

Assuria

VERZEKERINGEN

Semi-annual Report 2019





9 Registraar
N. van Suren

Assuria 
VERZEKERINGEN

Semi-annual Report 2019

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Report of the Executive Board

Introduction

The General Meeting of Shareholders was held on June 14, 2019.

At this meeting the economic developments in the various geographical areas where Assuria operates were presented and the developments in our company were reported on.

The annual report 2018 has been discussed and approved during the aforementioned Assuria General Meeting of Shareholders.

We are pleased to present you our report on the first half of 2019.

In doing so, we comply with our corporate governance policy to provide all stakeholders with timely information about our company.

General

In Suriname in macroeconomic terms, the first half of 2019 was marked by the much debated change of leadership at the Central Bank of Suriname (CBvS), the amendment of the cash reserve requirement for commercial banks entailing that this reserve should now be deposited at the CBvS, as well as the discussions on the government budget. Clearly there is still much skepticism in parts of society when it comes to decisions of the current government regarding the financial health and management of our country. Our position is to objectively and critically follow and analyze these developments in terms of to what extent they are of added value for the improvement of our country, the sector and the company.

The confiscation of Euro 19.5 million by the Netherlands and the resulting shortage in US Dollar (USD) bank notes had a major negative impact on the exchange rate and the economy in general. Due to the scarcity of USD bills, the banks are forced to limit USD cash withdrawals. They started to promote more cashless transactions, an action that Assuria fully supports.

The consequence of this negative development is that the pressure on the exchange rate of the USD against the Surinamese Dollar (SRD) increased and as a result the exchange rate on the parallel market rose to more than SRD 8 for 1 USD.

Another phenomenon which emerged due to the limited availability of USD bills, is the illegal transport of cash Euros outside the country, in particular to the United States of America, with the intention of converting them to USD and repatriating them back to Suriname.

We hope that the issue of the confiscation of the Euros by the Netherlands will be resolved on short term so that the availability of foreign exchange and related policies can be normalized and conducted in a proper and transparent manner.

A positive note on the economy is that inflation continued to be low. The inflation rate for 2018 was 5.4%. The most recent available inflation data for 2019 show an inflation of 4.3% per July 2019 (12 months). Inflation rates for May and June 2019 were not published by the General Statistical Office due to labor union strikes.

Suriname will soon undergo a National Risk Assessment (NRA) with respect to anti-money laundering and terrorism financing, conducted by the Caribbean Action Task Force (CATF). Failure to pass this assessment will have a strong negative impact on the economy in general, and for financial institutions in particular. We are pleased that the NRA will be carried out and that vigorous efforts are being made by several stakeholders who are joining forces to take the necessary steps for a successful completion of the NRA. Assuria also contributes in this regard by participating when asked and implementing its own measures where necessary. We do think, however, that this process at national level could have started much earlier.

In Suriname general elections will be held in May 2020. Traditionally government spending increases in pre-election years. We once again express our concern that if this is not done moderately it will result in disruption of the economy.

In Trinidad & Tobago, as already stated in our annual report 2018, signs of economic recovery are noticeable. This is due to the positive prospects in the energy sector. In 2020 elections will also be held in Trinidad & Tobago. Our opinion on increased government spending also applies to Trinidad & Tobago.

The developments in Guyana are promising. The discovery of large oil reserves will lead to a significant influx of foreign exchange that will fuel economic growth. We have previously recommended setting up a national wealth fund as a fallback resource for less fortunate times.

Guyana is also about to have general elections. We express the hope that these elections will take place peacefully and that the results will be accepted by all parties.

THE OPERATIONS

De Surinaamsche Bank N.V. (DSB)

As already mentioned in the annual report of 2018, DSB carried out a share issuance in November 2018 and the interest of Assuria diluted to around 18%. Valuation hereof is now based on the share price of the bank on the Suriname Stock Exchange. The DSB share price on June 30, 2019 was SRD 9.

To further support the DSB, Assuria agreed upon request of the Central Bank, to reduce the interest rate on the subordinated loans provided to DSB.

We expect that the bank's figures for 2018 will be presented to the Shareholders in September 2019.

