Independent Auditor's Report on the Consolidated Financial Highlights

To the Shareholder and Board of Directors of Banco di Caribe N.V.

Opinion
The accompanying consolidated financial highlights, which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statement of profit and loss for the year then ended, and related notes, are derived from the audited consolidated financial statements of Banco di Caribe N.V. for the year ended December 31, 2020.

In our opinion, the accompanying consolidated financial highlights are consistent, in all material respects, with the audited consolidated financial statements of Banco di Caribe N.V., in accordance with the Provision for the Disclosure of Consolidated Financial Highlights of Domestic Banking Institutions, as set by the Central Bank of Curaçao and St. Maarten. ("CBCS").

Consolidated financial highlights
The accompanying consolidated financial highlights do not contain all the disclosures required by International Financial Reporting Standards. Reading the accompanying consolidated financial highlights and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Banco di Caribe N.V. and our auditor's report thereon.

The audited consolidated financial statements and our report thereon
We expressed an unmodified opinion on the consolidated financial statements in our report dated March 31, 2021. That report includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. That report also includes an emphasis of matter paragraph with regard to the impact of Covid-19 pandemic and its effect on the consolidated financial statement, including the relevant disclosures.

Management's responsibility for the consolidated financial highlights
Management is responsible for the preparation of the accompanying consolidated financial highlights derived from the audited consolidated financial statements in accordance with the Provision for the Disclosure of Consolidated Financial Highlights of Domestic Banking Institutions, as set by the CBCS.

Auditor's responsibility
Our responsibility is to express an opinion on whether the accompanying consolidated financial highlights are consistent, in all material respects, with the audited consolidated financial statements of Banco di Caribe N.V. based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

Curaçao, March 31, 2021

Baker Tilly
C.S.S. da Silva de Jesus RA

Consolidated Statement of Financial Position

As at December 31, 2020 (in '000 Antillean Guilders)

Assets	2020	2019
Cash and due from banks	436,786	499,539
Investment securities	134,336	172,176
Investment property	6,981	3,539
Loans and advances to customers	1,064,885	1,044,852
Bank premises and equipment	84,202	81,807
Customers' liability under acceptances	5,661	5,255
Deferred tax assets	994	686
Other assets	9,220	15,283
Total assets	**1,743,065**	**1,823,137**
Liabilities and Shareholder's Equity		
Liabilities		
Customers' deposits	1,527,704	1,619,468
Acceptances outstanding	5,661	5,255
Deferred tax liabilities	7,922	6,597
Current tax liabilities	1,009	1,816
Payables and other financial liabilities	16,100	12,437
Provisions	2,275	2,169
Total liabilities	**1,560,671**	**1,647,742**
Shareholder's equity		
Share capital and share premium	96,427	96,427
Other reserves	44,730	39,813
Retained earnings	41,237	39,155
Total shareholder's equity	**182,394**	**175,395**
Total liabilities and shareholder's equity	**1,743,065**	**1,823,137**

Consolidated Statement of Profit or Loss

For the year ended December 31, 2020 (in '000 Antillean Guilders)

	2020	2019
Interest income	76,393	80,129
Interest expense	19,046	21,982
Net interest income	**57,347**	**58,147**
Net fees and commission income	**11,832**	**15,419**
Income from investment	3,923	28,215
Operating income	**73,102**	**101,781**
Personnel expenses	41,792	43,239
Operating expenses	28,819	30,986
Net impairment on loans and advances	849	10,140
Operating expenses	**71,460**	**84,365**
Profit before tax	**1,642**	**17,416**
Profit tax	353	8,646
Net profit for the year	**1,289**	**8,770**

Explanatory Notes to the Consolidated Financial Highlights of Banco di Caribe N.V.

As at December 31, 2020

A. Accounting Policies

1. General

The principal accounting policies adopted in the preparation of the consolidated financial statements of Banco di Caribe N.V. and its subsidiaries (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.

