



Guardian Group

Fatum

# Connecting Territories to Opportunities

Guardian Group Fatum  
Annual Report 2014



“We seek, connecting with the world around us. Everything in sight.”





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# Consolidated Financial Highlights

(Expressed in thousands of Antillean Guilders)

<b>Revenue</b>	<b>2014</b>	<b>2013</b>
Life and pension business net premiums written	107,322	98,347
Health business net premiums written	29,697	28,618
Property and casualty business net premiums written	76,690	67,930
Revenue from insurance operations	226,276	213,453
Revenue from investment activities	89,335	65,902
<b>Total Revenue</b>	<b>315,611</b>	<b>279,355</b>

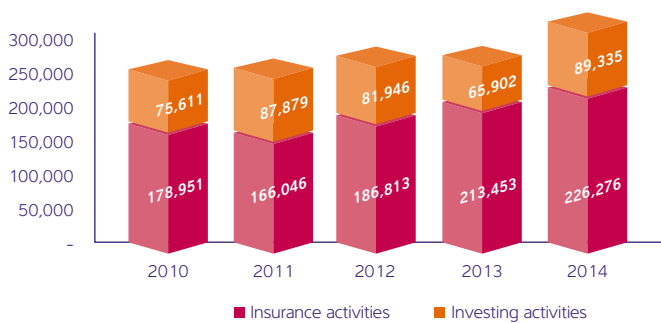
<b>Geographic Distribution of Revenue</b>		
Aruba	104,480	87,872
BES	8,879	9,511
Curaçao	145,264	149,507
St. Maarten	16,111	13,847
Netherlands	40,877	18,618
<b>Total Revenue</b>	<b>315,611</b>	<b>279,355</b>

<b>Results</b>		
Profit for the year	27,407	9,754
Other comprehensive income	(6,630)	14,271
<b>Total comprehensive income</b>	<b>20,777</b>	<b>24,025</b>

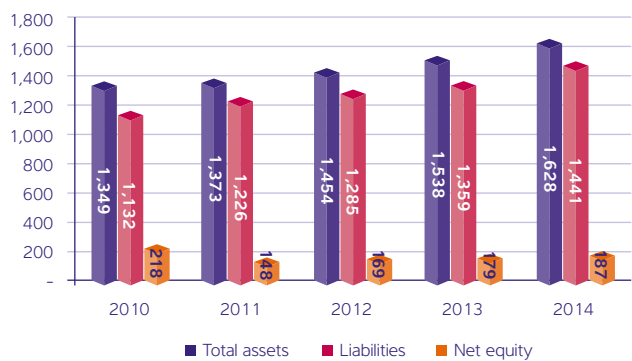
<b>Financial Position</b>		
Total assets	1,627,819	1,537,592
Liabilities	1,441,081	1,358,906
<b>Net Equity</b>	<b>186,738</b>	<b>178,686</b>

# Key Performance Indicators

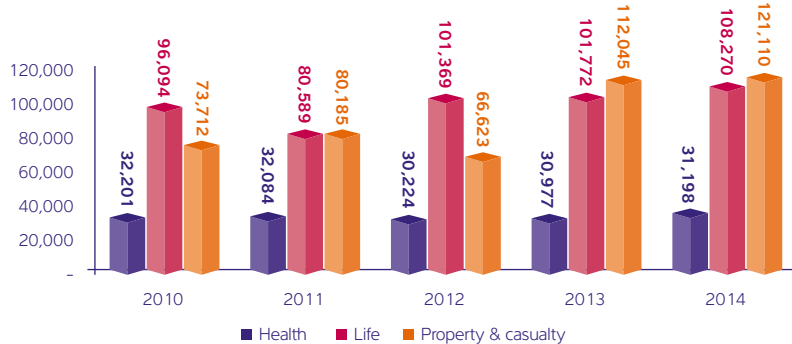
**Total Revenue (ANG'000)**



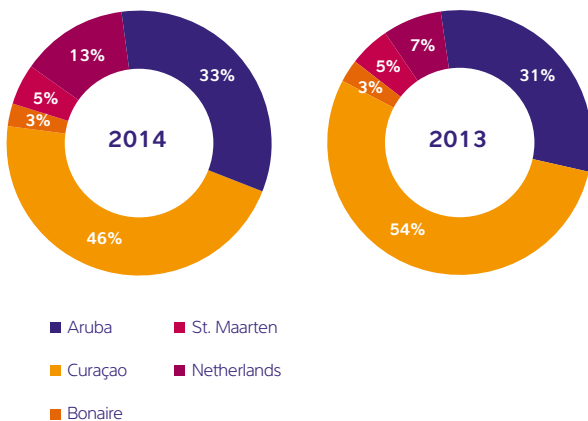
**Financial Position (ANG million)**



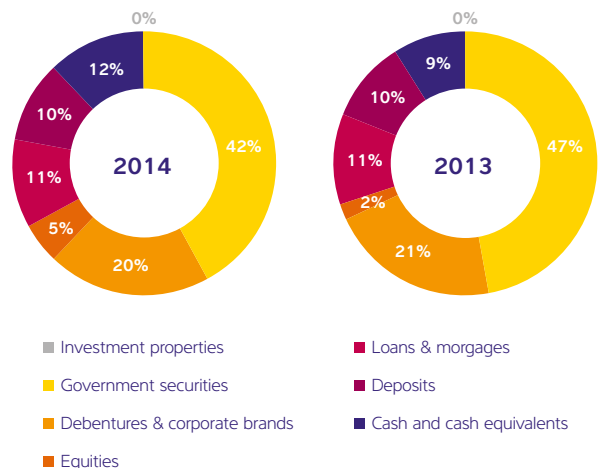
**Gross Premiums Written (ANG'000)**



**Geographic Distribution of Revenue**



**Investment Mix**



# Chairman's and CEO's Statement



Mr. H.P. Ganteaume

We are pleased to report on another year of solid performance of Guardian Group Fatum, a member of the Guardian Holdings Limited (GHL) group of companies. GHL consists of a strong portfolio of non-bank financial institutions spanning the English and Dutch Caribbean and is headquartered in Port of Spain, Trinidad where the parent company's shares are listed on the Trinidad and Tobago Stock Exchange. In 2014, the majority of countries in which GHL operates experienced another challenging year, with a modest economic growth experienced throughout the region and a limited availability of solid investment opportunities. Operating collectively as Guardian Group Fatum, our Dutch Caribbean operations continue to hold leading market positions in all key lines of business delivering a steady stream of profits in a stable currency.