DSB-Assuria Vastgoed Maatschappij N.V. (DAVG)

Assuria holds a 51% interest in this company since June 2017 and is responsible for the management and administration. This company is fully consolidated in Assuria's financials after deduction of the minority interest.

DAVG has entered into a sales agreement to sell a piece of land of approximately 550 hectares at Accaribo. With the proceeds from this sale, the loan granted in 2010 by DSB to DAVG to purchase this piece of land will be fully repaid.

Assuria Hermitage High-rise (AHH)

The construction of our new office building at the Recolaan is progressing steadily. The relocation is expected to start by the end of this year. In August 2019, we were able to buy 100% of the shares of Interdomestic Trading N.V. This company owns the lot and building at the Jaggernath Lachmonstraat no. 132, which currently houses BDO Suriname. This lot is adjacent to the area where our new office building is located. The plan is to locate the main entrance of our new office complex at the entrance of this newly acquired property on the Jaggernath Lachmonstraat.

OPERATING RESULT

The consolidated financial statements for the first half of 2019 include the figures of all the subsidiaries of Assuria N.V., namely Assuria *Levensverzekering* N.V., Assuria *Schadeverzekering* N.V., Assuria *Medische Verzekering* N.V., Aarvina Trading N.V., Assuria *Beleggingsmaatschappij* N.V., DSB-Assuria *Vastgoed Maatschappij* N.V., Assuria Life (GY) Inc., Assuria General (GY) Inc., Gulf Insurance Ltd. and Assuria Life (T&T) Ltd.

The consolidated result before tax for the first half of 2019 amounted to SRD 22.5 million compared to SRD 30.7 million over the first half of 2018. This is a decrease of SRD 8.2 million.

The consolidated operating result for the first half of 2019 amounted to SRD 19.9 million compared to SRD 30.4 million for the first half of 2018, i.e. a decrease of SRD 10.5 million.

The decrease in result is mainly due to higher claims in the non-life side of the business. In the first half of 2019 there was a major fire claim in Suriname and there were two major fire claims in Guyana.

The consolidated net premium increased by 17% from SRD 268.6 million in the first half of 2018 to SRD 314 million in the first half of 2019. Increased net premium is primarily the result of a growth in the life business. In line with this growth, the technical provision increased.

The consolidated investment income increased by 12% from SRD 51.9 million in the first half of 2018 to SRD 58 million in the first half of 2019.

The consolidated claims for own account increased by 12% from SRD 143.5 million in the first half of 2018 to SRD 160.6 million in the first half of 2019.

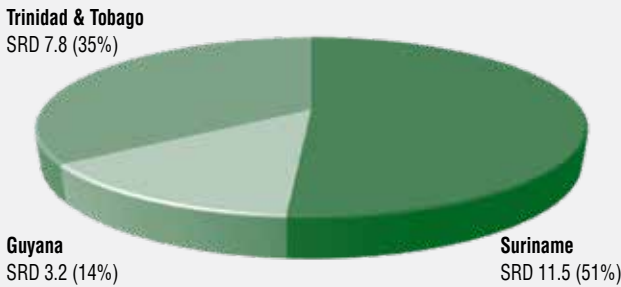
The consolidated technical provisions increased by 84% from SRD 49.6 million in the first half of 2018 to SRD 91 million in the first half of 2019.

The consolidated operating expenses increased by 1% from SRD 81.3 million in the first half of 2018 to SRD 81.8 million in the first half of 2019.

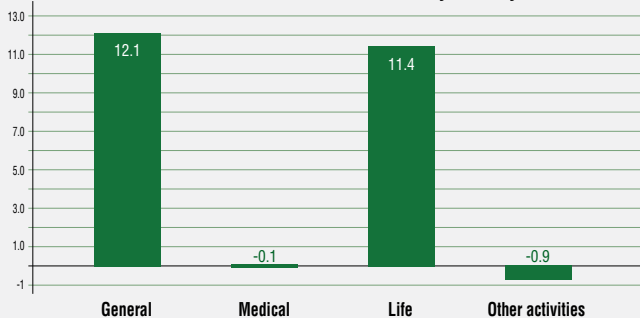
The operating companies achieved the following pre-tax results:

