

Arubabank®



2024

Annual Report



Foreword

In 2024, Aruba Bank demonstrated resilience, innovation, and growth, despite the global challenges. Thanks to the trust of our clients and the unwavering dedication of our team we maintained strong financial results. With Aruba's economy benefiting from a strong tourism sector, we are well-positioned to continue supporting our clients and community as we look toward the future with a focus on innovation and progress.

We began celebrating our upcoming 100th anniversary in late 2024, building excitement for this milestone year. Throughout 2025, we will continue commemorating this occasion with our employees, customers and the community. As we honor our history, we remain dedicated to innovation and service, embracing future opportunities. Our commitment to the Aruban community remains steadfast, guided by the core values that have shaped us for nearly a century.



Message from the Chairman of the **Supervisory Board**

The Supervisory Board meets at least five 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 five 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.

In closing

It is with a heavy heart that the bank took notice of the passing of our beloved Managing Director and Chairperson of the Management Board, Mrs. Els Avontuur, in 2024. Her kindness and dedication will be remembered by all.

Mr. Herman George has concluded his term as a member of the Supervisory Board in July of 2024. We thank him for his valuable contribution to the bank.

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.

On behalf of the Supervisory Board,

Mr. B.W. H. Guis
Chairman of the Supervisory Board

Message from the Management Board

In 2024, Aruba's economy grew significantly, boosted by strong tourism. Aruba Bank also contributed to this development by supporting and meeting our clients' evolving needs.

We collaborated with Sentoo to expand our payment solution options and we also upgraded our credit card security platform and saw strong growth in Corporate, Platinum, and Retail Banking.

Last year we faced a deep loss with the passing of our fellow Managing Director, Els (Elisabeth) Avontuur. Els was a dedicated leader who brought vision to Aruba Bank. Her commitment and warmth made a lasting impact on everyone who worked with her. As we reflect on her contributions, we honor her memory and the legacy she leaves behind. She will be greatly missed by her colleagues, clients, and the community.

We also thank Ms. Kathy Scholliers, our former Head Risk & Compliance, for her time with us and wish her well in her new endeavors.

In 2025, our focus will be on further innovating our services and enhancing the customer experience. We thank our dedicated employees and loyal customers for their trust and support. Looking ahead, we remain committed to achieving our goals, fostering progress, and delivering value to our community.



The Management Board
Oranjestad, Aruba, January 31, 2025

J.A. (Arie) Stam
Managing Director

S.M.S. (Sharon) Fränkel – De Cuba
Managing Director



Our Mission Strategy & Values

We reflect on a year of growth and transformation. In 2024, Aruba Bank focused on empowering our clients, introducing innovative financial solutions, and refining our services to better meet evolving needs. Our commitment has been to offer accessible, convenient, and personalized banking experiences that support our customers at every stage of life.

We remain dedicated to being a trusted partner, delivering innovative solutions that promote financial well-being and contribute to the development of the communities we serve. As we look ahead, we will continue to invest in technology and customer service to ensure lasting value and success for our clients and stakeholders.

Collaboration has been key to our success in 2024, both within our teams and with our sister bank, Orco Bank in Curaçao, Bonaire, and Sint Maarten, as well as with our stakeholders. This strong partnership approach has helped us overcome challenges and reinforces our belief that working together enables us to achieve greater success.

Looking ahead, we remain focused on building on these foundations, confident that our shared efforts in caring, building, and delivering will continue to guide us towards long-term growth and stability.

Our core values



Professionalism



Accountability



Innovation

Our core values—professionalism, accountability, and innovation—continue to guide our actions as we build on the foundation laid over the past century.

Our strategy remains anchored on three key pillars:

We Deliver, We Care, We Build.

We Deliver

Continuously providing the highest quality in banking and transactional services, ensuring our clients have the resources they need to succeed.

We Care

For our clients and the community, we serve, always upholding the highest standards of integrity and striving to maintain the golden license to operate that has been our hallmark for the past century.

We Build

A culture of trust and continuous improvement within our organization, ever committed to enhancing our services and operations.