## Insurance Operations

Revenues from the Guardian Group Fatum insurance operations increased by ANG 12.8 million or 6% from ANG 213.4 Million to ANG 226.2 Million. This reflects a strong and steady growth of our operations as a whole.

Net premiums of the Life operations increased by ANG 8.9 Million or 9% from ANG 98.3 Million to ANG 107.3 Million.

Net premiums from the Health operations increased by ANG 1.0 Million or 4% from ANG 28.6 to ANG 29.7 Million. Despite the new General Health Care law introduced in 2013 resulting in more people eligible to be insured by the General Health care scheme, our portfolio still showed an increase.

Net premiums from the Property and Casualty operations increased by ANG 8.8 Million or 13% from ANG 67.9 Million to ANG 76.7 Million principally as a result of growth in our Dutch

## Meet the members of the Supervisory Board

At December 31, 2014



Mr. O.M. van der Dijs



Mr. J.W.H. Richters

book of business. Our Insurer, Guardian Group Fatum General Insurance, continues to dominate its market segment in the Dutch Caribbean. Revenues from our Managing General Agent Business in the Netherlands increased by ANG 3.2 Million or 29% from ANG 11.0 Million to ANG 14.2 Million, reflecting the steady and prudent level of growth achieved in this market.

### **Investments**

Revenues from the Guardian Group Fatum investment activities increased by ANG 23.4 million or 36% from ANG 65.9 Million to ANG 89.3 Million. Our international bond portfolio increased in value, resulting in an unrealized gain of ANG 11.4 million in 2014 as opposed to an unrealized loss of ANG 14.1 million in 2013, a swing of ANG 25.5 million has been experienced which can be ascribed to the effect of the changes implemented in investment strategy. The overall yield was 5.4%.

### **Operating expenses**

The Guardian Group Fatum operating Expenses increased by ANG 2.2 million (3%) from ANG 72.8 million in 2013 to ANG 75.0 million in 2014. This increase is mainly attributable to higher foreign currency exchange differences arising from the weakening of the Euro / US Dollar rate of exchange and expenses related to the brokerage business in the Netherlands.

### **Consolidated results**

The technical result was ANG 13.138 million in 2014, as compared to ANG 18.385 million in 2013. During the year under review we experienced an unusual incidence of large property claims.

We are pleased to report that the Guardian Group Fatum Profit for the year was ANG 27.4 Million in 2014 as compared to ANG 9.8 Million in 2013. The Guardian Group Fatum solvency position continued to be strong and well above the local requirements of the Central Bank of Curaçao and Sint Maarten and the Central Bank of Aruba and remains a solid base for future growth of our company.



Mrs. E.R. Croes-Marugg



Mr. R.A. Tewari



Mr. R.G. de V. Espinet

### **The Supervisory Board of Directors**

In 2014 the Board consisted of 6 members including 4 non-executive directors. All the powers of the Board have been duly exercised. The Board met four times in 2014. Major issues requiring an active engagement of the Board were the approval of the budget and strategic plan, the monitoring of the capital adequacy, setting and overseeing the investment strategy and the ongoing monitoring of new initiatives for keeping the company performance in line with shareholders' and customers' expectations.

### **The Audit, Compliance and Risk Committee (ACRC)**

The ACRC, consisting of three non-executive directors, reports to the Supervisory Board and is governed by a charter which sets out its responsibilities in respect of the financial statements, internal controls, the internal audit function, external audit, compliance and risk matters.

The ACRC met four times in 2014. All meetings were attended by representatives of the Supervisory and Executive Board and by the Guardian Group Fatum internal auditor and compliance officer. Ernst & Young, the external auditors, have a standing invitation to all ACRC meetings.

The Board is satisfied that the Internal Audit function as well as the Compliance function have been discharged in an objective and transparent manner and are not subject to management's undue influence. Weaknesses in internal controls observed by the internal and external auditors and management's risk corrective actions were presented to the ACRC. The ACRC members have confirmed that appropriate actions were taken to resolve the weaknesses. Additional subjects receiving dedicated attention from the ACRC in 2014 were compliance with regulatory requirements, Anti Money Laundering and Risk Management.

### **Market expansion and distribution**

In 2014 we continued to invest in multi-channel distribution to consolidate our presence in the insurance value chain in the Dutch Caribbean and the Dutch market. We strengthened our Direct Sales Unit and our Managing General Agents and offered the independent brokers with interesting value propositions. The business in the Netherlands was further augmented in 2014 by the acquisition of an insurance brokerage company Kruit B.V. by the Fatum owned Managing General Agent in the Netherlands, Thoma B.V. The Kruit acquisition fits perfectly well in the national growth strategy envisioned by Guardian Group Fatum. The commercial effectiveness of Kruit Assurantiën BV and the solid market position



of Thoma B.V. offer excellent opportunities to achieve the projected growth with the ultimate aim to maximize profitability and customer satisfaction.

**Employees: The driving force behind the Guardian Group Fatum success**

Motivated, engaged and skilled employees are critical to our continued long-term success. We are proud to have talented employees who work hard each and every day to help our customers understand and protect themselves from risk. In our endeavors to ensure that we have the capabilities we need for the future, Guardian Group Fatum has adopted a continuous learning strategy to ensure an ongoing high level of knowledge and expertise of our employees. In 2014 several training programs were successfully carried out, in groups as well as on an individual basis.