	1 st half of		Difference
(x SRD 1 million)	2019	2018	(%)
Assuria <i>Levensverzekering</i> N.V.	8.8	4.1	116%
Assuria <i>Schadeverzekering</i> N.V.	3.7	17.3	-79%
Assuria <i>Medische Verzekering</i> N.V.	-0.1	6.7	-101%
Assuria <i>Beleggingsmaatschappij</i> N.V.	1.0	1.8	-43%
DSB-Assuria <i>Vastgoed Maatschappij</i> N.V.	-2.4	-6.1	61%
Aarvina Trading N.V.	0.1	-0.4	125%
Assuria N.V.	0.3	0.9	-63%
Suriname	11.5	24.2	-52%
Assuria General (GY) Inc.	3.0	2.0	53%
Assuria Life (GY) Inc.	0.2	-0.2	176%
Guyana	3.2	1.8	83%
Gulf Insurance Ltd.	5.3	2.4	124%
Assuria Life (T&T) Ltd.	2.4	2.4	1%
Trinidad & Tobago	7.8	4.8	63%
Total	22.5	30.7	-27%

Consolidated result based upon geographic segmentation for the first half of 2019: (x SRD 1 million)



Consolidated result for the first half of 2019 by activity: (x SRD 1 million)



The result before tax of “other activities” include figures of the companies Assuria *Beleggingsmaatschappij N.V.*, DSB-Assuria *Vastgoed Maatschappij N.V.*, Aarvina Trading N.V. and Assuria N.V.

With regard to the pre-tax results of the individual companies, particularly that of Assuria *Schadeverzekering N.V.* and Assuria *Medische Verzekering N.V.* the following must be considered. As per January 1, 2018, a quota share reinsurance contract was signed by these two companies, under which Assuria *Medische Verzekering N.V.* reinsures part of its risks with Assuria *Schadeverzekering N.V.* Without this reinsurance contract, Assuria *Schadeverzekering N.V.* would have made a profit of SRD 0.7 million and Assuria *Medische Verzekering N.V.* would have made a profit of SRD 3 million.

The result of Assuria *Levensverzekering N.V.* increased in the first half of 2019 by SRD 4.7 million, i.e. with 116%. The main reason for this is the increased production and fewer cancellations.

As stated earlier, the result of Assuria *Schadeverzekering N.V.* has come under pressure due to three major fire incidents, resulting in claims and reinsurance reinstatement premiums as well. Assuria *Schadeverzekering N.V.* is the reinsurer of the non-life insurance business in Guyana. The majority of the fire claims in Guyana are being charged to Assuria *Schadeverzekering N.V.* and as such a significant portion of the Guyana claims have been retained in the Group. In addition, Suriname has seen a large number of all-risk motor claims.

The result of DSB-Assuria *Vastgoed Maatschappij N.V.* improved significantly due to a significant decrease of the interest expenses and the proceeds of the sale of assets.

The companies in Guyana are doing very well. Despite the two major fire claims, the result from non-life business increased by 53%, while the life business achieved a modest profit.

The profit of our Trinidad subsidiary Gulf Insurance Ltd. increased by 124%, i.e. SRD 2.9 million compared to the first half of 2018. This is the result of increased sales, efficient claims handling and cost control. Also Assuria Life (T&T) Ltd. showed a positive result. This is the result of an ongoing reorganization and cost cutting measures. We are not satisfied with the production and expect a higher focus on sales next year.

In the first 6 months of the year 49% of the consolidated result was generated by the foreign subsidiaries.

Dividend

An interim dividend of SRD 0.36 per share and a final dividend of SRD 1.34 per share were paid over 2018. The intention is to pay an interim dividend again in the fourth quarter of 2019. The amount of this dividend will be determined in due course.

Outlook

Although the results for the first half of 2019 are lower than those of the first half of 2018, we are conservatively positive about the second half of 2019.

We expect further growth in the operating result in the second half of the year.

