



Independent auditor's report on the consolidated financial highlights

Opinion

The consolidated financial highlights, which comprise the consolidated balance sheet as at December 31, 2016, 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, 2016.

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

Consolidated financial highlights

The consolidated financial highlights do not contain all the disclosures required by International Financial Reporting Standards. Reading the 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.

The audited consolidated financial statements and our report thereon

We expressed an unmodified opinion on the consolidated financial statements in our report dated June 7, 2017.

Management's responsibility for the consolidated financial highlights

Management is responsible for the preparation of the 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, issued by the CBCS.

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 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, June 7, 2017 •

Baker Tilly Curaçao
V.T.M. Bergisch RA

Consolidated statement of financial position As at December 31, 2016 (in '000 Antillean Guilders)

Assets	2016	2015
Cash and due from banks	461,763	428,175
Investment securities	164,341	148,818
Investment property	109,967	108,721
Loans and advances to customers	878,457	875,793
Bank premises and equipment	82,162	78,341
Deferred tax assets	17,078	17,078
Customers' liability under acceptances	40,797	8,167
Other assets	71,497	69,473
Total assets	1,826,062	1,734,566
Liabilities and Shareholder's equity		
Liabilities		
Customers' deposits	1,429,111	1,389,826
Due to other banks	-	2,829
Acceptances outstanding	40,797	8,167
Deferred tax liabilities	7,835	7,820
Current tax liabilities	2,223	2,343
Payables and other financial liabilities	17,777	14,849
Provisions	2,288	1,892
Total liabilities	1,500,031	1,427,726
Shareholder's equity		
Issued capital	20,677	20,677
Share premium	75,750	75,750
General reserve	19,230	17,718
Other reserves	21,251	22,382
Retained earnings	189,123	170,313
Total shareholder's equity	326,031	306,840
Total liabilities and shareholder's equity	1,826,062	1,734,566

Consolidated statement of profit or loss For the year ended December 31, 2016 (in '000 Antillean Guilders)

	2016	2015
Interest income	69,028	71,256
Interest expense	29,805	28,168
Net interest income	39,223	43,088
Net Fee and commission income	16,083	14,992
Income from investment securities	47,535	20,198
Other operating income	1,127	1,096
Operating income	103,968	79,374
Salaries and other employee expenses	43,036	37,094
Occupancy expenses	5,042	4,836
Net impairment losses on loans and advances	9,993	6,639
Other operating expenses	24,757	21,755
Operating expenses	82,828	70,324
Profit before tax	21,140	9,050
Profit tax	1,004	(11,769)
Net profit for the year	20,136	20,819

Explanatory notes to the consolidated financial highlights of Banco di Caribe N.V. As at December 31, 2016

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 2015 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. The most significant accounting policies are set out below.

• Investment securities

The Bank classifies its financial assets in the following categories: financial assets at fair value through profit or loss; available-for-sale financial assets and loans and advances.

• Fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value, with subsequent fair value changes recognized immediately in profit or loss. The Bank designates financial assets at fair value through profit or loss if the assets are managed, evaluated and reported internally on a fair value basis or if designation as such eliminates an accounting mismatch which would otherwise arise.

• Available-for-sale

Available-for-sale investments are non-derivative investments that are intended to be held for an indefinite period of time. Available-for-sale investments are initially recognized at fair value plus transaction cost, with fair value changes recognized directly in equity, until the investment is derecognized or impaired, whereupon the cumulative gains or losses previously recognized in equity are recognized in the income statement for that period.

• Loans and advances to customers

Loans and advances are carried at amortized cost, less an allowance for loan losses. Changes in the total allowance for loan losses are charged to the income statement. Loans deemed uncollectible are charged-off against the allowance for loan losses. Subsequent recoveries are credited in the income statement.

• Net interest income

Interest income and expense is recognized as it accrues. Interest income arising from debt securities and deposits with other banks is recognized as it accrues, taking into effect the effective yield on the investment.

• Income from investment securities

Income from investment securities includes realized and unrealized result from fair value changes related to financial assets at fair value through profit or loss, realized result on available-for-sale securities, including impairment losses, gains and losses arising from the sale, revaluation of investment property. Investment income for 2015 includes an amount of ANG 61,722 thousand, which the Bank obtained from its investment risk management contract related to foreign investments.

B. Specification of accounts (in '000 Antillean Guilders)

I. Assets

Investment securities	2016	2015
Available-for-sale securities	114,810	111,994
Fair value through profit or loss	49,531	36,824
Total investment securities	164,341	148,818
Loans and advances to customers	2016	2015
Retail customers	513,797	490,197
Corporate customers	467,946	473,527
Gross loans and advances to customers	981,743	963,724
Less: allowance for loan impairment	(103,286)	(87,931)
Net loans and advances to customers	878,457	875,793

II. Liabilities

Customers' deposits	2016	2015
Retail customers	469,298	463,434
Corporate customers	838,648	822,335
Other	121,165	104,057
Total customers' deposits	1,429,111	1,389,826



2016

Banco di Caribe N.V.
Consolidated Financial Highlights

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BANCO DI CARIBE