**Corporate governance, compliance and risk management**

Guardian Group Fatum is committed to effective corporate governance for the benefit of our shareholders, customers, employees and other stakeholders based on the principles of fairness, transparency and accountability. Structures, rules and processes are designed to provide for proper organization and conduct of business within Guardian Group Fatum and to define the powers and responsibilities of our corporate bodies.

At Guardian Group Fatum, various governance and control functions coordinate to help ensure that risks are identified and appropriately managed and internal controls are in place and operating effectively. Distinct mandates and responsibilities are assigned to different levels of authority in the organization, which are closely aligned and co-operate with each other through a regular exchange of information, planning and other activities. This approach supports management in its responsibilities. It provides confidence that risks are appropriately addressed and that adequate mitigation actions are implemented.

**Corporate Social responsibility**

Being a responsible corporate citizen, Fatum is dedicated to contribute to the well-being of the commu-

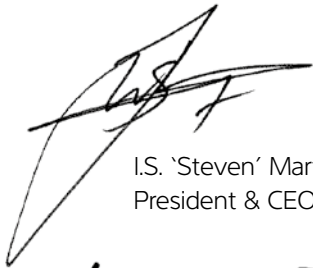


nities we live and work in. We actively encourage individual and societal development by financially supporting efforts to improve wellbeing and realize human potential. Our main financial support is targeted at the youth, sports and physical activity as well as through financial support for the work of various non-governmental organizations.

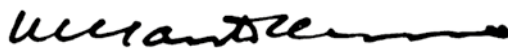
Guardian Group Fatum hosts the largest annual run and walk event on the island of Curaçao, the Guardian Group Fatum Walk and Run with over 10,000 participants. This event raised money for several good causes including the promotion of good health in general and is also successfully being held every year in Aruba, Sint Maarten and as of 2015 also in Bonaire.

**Looking ahead with a continuous focus on creating value**

Guardian Group Fatum was able to deliver solid financial results in 2014 despite economic uncertainties around us. Moving forward, Guardian Group Fatum is committed to remain well positioned to leverage our most powerful attributes while delivering a seamless financial security experience to our customers. Reaffirming our commitments towards our shareholders and stakeholders, we will continue doing everything in our power to deliver value in a consistent, responsible and sustainable way while optimizing our strengths and managing our risks. Our commitment to our shareholders, and to our customers, employees and the communities in which we live and work, requires that we keep Guardian Group Fatum as the leading company of the insurance industry through profitable growth.



I.S. 'Steven' Martina  
President & CEO Fatum Holding N.V.



Henri Peter Ganteaume  
Chairman of the Supervisory Board of Directors

# Connecting territories to opportunities

## Working towards Retirement Readiness

10<sup>th</sup> Anniversary Guardian Group Fatum 'Pensioen & Bedrijven Dag'

**As a the largest provider of integrated insurance services and pension solutions Guardian Group Fatum started back in 2006 with the knowledge and expertise sharing platform the so called 'Pensioen Dag' being the official Dutch name for a series of seminars covering a wide variety of pension & retirement planning topics, presented by subject matter experts. As we went along and attracted hundreds of participants at our seminars we widened the scope. Therefore we introduced an adapted concept with business related issues and topics called 'Pensioen & Bedrijven Dag'. Subsequently with our mission statement in mind 'we shall operate as one integrated customer centric company, a company that sees the world through its customers' eyes and delivers its brand promise consistently at every customers tough point' it was obvious that we just had to add an award. Which we did. We introduced the 'Guardian Group Best in Business Award'. For those companies with a vision and a passion to pursue business excellence.**

Companies lined up and registered for a thorough analysis thereby entering a healthy but business like competition to excel, targeting close alignment with internationally known and used standards & formats on quality management. Now at the 10th Anniversary of the Guardian Group Fatum series of seminars and the 8th 'Best in Business Award' we can agree on the fact that the mind-shifts we have triggered were shifts to ignite 'changes for the better' in the landscape of retirement planning and business excellence.

Both the 'Pensioen & Bedrijvendag' and the 'Best in Business Award' were very well received and are established signature events. And we are very proud of that!

As market leader Guardian Group influences and promotes change. Over the past decades we moved from sideline strolling to inside and hands-on action in the arena being the arena where situations are being assessed, options are being created, innovation is being embraced, new policies are being written and implementation brought to reality. We interacted with governments, with NGO's, with pension funds & foundations, and the business community. Both local as well as abroad.

## A Message from the Executive Board of Directors

Strong businesses – be it small, medium or large corporations – should focus on workplace policies with a.o. secured environments, livable and living wages, comprehensive health coverage, and certainly not least: retirement planning. This will lead to happy employees delivering hard work, showing better performance and realizing high productivity. Those employees can make the difference.

So corporations should add sufficient flavor to job satisfaction by creating environments for life-time development, staff benefits, provisions for pension and the preservation for health, loyalty and financial security.

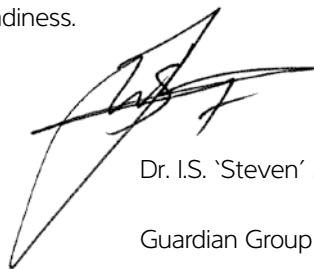
Life-time hard work combined with stable and consistent savings should result in measurable Retirement Readiness. While planning your retirement during your working life, you more than deserve professional advisers to guide you from a company that is financially strong and lives its core values as trust, integrity, quality & serving people. It is money that you worked for. Needless to say that your adviser must focus on how to make such earnings to work for you. Long term.

We want the best of interests for you, serving tailor-made and balanced advise where you have affordable transparent fees and payments leading to favorable and guaranteed future returns when retired.