However, in health insurance there is great pressure from the medical care providers to adjust rates. We hope that all parties understand that there must be a healthy balance between financing and costs of care.

In general, in the course of the second half of the year, the emphasis will be on increasing production, cost controlling and efficient claims handling.

We also see growth opportunities in the foreign markets.

We remain focused on providing excellent services and maintaining market leadership.

We expect to end the year with a result that is at least equal to that of 2018.

Paramaribo, August 26, 2019

A.K. Achaibersing
Chief Executive Officer

M.R. Merhai
Chief Financial & Risk Officer

Consolidated financial position as at June 30, 2019

Amounts in Suriname Dollars

ASSETS	June 30, 2019	Dec. 31, 2018
Non-current assets		
Goodwill	4,300,641	4,300,641
Tangible fixed assets	231,200,960	207,085,147
Real estate investments	257,022,480	258,725,807
Financial investments	1,544,694,057	1,539,192,678
Deferred tax assets	17,275,378	17,909,687
Total non-current assets	2,054,493,516	2,027,213,960
Current assets		
Insurance related receivables	98,458,702	66,829,343
Other receivables	121,427,113	114,977,088
Cash and cash equivalents	223,015,070	162,624,437
Total current assets	442,900,885	344,430,868
Total assets	2,497,394,401	2,371,644,828
EQUITY AND LIABILITIES		
Group equity		
Paid in share capital	655,380	655,380
Reserves	283,385,517	268,527,067
Minority interest	13,402,351	14,258,198
Total group equity	297,443,248	283,440,645
Long-term liabilities		
Insurance related provisions	1,743,931,604	1,666,300,051
Employee Benefit Plans	19,467,286	20,220,963
Other long-term liabilities	206,071,121	204,103,995
Deferred tax liabilities	95,265,830	95,464,698
Total long-term liabilities	2,064,735,841	1,986,089,707
Short-term liabilities		
Insurance related liabilities	41,439,286	22,704,393
Reinsurance liabilities	11,133,795	12,987,207
Taxes	20,297,019	17,680,678
Other liabilities	62,345,212	48,742,198
Total short-term liabilities	135,215,312	102,114,476
Total group equity and liabilities	2,497,394,401	2,371,644,828

Consolidated profit and loss account for the period

January 1 - June 30, 2019

Amounts in Suriname Dollars

	June 30, 2019	June 30, 2018
Income		
Premium income	362,681,420	312,237,875
Reinsurance premium	48,702,891	43,625,330
Net premium income	313,978,529	268,612,545
Realized investment income	49,973,227	53,119,422
Unrealized investment income	7,986,821	-1,215,020
Investment income	57,960,048	51,904,402
Other income	1,378,254	1,775,746
Total income	373,316,831	322,292,693
Less: Expenses		
Claims and surrenders	160,639,624	143,516,113
Exchange rate differences investments related to insurance liabilities	1,610,755	1,504,254
Change in insurance related provisions	90,995,863	49,582,384
Operating expenses (including acquisition costs)	81,818,477	81,251,933
Profit sharing and discounts	13,703,364	12,416,800
Change in Employee Benefit Plans	2,214,500	654,000
Depreciation	2,469,311	3,004,635
Total expenses	353,451,894	291,930,119
Operating result	19,864,937	30,362,574
Exchange rate differences	2,599,698	318,293
Result before taxation	22,464,635	30,680,867
Income tax	5,755,027	9,358,726
Deferred tax	461,106	241,819
Result after taxation	16,248,502	21,080,322

Consolidated equity movement schedule for the period January 1 - June 30, 2019

Amounts in Suriname Dollars

	Equity	Minority interest	Total
Balance as at January 1, 2018	246,669,483	5,101,543	251,771,026
Net profit for the year after tax	31,736,597	-3,236,456	28,500,141
Interim dividend 2018	-2,095,550	-	-2,095,550
Impairment participation DSB 1st half year 2018	-6,950,436	-	-6,950,436
Capital injection Assuria Life (GY) Inc.	-	900,250	900,250
Capital injection in DAVG	-	27,367,256	27,367,256
Release accrued income tax prior years	22,461,722	100,902	22,562,624
Impairment terrain Panaso N.V.	-20,744,102	-19,930,608	-40,674,710
Debt restructuring DSB in DAVG	3,901,500	3,748,500	7,650,000
Other (including currency translation adjustments)	2,003,333	206,811	2,210,144
Balance as at December 31, 2018	276,982,548	14,258,198	291,240,746
Final dividend 2018	-7,800,101	-	-7,800,101
Balance as at December 31, 2018 (after proposed appropriation of result)	269,182,447	14,258,198	283,440,645