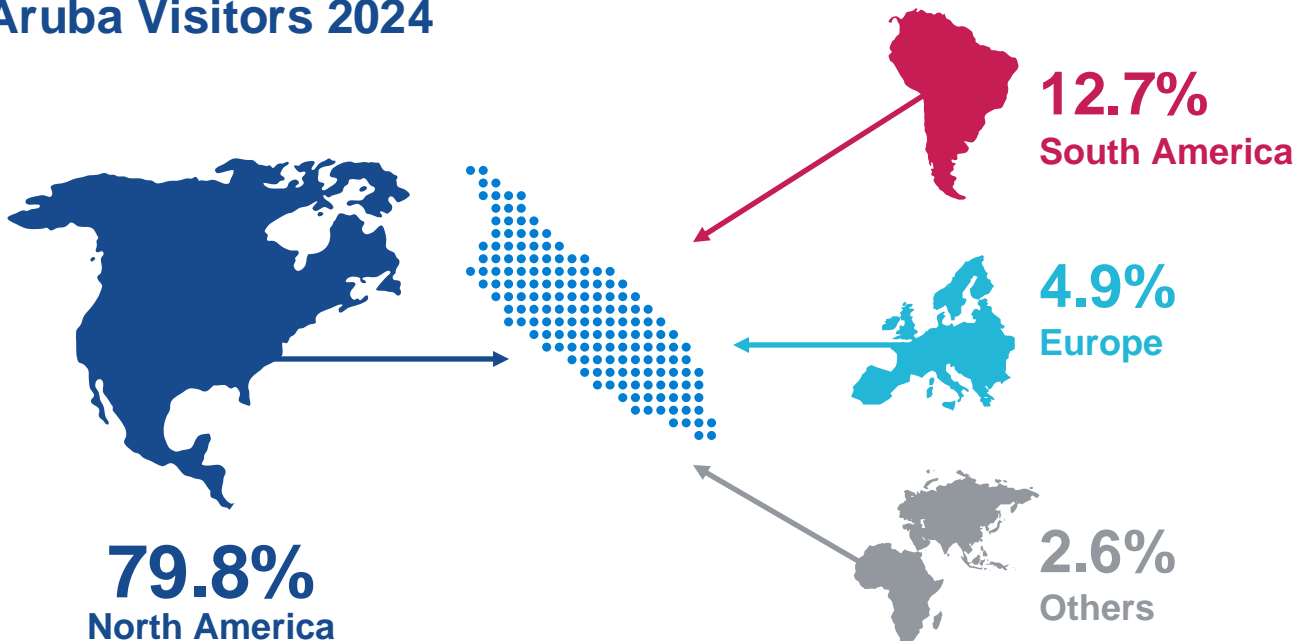
Economic and Market Conditions

Aruba's economy saw continued growth in 2024, driven by a strong tourism performance. Visitor numbers and average spending per night increased when compared to the year before, with the U.S. remaining Aruba's primary market. Other significant markets include the Netherlands, Canada, and Latin America.

Global inflation continues to moderate, slowly reaching central bank targets, although service price inflation remains elevated, resulting in a slower recovery of purchasing power. On the island, the subsistence levels continue to be relatively high, thus highlighting the existing challenges related to the cost of living. The 12-month inflation stands at 1.5%, but there are signs of a slowdown when compared to early post-pandemic years.

Aruba's financial sector remained resilient in 2024, with a growth in loans. The Central Bank of Aruba also continued to reduce the reserve requirement to 16.5%, driven by adequate official and international reserves and a decline in aggregated excess liquidity in the commercial banking sector.

Aruba Visitors 2024



Financial Position

The net loan portfolio (gross loan portfolio minus allocated loan loss provision) as at December 31, 2024 increased with 5.7% to 1,799,732. Our overall market share decreased slightly with 1.5% and reached 42.1%. As a result of new investments in government bonds of Aruba, the investment securities increased by 6.0% to 418,605 as per year-end 2024. Our prudential liquidity ratio stands at 30.5% as at December 31, 2024, well above the minimum regulatory ratio of 18%. The capital ratio at year-end 2024 stood at 24.9% (2023: 24.6%), which is also well above the minimum regulatory requirement (18%). The loan-to-deposit ratio is 59.7% at year-end 2024, which is well within the regulatory maximum of 80%.



Financial Results

The financial figures reflect hard work and dedication in a turbulent economic environment. All market segments in which the Bank operates made a positive contribution to the Bank's 2024 performance. The profit before tax for the year 2024 amounts to 83,894 (2023: 75,816).

