Annual Report 2025

Aruba Bank N.V.

For identification purposes
ERNST & YOUNG ACCOUNTANTS

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1 NOTES TO THE READER

1.1 Introduction

The Annual Report for the year 2025 of Aruba Bank N.V. consists of the Report of the Supervisory Board, the Report of the Management Board, the consolidated financial statements for the year ended December 31, 2025, as prepared by the Management Board of Aruba Bank N.V. and adopted by the Supervisory Board of Aruba Bank N.V. as well as the unqualified independent auditor's report dated January 27, 2026 of Ernst & Young Accountants on these consolidated financial statements.

1.2 Presentation of information

The financial information contained in this Annual Report has been prepared in accordance with International Financial Reporting Standards. The financial information is presented in Aruban Florin * 1,000, which is the functional and presentation currency of Aruba Bank N.V. Certain percentages in this document have been calculated using rounded figures.

1.3 Abbreviations

The following abbreviations have been used in the Annual Report (in alphabetical order):

Abbreviation	**Definition**
"AIB"	AIB Bank N.V.
"Annual Report"	Annual Report 2025
"Aruba Bank" or "Bank"	Aruba Bank N.V.
"AWG"	Aruban Florins
"CBA"	Central Bank of Aruba
"Consolidated financial statements"	Consolidated financial statements for the year ended December 31, 2025
"Directives"	State Ordinance on the Supervision of the Credit System for Credit Institutions
"EAD"	Exposure at default
"ECL"	Expected credit loss
"ERM"	Enterprise Risk Management
"EUR"	Euro
"FVOCI"	Fair value through other comprehensive income
"FVTPL"	Fair value through profit or loss
"Group"	Aruba Bank N.V. and its subsidiaries
"IAS"	International Accounting Standards
"IFRS"	International Financial Reporting Standards
"EY	Ernst & Young Accountants
"LGD"	Loss given default
"LGL"	Loss given loss
"LTECL"	Lifetime expected credit loss
"Management Board"	Board of Managing Directors of Aruba Bank
"Managing Directors"	Members of the Board of Managing Directors of Aruba Bank
"OCI"	Other comprehensive income
"OHRA"	OHRA Hypotheekbank N.V.
"Orco Aruba Holding"	Orco Aruba Holding N.V.
"PD"	Probability of default
"POCI"	Purchased or originated credit impaired
"SPPI"	Solely payments of principal and interest
"Supervisory Board"	Board of Supervisory Directors of Aruba Bank
"Supervisory Directors"	Members of the Board of Supervisory Directors of Aruba Bank N.V.
"USD"	US dollars

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2 REPORT OF THE SUPERVISORY BOARD

The Supervisory Board has reviewed and adopted the Annual Report including the consolidated financial statements. After careful evaluation, the Supervisory Board discussed the Annual Report with the Management Board and the independent auditor Ernst & Young Accountants ("EY"). Due notice was taken of the independent auditor's report dated January 27, 2026, issued by EY on the consolidated financial statements. The consolidated financial statements were prepared by the Management Board and have been authorized for issuance on January 27, 2026.

2.1 SUPERVISORY BOARD

The Supervisory Board meets at least 5 times a year in support of its primary responsibility to supervise the Management Board. During these meetings the Corporate Strategy, responsible Risk Management and the Internal Control Framework plus other relevant matters such as continued financial ratio adherence, sound Portfolio Management, (regulatory) Compliance, Governance, Financial affairs, and Integrity are closely monitored.

As part of the Bank's active involvement in the community and dedication to the wellbeing of the Aruban society, local trends and relevant developments around the globe are also considered.
The Supervisory Board has 5 sub-committees in place, which include the Audit Committee, the Nomination & Remuneration Committee, the Related Party Transactions Committee, the Board Credit Committee, and the Board Asset & Liability Management Committee, however all Supervisory Board members remain collectively responsible for the various tasks and responsibilities of each committee.

2.2 AUDIT COMMITTEE (AC)

During 2025, the AC met six times, of which one meeting took place virtually.
The agenda of the Committee always includes Risk Management, Financial Reporting, Internal and External Audit topics, and Compliance. Dedicated meetings of the AC members with the external auditor also take place in addition to those with the bank's independent officers including the Regional Manager Internal Audit, the Money Laundering Compliance Officer, and the Integrity Officer. All three have a direct reporting line to the AC.

2.3 BOARD CREDIT COMMITTEE (BCC)

The BCC met in person twice during 2025, however regular consultations by telephone and email have taken place throughout the year. These consultations were primarily dedicated to the assessment and discussion of credit extensions. In addition to discussing credit in general and specific credit-related risks, Retail and Corporate Loans in excess of the established threshold amount of 2,000 were also tabled.

2.4 NOMINATION AND REMUNERATION COMMITTEE (N&RC)

The N&RC is responsible for establishing goals and performance targets that form the basis for the assessment of the performance of the Managing Directors. The committee also prepares recommendations regarding the Supervisory Board member profiles and Management Board member profiles when applicable.

2.5 BOARD ASSET AND LIABILITY MANAGEMENT COMMITTEE (BALM)

The BALM monitors overall financial performance of the Bank, including sound ratio developments, asset/liability management strategies and tactics, liquidity positions and funding needs, current and prospective capital levels, interest rates, asset mix, investment portfolio, as well as significant changes and trends in the Bank's result.

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2.6 Related Party Transactions Committee (RPTC)

The RPTC is tasked with the evaluation and approval of transactions between the Bank and its related parties which include other group entities, shareholders, first- and second-degree family members of the Supervisory Board and Management Board members. The committee ensures that these transactions are at arm's length and compliant with the relevant mandatory ratios.

2.7 Composition of the Management Board

In 2025, Aruba Bank entered a new phase of leadership with the appointment of Mr. Rob de Ridder as Managing Director and Chairman of the Management Board, effective August 1, 2025.

We extend our sincere appreciation to Mr. Arie Stam, who stepped down as Interim Managing Director on September 30, 2025, and Mrs. Sharon Fränkel-de Cuba, who retired on December 31, 2025, for their significant contributions to the organization during their tenure.

At the same time, we are pleased to welcome Mrs. Marleen van der Borgt as Managing Director, effective January 1, 2026.

2.8 Independent audit firm

Aruba Bank appointed EY as its independent auditor for the financial year 2018 onwards.

2.9 Approval of the consolidated financial statements

The General Meeting of Shareholders is invited to approve the 2025 consolidated financial statements, the proposed appropriation of the net profit and to discharge the members of the Supervisory Board and Management Board, in accordance with article 16, sub 5, of the Articles of Association of Aruba Bank.

In closing

Aruba Bank marked its 100-year anniversary with a year-long celebration highlighting a century of innovation and forward-looking leadership. Throughout the year, we showcased digital initiatives that strengthened our commitment to delivering modern, customer-centric financial services. Sustainability remained a central theme, reflected in new green financing programs and deeper integration of responsible practices across our operations. The anniversary also provided an opportunity to elevate our brand, reinforcing our identity as a trusted and progressive financial partner.

The Supervisory Board would like to express its sincere appreciation and gratitude towards Management and staff of Aruba Bank for their unceasing commitment and efforts.

Oranjestad, Aruba, January 27, 2026

B.W.H. Guis	F.A. Tuininga	P.C. Dams	Y.H.M. Escalona
Chairman	Vice-chairman	Member	Member

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3 REPORT OF THE MANAGEMENT BOARD

3.1 Introduction

2025 was a landmark year for Aruba Bank, one of celebration, innovation, and reflection. As we marked our 100th anniversary, we continued advancing our strategic priorities, strengthening our digital platforms, expanding customer solutions, and enhancing operational efficiency. The launch of new mobile features, secure payment capabilities, and ongoing investments in technology reaffirmed our commitment to being a trusted, future-ready financial partner.

Our strong commercial performance underscored this momentum. Aruba Bank achieved notable market share growth and delivered exceptional results across Retail, Business, and Platinum Banking, demonstrating the confidence our customers place in us.

Through the *We Are Centennial* initiative, we celebrated our people, our customers, and our community, a year-long journey that honored our legacy while giving back through meaningful CSR projects and cultural contributions.

We extend our sincere appreciation and gratitude to our customers and employees for their continued trust and partnership. Together, we are building a stronger, more innovative, and financially resilient future for Aruba.

3.2 Our Mission, Strategy and Values

Our Mission

To be the preferred partner, offering innovative, effective, and customer-driven solutions that enable our customers to achieve financial freedom in a responsible and sustainable way.

Our Core Values

Professionalism · Accountability · Innovation
These values have guided us for a century and continue to shape how we serve our customers and our island.

Our Strategy

Our strategy remains anchored on three key pillars:

- **We Deliver** — *Best in banking and transactional services.*

  We strive to deliver a superior experience by providing customer-driven and tailor-made solutions and services.

- **We Care** — *A golden license to operate.*

  We care for our customers, colleagues, and the regulators, ensuring compliance, fulfilling client needs and acting with integrity in a human-centered and heart-minded way..

- **We Build** — *A culture of trust & continuous improvement.*

  We build a sustainable and people centric organization.

3.3 Economic and market conditions

Aruba's economy experienced moderated growth following the strong post-pandemic rebound. GDP growth for 2025 is projected at 2.1%, with expectations of a gradual slowdown to below 2% in the medium term. Tourism remains the primary driver of economic activity, but recent indicators show a

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possible deceleration: year-to-date visitor growth stands at 5%, compared to 12.8% in 2024. While hotel average daily rates have increased by 11%, occupancy rates have declined to 79%, reflecting rising accommodation supply and a shift toward short-term rentals.
Inflation is anticipated to reach 1% by year-end, influenced by global food and energy price trends and tariff adjustments. Subsistence costs remain high, exerting pressure on household purchasing power.

