ISLAND FINANCE (ARUBA) N.V. AND SUBSIDIARY
(An indirect wholly-owned subsidiary of CFG Holdings, Ltd.)
Financial Statements for the year ended December 31, 2020

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS AND STOCKHOLDER OF ISLAND FINANCE (ARUBA) N.V.

Report on the audit of the financial statements for the year ended 31 December 2020

Our opinion
We have audited the consolidated financial statements for the year ended 31 December 2020 of Island Finance (Aruba) N.V (the "Company"), based in Aruba.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at December 31, 2020, and of its result and its cash flows for the year ended 31 December 2020 in accordance with International Financial Reporting Standards (IFRSs).

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2020.
2. The following consolidated statements for 2020: statement of profit or loss and other comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of the impact of the coronavirus
The coronavirus also impacts the Company. In the disclosures on note 1 and 4 in the financial statements management disclosed the increased estimation uncertainty as a result of the coronavirus on the nature and reliability of the information available for management in making estimates. As result of the coronavirus the bandwidth of reasonable assumptions that are the basis of the estimates is high. Our opinion is not modified in respect of this matter.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS

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

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the consolidated financial statements using the going concern basis of accounting unless management either intends to liquidate the Company, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the consolidated financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

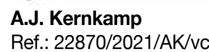
We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with ISAs, ethical requirements and independence requirements. Our audit included e.g.:

- Identify and assessing the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and performing audit procedures responsive to those risks, and obtaining 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.
- Obtaining 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 Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding 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 Company'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 Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the consolidated financial statements, including the disclosures.
- Evaluating whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance 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, March 9, 2021
Deloitte Dutch Caribbean



A.J. Kernkamp
Ref.: 22870/2021/AK/vc

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in Aruba Florin)

ASSETS	Notes	2020	2019
Cash and cash equivalents		26,509,453	6,226,463
Finance receivables:			
Consumer loans		118,629,160	133,038,297
Interest receivable		4,065,768	1,953,160
Total finance receivables	3	122,694,928	134,991,457
Less allowance for expected credit losses	4	(13,161,925)	(4,651,012)
Finance receivables- net		109,533,003	130,340,445
Furniture, equipment and leasehold improvements - net	6	445,345	575,048
Right-of-use assets	11	1,473,222	1,863,972
Due from affiliates - net	5	47,697,918	45,953,821
Deferred income taxes-net	9	1,440,621	57,509
Other assets		45,517	103,383
TOTAL ASSETS		187,145,079	185,120,641
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Accounts payable and accrued liabilities		1,104,151	1,293,919
Income tax payable	9	1,814,922	3,331,052
Due to affiliates - net	5	107,669,618	106,472,033
Unearned fees		1,005,873	1,299,091
Lease liabilities	11	1,592,654	1,916,088
Other liabilities		153,677	270,589
Total liabilities		113,340,895	114,582,772
STOCKHOLDER'S EQUITY:			
Common stock, AFL 1,000 par value; 5,000 shares authorized, 2,000 shares issued and outstanding		2,000,000	2,000,000
Additional paid-in capital		4,296,000	4,296,000
Retained earnings		67,508,184	64,241,869
Total stockholder's equity		73,804,184	70,537,869
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY		187,145,079	185,120,641

The notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31,2020 AND 2019

(Expressed in Aruba Florin)

	Notes	2020	2019
INCOME:			
Interest income and fees		35,086,502	38,412,140
Commissions		636,529	659,841
Other		1,753,103	2,501
Total income		37,476,135	39,074,482
EXPENSES:			
Personnel		4,482,011	4,647,402
Occupancy		931,842	1,005,056
Other		8,463,863	10,317,986
Operating expenses		13,877,716	15,970,444
Extinguishment of debt		-	1,842,442
Interest expense	5, 11	7,634,013	8,422,542
Provision for expected credit losses	4	14,156,910	(1,128,969)
Total expenses		35,668,639	25,106,459
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		1,807,496	13,968,023
INCOME TAX EXPENSE:			
Current	9	(75,706)	1,480,556
Deferred	9	(1,383,112)	(23,410)
Total income tax expense		(1,458,818)	1,457,146
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,266,314	12,510,877

The notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in Aruba Florin)

1. ORGANIZATION AND OPERATIONS

Island Finance (Aruba) N.V. (the "Company") is a wholly-owned subsidiary of CFG Aruba Holdings N.V., a company incorporated under the laws of Aruba, which is a wholly owned subsidiary of CFG Holdings, Ltd. ("CFG Holdings"), a company incorporated in the Cayman Islands. Island Finance (Aruba) N.V. (the "Company") was incorporated under the laws of Aruba on December 11, 2006 as a wholly-owned subsidiary of CFG Aruba Holdings, N.V. ("CFG Aruba"), a wholly-owned subsidiary of CFG Holdings, Ltd. ("CFG Holdings"). CFG Investments Aruba VBA ("Aruba SPV") is a wholly owned subsidiary of the Company and began operations on November 9, 2017 in connection with CFG Investments Limited Securitization.