The way we promote it on our issued and printed Guardian Group parent company calendar: *"..Live for today. Plan for tomorrow. Let us guide you.."*, is the spirit. Our doors are open and you are most welcome. We are here to guide you. This is not just a way of saying or putting things. It is a promise. We are ready to guide you and we will. Provided that you allow us.

Be it Defined Contribution or Defined Benefit group plans, individual pensions, annuities and or savings, we are all puzzling and working on a cost-effective and responsible retirement plan where we will work towards 'no (more) deficit' on retirement day. Your retirement day that is.

We want you to be ready to timely retire, with dignity. It's all about working towards Retirement Readiness.



Dr. I.S. 'Steven' Martina

Guardian Group Fatum President & CEO



# Meet the members of the Executive Board

At December 31,  
2014



Ivan Steve (Steven) Martina  
President & CEO Fatum Holding

Francis Gijsbertha  
Managing Director  
Operations

Dorothy Romero-Sprockel  
Managing Director Finance

Diego Fränkel  
Managing Director Aruba,  
Bonaire, Sint Maarten

Marten O'Niel  
Managing Director  
Commerce



# Consolidated statement of financial position as at 31 December 2014

(Expressed in thousands of Antillean Guilders)

Assets	2014	2013
Property, plant and equipment	33,296	33,553
Investment properties	2,187	2,648
Intangible assets	38,000	37,141
Investment in associated companies	42,795	35,686
Financial assets	1,081,674	1,055,105
Financial assets of mutual fund unit holders	125	124
Loans and receivables including insurance receivables	186,434	193,562
Pension plan assets	23,812	24,190
Deferred tax assets	995	907
Reinsurance assets	27,171	20,670
Due from affiliated companies	10,842	8,493
Deferred acquisition costs	7,525	7,814
Taxation recoverable	6,642	7,202
Cash and cash equivalents	166,321	110,497
<b>TOTAL ASSETS</b>	<b>1,627,819</b>	<b>1,537,592</b>
<b>Equity and liabilities</b>		
Share capital	25,001	25,001
Share premium	74,029	74,029
Reserves	(667)	5,061
Retained earnings	88,375	74,595
<b>Total Equity</b>	<b>186,738</b>	<b>178,686</b>
<b>Liabilities</b>		
Insurance contracts	1,262,555	1,181,518
Financial liabilities	93,449	92,639
Post retirement medical benefit obligations	12,545	13,608
Deferred tax liabilities	13,318	12,619
Due to affiliates	62	155
Other liabilities	59,152	58,367
<b>Total liabilities</b>	<b>1,441,081</b>	<b>1,358,906</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,627,819</b>	<b>1,537,592</b>

# Consolidated statement of comprehensive income for the year ended 31 December 2014

(Expressed in thousands of Antillean Guilders)

	2014	2013
<b>Insurance activities</b>		
Insurance premium income	260,823	256,432
Insurance premium ceded to reinsurers	(46,159)	(51,709)
Reinsurance commission income	11,611	8,730
<b>Net underwriting revenue</b>	<b>226,275</b>	<b>213,453</b>
Policy acquisition expenses	(29,965)	(29,518)
Net insurance benefits and claims	(183,172)	(165,550)
<b>Underwriting expenses</b>	<b>(213,137)</b>	<b>(195,068)</b>
<b>Net result from insurance activities</b>	<b>13,138</b>	<b>18,385</b>
<b>Investing activities</b>		
Investment income	60,872	62,631
Net realized gains on financial instruments	376	289
Net fair value gains/(losses) on financial instruments	11,474	(14,119)
Fee income	15,638	12,514
Other income	1,153	4,763
Investment contract benefits	(178)	(176)
<b>Net income from investing activities</b>	<b>89,335</b>	<b>65,902</b>
<b>Net income from all activities</b>	<b>102,473</b>	<b>84,287</b>
Operating expenses	(74,935)	(72,926)
Finance charges	(4,960)	(5,046)
<b>Operating profit</b>	<b>22,578</b>	<b>6,315</b>
Share of profit of associated companies	10,058	6,139
<b>Profit before taxation</b>	<b>32,636</b>	<b>12,454</b>
Taxation	(5,229)	(2,700)
<b>Profit for the year</b>	<b>27,407</b>	<b>9,754</b>
<b>Other comprehensive income/(loss)</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translating foreign operations	(5,749)	(3,665)
Other reserve movements	(56)	-
Income tax effect	-	-
	<b>(5,805)</b>	<b>(3,665)</b>
<b>Net other comprehensive income/(loss) that may be reclassified subsequently to profit or loss</b>	<b>(5,805)</b>	<b>(3,665)</b>
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Gains on property revaluation	-	3,897
Income tax effect	-	-
	<b>-</b>	<b>3,897</b>
Remeasurement of pension plan	(1,555)	3,184
Income tax effect	-	-
	<b>(1,555)</b>	<b>3,184</b>
Actuarial losses on post retirement medical benefit obligation	730	10,855
Income tax effect	-	-
	<b>730</b>	<b>10,855</b>
<b>Net other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss</b>	<b>(825)</b>	<b>17,936</b>
<b>Total comprehensive income/(loss) for the year, net of tax</b>	<b>20,777</b>	<b>24,025</b>
<b>Total comprehensive income/(loss) attributable to:</b>		
- Owners of the parent	20,777	24,025
- Non-controlling interests	-	-
	<b>20,777</b>	<b>24,025</b>



  
**Guardian Group**  
Fatum

# Significant Accounting Policies

The consolidated statement of financial position and statement of comprehensive income as presented on page 14 and 15 have been derived from the consolidated financial statements of Fatum Holding N.V. These explanatory notes are an extract of the detailed notes included in the consolidated financial statements.