A significant increase in our loan portfolio and an increase in our investment securities, together with an increase in the interest rates on the international market resulted in increased interest income. Besides an increase in the total net interest income of 4.5%, the consolidated statement of profit or loss shows the following developments:

- Increase in total net commission and fees income of 12.0% from 23,706 to 26,559, mainly as a result of our growth in loan portfolio.
- Our net result on financial transaction increased with 13.7% as a result of the growth of the economy and related increase in transactional business.
- Other operating expenses increased with 1.3% from 34,781 to 35,230 because of an increase in marketing activities and depreciations expenses.
- The personnel expenses increased with 1.4% to 42,106, due to an increase in our number of staff and salary increases due to compensation for increased cost of living.
- A net release on the credit loss expense on financial assets is 2,281 as a direct result of the decrease in our non-performing loans and recovery of the economy.



Corporate Governance

Aruba Bank is a company established under Aruban law. The Articles of Association and laws and regulations form the foundation from which the Corporate Governance Structure is derived. It consists of a Management Board and a Supervisory Board.

The Supervisory Board is charged with the supervision and advising of the Management Board. During the Supervisory Board meetings which take place at least five times a year, topics such as the Corporate Strategy, Risk, the Internal Control Framework, and other relevant matters are discussed. Solid ratio adherence, Portfolio Management, Compliance, Governance, Financial affairs, and Integrity are also closely followed. In addition, thereto, worldwide developments and local trends are always considered as part of the bank efforts to be ahead in support of its leadership position and to actively contribute to the wellbeing of the Aruban society.

The Management Board is responsible for the setting and achieving of the Bank's strategy, objectives, and policies, and to ensure that the Bank is compliant with all relevant laws and regulations. The Management Board is accountable for the performance of its duties to the Supervisory Board.



Our Team



Mrs. Marleen van der Borgt
Executive Director responsible for Finance & ALM

Our finance team has played a key role in supporting the significant growth of our financial position and loan portfolio this year. Through diligent financial management and strategic oversight, we've ensured sustainable progress while maintaining strong financial health. As we move forward, we remain focused on driving continued growth together with delivering value to our stakeholders.



Mr. Ramon Mas
Head of Corporate & Platinum Banking

Our Corporate and Platinum Banking business has seen strong growth in 2024, driven by our commitment to delivering tailored financial solutions and exceptional service to our individual and business clients. We have expanded our portfolio, deepened relationships with our existing clients and supported the success of our clients in a rapidly evolving market. As we look ahead, we remain focused on innovation and providing value-added services that align with the unique needs of our clients, all while maintaining the highest standards of customer service.



Mrs. Wendy Koffy
Head of Business Operations

Our focus in 2024 has been on driving operational excellence and innovation across all areas of the bank. Through the successful implementation of key initiatives such as the Maestro Sunset project and key security-focused projects we have optimized our payment technologies to better serve our customers. Looking ahead, we remain committed to enhancing efficiency and delivering innovative, customer focused solutions that position Aruba Bank as a leader in the industry.



Mrs. Edseline Leer
Head of Retail Banking

In 2024, Retail Banking at Aruba Bank achieved remarkable success, marked by key initiatives such as the record breaking 'This is Mega' car sales event, which contributed significantly to the growth of our loan portfolio, and a strong mortgage campaign. Our team remains dedicated to delivering a seamless and secure banking experience, reinforcing Aruba Bank's position as the island's preferred retail bank.

Our Team



Mrs. Nataly Simmons
Chief Transformation Officer (CTO)

As we continue our transformation journey, our focus remains on innovation, adaptability and development of our people together with the bank. At Aruba Bank, we are committed to enhancing both the customer and employee experience by leveraging new technologies and streamlining processes to meet the evolving needs of our clients and the broader community. Our vision is to create a more agile, efficient, customer- and people-centric organization, ensuring we stay ahead in the fast-paced financial landscape while transitioning together to a more sustainable future.



Mrs. Gina Habibe
Business Relationship Strategist (BRS)

At Aruba Bank, our focus is on building trusted partnership that drive success. By understanding the unique need of each client, we create tailored financial solutions that foster long term growth, innovation, and shared value in an ever-evolving market. We are not just your financial partner; we are strategic allies.

Yearly Highlights & CSR Initiatives:

In 2024, Aruba Bank continued its commitment to supporting the community through sponsorships and donations. These efforts reflect the bank's dedication to fostering progress and creating value within the community.



