

**BALANCE SHEET**

(Amounts in ANG)

Assets	Dec 31, 2019	Dec 31, 2018
Non-Admissible assets	-	-
Intangibles	-	-
Investments:		
Real Estate	-	-
Unconsolidated Affiliated Companies and Other Participations	-	-
Stocks	959.643	1.031.163
Bonds and Other Fixed Income Securities	2.711.704	2.778.555
Participation in Non-Affiliated Investment Pools	-	-
Mortgage loans	3.223.497	1.751.751
Other loans	737.878	1.303.418
Deposits with Financial Institutions	391.600	178.000
Other Investments	-	-
Current assets	1.258.275	1.497.098
Other assets	1.664	3.716
From Separate Accounts Statement	-	-
<b>Total</b>	<b>9.284.261</b>	<b>8.543.702</b>

Equity, Provisions and Liabilities	Dec 31, 2019	Dec 31, 2018
Capital and Surplus:		
Equity	450.000	450.000
Surplus	2.749.774	1.472.768
Less Treasury Stock	-	-
Subordinated Instruments	-	-
Provision for life insurance obligation:		
Net Technical Provision for Life Insurances	3.919.573	4.226.963
Net Technical Provision for Accident and Sickness	-	-
Net Other Technical Provisions	-	-
Other Net Policy and Contract Provisions	-	-
Current liabilities	2.164.914	2.393.971
Other Liabilities	-	-
Contingent Liabilities	-	-
From Separate Accounts Statement	-	-
<b>Total</b>	<b>9.284.261</b>	<b>8.543.702</b>

**PROFIT AND LOSS STATEMENT**

(Amounts in ANG)

	2019	2018
Premium and Other Policy Considerations	719.485	1.117.203
Net Investment Income and Realized Capital Gains and Losses	582.821	65.274
Net Other Operational Income	735.729	154.625
Net Benefits Incurred	511.607	(887.241)
Change In Provisions for Insurance Obligations	(307.390)	1.071.645
Net Operational Expenditures Incurred	15.497	13.164
Net Other Operational Expenditures Incurred	562.203	653.283
Net Transfers to or from Separate Accounts	-	-
Other Changes Affecting Net Results	-	-
Profit Sharing to Policyholders	-	-
Extraordinary Results	-	-
<b>Net Operational Results Before Corporate Taxes and Net Results From Separate Accounts</b>	<b>1.256.118</b>	<b>486.251</b>
Corporate Taxes Incurred	70.725	55.613
<b>Net Operational Results After Corporate Taxes and Net Results From Separate Accounts</b>	<b>1.185.393</b>	<b>430.638</b>
Net Results from Separate Accounts	-	-
<b>Net Operational Results</b>	<b>1.185.393</b>	<b>430.638</b>
Net Unrealized Gains or Losses	91.612	(185.156)
<b>Net Profit or Loss</b>	<b>1.277.005</b>	<b>245.482</b>

**ANALYSIS OF UNASSIGNED EARNINGS**

(Amounts in ANG)

	2019	2018
Unassigned Earnings (Beginning of Year)	1.472.768	1.227.286
Net Profit or Loss	1.277.005	245.482
Distribution of Accumulated Earnings	-	-
<b>Unassigned Earnings (End of Year)</b>	<b>2.749.774</b>	<b>1.472.768</b>

**Explanatory notes to the financial highlights**

**Basis of preparation**

The financial highlights of KTB Life N.V. has been prepared in accordance with the "Provisions for the Disclosure of Financial Highlights of insurance Companies" issued by the Centrale Bank van Curaçao en St. Maarten, the provisions of the "Landsverordening Toezicht verzekeringsbedrijf (P.B. 1990,77)" and "Landsbesluit Financiële eisen verzekeringsbedrijf (P.B. 1992,52)". 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**

**Stocks, bonds and other fixed income securities**

Financial fixed assets are initially recognized at fair value plus transaction cost, with fair value changes recognized directly in the profit and loss statement. After initial measurement, these investments are subsequently measured at fair value with realized and unrealized gains or losses recognized through profit & loss.

**Mortgage loans and other loans**

Mortgage loans and other loans are initially measured at fair value plus incremental transaction costs, and are subsequently measured at amortized cost using the effective interest method, net of an allowance for impairment.

**Current assets, deposits with Financial Institutions and Other assets**

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances on hand and short-term highly liquid investments with maturities of three months or less when purchased.

**Receivables and other financial assets**

Receivables and other financial assets are initially measured at fair value plus incremental transaction costs, and are subsequently measured at amortized cost using the effective interest method, net of an allowance for impairment.

**Provision for life insurance obligation**

**Net Technical Provision for Life Insurances**

Contracts with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company, are classified as reinsurance contracts held. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognized as an expense when due.

**Current and other liabilities**

Current liabilities are measured at amortized cost. Amounts included in current liabilities are ceded premiums to reinsurers, claims payables and accrued expenses.

**Technical information on risk coverage and reinsurance**

KTBLife N.V. manages its insurance risk through reinsurance. The Company reinsures its portfolio through a Group Life Reinsurance Treaty and a Life Catastrophe Treaty with Swiss Reinsurance Company Ltd.