Credit growth continues, driven by enterprise loans and housing mortgages, though profitability is constrained by competitive interest rates and narrowing margins. Business sentiment is generally positive for investment and employment; however, consumer confidence remains cautious due to concerns over purchasing power.

On the fiscal front, Aruba has achieved notable progress. Public debt stands at 71% of GDP, supported by budget surpluses and ongoing repayments of COVID-related obligations to the Netherlands. Structural reforms and adherence to fiscal standards remain essential, as interest payments continue to consume significant resources. Energy transition initiatives, backed by Dutch funding, aim to modernize infrastructure and reduce reliance on fossil fuels, positioning Aruba for a more sustainable future.

The outlook for Aruba's economy hinges on tourism performance, infrastructure development, and domestic consumption. While growth prospects remain positive, downside risks persist. Global trade tensions, tariff-driven inflation, and regional geopolitical instability, particularly the U.S. and Venezuela military escalation, pose potential challenges. Additionally, rising import costs and external shocks could pressure inflation and constrain household spending.

3.4 Consolidated statement of financial position

As of December 31, 2025, Aruba Bank maintained a solid financial position, reflecting stability and growth. The Bank's liquidity and capital ratios remained well above regulatory requirements, and our investment in government securities increased as part of a balanced asset management strategy.

Despite external market challenges, we achieved sustainable portfolio growth and a strong capital base, ensuring continued confidence and security for our customers and stakeholders.

The net loan portfolio (gross loan portfolio minus allocated loan loss provision) as at December 31, 2025 increased with 14.4% to 2,059,259.

As a result of new investments in government bonds of Aruba, investment securities increased by 4.1% to 437,869 as per year end 2025.

Our financial position shows a decline in liquid assets (cash and cash equivalents), driven by prevailing market conditions. As a result, the prudential liquidity ratio decreased from 30.5% as at December 31, 2024, to 27.1% as at December 31, 2025, remaining comfortably above the minimum regulatory requirement of 18.0%.

The capital ratio at year-end 2025 stood at 22.9% (2024: 24.9%), which is also well above the minimum regulatory requirement (18.0%). The loan-to-deposit ratio is 64.0% at year-end 2025 (2024: 58.7%), below the maximum regulatory requirement of 80.0%.

3.5 Consolidated statement of profit or loss

In 2025, the Bank delivered resilient financial results, which reflects our continued hard work and commitment, despite a dynamic market environment. The profit before tax for the year 2025 amounts to 78,705 (2024: 83,894). Key developments from the Consolidated statement of profit or loss include the following.

- The net interest income increased by 1.0% to 110,826 (2024: 109,739), supported by loan portfolio growth, higher investment securities, and favorable rate conditions. Interest expenses rose due to high funding costs.
- Increase in total net commission and fees income of 6.0% from 26,559 to 28,141 mainly as a result of our growth in loan portfolio.

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- Our net result on financial transactions increased with 10.8% to 23,195 as a result of the growth of the economy and related increase in transactional business.
- Other operating expenses increased with 7.3% from 35,230 to 37,817 because of an increase in premises and marketing activities expenses in relation to our Centennial initiatives.
- The personnel expenses increased with 8.8% to 45,803, due to an increase in our number of staff, salary increases due to compensation for increased cost of living and our Centennial celebrations.

3.6 Corporate governance

Aruba Bank operates under Aruban law, governed by a Management Board and a Supervisory Board. The Supervisory Board oversees the Management Board's activities and ensures compliance with regulatory and ethical standards.

Five dedicated subcommittees support the Supervisory Board's work:

- Audit Committee
- Board Credit Committee
- Board Asset & Liability Management Committee
- Nomination & Remuneration Committee
- Related Party Transactions Committee

Together, they ensure transparency, sound governance, and prudent risk management — principles that have defined Aruba Bank's operations for a century.

3.7 Our Team

Our people continue to drive Aruba Bank's success. In 2025, collaboration, transformation, and professional growth remained at the heart of our progress.

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3.8 Our Corporate Social Responsibility Highlights of the Year

In 2025, Aruba Bank's Centennial Year deepened its social commitment through the *We Are Centennial* Legacy Projects, anchored in education, culture, health, and community development, supported by monthly donations of AWG 100,000 that reinforced our long-standing promise to uplift the island and its people.

Key Initiatives

• **SABA** – Senior care and recreation improvements, including emergency response training, medical equipment upgrades, and enhanced facilities for residents.

• **EPB Aruba** – Support for technical and vocational education, including robotics programs, infrastructure upgrades, and the creation of innovative learning spaces for students.

• **Aruba Conservation Foundation** – Restoration of Hofi Shon Shoco, which will serve as an inspirational sanctuary that educates visitors, both locals and tourists on the importance of native plant gardening in supporting biodiversity, sustainability, and climate resilience.

• **Fundacion Salud Mental Respaldo** – Expansion of community mental health outreach through the donation of two vehicles to improve accessibility and home-visit services.

• **Cas di Cultura** – Restoration of the historic *E Brasa* building to preserve and promote Aruba's performing arts and cultural heritage.

• **Fundacion Ban Uni Man Pa Cria Nos Muchanan** – Assistance for early childhood development and family empowerment programs focused on nurturing strong community foundations.

• **Scol Dun'un Man** – Launch of *The Kind Kitchen* culinary training program, providing hands-on education for students with special learning needs and creating pathways to employment.

• **Casa Cuna Progreso** – Donation of a new 15-seater bus to transport children and young mothers safely to school, therapy, and community programs.

• **Stichting CasMarie** – Support for the establishment of a third dementia care center, expanding specialized services for elderly patients.

• **Kinderhuis Imeldahof** – Funding to strengthen care and protection programs for children in temporary residential care.

• **Stichting HUNTO** – Support for programs that promote inclusion, accessibility, and quality of life for people with disabilities.

• **Fundacion Contra Violencia Relacional (FCVR)** – Strengthening Safe Spaces and Modernizing Support for Survivors of Relational Violence.

3.9 A Century of Purpose, the *We Are Centennial* Movement

2025 marked Aruba Bank's centennial year, celebrating 100 years of service to the Aruban community. Throughout the year, the Bank advanced its long-standing purpose of supporting national prosperity through a structured series of centennial initiatives.

The *We Are Centennial* movement delivered internal and external engagement activities that strengthened employee alignment and community connection. As part of this program, Centennial Legacy Projects were funded through monthly donations of AWG 100,000, supporting education,

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culture, health, and social development. These contributions created measurable community impact and ensured the centennial year produced lasting value.

Community celebrations included E Fiesta, hosted at the Camacuri branch, and Honoring Our Roots, a senior-focused event at Djiespie's Place. Both initiatives strengthened public engagement and recognized the Bank's multi-generational role in Aruba's growth.

Innovation remained a central pillar. The Innovation Conference 2025 convened global and local experts, including speakers from NASA and Google, to address technology and digital transformation. A free Youth Coding Workshop further demonstrated the Bank's commitment to fostering future talent.

A notable cultural milestone was the unveiling of the 100th Anniversary Commemorative Mural in San Nicolas, developed in collaboration with local artists and ArtisA.

Across all initiatives, employees played a key role in execution and community outreach. The centennial program generated strong participation across stakeholder groups.
As Aruba Bank enters its second century, the achievements of 2025 reaffirm its continued commitment to progress, innovation, and community investment.

Outlook 2026

As Aruba Bank begins its next century, our focus is on sustainable innovation, customer experience, and digital leadership.

We will continue investing in technology, process efficiency, and employee development to strengthen our ability to serve customers and communities alike.

Aruba Bank's vision for the next 100 years is simple and steadfast to remain Aruba's most trusted, forward-looking financial partner, built on a foundation of integrity, innovation, and shared prosperity.

The Management Board
Oranjestad, Aruba, January 27, 2026

R.J.H. (Rob) de Ridder
Managing Director

M.C.C. (Marleen) van der Borgt
Managing Director

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4 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at December 31, 2025.

	Note	December 31, 2025	December 31, 2024
Assets			
Cash and cash equivalents		999,866	1,057,090
Investment securities	10.1	444,119	427,243
Loans and advances to customers	10.2	2,059,259	1,799,732
Other assets	10.3	7,674	2,254
Property and equipment	10.4	44,919	47,338
Goodwill and other intangible assets	10.5	22,738	25,950
Total assets		**3,578,575**	**3,359,607**
Shareholder's equity			
Share capital	10.6	35,000	35,000
Revaluation reserve	10.6	1,518	1,768
General (unallocated) loan loss provision	10.6	72,814	66,320
Retained earnings	10.6	322,519	312,234
Total shareholder's equity		**431,851**	**415,322**
Liabilities			
Amounts due to banks		2,038	9,166
Deposits from customers	10.7	3,096,962	2,889,555
Current tax liabilities	11.3	2,139	2,141
Other liabilities	10.8	30,591	27,181
Deferred tax liabilities	11.3	12,705	11,555
Provisions	10.9	2,289	4,687
Total liabilities		**3,146,724**	**2,944,285**
Total shareholder's equity and liabilities		**3,578,575**	**3,359,607**

The accompanying notes are an integral part of these consolidated financial statements.

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5 Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025.