## Basis of preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting standards (IFRS). They have been prepared under the historical cost convention, as modified by the re-valuation of land and buildings, investment properties and financial assets and financial liabilities at fair value through profit or loss which are carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

## Consolidation

### a) Subsidiaries

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- ▶ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- ▶ Exposure, or rights, to variable returns from its involvement with the investee, and
- ▶ The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement with the other vote holders of the investee.
- ▶ Rights arising from other contractual arrangements.
- ▶ The Group's voting rights and potential voting rights.

The amendments have no impact on the Group's financial position or performance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is

recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the consolidated income statement.

All inter-company transactions and balances are eliminated on consolidation. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The following subsidiaries have been included in the consolidation:

- Fatum Health N.V.
- Fatum General Insurance N.V.
- Fatum Life N.V.
- Home and Properties N.V.
- Royal & Sun Alliance Insurance (Antilles) N.V.

- Fatum General Insurance Aruba N.V.
- Fatum Life Aruba N.V.
- Thoma Exploitatie B.V.
- Kruit & Venema Assuradeuren B.V.

## **b) Associated Companies**

The Group's investment in its associated companies is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint over those policies.

Under the equity method, the investment in associates is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is not amortized. The consolidated income statement reflects the share of the results of operations of the associates. When there has been a change recognized directly in the equity of the associates, the Group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits or losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The share of profit of associated companies is shown on the face of the consolidated income statement. This is profit attributable to the equity holders of the associates and therefore is profit after tax and non-controlling interests in the subsidiaries and associates.

The consolidated financial statements of the associates are prepared for the same reporting period



as the parent company. Where necessary, adjustments are made to bring its accounting policies in line with the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in associates. The Group determines at each reporting date, whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value and recognizes the amount in the consolidated income statement.

The Group holds 42.3% interest in Guardian Resorts International Inc.

## Financial Assets

### (a) Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, or held-to-maturity investments as appropriate. The Group determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the investments were acquired or originated.

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date.

The Group's financial assets include cash and short-term deposits, debt securities, equity securities and interest receivable.

### (b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and those designated at fair value through profit or loss at inception. Investments typically bought with the intention to sell in the near future are classified as held-for-trading. The Group's subsidiaries, with the exception of its asset management company, do not engage in trading financial assets. For investments designated at fair value through profit or loss, the following criteria must be met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on a different basis; or
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are remeasured at fair value. Fair value adjustments and realized gain and loss are recognized in the consolidated income statement.

### (c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The investments are initially recognized at cost, being the fair

value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are included in the cost of the investment. After initial measurement, loans and receivables are measured at amortized costs, using the effective interest rate method. Gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through amortization process.

#### **(d) Held-to-maturity financial assets**

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities other than those that meet the definition of loans and receivables that the Group's management has the positive intention and ability to hold till maturity.

These investments are initially recognized at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of investment. After initial measurement, held-to-maturity financial assets are measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the income statement when the investment are derecognized or impaired, as well as through the amortization process.

#### **(e) Fair value of financial assets**

The fair value of quoted investments (primarily equity securities) are based on current exit prices at the reporting date. If the market for a financial asset is not active (primarily government securities, debentures and corporate bonds), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow

analysis making maximum use of market inputs and relying as little as possible on entity-specific inputs.

If the fair value of unquoted equities cannot be measured reliably, these financial assets are measured at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

#### **(f) Derecognition of financial assets**

A financial asset (or when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- ▶ The rights to receive cash flows from the asset have expired.
- ▶ The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement.
- ▶ The Group has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risk and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### **Insurance contracts/Net insurance premium revenue/Net insurance benefits and claims**

The Group issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk.

#### **(a) Short-term insurance contracts**

These contracts are principally property, motor, casualty (employers' liability, public liability), marine and health insurance contracts. Health insurance contracts include both group and individual health insurance.

Property insurance contracts indemnify the Group's customers in the event of a loss from a specified insured peril such as fire, windstorm or earthquake (not limited to these perils) up to the insured amount and within the terms of the policy conditions. These contracts are issued for both private and commercial risks. Customers who undertake commercial activities on their premises could also receive compensation for consequential loss/business interruption caused by the insured perils.

#### **(b) Long-term insurance contracts with fixed and guaranteed terms**

These contracts insure events associated with human life (for example death, or survival) over a long duration. Premiums are recognized as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

A liability for policyholders' benefits that are expected to be incurred in the future is recorded when the premiums are recognized. Typically, the liability is determined as the sum of the expected discounted value of the benefit payments less the expected discounted value of the theoretical premiums that would be required to meet the

benefits based on the valuation assumptions used (the valuation premiums). In particular, the liability is based on assumptions as to mortality and investment income. A margin for adverse deviations is included in the assumptions.

#### **(c) Long-term insurance contracts without fixed terms**

These contracts insure human life events (for example death or survival) over a long duration. Insurance premiums are recognized directly as liabilities whereas the change in the liabilities is reflected in the consolidated income statement. These liabilities are increased by credited interest or change in the unit prices and are decreased by policy administration fees, mortality and surrender charges and any withdrawals.

### **Revenue Recognition**

Revenue comprises the fair value for services rendered after eliminating revenue within the Group. Revenue is recognized as follows:

#### **(a) Premium income**

Premium income is recognized on the accrual basis in accordance with the terms of the underlying contracts.

#### **(b) Investment income**

Interest income is recognized using the effective interest method. Rental income is recognized in the consolidated income statement on the accrual basis. Dividend income is recognized when the right to receive payment is established. Realized and unrealized investment gains and losses are recognized in the consolidated income statement in the period in which they arise.

#### **(c) Commission income**

Commissions are recognized on the accrual basis when the service has been provided.

#### (d) Fee income

Fees are earned from the management of the assets of the segregated funds and deposit administration funds and from general policy administration and surrenders. Fees are recognized in the period in which the services are rendered.