AWG 500,000+

In sponsorships and donations



15 Initiatives supporting our culture and community

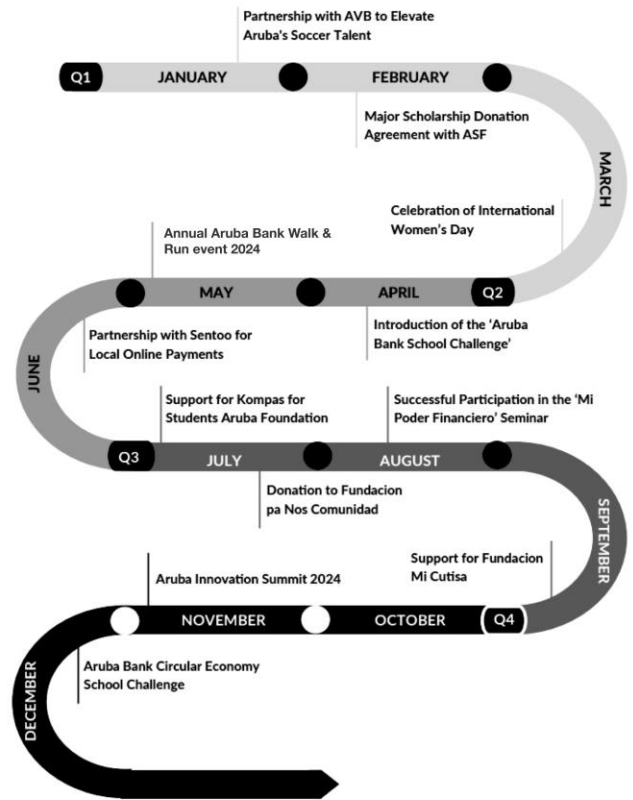


11 Initiatives supporting education



34 Initiatives supporting sports and well-being

20,000+ Participants in our events



Report of the independent auditor on the abbreviated consolidated financial statements

Opinion

The abbreviated consolidated financial statements, which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statement of profit or loss and other comprehensive income for the year then ended and related notes, are derived from the audited consolidated financial statements of Aruba Bank N.V. (“the Bank”) for the year ended December 31, 2024.

In our opinion, the accompanying abbreviated consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of the Bank, on the basis described in the summary of significant accounting policies.

Abbreviated consolidated financial statements

The abbreviated consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the abbreviated consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of the Bank and our auditor’s report thereon. The abbreviated consolidated financial highlights and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our auditor’s report thereon

We expressed an unmodified audit opinion on the consolidated financial statements 2024 of the Bank in our auditor’s report dated January 28, 2025.

Management’s responsibilities for the abbreviated consolidated financial statements

Management is responsible for the preparation of the abbreviated consolidated financial statements on the basis as described in the summary of significant accounting policies.

Auditor’s responsibilities

Our responsibility is to express an opinion on whether the abbreviated consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of the Bank based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Aruba, January 31, 2025
for Ernst & Young Accountants
signed by drs. R.J.W. van Nimwegen RA

Abbreviated Consolidated Financial Statement

Consolidated Statement of Financial Position

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Assets		
Cash and cash equivalents	1,057,090	914,567
Investment securities	418,605	395,016
Loans and advances to customers	1,799,732	1,703,323
Other assets	36,842	40,990
Property and equipment	47,338	47,674
Total assets	<u>3,359,607</u>	<u>3,101,570</u>
Shareholder's equity and liabilities		
Shareholder's equity	415,322	381,107
Amounts due to banks	9,166	4,989
Deposits from customers	2,889,555	2,672,352
Other liabilities	45,564	43,122
Total shareholder's equity and liabilities	<u>3,359,607</u>	<u>3,101,570</u>

Abbreviated Consolidated Financial Statement

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2024	2023
Interest income	144,397	135,806
Interest expenses	(34,658)	(30,770)
Net interest income	109,739	105,036
Operating income	49,210	44,146
Total income	158,949	149,182
Operating expenses	(77,336)	(76,304)
Credit loss expense on financial assets	2,281	2,938
Total expenses	(75,055)	(73,366)
Income before tax	83,894	75,816
Tax expense	(13,476)	(11,455)
Net income for the year	70,418	64,361
Net (loss) / gain on investments at FVOCI	(1,203)	325
Total comprehensive income for the year	69,215	64,686

Summary of significant accounting policies

The abbreviated consolidated financial statements are stated in thousands of Aruban Florins (Afl.1,000) and are derived from the audited consolidated financial statements of the Bank which is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Boards ("IASB"). 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.