	Note	2025	2024
Interest income		152,739	144,397
Interest expenses		(41,913)	(34,658)
Net interest income		**110,826**	**109,739**
Operating income		53,642	49,210
Total income	11.1	**164,468**	**158,949**
Operating expenses	11.2	(83,620)	(77,336)
Credit (loss)/release on financial assets	10.2	(2,143)	2,281
Total expenses		(85,763)	(75,055)
Income before tax		**78,705**	**83,894**
Tax expense	11.3	(11,926)	(13,476)
Net income for the year		**66,779**	**70,418**
Other comprehensive income:			
Net gain / (loss) on investments at FVOCI	10.1	(250)	(1,203)
Total comprehensive income for the year		**66,529**	**69,215**
Net income and other comprehensive income for the year attributable to:			
Shareholder		66,529	69,215
Total		**66,529**	**69,215**

The accompanying notes are an integral part of these consolidated financial statements.

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6 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025.

	Share capital	Revaluation reserve	General (unallocated) loan loss provision	Retained earnings	Total
Balance as at January 1, 2024	**35,000**	**2,971**	**81,529**	**261,607**	**381,107**
Net income 2024	-	-	-	70,418	70,418
Dividend payment	-	-	-	(35,000)	(35,000)
Other comprehensive loss for the year 2024	-	(1,203)	-	-	(1,203)
Transfer to general (unallocated) loan loss provision	-	-	(15,209)	15,209	-
Balance as at December 31, 2024	**35,000**	**1,768**	**66,320**	**312,234**	**415,322**
Net income 2025	-	-	-	66,779	66,779
Dividend payment	-	-	-	(50,000)	(50,000)
Other comprehensive loss for the year 2025	-	(250)	-	-	(250)
Transfer to general (unallocated) loan loss provision	-	-	6,494	(6,494)	-
Balance as at December 31, 2025	**35,000**	**1,518**	**72,814**	**322,519**	**431,851**

The accompanying notes are an integral part of these consolidated financial statements.

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7 CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025.

	Note	2025	2024
Operating activities			
Income before tax	5	78,705	83,894
Adjustments for:			
Interest expenses	11.1	41,913	34,658
Interest income	11.1	(152,739)	(144,397)
Depreciation and amortization expenses	11.2	6,621	7,411
Credit loss expense on financial assets		2,143	(2,281)
Decrease in loans and advances to customers	10.2	(264,118)	(98,341)
Decrease/(Increase) in other assets and investment interest receivable	10.3	(6,641)	1,341
(Decrease)/Increase in amounts due to banks		(7,128)	4,177
Increase in deposits from customers	10.7	208,774	215,640
Increase/(Decrease) in other liabilities	10.8	3,410	1,393
Increase in provisions	10.9	(2,398)	324
Interest paid		(43,280)	(33,095)
Interest received		156,408	148,204
Income taxes paid		(10,778)	(12,751)
Cash generated by / (used in) operating activities		**10,892**	**206,177**
Investing activities			
Purchase of investment securities	10.1	(57,262)	(25,634)
Purchase of property and equipment and intangible assets	10.4	(3,401)	(3,987)
Redemptions of investment securities	10.1	40,136	842
Proceeds from sale of property and equipment	10.4	2,411	125
Cash used in investing activities		**(18,116)**	**(28,654)**
Financing activities			
Dividends paid to the shareholder	6	(50,000)	(35,000)
Cash used in financing activities		**(50,000)**	**(35,000)**
Net (decrease)/Increase in cash and cash equivalents		(57,224)	142,523
Cash and cash equivalents as at January 1	4	1,057,090	914,567
Cash and cash equivalents as at December 31	4	999,866	1,057,090
Changes in cash and cash equivalents for the year		**(57,224)**	**142,523**

The accompanying notes are an integral part of these consolidated financial statements.

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8 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8.1 Corporate information

Aruba Bank provides corporate and retail banking services in Aruba and has served the banking needs of their clients since 1925. The Bank is a limited liability company, incorporated in Aruba and its registered office is Camacuri 12, Oranjestad, Aruba.

As at December 31, 2025, Aruba Bank has 3 branches, 34 ATMs, 14 smart deposit machines and 291 employees. Aruba Bank has managed to maintain its market-leading position and is a full-fledged, customer-oriented commercial bank.

The Group's parent company is Orco Aruba Holding N.V., a limited liability company, which is incorporated in Aruba and its registered office is Camacuri 12, Oranjestad, Aruba. The Group's ultimate parent company is Mereveo International B.V., incorporated in The Netherlands with its registered office at Weena 723, 3013 AM Rotterdam.

The consolidated financial statements were prepared and authorized by the Management Board and subsequently approved by the Supervisory Board on January 27, 2026.

8.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and are stated in thousands of Aruban Florins (AWG 1,000), except where otherwise stated. The General (unallocated) loan loss provision is established in compliance with the Supervisory Directives as issued by the CBA.

These consolidated financial statements have been prepared on a historical cost basis, except for the measurement of financial instruments measured at amortized cost or fair value. The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions. Actual results could differ from those estimates. Significant accounting judgements and estimates in applying the accounting policies have been described in note 9.

The Bank has prepared its consolidated financial statements on the basis that it will continue as a going concern.

8.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of Aruba Bank and controlled entities, thus incorporating the assets, liabilities, revenues and expenses of Aruba Bank and its subsidiaries. Control is achieved when the Bank has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. Non-controlling interests in both equity and results of group companies are presented separately in the consolidated financial statements. The financial statements of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

All intercompany balances and transactions, and any related unrealized gains and losses, are eliminated in preparing the consolidated financial statements.

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8.4 Changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2024. The Group did not early adopt any other standard, interpretation or amendment that has been issued but is not yet effective.

8.4.1 New and amended standards not affecting amounts reported and/or disclosures in the consolidated financial statements.

During the current year, the following amended standards issued by the IASB became mandatorily effective:

- Amendments to IAS 21 "Lack of Exchangeability".

This amendment is either not applicable or does not require any significant change to current accounting practice and therefore has not resulted in additional disclosures for the Group.

8.4.2 Standards and amendments issued but not yet effective

The following is a list of standards and amendments that are not yet effective up to the date of issuance of the Group's consolidated financial statements. These standards will be applicable to the Group at a future date and will be adopted when they become effective. The Group will assess the impact of these standards and amendments in the coming period.

IFRS 7	Financial Instruments: Disclosures (1)
IFRS 9	Financial Instruments (1)
IFRS 18	Presentation and Disclosure in Financial Statements (2)
IFRS 19	Subsidiaries without Public Accountability: Disclosures (2)

(1) Effective January 1, 2026.
(2) Effective January 1, 2027.

Note that, except for IFRS 18, the amendments to IAS 21, IFRS 7 and IFRS 19 are not applicable to the Group. For a detailed discussion of the application and impact of IFRS 18, refer to Section 8.4.2.1, "IFRS 18 Presentation and Disclosure in Financial Statements".

8.4.2.1 IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces new requirements for presentation of the statement of profit or loss, including the use of specified totals and subtotals. Under this standard, all income and expenses must be classified into one of five categories: operating, investing, financing, income taxes, and discontinued operations, where the first three are new classifications. Generally, income and expenses from financing and investing activities are required to be classified under the 'investing' or 'financing' categories. However, entities like Aruba Bank, whose main business activities include providing finance to customers or investing in specific types of assets, are permitted to classify related income and expenses in the 'operating' category as an exception to the general rule. This exception is intended to better reflect the nature of their primary activities and financial performance.

Management-defined performance measures, also introduced by IFRS 18, are metrics selected by an entity's management to reflect how they monitor and assess financial performance. These measures may differ from the standardized totals required by IFRS 18 and provide additional insight into the entity's operations from management's perspective. The standard also introduces new requirements for the aggregation and disaggregation of financial information, based on the identified roles of the primary financial statements and the notes, to enhance clarity and transparency for users.

The Bank will evaluate the impacts of IFRS 18 on both the primary financial statements and the accompanying notes. As Aruba Bank's main business activities include providing financing to customers and investing in financial assets, the Bank anticipates that, in accordance with IFRS 18,

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some income and expenses related to these activities will be classified in the operating category, rather than in the investing or financing categories as would otherwise be required under the general provisions of the standard. In summary, the adoption of IFRS 18 will result in a reclassification of certain income and expenses, offering stakeholders a clearer view of Aruba Bank's core operating performance.

8.5 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below.

8.5.1 Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments, cash at hand and at bank, treasury bills, bankers' acceptances with original maturities of three months or less, the statutory deposit with the CBA and non-restricted current accounts and deposits with other banks.

In accordance with statutory provisions, Aruba Bank N.V. is required to maintain with the CBA, statutory reserve requirements in relation to the short-term liabilities of less than 2 years and the statutory reserve requirement is excluded from the calculation of the prudential liquidity ratio. The reserve requirement amounted to 12.5% year-end December 31, 2025 (2024: 15.5%).

8.5.2 Financial instruments – initial recognition

Financial assets and financial liabilities, with the exception of loans and advances to customers and balances due to customers, are recognized when the entity becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognized when funds are transferred to the customers' accounts. The Bank recognizes balances due to customers when funds are transferred to the Bank. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value and transaction costs are added to, or subtracted from, this amount. Except in the case of financial assets or financial liabilities recorded at FVTPL, transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognizes the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost.

8.5.3 Financial assets

8.5.3.1 Classification and subsequent measurement

The Group only measures financial assets at amortized costs if both of the following conditions are met:

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- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The classification requirements for debt and equity instruments are described below.

8.5.3.2 Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:
(i) the Group's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- **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 FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in note 8.5.6. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- **Fair value through other comprehensive income ("FVOCI")**: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- **Fair value through profit or loss ("FVTPL")**: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the profit or loss statement in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Business model assessment
The business model reflects how the Group manages the assets to generate cash flows. That is, whether the Group'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 are 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 FVTPL. Factors considered by the Group in determining the business model for a group of assets include experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

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SPPI
Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group 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. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

8.5.3.3 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVTPL are included in the 'Operating income' line in the statement of profit or loss.