- Boogaard Assurantiën N.V. and Elvira Verzekeringen N.V. on Aruba;
- Boogaard Assurantiën Bonaire B.V. on Bonaire;
- Seguros Brouwer N.V. on Curaçao;
- N.C. Wathey Insurance Services B.V. and Caribbean Insurance Brokers N.V. on Sint Maarten.

Solvency Margin	2014	2013
Regulatory required margin	69,490	62,677
Available margin	186,738	178,686
Surplus	<b>117,248</b>	<b>116,009</b>

#### Subsequent events

Effective January 1, 2015, the Group acquired a portfolio from the broker De Jong Assurantiën B.V. through its subsidiary Thoma Exploitatie B.V. in order to further expand its insurance activities in the Netherlands. The total consideration consist of a fixed amount of EUR 755 and a variable component which could reach a maximum amount of EUR 100. In October 2014 an advance payment of EUR 775 was made in connection with this acquisition.

In February 2015, the Group signed a Share Purchase Agreement for the acquisition Boogaard Group in order to further consolidate its market leadership in the Dutch Caribbean. The total consideration is ANG 22,000 and the final approval from the Central Banks is expected before the end of the second quarter of 2015. The Boogaard Group is an intermediary and consist of the following companies:





“As one of the oldest way of connecting territories  
boats travel from harbor to harbor.”



# Independent Auditors' Report

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2014, the summary consolidated statement of comprehensive income for the year ended 2014 and related notes, are derived from the audited consolidated financial statements of Fatum Holding N.V. for the year ended 31 December 2014. We expressed an unqualified audit opinion on those consolidated financial statements in our report dated 27 March 2015. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the consolidated audited financial statements of Fatum Holding N.V.

## **Management's responsibility**

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the bases described under Significant Accounting Policies.

## **Auditor's responsibility**

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing, including the Standard on Auditing 810 'Engagements to report on summary financial statements'.

## **Opinion**

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Fatum Holding N.V. for the year ended 31 December 2014 are consistent, in all material respects, with those consolidated financial statements, in accordance with International Financial Reporting Standards.

Curaçao, 24 August 2015

for Ernst & Young Accountants

C. Smorenburg RA AA

F. de Windt-Ferreira CPA

“As technology develops,  
it takes less effort to connect”



“With the generations we have come to realize that we can connect to the world with a single touch.”



# Connecting Territories to Opportunities

**Guardian Group Fatum is operating in the different jurisdictions of the Dutch Caribbean, and since a few years also in the Netherlands.**

**These territories are all well connected, through a common history and a common entity, the Dutch Kingdom.**

**Our territories have brought us, and continue to bring us lots of opportunities. The economies of the different territories in which we operate, the market developments reflected by competition and differentiation in distribution channels, the technological developments all offer a vast array of opportunities.**

The way we approach the world around us is largely based on who we are and on our experiences. Our staff with their diverse backgrounds are indispensable for the continuity of our company. Insurance is people's business!

Staff members employed in our different jurisdictions were happy to tell the readers of our Annual report about who they are and what opportunities they see for themselves as well as for Guardian Group Fatum, while moving forward...





*Jose Sambo, Manager Trading Underwriting  
(Guardian Group Curaçao)*

### **Connecting territories to opportunities... Jose Sambo**

It seems like yesterday that I finished High School and started my career in the Insurance industry some 37 years ago.

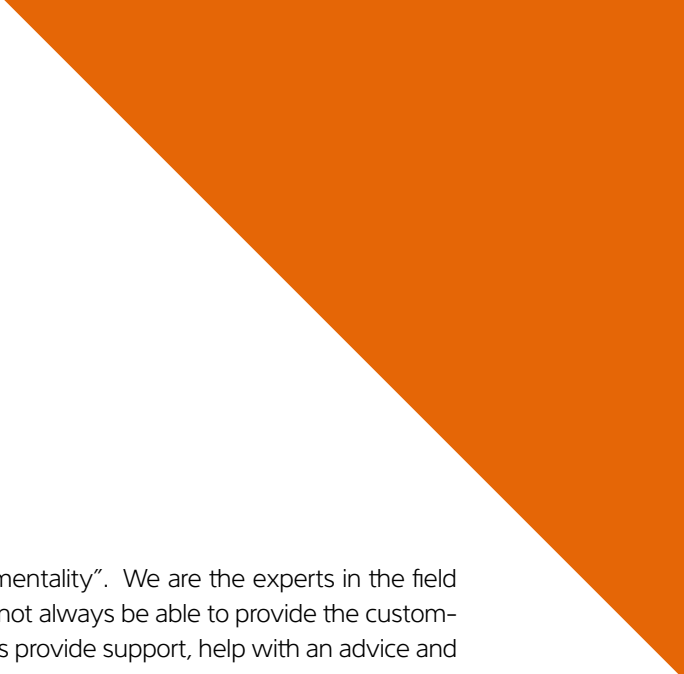
My first job in this interesting industry was at Segurosca Mansur as a Sales Representative for Aruba, hereafter I moved to Ennia Caribe and worked there for the next 6 years in the Underwriting & Claims Department. During this period I was blessed to meet “the love of my live” and got married, who I am currently still happily married to. This 4th of July we will be celebrating our 29th anniversary with our 2 sons of 25 and 18 years old.

After working with Ennia Caribe for a few years, I continued my career at the Maduro & Curiels Bank & the RSA Group, at that time known as Royal & Sun Alliance. For the next 25 years I got the opportunity to learn and expand my knowledge, not only in underwriting but also in other fields such as portfolio management, budgeting, operational planning, and sales effectiveness. In my latest role as Technical Director I was also responsible for managing, coaching and developing the underwriting staff.