	Equity	Minority interest	Total
Balance as at January 1, 2019	269,182,447	14,258,198	283,440,645
Net profit for the year after tax	16,860,534	-612,032	16,248,502
Adjustment prior period*	-2,095,550	-	-2,095,550
Recycling revaluation reserve sold property DAVG	-302,900	-291,022	-593,922
Other (including currency translation adjustments)	396,366	47,207	443,573
Balance as at June 30, 2019	284,040,897	13,402,351	297,443,248

* As per December 31, 2018, in relation to the interim dividend payable, the movement in the "Other" line item was overstated by respective amount. Consequently, the "Other Liabilities" were understated by this amount.

Consolidated cash flow statement for the period

January 1 - June 30, 2019

Amounts in Suriname Dollars

	June 30, 2019	June 30, 2018
Cash flow from operating activities		
Result before taxation	22,464,635	30,680,867
Depreciation	2,469,311	3,004,635
	<hr/> 24,933,946	<hr/> 33,685,502
<i>Adjustments for:</i>		
Unrealized investment income	-7,986,821	1,215,020
Unrealized exchange rate differences	-319,600	1,185,961
Change in insurance related provisions	92,606,618	49,582,384
Change in Employee Benefit Plans	2,214,500	654,000
Doubtful debts and credit provision	1,971,820	238,389
<i>Changes in operating capital</i>		
Insurance related receivables	-33,601,179	-15,181,651
Other receivables	-6,450,025	-9,321,240
Insurance related liabilities	18,734,893	18,046,021
Reinsurance liabilities	-1,853,412	19,384,098
Taxes	-3,138,686	-7,990,043
Other liabilities	8,539,288	12,861,437
	<hr/> 95,651,342	<hr/> 104,359,878
Cash flow from investing activities		
Investments fixed assets	-26,585,124	-22,547,149
Other investments	-415,700,787	-624,572,886
Divestments/ disposals	405,058,076	579,695,157
	<hr/> -37,227,835	<hr/> -67,424,878
Cash flow from financing activities		
Change in long-term liabilities	1,967,126	-8,867,694
Dividends paid	-	-8,673,247
	<hr/> 1,967,126	<hr/> -17,540,941
Change in cash and cash equivalents	<hr/> 60,390,633	<hr/> 19,394,059
Cash and cash equivalents beginning of reporting period	162,624,437	193,556,337
end of reporting period	223,015,070	212,950,396

The cash flow statement is prepared according to the indirect method. Only those movements which led to a change in the cash and cash equivalents were taken into consideration. Revaluations were not taken into consideration. The effects of exchange rate differences on the balances of cash and cash equivalents denominated in foreign currency were incorporated as exchange rate differences in the operating result.

Notes to the 2019 consolidated semi-annual report

General

The consolidated semi-annual statements are prepared in accordance with generally accepted accounting principles for financial reporting applicable to insurance companies. The financial reports of Gulf Insurance Ltd., Assuria Life (T&T) Ltd., Assuria General (GY) Inc. and Assuria Life (GY) Inc. are prepared in accordance with IFRS as required in these countries. Since the 2013 financial year Assuria has begun the transition towards reporting under IFRS. This includes specific standards related to the insurance related provisions. In this respect, and also in relation to the harmonization of the accounting principles within the Assuria Group, the methodology for the determination of the technical provisions was adjusted in 2015. Prudence has increased and the provisions are determined at market value.

On September 24, 2017 the act on financial statements was passed. Based upon article 24 "Overgangsbepaling", starting 2020, large-sized companies and public interest entities are required to present their financial statements in accordance with the applicable accounting principles. This means that from 2020 both the consolidated and the company financial statements of Assuria will be prepared and published in accordance with the IFRS standards.