8.5.4 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in 2025.

8.5.5 Derecognition of financial assets and liabilities

Derecognition due to modification of terms and conditions
The Group may renegotiate or otherwise modify the contractual cash flows of loans to customers. When this occurs, the Group assesses whether the new terms are substantially different to the original terms. Factors considered include, among others:

- Whether the borrower is in financial difficulty and the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Addition of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. The Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was

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driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Derecognition other than for a substantial modification
Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

Financial liabilities
The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

8.5.6 Impairment of financial assets

ECL principles
The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss ("LTECL")), unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss ("12mECL"). The Groups policies for determining if there has been a significant increase in credit risk are set out in note 12.2.2.5.

The 12mECL is the portion of the LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio. The Groups policy for grouping financial assets measured on a collective basis is explained in note 12.2.2.6.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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

- Stage 1: When loans are first recognized, the Bank recognizes an allowance based on 12mECLs. 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 LTECLs. 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 LTECLs;
- POCI: Purchased or originated credit impaired ("POCI") assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit adjusted effective interest rate ("EIR"). ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

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Calculation of ECLs
The Group calculates ECLs based on the historical measure of cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD: The Probability of Default 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, if the facility has not been previously derecognized and is still in the portfolio.

- EAD: The Exposure at Default is an estimate of the exposure at a future default date, considering 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.

- LGD: The Loss Given Default 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 usually expressed as a percentage of the EAD.

Except for credit cards and other revolving facilities, for which the treatment is separately set out, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

The mechanics of the ECL method are summarized below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Group only recognizes the cumulative changes in lifetime ECLs since initial recognition, discounted by the credit adjusted EIR.

8.5.7 Credit cards and other revolving facilities

The Group's product offering includes a variety of corporate and retail overdraft and credit cards facilities, which the Bank has the right to cancel and/or reduce the facilities with one day's notice. The Group does not limit its exposure to credit losses to the contractual notice period but instead calculates ECL over a period that reflects the Group's expectations of the customer behavior, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities. The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products.

8.5.8 Financial guarantees, letters of credit and undrawn loan commitments

The Group issues financial guarantees, letters of credit and loan commitments. Financial guarantees, letters of credit and loan commitments are off-balance sheet instruments and have no history of default.

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8.5.9 Forward looking information

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs (macro-economic variables), such as:

- GDP growth
- Unemployment rates
- Consumer Price Index

The inputs and models used for calculating ECLs 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.

8.5.10 Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets, and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed at inception and re-assessed on a regular basis. For financial assets with sufficient collateral no provision has been recorded. The total outstanding balance for special assets is 44,701 (2024: 46,351).

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on independent valuations and other data provided by third parties or sight visits performed by the Bank.

8.5.11 Write-offs

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

8.5.12 Leases

A lease is defined as a contract that conveys the right to control the use of an asset (the underlying asset) for a period of time in exchange for consideration. The Group assesses at contract inception whether a contract is, or contains, a lease. The Group has a policy to not to enter into lease contracts in which it acts as a lessee.

All other leases classify as an exemption, leases of 'low-value' assets and/or short-term leases, for the accounting of the leases under the single on-balance sheet model. All other leases are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

8.5.13 Property and equipment

Premises and equipment are stated at historical cost, less any accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will

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flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed and adjusted if appropriate on a prospective basis. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of income.

The depreciation rates used are as follows:

Freehold land	0%
Premises	2.5% - 10%
Other equipment	20% - 33.3%

Assets in the course of construction for operations are carried at cost, less any impairment loss. Cost includes professional fees and borrowing costs (specifically related to qualifying assets) capitalized in accordance with the Group's accounting policy and IFRS. Such assets are classified to the appropriate category of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

8.5.14 Goodwill and other intangible assets

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.
For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.
A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets, including software development costs are directly incurred in connection with identifiable and unique software products and which will likely provide economic benefits exceeding the costs for longer than one year are recognized as other intangible assets. Expenditures that improve the performance of software as compared with their original specifications are added to the original cost of the software. Software development costs are recognized as other intangible assets and are amortized on a linear basis over a period not exceeding five years. Costs related to the maintenance of software are recognized as an expense at the time they are incurred.

8.5.15 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

8.5.16 Employee benefits

Pension obligations
The Group has a defined contribution plan. Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. Pension contributions are partially paid for by the Group and partially by the employees. The Group is under no obligation to cover back service liabilities, if any. For those employees that do not reach the minimum threshold, severance benefits have to be paid.

Severance benefits
The Group is committed, by legislation in Aruba, to make payments to employees upon severance. Such payments are considered severance benefits. As severance benefits do not provide the Group with future economic benefits, these severance benefits are recognized as an expense in profit or loss at the earlier of when the Group can no longer withdraw the offer of the severance benefit and when the Group recognizes any related restructuring costs. These severance benefits are calculated based on the number of years employed. Severance benefits are also payable at retirement, but only if the retiree does not receive a pension from a pension plan of at least equal to the state pension.

Severance benefits are discounted when they fall due more than 12 months after the reporting period. The rate used to discount is determined by reference to long-term market yields (five-year government bonds) at the end of the reporting period.

8.5.17 Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the consolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognized as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognized as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

Aruba Bank and its subsidiaries (with the exception of IB Aruba Finance N.V. and AB Beleggingen VBA) are part of the fiscal unity of which Orco Aruba Holding is the parent. Orco Aruba Holding files a consolidated tax return on behalf of the fiscal unity. The income tax calculation for Aruba Bank is prepared as if the entity is a stand-alone entity with all deferred and current tax charges or benefits, receivables, and payables included in these consolidated financial statements. Payables to or receivables from Orco Aruba Holding are included in the intercompany accounts with Orco Aruba Holding.

8.5.18 Foreign currencies

In preparing the consolidated financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the transaction date. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

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Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

8.5.19 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. Interest from interest-bearing assets and liabilities not measured at fair value through profit or loss is recognized as net interest income using the effective interest rate ("EIR"). EIR is the rate that discounts expected future cash flows for the expected life of the financial instrument to its carrying value. The calculation takes into account the contractual interest rate along with any fees or incremental costs that are directly attributable to the instrument and all other premiums or discounts.

Commission and fee income
Fees and commissions are recognized on an accrual basis when the service has been rendered. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loan. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-apportionate basis. Performance-linked fees or fee components are recognized when the performance criteria are fulfilled.

Dividend income
Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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9 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Actual results may differ from those estimates and assumptions. There have been no changes in accounting estimates in 2025.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

9.1 Critical judgments in applying accounting policies

The following is the critical judgment, apart from those involving estimations (see note 9.2 below), that the Management Board has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

9.1.1 Equity securities at FVOCI

Note 8.5.3 describes how Aruba Bank has accounted for the shareholding in AIB. The Management Board has assessed the carrying value of the shareholding in AIB and are satisfied that the value in the consolidated statement of financial position, based on the discounted cash flow model with a discount rate of 7.4%, inflation of 2% and tax rate of 22%, is reliable under the circumstances considering the yield and limited liquidity.

9.1.2 Income tax

Besides some smaller other temporary differences, the loan loss provisioning under fiscal valuation rules and IFRS differs materially. Reference is made to note 11.3 for a breakdown of fiscal versus commercial differences. The Management Board believes that the calculation and assumptions used in the determination of the fiscal and commercial loan losses are appropriate in determining the tax position and tax benefits/ expense.

9.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

9.2.1 Impairment of financial assets

The measurement of impairment losses both under IFRS 9 and IAS 36 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Internal credit rating model, which assigns individual provisions;
- Determining criteria for significant increase in credit risk;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;

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- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs in the ECL models.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. The allocated loan loss provision as described in more detail in note 10.2.2 is estimated based on the combination of specific reviews and estimates with regards to credit rating, collateral type, and past due status. Certain aspects of this process require (significant) judgment, such as the determination of the probability of default, the expected loss, the (time) value of the collateral, discount rates, cash flows, relief given and other economic factors. The Group determines at each reporting date a forward-looking factor to estimate the ECL. For 2024, the Group lowered the adverse scenario in the forward-looking macroeconomic scenario due to robust tourism performance. In 2025, Aruba's economy continued to grow moderately, again supported by tourism. The Group has maintained the scenario weights in its forward-looking macroeconomic models. However, despite this strong tourism-driven growth, economic expansion is expected to slow in the coming years due to several emerging downside risks. Geopolitical tensions, such as the recent U.S. military action against Venezuela, could disrupt trade routes and regional stability, potentially affecting Aruba's economic activity. Climate risks, including rising sea levels, may threaten coastal infrastructure that is vital to the tourism sector, thereby undermining one of Aruba's main sources of revenue. Additionally, with tourism operating at capacity levels, further growth in this sector may be limited. These factors contribute to ongoing uncertainty in the economic outlook. Considering these risks and their potential impacts, the Group has decided to maintain the scenario weights for its forward-looking macroeconomic assessments.

The Management Board believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments. Undrawn loan commitments and letters of credit are in the scope of the ECL requirements for all exposures classified as special assets, but no ECL was determined for non-special assets exposures based on historical observation of defaults.

The Management Board considers the expected credit loss on the credit card portfolio to be very low and immaterial, given that credit cards can be revoked when a client deteriorates or limits can be reduced, and that the lifetime of a credit card is short. Therefore, the Management Board has chosen to simplify the calculation of the provision of the credit card portfolio and not to be based on ECL.

9.2.2 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Management Board to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Reference is also made to note 10.5.

The Management Board believes that the impairment analysis and assumptions used are appropriate in determining that the goodwill is not impaired as at December 31, 2025 (December 31, 2024: no impairment).