During the years as a member of the former RSA Group, one of the key “golden learning opportunities” was the exposure I had to other colleagues (who were my teachers) from other territories around the world. Colleagues in Latin America, USA, Europe and UK taught me how they were doing business. We had different web based meetings with our group communities worldwide and we shared success stories so each territory could benefit and use those opportunities to expand and further improve their local operations. It is very important to share success stories and experiences with other territories in order to be able to keep optimizing the service to our customers in our local markets.

Working now as a member of Guardian Group Fatum since 2013 in the Underwriting department, I see the same opportunity to share success stories, expertise with other territories within Guardian Group in order to keep a clear focus on the quality of the service to our clients.





We should strive to maintain what I call a “Yes mentality”. We are the experts in the field and customers come to us for advice. We might not always be able to provide the customer with what he wants, but “Yes”, we can always provide support, help with an advice and or other possible solutions.

I am very proud to be part now of the Guardian Group family! Being the biggest player on the market brings along the responsibility to always find innovative alternatives to meet the expectations of our clients in order to maintain and or increase our dominant position in the market. The ability to reach out and share with other territories will provide us with the knowledge and innovations to maintain our leading position in market.

From my part I have knowledge gained from 37 years of experience to share. I’m sure I will have a lot of “teachers” within our local operations and other territories of Guardian Group: colleagues who will support me in expanding my knowledge in order to continue improving and serving our customers in the most optimal way!.



*Othmar Henrietta, Sales associate  
(Guardian Group Sint Maarten)*

### **Connecting territories to opportunities... Othmar Henrietta**

Born and raised in Curaçao, I am currently a Sales Associate on Sint Maarten. I must say that I am proud to be part of our Top Tier Company, Guardian Group Fatum. I have been working in the insurance industry for the last 14 years of which the last 8 years with Guardian Group Fatum. The "insurance" world offers me great opportunities that fill me with pride. The main reason for that is the security and protection that it allows me to share with and offer to my community.


Reading positive mental development literature and sports are two of my favorite pass times, beside that I am doing volunteer work in different organizations. Cooking is also one of my passions.

There is an adage in the Insurance industry that goes as follows "Insurance is not bought but sold". It is still a limited number of people that actively looks for a life insurance to protect their loved ones or to have a pension plan in place for their post retirement purposes.

Therefore it is needless to say that we have the responsibility to do our utmost best to actively contact the people in the communities in which we operate, to provide them with our services to financially protect themselves, their families and their properties.

It gives me great satisfaction and gratitude every time again when I advise our clients and in the end they are convinced that our proposal is prepared primarily with their interest in mind. So, we aim at reaching win-win situations with our customers. As long as our customers are satisfied with our products and services, we are happy. And this way we can continue working on further strengthening the relationships with our customer. This holistic way of approach, where we strive to serve our customers to even more than the best of our ability, will continue to benefit using many ways.

As a proud member of our prestigious organization, I want to encourage my fellow Sales Associates and all other staff members to continue striving towards optimizing our performance, as part of Guardian Group: the leading financial services company in the Caribbean, with operations outside the Caribbean as well.



In closing , it is important to keep in mind that the only constant factor in life is "change". That certainly is a challenge and definitely an opportunity. For me, change never has been and never will be a threat.

I am grateful for all that I have accomplished at Guardian Group Fatum so far and I do realize that with this great virtue called "GRATITUDE" I will continue pursuing excellence.



*Guiselle Coco -Libier, Manager Life Operations  
(Guardian Group Curaçao)*

**Connecting territories to opportunities...  
Guiselle Coco**

**Life is about transforming challenges into opportunities and making the most out of every opportunity.**

**“A wise man will make more opportunities than he finds.”**

After finishing high school in Curaçao I went to Holland where I studied Business Economics at the University of Tilburg. While working on my thesis an opportunity opened for me to start working immediately after my graduation for a Belgium wire manufacturer. In the Latin American marketing and sales office which was based in Curaçao, here I fulfilled my function as Marketing manager. In that function I had the opportunity to travel and explore various countries in

Central and South America. Mid 1997 the Latin American marketing and sales office, based in Curaçao, moved its operations to Miami and I was ready for a next step in my career.

I embraced the challenge of having to explore a new job as an opportunity for me to go after what I really was interested in: to work in a company where “the human being” is central. After a little while, in January 1998, I started working at Fatum in the Life department as project officer and team-manager. In 2003 I accepted the opportunity to lead the “Purple Orange” Project where I was responsible for the development and implementation of Ingenium, which was the first Individual Life administration system used by Guardian Group Fatum.

Currently I am the manager of the Life Operations department. Together with a wonderful team we serve our Individual Life and Group Life clients, providing them the reassurance they need, that they themselves as well as their loved ones are optimally taken care of. With this confidence our clients can explore new territories in their own lives as well, and connect these to opportunities while moving forward.

## Connecting territories to opportunities...

### Rowena van der Laar

I really feel privileged to work for the largest local insurance company in the Dutch Caribbean. The charm of working for Guardian Group Fatum on Bonaire is that we have a small office with 4 colleagues. Because of the small scale I face a broad diversity of work related matters in my daily activities and I have a lot of interaction with my colleagues on the other islands.

After the acquisition of RSA by Guardian Group Fatum, my daily work changed a bit. I can now offer life insurances and pensions as well to the clients, which was not the case at RSA. Our customers can receive the full package of available insurance services from one insurance company. To advise in the life insurance part of our business is quiet new for me. I see it as a great opportunity for my personal development!

In 2010, I made the decision with my family to move from the Netherlands to beautiful Bonaire. This piece of paradise in the world won our hearts because of its quietness, beautiful weather and good wind for watersport activities. The first year was a tough but good year. I just started with a new but exciting job at RSA, we had a little baby girl we had to take care for, we finished building our house that year and my husband started his own watersport business. Nowadays we have two lovely girls, 2 and 5 years old, who will grow up on the beach and play outside most of the time.