2. Basis of Preparation

The consolidated financial statements, from which these Consolidated Financial Highlights have been derived, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The figures presented in these highlights are prepared in thousands of Antillean Guilders (ANG). The policies used have been consistently applied by the Bank and are consistent, in all material respects, with those used in previous years. For financial statement presentation purposes certain amounts of 2019 have been adjusted.

3. Basis of Consolidation

Subsidiaries are those enterprises controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of the enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements incorporate the assets, liabilities, revenues and expenses of Banco di Caribe N.V. and its subsidiaries, except for the assets and liabilities of N.V. Trustmaatschappij van Banco di Caribe relating to the securities this subsidiary holds on behalf of its customers. The Bank is the sole shareholder of all of its subsidiaries. All significant intercompany assets, liabilities, revenues and expenses have been eliminated in preparing the consolidated financial statements.

4. Classification and Subsequent Measurement of Financial Assets

Classification and subsequent measurement of the financial assets depend on:

- *(i) the Bank's business model for managing the asset; and*
- *(ii) the cash flow characteristics of the asset.*

Business Model Assessment
The business model reflects how the bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at Fair Value Through Profit or Loss (FVPL)

SPPI
Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Bank considers 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.
Based on these factors, the Bank classified its debts instruments into the following measurement category:

- *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 not designated at 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 and similar income' using the effective interest rate method.*

And the Bank's equity instruments are classified into the following measurement categories:

- *Fair value through other comprehensive income ("FVOCI")*
  Assets measured at FVOCI include equity instruments for which the fair value option is elected. FVOCI instruments are initially measured at fair value, with subsequent unrealized changes recognized in other comprehensive income.
- *Fair value through profit or loss ("FVPL")*
  Assets measured at FVPL include instruments held for trading, derivatives, equity instruments for which the FVOCI option is not elected and instruments whose cash flows do not meet the SPPI requirements. Changes in the fair value of these instruments are directly recognized in the income statement.

Derecognition of Financial Assets
The Bank sometimes renegotiates otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. If the terms are substantially different, the Bank derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Bank has transferred substantially all risks and rewards of ownership.

Expected Credit Loss Principles
The adoption of IFRS 9 has fundamentally changed the Bank's loan loss impairment method by replacing IAS 39's incurred loss approach with a forward-looking Expected Credit Loss ("ECL") approach.

Based on the above process, the loans are grouped into Stage 1, Stage 2 and Stage 3, as described below:

- *Stage 1: When loans are first recognized, the Bank recognizes an allowances based on 12 month's ECL's. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2;*
- *Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the Lifetime ECL's. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3;*
- *Stage 3: Loans considered credit-impaired. The Bank records an allowance for the Lifetime ECL's.*

Calculation of Expected Credit Losses
The key elements of the ECL calculations 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 models, the Bank relies on a broad range of forward looking information, available at reporting date, such as economic inputs such as GDP growth, Unemployment rates and the Consumer Price Index. The input and models used for calculating ECL's may not always capture all 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.

B. Specification of Accounts

(in '000 Antillean Guilders)

I. Assets

Investment Securities	2020	2019
Measured at amortized costs investment securities	131,484	134,919
FVPL – equity securities	–	34,482
FVOCI – equity securities	2,852	2,775
Total investment securities	**134,336**	**172,176**

Loans and Advances to Customers	2020	2019
Retail customers	585,509	575,713
Corporate customers	594,990	580,859
Gross loans and advances to customers	**1,180,499**	**1,156,572**
Less: allowance for loan impairment	(115,614)	(111,720)
Net loans and advances to customers	**1,064,885**	**1,044,852**

II. Liabilities

Customers' Deposits	2020	2019
Retail customers	599,152	536,557
Corporate customers	888,432	1,017,585
Other	40,120	65,326
Total customers' deposits	**1,527,704**	**1,619,468**

Banco di Caribe Curaçao • Schottegatweg Oost 205
Tel: +(599 9) 432 3000 • www.bancodicaribe.com

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