) financial statements or the audited Life Insurance Annual Statements and our auditor's reports thereon. The (consolidated) financial highlights 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 2023 of Vidanova Pension Fund Foundation in our auditor's report dated 27 June 2024. We expressed an unmodified audit opinion on the consolidated financial statements 2023 of Vidanova Bank N.V. in our auditor's report dated 24 April 2024. We expressed an unmodified audit opinion on the audited 2023 Life Insurance Annual Statements of Vidanova Life Insurance N.V. in our auditor's report dated 29 May 2024.



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Other information

Other information consists of the Board of Managing Directors and Managements' Report of the respective entities. Management of the entities is responsible for the other information. Our opinion on the (consolidated) 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 (consolidated) financial highlights our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited (consolidated) financial highlights 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 that fact. We have nothing to report in this regard.

Management's Responsibility for the (Consolidated) Financial Highlights

Management is responsible for the preparation of the (consolidated) financial highlights in accordance with the accounting policies as applied in the 2023 consolidated financial statements of Vidanova Pension Fund Foundation and Vidanova Bank N.V. and the audited Life Insurance Annual Statements of Vidanova Life Insurance N.V.

Auditor's responsibility

Our responsibility is to express an opinion on whether the (consolidated) financial highlights are consistent, in all material respects, with the audited consolidated financial statements of Vidanova Pension Fund Foundation and Vidanova Bank N.V. and the audited Life Insurance Annual Statements of Vidanova Life Insurance N.V. 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, 27 November 2024
12045203 120/25038

Ernst & Young Accountants

signed by drs. R.J.W. van Nimwegen RA



vidanova



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