I was really excited to find a nice job with RSA before we emigrated from the Netherlands to Bonaire. A job that perfectly suits my study and work experience in the past. I worked a couple of years as an Account Manager for the small and medium enterprises with a Dutch bank and also a couple of years with an insurance broker.

I love going to the beach for a kitesurf session although I would like to spend more time actually doing this. I enjoy the great atmosphere on the beach. For me this is an important feeling of how Bonaire is: you don't need much to be happy and grateful. Enjoying family, beach life and sunset combined with a nice daily job for me is one of the treasures of living on Bonaire and being part of the Guardian Group.



*Rowena van der Laar,  
Intermediary Account Manager  
(Guardian Group Bonaire)*





*Madel F. Jacopucci, Event Marketing Specialist  
(Guardian Group Aruba)*

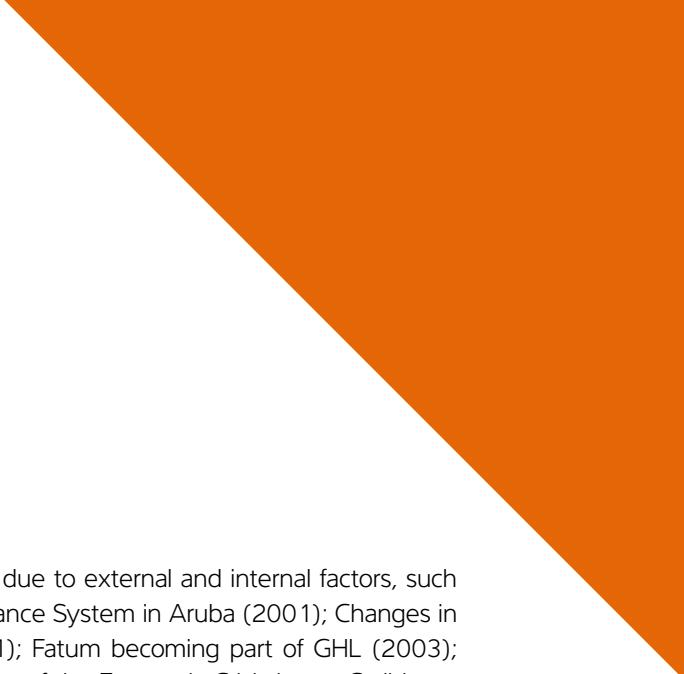
### **Connecting territories to opportunities... Madel Jacopucci**

I started working in the insurance industry coincidentally in 1979 in the Netherlands and have built my career in this line of business ever since. I never thought that it would turn out like this, but when I look back I have learned so much and I am still learning and will continue to learn more in the future. Before joining Guardian Group Fatum, I gained some insurance experience by working as a broker for a captive of 'Nationale Nederlanden' in the Netherlands. Then in 1992, I returned back to my native Island of Aruba where I worked for Hudig Langeveldt (now AON), Caribbean Mercantile Bank and Reeberg & Zonen. In October 2000 I joined Guardian Group Fatum. Even though I had some experience working in the insurance industry, it was the first time that I accepted a job at an Insurance Company.

I have 2 children Raoul (31) and Frances (28) who are my biggest motivators and my biggest fans and support in this stage of life. I strongly believe that you should have a good balance in life to be able to perform to the best of your abilities. And whatever you believe in, do it with passion to get the best results!

In my spare time I am a Taoist Tai Chi Instructor, which I have been for 16 years. Taoism teaches to return to the source (basics) and I believe that the core values of Guardian Group Fatum are very similar to the eight virtues of Taoism. As a result, I feel very balanced and connected with my surroundings, living up to these values in my private and professional life.

With regards to work, every day is another exciting day. There is never a dull moment. I am working in the Marketing Department in Aruba for 7 years now. The work is very diverse and I enjoy what I do. I love working with people, being creative, being a spokesperson for the company, organizing events, catering to other departments, working at any time that is expected from me and getting involved in several projects. I have to be ready for anything that can happen unexpectedly and I have to solve problems rapidly and in the best way possible. I always try to speak my mind but with respect. Most importantly, I know that I can count on the support of management and the trust given.



Since 2000 I have experienced many changes due to external and internal factors, such as the introduction of the General Medical Insurance System in Aruba (2001); Changes in the coverage of insurances due to 9/11 (2001); Fatum becoming part of GHL (2003); Brokers selling their portfolio (2000-2005); Effect of the Economic Crisis in our Caribbean Region (2008); New opportunities of Business in the Netherlands (2009); Introduction of the Pension Law in Aruba (2012); Acquisition of RSA (2013) and recently our intensified relationship with Boogaard Assurantiën. All these changes and challenges mentioned fit perfectly with the theme of our annual report: Connecting Territories to Opportunities. Not only are we connected due to, for example, history, identity, technology and economy, but most importantly through our people. We are the ones responsible for inventing, making, breaking or creating the opportunities in challenges that we encounter. In all the territories that we operate, it is the heart of the people and their commitment to Guardian Group that will maintain the connection in doing business with our clients, stakeholders, brokers and others.

Personally, I believe that if you keep doing what you do with integrity and if you treat others the way you want to be treated by, for instance, giving the best service possible, profit will follow automatically. Support of colleagues has and will always be important to succeed as a team. I am also very grateful when a task or project is entrusted to me, for I am able to contribute to the company's success and opportunities. The best "weapons" for success are a positive attitude, an open mind and not expecting anything in return since connecting is not only physical but spiritual as well.

In the short term, I would like us to keep focusing on our clients' needs and services. As colleagues we should be patient and help each other and try to create a harmonious work environment. It is always remarkable that on our small islands we have been and are still creating opportunities in the region and all around the globe through the 4 languages that we speak. We make a huge and unique difference when we compare this to other territories and I feel proud to be a part of this. Let us keep the door open for more opportunities and be the best in what we do.

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