9.2.3 Measurement of other liabilities and provisions

As described in note 10.9, the Group uses valuation techniques to measure the severance liabilities. Note 10.9 provides detailed information about the key assumptions used in the determination of the severance liabilities.

In addition, the Group is, from time to time, involved in litigation which requires material judgment from the Management Board with regards to the potential cash outflow including related interest charges and penalties, if any. The Management Board believes that the valuation techniques and assumptions used in the determination of the provisions are appropriate in determining the provisions. Reference is made to note 12.6.

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10 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

10.1 INVESTMENT SECURITIES

Equity securities at FVOCI

Equity securities at FVOCI amounting to 6,250 (December 31, 2024: 6,500) relate for 6,015 to the shareholding by Aruba Bank in AIB and for 235 to an investment in Renobacion Aruba N.V.

Aruba Bank has 19.97% of the ownership interest and voting power as per December 31, 2025 (December 31, 2024: 19.97%) of AIB Bank N.V. AIB Bank N.V. is incorporated in Oranjestad, Aruba and their principal activity is banking. Although Aruba Bank has almost 20% shareholding in AIB, the Management Board does not consider that Aruba Bank is able to exercise significant influence over the financial and operating policy decision-making process due to the legal structure which allows only for limited voting rights for Aruba Bank which is not comparable to the actual shareholding. Dividends received are recognized in the consolidated statement of profit or loss and other comprehensive income.

AIB has been valued using a discounted cash flow model over the profit before tax of ten years and applying a terminal value.

Debt securities at amortized cost

Debt securities at amortized cost as at December 31, 2025 of 437,869 (December 31, 2024: 420,743) are government bonds and cash loan certificates related to the government of Aruba.

The fair values of the government bonds amount to 432,008 as at December 31, 2025 (December 31, 2024: 397,941) compared to a carrying value of 437,869 as at December 31, 2025 (December 31, 2024: 420,743).

The government bonds are not quoted in an active market. As a result, the fair values of these bonds have been derived from the discounted cash flow method. The Group has the firm intention to hold the Debt securities at amortized cost until maturity.

10.2 LOANS AND ADVANCES TO CUSTOMERS

10.2.1 Loans and advances to customers

Loans and advances to customers as at December 31 can be specified as follows:

December 31, 2025	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
Performing loans and advances	831,930	1,117,580	76,273	31,920	2,057,703
Non-performing loans and advances	5,313	19,258	482	949	26,002
	837,243	1,136,838	76,755	32,869	2,083,705
Accrued interest receivable	1,937	3,512	-	-	5,449
Total gross loans and advances	839,180	1,140,350	76,755	32,869	2,089,154
Allowance for ECL's	(7,980)	(13,847)	(6,899)	(1,169)	(29,895)
Net loans and advances	**831,200**	**1,126,503**	**69,856**	**31,700**	**2,059,259**
Fair value loans and advances	*831,209*	*1,128,094*	*69,856*	*31,700*	*2,060,859*

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December 31, 2024	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
Performing loans and advances	729,025	970,255	65,084	32,830	1,797,194
Non-performing loans and advances	3,945	18,917	939	1,243	25,044
	732,970	989,172	66,023	34,073	1,822,238
Accrued interest receivable	2,799	5,098	-	-	7,897
Total gross loans and advances	735,769	994,270	66,023	34,073	1,830,135
Allowance for ECL's	(8,383)	(14,021)	(6,250)	(1,749)	(30,403)
Net loans and advances	**727,386**	**980,249**	**59,773**	**32,324**	**1,799,732**
Fair value loans and advances	*727,063*	*985,158*	*59,773*	*32,324*	*1,804,318*

10.2.2 Impairment allowance for loans and advances to customers

The table below shows the loans and advances to customers and the related ECLs per staging based on the Bank's criteria as explained in note 8.5.6.

December 31, 2025	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
Gross loans and advances	839,180	1,140,350	76,755	32,869	2,089,154
Stage 1	(2,886)	(2,524)	(6,417)	(191)	(12,018)
Stage 2	(4,134)	(4,588)	-	(127)	(8,849)
Stage 3	(960)	(6,735)	(482)	(851)	(9,028)
Net loans and advances	831,200	1,126,503	69,856	31,700	2,059,259

December 31, 2024	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
Gross loans and advances	735,769	994,270	66,023	34,073	1,830,135
Stage 1	(2,899)	(2,415)	(5,311)	(269)	(10,894)
Stage 2	(4,307)	(3,722)	-	(237)	(8,266)
Stage 3	(1,177)	(7,884)	(939)	(1,243)	(11,243)
Net loans and advances	727,386	980,249	59,773	32,324	1,799,732

Stage 1	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
ECL as at January 1, 2025	(2,899)	(2,415)	(5,311)	(269)	(10,894)
ECL on new instruments issued in 2025	(774)	(775)	-	-	(1,549)
Other credit loss movements	787	666	(1,106)	78	425
ECL as at December 31, 2025	(2,886)	(2,524)	(6,417)	(191)	(12,018)

Stage 2	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
ECL as at January 1, 2025	(4,307)	(3,722)	-	(237)	(8,266)
ECL on new instruments issued in 2025	(659)	(828)	-	-	(1,487)
Other credit loss movements	832	(38)	-	110	904
ECL as at December 31, 2025	(4,134)	(4,588)	-	(127)	(8,849)

Stage 3	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
ECL as at January 1, 2025	(1,177)	(7,884)	(939)	(1,243)	(11,243)
ECL on new instruments issued in 2025	(45)	(49)	-	-	(94)
Other credit loss movements	262	1,198	457	392	2,309
ECL as at December 31, 2025	(960)	(6,735)	(482)	(851)	(9,028)

The total ECL of 29,895 (30,403 as per December 31, 2024) is for 29% (23% as per December 31, 2024) based on a collective basis and for 71% (77% as per December 31, 2024) on an individual basis.

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10.3 Other assets

The balance of other assets as at December 31, 2025, and 2024, consists primarily of prepaid expenses and other receivables not related to loans and advances. These other assets have a short-term nature.

10.4 Property and equipment

The movements of property and equipment per category can be specified as follows:

	Land and premises	Other equipment	Assets under construction	Total
January 1, 2025				
Acquisition costs	60,805	55,144	495	116,444
Accumulated depreciation	(24,093)	(45,013)	-	(69,106)
Carrying value	**36,712**	**10,131**	**495**	**47,338**
Movements				
Additions	1,287	3,595	155	5,037
Reclassification	324	171	(495)	0
Cost of disposals	(6,365)	(5,530)	-	(11,895)
Depreciation of disposals	4,147	5,337	-	9,484
Depreciation	(1,589)	(3,456)	-	(5,045)
	(2,196)	**117**	**(340)**	**(2,419)**
December 31, 2025				
Acquisition costs	56,051	53,380	155	109,586
Accumulated depreciation	(21,535)	(43,132)	-	(64,667)
Carrying value	**34,516**	**10,248**	**155**	**44,919**

	Land and premises	Other equipment	Assets under construction	Total
January 1, 2024				
Acquisition costs	60,566	55,339	129	116,034
Accumulated depreciation	(22,430)	(45,930)	-	(68,360)
Carrying value	**38,136**	**9,409**	**129**	**47,674**
Movements				
Additions	122	4,700	495	5,317
Reclassification	117	0	(117)	0
Cost of disposals	0	(4,895)	(12)	(4,907)
Depreciation of disposals	0	4,782	0	4,782
Depreciation	(1,663)	(3,865)	0	(5,528)
	(1,424)	**722**	**366**	**(336)**
December 31, 2024				
Acquisition costs	60,805	55,144	495	116,444
Accumulated depreciation	(24,093)	(45,013)	-	(69,106)
Carrying value	**36,712**	**10,131**	**495**	**47,338**

The difference of 1,636 (depreciation 2024: 1,329) between the depreciation in the movement per category and the depreciation expenses in the consolidated statement of profit or loss and other comprehensive income and the difference between the additions in the movement per category and the additions to property and equipment in the consolidated statement of cash flows relates to the surcharge to Orco Bank based on the Cost Sharing Agreement and the amortization of the other intangible assets.

The amount of assets under construction is primarily related to several projects which are expected to be finalized in 2026.

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10.5 GOODWILL AND OTHER INTANGIBLE ASSETS

10.5.1 Goodwill

The goodwill of 18,534 (2024: 18,534) is primarily generated from the acquisitions of Interbank Aruba N.V. and OHRA. The recoverable amounts of the cash-generating unit are determined based on a value in use calculation which uses a discounted cash flow model covering a ten-year period. The Management Board believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. Based on the latest impairment test held in 2025, no impairment has been recognized as at December 31, 2025.

The key assumptions used in the value in use calculation (discounted cash flow method) for Interbank Aruba N.V. and OHRA (both together) cash-generating unit is based on a ten-year projected declining cash flow period based on financial budgets approved by management and the values assigned to key assumptions reflect past performance. The growth rate is nil.

The inflationary pressures have created uncertainty in the estimation of cash flow projections, discount rates and terminal growth rates. The goodwill impairment tests were conducted using sensitivity analysis, including a range of growth rates and recovery assumptions.

10.5.2 Other intangible assets

Other intangible assets include software development costs with a carrying value of 4,204 (2024: 7,416), an acquisition cost of 16,062 (2024: 16,062) and accumulated amortization of 11,858 (2024: 8,646).

10.6 SHAREHOLDER'S EQUITY

10.6.1 Share capital

The Group has issued share capital amounting to 35,000 as at December 31, 2025 (December 31, 2024: 35,000). The total authorized and issued share capital as at December 31, 2025 and 2024, respectively, amounted to 7,000 shares at par value of 5 per share. All shares have been issued and paid-in. The Group has not granted share options as at December 31, 2025 and 2024, respectively.