In addition to the qualitative impact, Assuria is working to further quantify and analyze the effects of a transition to IFRS in relation to the financial effects on the equity, results and solvency of Assuria. This evaluation is aimed at determining the impact and any necessary financial and/or organizational measures in support and realization of a precise transition to IFRS reporting.

Equity adjustment prior period

With reference to the equity movement schedule on page 8, as per December 31, 2018, in relation to the interim dividend payable, the movement in the "Other" line item was overstated by respective amount. Consequently, the "Other Liabilities" were understated by this amount.

Consolidation principles

Subsidiaries are all entities in which Assuria N.V. - direct or indirect - has executive power in relation to the financial and operational policies. Subsidiaries are fully consolidated from the date on which the executive power is transferred to Assuria N.V. All intercompany balances, transactions, gains and losses as per balance sheet date are fully eliminated. The minority share is part of the equity in the subsidiary that belongs to third parties.

Valuation principles

The consolidated semi-annual statements have been prepared on historical cost basis, modified by the revaluation of certain property, plant and equipment, financial assets and liabilities based on fair value.

For the preparation of the (consolidated) financial statements, the management made a number of estimates and assumptions (so-called professional judgement), which affect related balance sheet items as well as income and expense in the reporting period. These include amongst others the determination of the fair value of assets and liabilities, impairments and the insurance related provisions as well as the provision for doubtful debts. The estimates and assumptions are liable to changes and are continuously evaluated. Although these estimates are based on management knowledge, historical experiences and events, the results in reality can differ from the estimates.

Impairment of assets

At the end of each reporting period the management should determine whether the value of the financial assets has decreased. Assets are impaired if the carrying value of these assets exceeds the fair value, and if there is objective evidence of impairment. Losses which arise from the impairment are accounted for in the profit and loss account under the operating expenses.

Intangible assets

Goodwill

Goodwill is the positive difference between the acquisition price and the initial valuation of the shares. Goodwill is not amortized. Annually the need for impairment is assessed.

Tangible fixed assets

Property

The property is valued at current value, less any impairment losses. The current value is based on valuations, which are generally of recent date but not older than five years. Investments made after the last known valuation are capitalized at acquisition value. A revaluation reserve is created for the revaluations. Because the company does not intend to alienate the property, there is no provision for deferred taxes formed in relation to these assets.

Fixed assets

The fixed assets concern company vehicles, furniture and equipment, hardware and software and are valued at acquisition cost less straight-line depreciation based on the estimated useful life. Depreciations are calculated from the date of acquisition or from the date the asset is taken into use.

The depreciation rates used are stated below:

Company vehicles	20.0%
Furniture and equipment	33.3%
Hard and software	20.0%

Real estate investments

Real estate investments are kept for creating value on long term, to gain income from rent or to gain profit from selling. These real estate investments are valued against fair value. A revaluation reserve is formed for the movement. Where it is not the intention to alienate certain real estate investments, no deferred taxes are accounted for in relation to these investments.

Investment in non-consolidated participation

In 2017, this account concerned the interest in De Surinaamsche Bank N.V. and was valued against the interest in the equity, which was derived from their financial figures as per balance sheet date. A revaluation reserve was formed for the movement in the participation. At the end of 2018 the participation of Assuria N.V. in De Surinaamsche Bank N.V. (DSB) decreased to 17.96% and is therefore classified as a financial investment. Since December 31, 2018, the shares of DSB are valued at fair value, being the stock price at the Suriname Stock Exchange.

Financial investments

The term deposits, bonds and treasury bills are valued against the fair value. Mortgages are valued against the redemption value of the debt, taking into account a provision for bad debts and in which the fair value equals the liquidation value of the collateral. Loans issued are included against the redemption value of the capital.

Securities are valued at fair value; basically, the stock market quotation. For the securities of foreign companies, the rate per balance sheet date as listed at the international stock market is used. Securities of local companies are listed at the Suriname Stock Exchange.