**Provisions for Insurance Obligations**

**Technical reserves**

The technical reserves comprise the liabilities from insurance contracts on the reporting date. They are set up in accordance with actuarial principles to ensure that KTB Life N.V. can meet all its liabilities from its insurance contracts. The actuarial reserve comprises the actuarial value of the liabilities of KTB Life N.V. The calculation is done individually per contract in accordance with accepted actuarial methods.

As a rule, KTB Life N.V. uses the GBM/GBV 2007-2012 life tables with an age reduction of 3 years for males and 2 years for females and a technical interest rate of 2.5% (2018: 3%) for calculating the actuarial reserves.

The reserve for outstanding claims is calculated individually for each insurance claim. The amount to be set aside for each insurance claim consists of the amount owed to the beneficiaries plus the claim settlement costs. Amounts already paid out before the reporting date are deducted. Claims that were incurred but not yet reported by the reporting date are included in the calculation using estimates based on past experience and the observed delays in reporting a claim.

To the Management Board and Shareholders of KTB Life N.V.

**REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL HIGHLIGHTS**

**Opinion**

The 2019 Financial Highlights, which comprise the balance sheet as at 31 December 2019, the Profit and Loss Statement, analysis of unassigned earnings and the notes to the financial highlights are derived from the audited Life Insurance Annual Statements of KTB Life N.V. for the year ended 31 December 2019. In our opinion, the accompanying Financial Highlights are consistent, in all material respects, in accordance with the audited Life Insurance Annual Statements of KTB Life N.V.

**Financial highlights**

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

**The audited Life Insurance Annual Statements**

We expressed an unmodified audit opinion on the audited 2019 Life Insurance Annual Statements in our report dated 31 August 2020. The financial highlights and the Life Insurance Annual Statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited Life Insurance Annual Statements.

**Other information**

Other information consists of the Management Report. Management is responsible for other information. Our opinion on the financial highlights does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Life Insurance Annual Statements of KTB Life N.V. our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited Life Insurance Annual Statements of KTB Life N.V. 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 Financial Highlights**

Management is responsible for the preparation of the financial highlights in accordance with the accounting policies as applied in the Life Insurance Statements of KTB Life N.V.

**Auditor's Responsibility**

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

Curaçao, 31 August 2020

12060673 163/22585

for Ernst & Young Accountants

C. Smorenburg RA AA

**MANAGEMENT REPORT**

The management of KTB Life N.V. is pleased to present the financial highlights for 2019.

The net profit has been influenced by a growth on the international financial markets, higher commission income and higher interest on new loans. During the year we sold securities resulting in a realized gain on securities. As a result the 2019 profit was higher than 2018 so was considered a year in which KTB Life N.V. further strengthened its management, organisation and solvency.

As a life insurer of mainly mortality risks (and accompanying permanent health risks), KTB Life N.V. is relatively independent of the actual economic environment for its turnover. However KTB Life N.V. is aware of the economic situation as local investments are not easy to find and the international financial market is turbulent. International governmental stimulus of economies by keeping interest rates artificially low ensures that returns on investments are under pressure.

The management wants to thank all its customers for their trust in our company. KTB Life N.V. wants also to thank its stable and financial strong reinsurer, the well known Swiss Re Company for its trust and support, his capable supervisory board and its regulator, the Central Bank of Curaçao and Sint Maarten.

The Central Bank of Curaçao and Sint-Maarten requires a minimum Equity (Solvency margin) of ANG 400.000. KTB Life exceeds this minimum by ANG 2.799.774.

Curaçao, 31 August 2020

**KTBLife N.V.**

drs. Henk Lubbers CFO

KTBLife N.V. applies two categories of reserves for outstanding claims:

- Reserve for claims that have been reported but not yet settled
- Reserve for claims that have been incurred but not yet reported

**Corporate taxes**

Corporate tax is expenses in the profit and loss on an accrual basis. The accrued profit tax charge is based on the premium method whereby the profit tax base is calculated based on a percentage of the premium income received. The corporate tax rate is 22%. (2018 22%)

**Subsequent events**

The COVID-19 outbreak is having a significant impact on global markets driven by workforce restrictions, travel restrictions, reduced consumer spending, amongst other factors, which are negatively affecting companies' financial performance, liquidity, and cash flow projections. On March 17, 2020, the Government of Curaçao announced various measures, including 'shelter-in place' orders and an almost complete economic lockdown as well as guidance in response to the pandemic and the need to contain it. De-escalations of these measures started on May 8, 2020.

KTBLife portfolio consists of customers operating in the business of car rental, public transportation and/or that use the property purchased with the loan amount as rent property. The disruption of business activities during the shelter-in place orders negatively impacted the liquidity of these customers. KTB Life were approached by these Customers as they would not be able to meet their payments. KTB Life is aware of this unfortunate circumstance and has shown its understanding and has indicated that it will not take foreclosure measures and is taking actions to ensure payments such as re-negotiating contract terms. This has no impact on the 2019 result.

There are no other subsequent events.



**KTBLife N.V.**  
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**Willemstad, Curaçao**  
**KvK-nr: 136919**