10.6.2 Revaluation reserve

The revaluation reserve arises from the revaluation of Equity securities at FVOCI. When revalued Equity securities at FVOCI are sold, the portion of the revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the revaluation reserve will not be reclassified subsequently to profit or loss.

Distributions from the revaluation reserve can be made where they are in accordance with the requirements of Aruba Bank's Articles of Incorporation, and relevant case law or any amount transferred directly to retained profits in accordance with IFRS. The Management Board has currently no intention to make any distributions from the revaluation reserve.

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10.6.3 General (unallocated) loan loss provision

The Directives of the CBA require the Group to maintain a general (unallocated) loan loss provision. This is a special form of a dynamically determined provision related to the general risk that the Group runs, directly or indirectly, originating from granting loans and conducting other banking activities. This provision serves as a buffer for losses, which cannot be foreseen and therefore cannot be quantified. The Directives require a minimum provision of 3.0% of the net loan portfolio plus other risk items on the asset side of the consolidated statement of financial position. The net portfolio is calculated as gross loans less the allocated loan loss provision. The general (unallocated) loan loss provision of Aruba Bank is set to the minimum requirement of 3.0% as set forth by the CBA (2024: 3.0%).

10.6.4 Retained earnings

Retained earnings are related to past net results appropriated to shareholder's equity based on the decisions taken at the Annual General Meeting of Shareholders and net income for the year. Dividends paid will be offset against retained earnings. Dividend payments are subject to approval by the CBA. The dividend payment in 2025 relates to the approved dividend payment over the fiscal year 2023.

10.7 Deposits from customers

Deposits from customers as at December 31 can be specified as follows:

	2025	2024
Corporate	1,894,458	1,745,074
Retail	1,189,411	1,130,021
Accrued interest payable	13,093	14,460
	3,096,962	**2,889,555**

10.8 Other liabilities

Other liabilities as at December 31 can be specified as follows:

	2025	2024
Due to insurance companies	11,699	9,238
Accounts payable	3,814	3,005
Personnel related liabilities	5,392	5,415
Other liabilities and accrued expenses	9,686	9,523
	30,591	**27,181**

The other liabilities and accrued expenses consist of accruals for pending invoices and a liability related to the Aruba Bank Rewards program of cards.

10.9 Provisions

The movements can be specified as follows:

	2025	2024
Balance at the beginning of the year	4,687	4,363
Additions/(releases)	(2,398)	324
Balance at the end of the year	**2,289**	**4,687**

The balance consists of severance and legal provisions. For an explanation of the legal provisions, reference is made to note 12.6.1.

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The Group has calculated the severance liabilities in accordance with IAS 19 "*Employee benefits*". The key assumptions as at December 31, 2025 are a discount rate of 5.5% (December 31, 2024: 5.6%), employee turnover 5.6% (December 31, 2024: 5.7%), and salary increase of 2.0% (December 31, 2024: 2.0%).

Anniversary bonus provisions are calculated based on bonuses expected to be payable to the current employees.

The Group operates a defined contribution pension plan for all qualifying employees. The assets of the defined contribution plan are held separately from those of the Group in funds under the control and management of the Guardian Group Fatum, Aruba. The total expense recognized in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2025 amounted to 1,626 (2024: 1,607). The total expense represents contributions paid/payable to this defined contribution plan by the Group at rates specified in the rules of the Plan as well as to other personal pension schemes. As at December 31, 2025, contributions of 250 (December 31, 2024: 195) due in respect of the 2025 (2024) reporting period had not been paid over to the defined contribution plan. The amounts were paid subsequent to the end of the reporting period.

The legal provision amounting to 2,395, which was primarily related to an old case dating back to 2005, was released during the year due to the aging of the matter.

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11 NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

11.1 TOTAL INCOME

Total income can be specified as follows:

	2025	2024
Interest income on loans and advances to customers	121,537	115,517
Interest income on investment securities and due from banks	31,202	28,880
Interest expense	(41,913)	(34,658)
Net interest income	**110,826**	**109,739**
Card commissions	53,965	46,946
Other commission and fee income	32,526	30,133
Commission expense	(58,350)	(50,520)
Net result on financial transactions	23,195	20,934
Other income	2,306	1,717
Operating income	**53,642**	**49,210**
	164,468	**158,949**

11.2 OPERATING EXPENSES

Operating expenses can be specified as follows:

	2025	2024
Personnel	45,803	42,106
Automation	11,097	10,970
Depreciation and amortization	6,621	7,411
Premises	5,781	4,389
Marketing	3,787	2,318
Communication	1,669	1,557
Consulting	1,606	1,855
Legal	395	427
Insurance	778	728
Audit fee	470	463
Others	5,613	5,112
	83,620	**77,336**

11.3 PROFIT TAX

11.3.1 Tax expense recognized in profit or loss

	2025	2024
Tax expense current year	12,137	13,494
Current tax expense due to amendment prior years	(211)	(18)
	11,926	**13,476**

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11.3.2 Reconciliation of the effective tax rate

	2025	2024
Income before tax	78,705	83,894
Income tax at applicable statutory tax rates	17,315	18,457
Effect profit tax subsidiaries	(5,051)	(4,899)
Prior year differences	(211)	(18)
Other differences	(127)	(64)
	11,926	**13,476**

The tax rate for the 2025 reconciliations is the corporate tax rate of 22% (2024: 22%), payable by corporate entities in Aruba on taxable profits under tax law in Aruba. The effective tax rate for 2025 is 15.2% (2024: 16.1%).

11.3.3 Current tax liabilities

The current tax liabilities are settled with Orco Aruba Holding as head of the fiscal unity. The outstanding balance is primarily related to tax liabilities for IB Aruba Finance N.V. and AB Beleggingen VBA which are not part of the fiscal unity.

11.3.4 Deferred tax liabilities

The following is the analysis of deferred tax liabilities presented in the consolidated statement of financial position:

	Balance as at January 1, 2024	Net movements 2024	Balance as at December 31, 2024	Net movements 2025	Balance as at December 31, 2025
Loan loss provision	7,252	693	7,945	1,261	9,206
Goodwill	3,289	0	3,289	0	3,289
Other	414	(93)	321	(111)	210
	10,955	**600**	**11,555**	**1,150**	**12,705**

The deferred tax liability related to the loan loss provision is determined in accordance with previous years, a consistent line has been maintained based on the assumption that the tax authority will maintain the percentage of the unallocated loan loss provision for 2025.

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12 OTHER NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12.1 SUBSIDIARY COMPANIES

Name of Company	Principal activity	Country of incorporation	Equity interest	
			12/31/25	12/31/24
Aruba Bank Onroerend Goed N.V.	Holding branches	Aruba	100%	100%
Aruba Bank Onroerend Goed II N.V.	Holding Camacuri office	Aruba	100%	100%
Aruba Bank Onroerend Goed III N.V.	Holding Hato office	Aruba	100%	100%
IB Aruba Finance N.V.	Holding of loans	Aruba	100%	100%
AB Beleggingen VBA	Investments	Aruba	100%	100%

12.2 RISK MANAGEMENT

12.2.1 Introduction

The Group's prudent banking practices are founded on solid risk management. In an effort to keep pace with its dynamic environment, the Group has established a comprehensive framework for managing risks, which is continually evolving as the Group's business activities change in response to market, credit, product and other developments.

The Group monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk, liquidity risk and operational risk.

Aruba Bank has an ERM policy in place as well as an ERM Framework to capture significant risks to which Aruba Bank is (potentially) exposed. This ERM Framework covers the most important risks that Aruba Bank is exposed to and covers risk areas such as technology, compliance, credit, foreign exchange, interest rate, liquidity, outsourcing, reputation, fraud and integrity. The Risk Division is responsible for the risk identification, documentation, assessment, testing, and follow-up plans for mitigating the likelihood and impact of identified risks. No significant changes in exposures to risks and how they arise were identified compared to 2024.

The use of financial instruments is governed by the Group's policies approved by the Management Board, which provide written principles on asset and liability management. Compliance with policies and exposure limits is reviewed by the Internal Audit department. The Group does not enter into or trade financial instruments for speculative purposes.

The main risks arising from the Group's financial instruments are credit risk, interest rate and market risk, liquidity risk, foreign currency risk and operational risk.

12.2.2 Credit risk

Credit risk is the potential that a borrower or counterparty will fail to meet its stated obligations in accordance with agreed terms. The objective of the Group's credit risk management function is to maximize the Group's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review. The Management Board and Supervisory Board periodically discuss the level of credit exposure by product and by industry sector at its periodic meetings. Certain limits are also imposed by the CBA and any limits set by the Group take into account the regulatory requirements. Concentrated Group accounts are monitored closely. The total large exposures as defined in the regulatory requirements are allowed up

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to 600% of test capital. The total large exposures account for 23.1% (December 31, 2024: 37.1%) of test capital.

Classification of gross carrying amount is as follows:

	Dec 31, 2025	Dec 31, 2024
Satisfactory	2,029,732	1,773,661
Substandard	41,950	40,636
Doubtful / Loss	17,472	17,472
	2,089,154	1,831,769

12.2.2.1 Impairment assessment

Individual provisions are reviewed at least two times a year and recommended provisions arising out of this review are submitted to the Management Board and Supervisory Board for approval. Non-performing debts recommended for write-off are also reviewed annually and action taken in accordance with the internal procedures. Subsequent recoveries of accounts previously written off are recognized in the consolidated statement of profit or loss and other comprehensive income.