Unrealized movements in the share prices of the securities portfolio are entered in the profit and loss account under the unrealized investment income.

Investments for account of policyholders relate to investments under the Assuria Investment Plan in foreign funds. The investment risk is fully borne by the policyholders.

Tax and Deferred Tax

The deferred tax assets concern losses from previous years for which it is probable that sufficient prospective fiscal profit will be available to compensate those losses and that these can be settled as such. The deferred tax liabilities are related to future tax payables caused by temporary differences, as result

of differences in accounting and fiscal principles. Because the unrealized foreign exchange results are non-taxable until they become realized, a deferred tax liability has been accounted for. The deferred tax assets and liabilities are valued against the par value.

Receivables from insurance activities

This item concerns short term receivables from clients and agents and are stated at amortized cost, which is equivalent to the par value. A provision is made for bad debts based upon the aging and the estimation of collectability.

Other receivables

The investment debtors concern mainly short-term receivables and are stated at amortized cost, which is equivalent to the par value. Where necessary, a provision for doubtful debts has been taken into account.

Cash and cash equivalent

Cash and cash equivalents are stated at par value. These cash and cash equivalents are readily available and at the free disposal of the company, unless stated otherwise.

Insurance related provisions

Actuarial calculations and assessments are performed on the premium reserve of life insurances and unearned positions of general and medical insurances.

The outstanding claims concern a provision for claims not yet settled at the balance sheet date. Calculations are performed individually, taking into account an estimate for claims not yet reported at the time of determining this provision. The adequacy of these provisions is actuarially assessed (annually and semi-annually).

The claim and premium provisions are based on the BEST Capital Adequacy Ratio model, which in the Caribbean is seen as "best practice". With respect to the insurance related provisions of the Life company, the Caribbean Policy Premium Method (CPPM) is used. The CPPM reserve is calculated based upon market value assumptions and includes a prescribed prudence margin for any uncertainties in the determination of these assumptions.

Employee Benefit Plans

The employee benefits are actuarially determined annually. The obligation arising from defined benefits to employees is secured at Assuria Levensverzekering N.V. The movement of this part of the liability is included in the income statement under the "Change in Employee benefit plans".

For the back service-liabilities arising from the pension scheme for employees in Suriname an additional provision is formed.

By virtue of the collective agreement, the employees that are active and their family members shall be entitled to medical care. To finance these claims a provision is formed during the active service period of the employee.

For the retired employees and their family members a provision is formed separately.

Other long-term liabilities

Long-term liabilities concern obligations with initially a maturity of longer than one year; these are included at par value.

Other liabilities

The other liabilities concern obligations with basically a term shorter than one year and are accounted against par value.

Principles for determining the result

All income and expenses arising during the financial year are recognized in the profit and loss account. This takes into account the deferred income and accrued receivables as well as prepaid expenses and accrued payables. The description of the accounting principles for determination of profit/loss are also included in the explanatory notes to the balance sheet items.

Principles for translation of foreign currencies

Each group company uses its relevant functional currency, being the currency of the country in which the company operates. In the preparation of the consolidated semi-annual statements the different currencies are converted to the functional currency of Assuria N.V., more in particular the Suriname Dollar. The exchange rate differences arising from the translation of the financial position of foreign subsidiaries at the rate as at balance sheet date are recognized in equity (other reserves).

The exchange rates applied as at balance sheet date are:

		June 30, 2019	December 31, 2018
USD	= SRD	7.520	7.520
Euro	= SRD	8.512	8.575
GYD (per 100)	= SRD	3.602	3.601
TTD	= SRD	1.110	1.106

Capital expenditures, investments as well as income and expenses arising from foreign exchange transactions during the reporting period, are translated at the end of the month rates as indicated by the Central Banks. Monetary balance sheet positions in foreign currency are translated at the exchange rate as at balance sheet date as indicated by the Central Banks. The translation differences arising from the above are separately recognized as unrealized exchange rate differences in the profit and loss account.

Off-balance sheet commitments

On the reporting date, Aarvina Trading N.V. has a number of contracts (off-balance sheet commitments) for the construction of Assuria Hermitage High-rise, which amounts to SRD 22.6 million.

Due to the change in legislation, it is expected that the life companies in Guyana and in Trinidad will require capital strengthening.

Notes to the 2019 consolidated semi-annual report

Consolidated profit and loss account for the period January 1 - June 30, 2019

Amounts in Suriname Dollars

	2019	1 st half of 2018
Income		
Premium income		
Life insurance	106,227,228	69,779,917
General insurance	148,811,334	148,459,693
Medical insurance	107,642,858	93,998,265
Total premium income	362,681,420	312,237,875
Reinsurance premium		
Life insurance	3,210,570	3,493,346
General insurance	43,962,446	38,727,516
Medical insurance	1,529,875	1,404,468
Total reinsurance premium	48,702,891	43,625,330
<i>Net premium income</i>	<i>313,978,529</i>	<i>268,612,545</i>
Investment income		
Securities	12,606,225	13,695,923
Mortgages	6,868,967	8,823,083
Term deposits	23,717,583	21,850,737
Treasury bills	198,405	333,429
Loans	5,676,175	7,584,471
Other investment	905,872	831,779
Realized investment income	49,973,227	53,119,422
Unrealized investment income	7,986,821	-1,215,020
<i>Total investment income</i>	<i>57,960,048</i>	<i>51,904,402</i>
<i>Other income</i>	<i>1,378,254</i>	<i>1,775,746</i>
Total income	373,316,832	322,292,693
Claims and surrenders		
Life insurance	42,701,740	41,104,985
General insurance	45,948,789	24,563,676
Medical insurance	71,989,095	77,847,452
Total claims and surrenders	160,639,624	143,516,113

Notes to the 2019 consolidated semi-annual report

Consolidated profit and loss account for the period January 1 - June 30, 2019

Amounts in Suriname Dollars

	2019	1 st half of 2018
Exchange rate differences investments related to insurance liabilities		
Life insurance	1,564,314	453,160
General insurance	46,441	1,053,751
Medical insurance	-	-2,657
Total exchange rate differences investments related to insurance liabilities	1,610,755	1,504,254
Change in insurance related provisions		
Life insurance	60,902,413	26,814,928
General insurance	23,655,684	6,709,221
Medical insurance	6,437,766	16,058,235
Total change in insurance related provisions	90,995,863	49,582,384
Operating expenses (including acquisition costs)		
Salaries and other personnel costs	33,977,124	32,016,851
Social costs	8,293,268	4,398,099
Other expenses	22,067,473	27,497,689
Acquisition costs	17,480,612	17,339,293
Total operating expenses	81,818,477	81,251,933

Notes to the 2019 consolidated semi-annual report

Other information

Events after the reporting period

In relation to the finalization of the Assuria Hermitage High-rise (AHH) office building, Aarvina Trading N.V. entered into a financing agreement with Finabank N.V. for the amount of SRD 55 million at an interest rate of 12% per annum.

The office building at the Henck Arronstraat and the adjoining parking lot at the Lim A Postraat have been sold in July. Assuria will maintain its operations at this location for the remainder of the year and until the AHH building is ready to be moved in.

In July Assuria N.V. acquired Interdomestic Trading N.V., which owns the land and the building at the Mr. J. Lachmonstraat, located in front of the AHH building, known as the BDO Accountants office building. The building will be rented out, while the AHH building will also be more easily accessible from the Mr. J. Lachmonstraat.

Review Report

To: Shareholders, Board of Directors and Management of Assuria N.V.

Introduction

We have reviewed the accompanying consolidated interim financial information of Assuria N.V., which comprises the consolidated semi-annual statement of financial position as at June 30, 2019, the consolidated semi-annual profit and loss account and the consolidated cash flows statement for the six-month period then ended, and the notes thereto. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with generally accepted guidelines on interim financial reports. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review of the consolidated interim financial information in accordance with Standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information for the six-month period ended June 30, 2019 is not prepared, in all material respects, in accordance with generally accepted guidelines on interim financial reports.

Paramaribo, September 5, 2019

for BDO Assurance N.V.

w.s. R.D. Ferrier MSc. RA
Partner



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