12.2.2.2 Default

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include, but are not limited to:

- Internal rating of the borrower indicating default or near-default
- The borrower having past due liabilities to public or creditors or employees
- The borrower requesting emergency funding from the Bank
- The borrower is deceased
- A material decrease in the borrower's turnover or the loss of a major customer
- The debtor filing for bankruptcy application

The credit risk from loans and advances to customers is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate.

12.2.2.3 Modification of Financial assets and recovery

The Group sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximizing recovery. Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. These modifications rarely result in an impairment loss and if it does, it is not material.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

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12.2.2.4 Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss ("ECL") is measured on either a 12-month ("12M") or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default ("PD"), Exposure at Default ("EAD"), and Loss Given Default ("LGD"), whereby the LGD is considered to be equal to the Loss Given Loss ("LGL") multiplied with one minus the Cure Rate ("CR"), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. The Group calculates the average PD based on the transition of assets in each half year data. From this data an annual average is derived.

- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). The Group estimates the EAD as the expected discounted exposure at half of the remaining contractual lifetime, or as the current exposure.

- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

- LGL represents the part of the exposure that results in a loss given there is a loss. The Group assumes the loss to be associated with the historical discounted write-offs. LGL is calculated as the percentage of a loss (write-off) at the time of default (account has entered the nonaccrual status).

- CR is calculated as the probability that an impaired asset becomes performing in the future. In the ECL model the CR is applied conditionally to default (greater than 90 days). The CR depends on the days past due and does not differ per product type.

The ECL is determined by projecting the PD, LGD and EAD for future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

12.2.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. The two backstops the Group applies on which the latest an asset should move to the next stage are as follows:

- Facility should be the latest in stage 2 if the asset is 30 days past due;
- Facility should be the latest in stage 3 if the asset is 90 days past due.

The Group utilizes an internal credit risk rating system for Corporate clients, including the periodic review of the assigned risk ratings, to assist the Group to determine whether objective evidence of impairment exists.

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The Group has special assets procedure in place to monitor the quality of the facilities. Qualitative aspects when assessing credit risk are amongst others, changes in market position, payment behavior or patterns of the borrower, relationship with key stakeholders such as customers and suppliers, and compliance with tax regulations and social security. Based on qualitative and quantitative factors a facility can be in special assets. This could be when a facility starts to show behavior which could indicate significant increase in credit risk, or when a facility is recovering, but is still in special assets to monitor the behavior more closely. This way the IFRS 9 staging is consistent with how the Group manages their credit risk.

The Group closely monitors collateral held for financial assets considered credit-impaired to mitigate potential credit losses. Some special assets exposures may not have an individual provision when the expected value of the collateral is sufficient to cover for the exposure.

12.2.2.6 Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed based on shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings are outlined below:

Retail Groupings for collective measurement:
- Product types: personal loans, car loans and mortgage loans/ term loans

Corporate Groupings for collective measurement:
- Product types: personal loans, car loans and mortgage loans/ term loans

The Mortgage and Term loans are considered to be very similar with similar credit risk characteristics; therefore, they are treated as one product (type) and not individually.

The following exposures are assessed individually:
- Accounts within the Special Assets portfolio. If an asset is in Stage 2 and in special assets, the ECL is assessed on an individual basis and calculated according to the procedures for individual assessments. If an asset is in Stage 3, the ECL is always based on an individual assessment.
- Current Accounts not classified as special assets.
- Credit Cards. The expected credit loss on the credit card portfolio is considered very low and immaterial, therefore the provision calculation of the Credit Card portfolio will be simplified and not based on the ECL parameters.

Credit-related commitments
Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extent credit are contingent upon customers maintaining specific credit standards.

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12.2.2.7 Credit risk exposure

Analysis of gross carrying amount and corresponding ECLs are as follows:

	Dec 31, 2025	Dec 31, 2024
Stage 1	98.6%	96.9%
Stage 2	0.6%	2.2%
Stage 3	0.8%	0.9%
	100.0%	100.0%

December 31, 2025

Stage 1	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
Gross loans and advances	808,393	1,113,525	76,273	31,541	2,029,732
ECL	(2,886)	(2,524)	(6,417)	(191)	(12,018)
Net loans and advances	805,507	1,111,001	69,856	31,350	2,017,714
ECL as a % of gross loans and advances	0.4%	0.2%	8.4%	0.6%	0.6%

December 31, 2024

Stage 1	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
Gross loans and advances	705,504	970,642	65,084	32,431	1,773,661
ECL	(2,899)	(2,415)	(5,311)	(269)	(10,894)
Net loans and advances	702,605	968,227	59,773	32,162	1,762,767
ECL as a % of gross loans and advances	0.4%	0.2%	8.2%	0.8%	0.6%

The ECLs of Stage 1 remained stable at December 31, 2024 (0.6%) to December 31, 2025 (0.6%).

December 31, 2025

Stage 2	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
Gross loans and advances	27,086	14,485	-	379	41,950
ECL	(4,134)	(4,588)	-	(127)	(8,849)
Net loans and advances	22,952	9,897	-	252	33,101
ECL as a % of gross loans and advances	15.3%	31.7%	-	33.5%	21.1%

December 31, 2024

Stage 2	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
Gross loans and advances	28,475	11,762	-	399	40,636
ECL	(4,307)	(3,722)	-	(237)	(8,266)
Net loans and advances	24,168	8,040	-	162	32,370
ECL as a % of gross loans and advances	15.1%	31.6%	-	59.4%	20.3%

The ECLs of Stage 2 increased from December 31, 2024 (20.3%) to December 31, 2025 (21.1%).

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December 31, 2025

Stage 3	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
Gross loans and advances	3,702	12,340	481	949	17,472
ECL	(960)	(6,735)	(482)	(851)	(9,028)
Net loans and advances	2,742	5,605	-	-	8,347
ECL as a % of gross loans and advances	25.9%	54.6%	100.2%	89.7%	51.7%

December 31, 2024

Stage 3	Corporate lending	Retail lending	Overdrafts	Credit Cards	Total
Gross loans and advances	1,790	11,866	939	1,243	15,838
ECL	(1,177)	(7,884)	(939)	(1,243)	(11,243)
Net loans and advances	613	3,982	-	-	4,595
ECL as a % of gross loans and advances	65.8%	66.4%	100.0%	100.0%	71.0%

The ECLs of Stage 3 decreased from December 31, 2024 (71.0%) to December 31, 2025 (51.7%).

The analysis of transitioning of ECL between stages are as follows:

	Stage 1	Stage 2	Stage 3	Total
ECL December 31, 2024	10,894	8,266	11,243	30,403
Transfer from new loan to stage 1	1,548	-	-	1,548
Transfer from new loan to stage 2	-	1,487	-	1,487
Transfer from new loan to stage 3	-	-	94	94
Transfer from stage 1 to Stage 2	(35)	35	-	0
Transfer from stage 1 to Stage 3	(9)	-	9	0
Transfer from stage 2 to Stage 1	1,514	(1,514)	-	0
Transfer from stage 2 to Stage 3	-	(340)	340	0
Transfer from stage 3 to Stage 1	147	-	(147)	0
Transfer from stage 3 to Stage 2	-	514	(514)	0
Remeasurements	(1,448)	1,185	899	636
Payments received	(338)	(603)	(310)	(1,251)
Write-offs	(255)	(181)	(2,586)	(3,022)
ECL December 31, 2025	12,018	8,849	9,028	29,895

12.2.3 Liquidity risk

This is the risk to earnings or capital arising from a possible scenario that the Group might not be able to meet its obligations when they come due, without incurring unacceptable losses. This is the ability of the Group to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. Liquidity risk also arises from a failure to recognize or address changes in the market conditions that affect the ability to liquidate assets quickly and with minimal loss in value. The Group is exposed to daily calls on its available cash resources from current accounts, maturing deposits, loan drawdowns and guarantees. The Group does not maintain cash resources to meet all of these calls as experience indicates that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The liquidity analysis presents the same grouping as would be applicable for the interest sensitivity analysis, except for the non-interest-bearing amount, considering that in most cases the contractual reprising date equals the maturity date. Ultimate responsibility for liquidity risk management rests with the Management Board, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The statutory deposit with the CBA (340,571 as at December 31, 2025, and 341,606 as at December 31, 2024) relates to restricted reserve deposits mandatorily held at the CBA. These funds are restricted and therefore unavailable to be used in the Bank's day-to-day operations. The

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following analysis is based upon the amounts as stated in the consolidated statement of financial position:

December 31, 2025	Less than 1 month	1 - 12 months	1 - 5 years	more than 5 years	Total
Assets					
Cash and cash equivalents	999,866	-	-	-	999,866
Investment securities	-	17,208	243,019	183,892	444,119
Loans and advances to customers	111,719	22,835	320,718	1,603,987	2,059,259
Other assets	7,674	-	-	-	7,674
Total assets	**1,119,259**	**40,043**	**563,737**	**1,787,879**	**3,510,918**
Liabilities					
Amounts due to banks	2,038	-	-	-	2,038
Deposits from customers	1,638,384	349,248	422,613	686,717	3,096,962
Current tax liabilities	2,139	-	-	-	2,139
Other liabilities	30,591	-	-	-	30,591
Provisions	-	-	2,289	-	2,289
Total liabilities	**1,673,152**	**349,248**	**424,902**	**686,717**	**3,134,019**
Net balance sheet position	**(553,893)**	**(309,205)**	**138,835**	**1,101,162**	**376,899**

December 31, 2024	Less than 1 month	1 - 12 months	1 - 5 years	more than 5 years	Total
Assets					
Cash and cash equivalents	1,057,090	-	-	-	1,057,090
Investment securities	-	39,128	176,280	203,197	418,605
Loans and advances to customers	101,761	41,543	276,158	1,380,270	1,799,732
Other assets	10,892	-	-	-	10,892
Total assets	**1,169,743**	**80,671**	**452,438**	**1,583,467**	**3,286,319**
Liabilities					
Amounts due to banks	9,166	-	-	-	9,166
Deposits from customers	1,481,441	381,357	413,246	613,511	2,889,555
Current tax liabilities	2,141	-	-	-	2,141
Other liabilities	27,181	-	-	-	27,181
Provisions	-	-	4,687	-	4,687
Total liabilities	**1,519,929**	**381,357**	**417,933**	**613,511**	**2,932,730**
Net balance sheet position	**(350,186)**	**(300,686)**	**34,505**	**969,956**	**353,589**

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12.2.4 Market risk

This is the risk to earnings or capital arising from changes in the value of traded portfolios of financial instruments. The term market risk is also known as “price risk”. Price risk may result in volatile earnings. Market risks arise from open positions in interest rate, currency, and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group’s approved risk tolerance for fixed interest securities and other equity products is prudent. Furthermore, the portfolio and related market risks are monitored periodically.

12.2.4.1 Foreign exchange risk

Foreign exchange risk is the risk to earnings or capital arising from movement of foreign exchange rates. This risk is found in cross-border investing and operating activities. Market making and position taking in foreign currencies is price risk. Substantially all loans and off-balance sheet commitments granted by the Group are to customers located in Aruba and to a lesser extent to customers in Latin America and Europe (with collateral held in Aruba). Deposits received are primarily from customers located in Aruba and Latin America.

Foreign currency sensitivity analysis

The Group only enters into transactions in XCG, USD, AWG, and/or the EUR. The Group’s exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its consolidated financial position and consolidated cash flows is minimal as a major part of the position is in US Dollars to which the AWG is pegged. Note that the XCG is also pegged to the USD.

The following details the Group’s sensitivity to a 10% increase and decrease in the AWG against the EUR. 10% is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding EUR denominated monetary items and adjusts its translation at the period end for a 10% change in foreign currency rates. The total outstanding balance in EUR as per December 31, 2025, was AWG 3,149 (December 31, 2024: AWG 2,535). An increase or decrease of 10% will not have a material impact on the profit or equity.

12.2.4.2 Interest rate risk

This is the current and prospective risk to earnings or capital arising from movement in interest rates. Changes in interest rates affect income earned from assets and the cost of funding those assets. A change in interest rates also affects the economic value of the Group's consolidated statement of financial position. The economic perspective focuses on the value of the Group in today’s interest rate environment and the sensitivity of that value to changes in interest rates.

A 100-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates. If interest rates had been 100 basis points higher/lower and all other variables used were held constant, the Group’s profit for the year ended December 31, 2025, would decrease/increase by 19,135 (December 31, 2024: 17,814). This is mainly attributable to the Group’s exposure to interest rates on floating instruments.

12.2.4.3 Operational risk

This is the current and prospective risk to earnings and capital arising from fraud, error, and the inability to deliver products or services, maintain a competitive position and manage information. Systems that directly affect liquidity include wire transfers for check and securities clearing, electronic banking, and operations governing credit, debit, and smart card usage. Significant problems can develop very quickly if the systems that process transactions fail or delay execution. If customers have difficulty accessing their accounts, they may close them, which will diminish liquidity. As such, transaction risk is considered in the Group's contingency planning process.
The Group has implemented policies and procedures with sufficient internal controls and loss mitigation actions to mitigate the inherent risks in the business processes. Substantial resources are

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devoted to developing efficient procedures, to identify and rectify weaknesses in existing procedures and to train staff.

12.2.4.4 Compliance risk

This is the current and prospective risk to earnings or capital arising from violations of or non-conformance with, laws, rules, regulations, prescribed practices or ethical standards. Compliance risk also arises in situations where the laws or rules governing certain Bank products or activities of the Group's customers may be ambiguous or untested. The Group has implemented policies and procedures with internal controls and actions to mitigate the inherent risks in the area of compliance. Substantial resources are devoted to developing efficient procedures, to identify and rectify weaknesses in existing procedures and to train staff.

12.3 CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balances. The Group's overall strategy remains unchanged from 2024.

The Group is subject to externally imposed capital requirements. The Group monitors the adequacy of its capital using ratios established by the CBA and according to the CBA directives. These ratios measure the capital adequacy by comparing the Group's capital with its balance sheet assets, off-balance-sheet commitments and market and other risk positions at a weighted amount to reflect their relative risk. All assets are weighted according to broad categories of risk, being assigned a risk weighting according to the amount of capital deemed to be necessary to support them. Four categories of risk weights (0%, 20%, 50%, 100%) have been applied. The minimum requirement for the capital ratio as set by the Basel Committee for Banking Supervision is 8% of risk-weighted assets whereas the CBA applies 18.0%, due to the fact that the Aruban economy is highly dependent on one source of income being tourism. During 2025, the Group complied with the capital requirements by the CBA.

	2025	2024
Capital Ratio	22.9%	24.9%

12.4 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Management Board considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values. There are no financial instruments designated as Level 1. The Group has the following financial instruments of which the respective carrying values approximate the fair value:

- Cash and cash equivalents
- Investment securities
- Loans and advances to customers
- Deposits from customers
- Current and deferred tax liabilities
- Other liabilities

The fair value of the financial instruments Level 3 amounts to 6,250 (December 31, 2024: 6,500). The movements in fair value of the Level 3 assets are specified in note 10.1.

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The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- the fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

12.5 RELATED PARTY TRANSACTIONS

Balances and transactions within the Group have been eliminated on consolidation and are not disclosed in this note. Transactions within the Group and remaining other related parties are disclosed below.

12.5.1 Trading transactions

The related party transactions were as follows:

	2025	2024
Balances at the end of the year		
Due to related parties: Orco Aruba Holding N.V.	3,961	12,844
Due to related parties: Orco Bank N.V.	2,038	4,691
Due to related parties: Orco Group N.V.	8,415	8,416
	14,414	**25,952**
Related party transactions		
Interest expense - related party deposits	**71**	**186**

The transactions with related parties are primarily with Orco Group N.V., Orco Aruba Holding N.V., and Orco Bank N.V. Reference is also made to note 11.3 for the income tax payable of nil (December 31, 2024: nil) to Orco Aruba Holding and the current tax liability of 2,139 (2024: 2,140) in the consolidated statement of financial position which is related to IB Aruba Finance N.V. and AB Beleggingen VBA.

Orco Group N.V., Orco Aruba Holding N.V., and Orco Bank N.V. hold a current account with Aruba Bank N.V.

As a result of the Cost Sharing Agreement in place with related party Orco Bank N.V. for the shared costs, Aruba Bank has recharged 12,752, net (2024: 8,611) of the other operating expenses and personnel expenses to this related party.

12.5.2 Loans to and from related parties

The Group has provided its Managing Directors with credit extensions at rates that are in accordance with the benefit protocol of the Group which applies to all employees. Aruba Bank is in full compliance with the requirements and ratios set forth by the CBA related to credit extensions to insiders. Note that all related party transactions are subject to pre-approval by the Related Party Transactions Committee.

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12.6 CONTINGENT LIABILITIES AND OFF BALANCE SHEET COMMITMENTS

In the normal course of business the Bank is party in activities whose risks are not reflected in whole or part in the consolidated financial statements. Based on the needs of its customers, the Bank offers financial products related to loans. These products relate to traditional off-balance sheet credit related financial instruments.

Contingent liabilities and commitments as at December 31 can be specified as follows:

	2025	2024
Guarantees	73,847	73,655
Letters of credit	14,166	10,085
Balance at the end of year	**88,013**	**83,740**

Guarantees and letters of credit will mature in 2026, excluding the total amount of 21,094 (December 31, 2025: 3,580) with a maturity date in 2027 or beyond. The irrevocable commitments as at December 31, 2025 amount to 179,149 (December 31, 2024: 159,169). This item relates to credit facilities not (yet) drawn that could lead to a credit risk. The Bank has insignificant leasing arrangements with external parties of 331 per annum (2024: 331).

12.6.1 Legal proceedings

As per reporting period the Group is involved with certain legal proceedings. Adequate provisions have been made as necessary based on management's assessment of the possible outcome of such proceedings.

12.7 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period that would have a (significant) effect on the 2025 consolidated financial statements, except as noted elsewhere in these financial statements.

12.8 STATUTORY PROVISIONS FOR PROFIT APPROPRIATION

Article 17 of the Articles of Association stipulates the following:

17.1 The profit, being the net profit after deduction of taxes as laid down in the determined profit and loss account, is in full at the disposal of the general meeting of shareholders.

17.2 If according to the profit and loss account in any year a loss is reported, that cannot be settled out of the reserves or discharged in any other way, no profit distributions will take place the following years for as long as such loss is not compensated.

17.3 Management is allowed, after receiving prior approval of the CBA, to declare interim dividend as prepayment on anticipated dividends.

12.9 PROPOSED PROFIT APPROPRIATION

In the General Annual Meeting of Shareholders, it will be proposed to appropriate the net profit of 66,779 to retained earnings which has been reflected in the consolidated financial statements.

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Independent auditor's report

To the Management Board and the Supervisory Board of Aruba Bank N.V.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Aruba Bank N.V. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.
In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of consolidated financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and have complied with the "Verordening Gedrags- en Beroepsregels Accountants (VGBA) (Dutch Code of Ethics for Professional Accountants). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Group's 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the audit committee for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aruba, 27 January 2026
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for Ernst & Young Accountants

C. Smorenburg RA AA