CFG Holdings is a wholly owned subsidiary of CFG Partners Holdings L.P., a company incorporated in Delaware US and which in turn is wholly-owned by CFG Partners L.P., a company incorporated in the Cayman Islands (the "Group Parent").

The Company currently operates four consumer and sales finance loan retail branches and one express location in Aruba and is regulated by the Central Bank of Aruba (the "Central Bank").

The Company maintains significant transactions with related parties, which are substantially directed and authorized by the Group Parent.

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus ("COVID-19") to be a global pandemic. In response, the Company instituted its Pandemic Plan (the "Pandemic Plan"). The Pandemic Plan outlines the Company's the COVID-19 pandemic response duties and responsibilities as overseen by a committee of the Company's senior executives. Pursuant to the Pandemic Plan, the following key areas are being monitored for disruptions due to the COVID-19 pandemic and actions have been taken to mitigate the impacts thereon: human resources, business continuity and information technology, communications to key stakeholders, facilities, and finance. As the COVID-19 situation continues to develop, the Company is following guidance from the government and leading health authorities to protect the employees, customers and the communities in which the Company operates while ensuring business continuity for all customers. The global disruption caused by COVID-19, and local measures taken by government and health authorities, have had and are expected to continue to have a negative impact on the Company's cash flows from collection of payments from customer receivables. The Company has designed an assistance plan for qualifying customers who have been negatively impacted due to reduced income or loss of employment. The Company has evaluated criteria for new loan originations and continues to offer credit to customers who qualify. Refer to Note 4 for additional detail on impacts from COVID-19.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance – The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Basis of valuation and presentation currency – Records are maintained in Aruba Florin ("AFL"), the functional currency of the country in which the Company is incorporated and operates. All amounts presented in the consolidated financial statements and notes are expressed in AFL (the functional currency), except where otherwise noted.

The consolidated financial assets and liabilities and other non-financial assets and liabilities are presented at amortized cost or on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statement is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of International Accounting Standard ("IAS") 17 and IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company does not carry any financial instruments at fair value.

Financial assets and liabilities are offset and the net amount are reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. Income and expenses are not offset in the consolidated statement of profit or loss and other comprehensive income unless required or permitted by any accounting standard or interpretation

Basis of consolidation – The consolidated financial statements incorporate the financial statements of the Company, which include CFG Aruba and the Aruba SPV, controlled by the Company, it is the reporting Company. Control is achieved when the Company:

- Has 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.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All assets and liabilities, equity, income, expenses and cash flows relating to transactions between the Company and subsidiary are eliminated in consolidation.

Critical accounting estimates – In the application of the Company's accounting policies, which are described below, the Management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. These critical accounting estimates include allowance for expected credit losses, deferred income tax assets and liabilities, and litigation matters. Other estimates include but are not limited to depreciation and fair value measurement of financial instruments.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Although Management believes the estimates and assumptions used in the preparation of these financial statement were appropriate in the circumstances, actual results could differ from those estimates and assumptions.

Going Concern - The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Financial instruments:

Date of recognition – All financial assets and liabilities are initially recognized on the trade date, the date that the Company becomes a party to the contractual provisions of the instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Initial measurement of financial instruments - Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Cash and cash equivalents – Cash and cash equivalents comprises cash balances on hand and deposits with local banks.

Finance receivables – In accordance with IFRS 9, finance receivables are subsequently measured at amortized cost on the basis of the Company's business model for managing these financial assets and the contractual cash flow characteristics of these financial assets, which means they are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI.

An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset.

The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on Management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company has one business model for managing its finance receivables, which is described above.

Allowance for expected credit losses – The Company reviews its loan portfolio periodically to evaluate for impairment. In determining whether an impairment loss should be recorded in the consolidated statement of profit or loss and other comprehensive income, the Company makes decisions as to whether there is observable information indicating that there is a reduction in the value of the group of loans. This evidence includes observable information indicating that there has been an adverse change in the collectability of the portfolio, or economic conditions (at the local, national, or regional level) that correlate with defaults on assets. Management uses estimates based on historical default and net loss after default experience for assets with similar credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used to estimate the amount and timing of future cash flows are regularly reviewed to reduce any difference between estimated losses and actual loss experience. Once the deterioration in the value of a loan is known, the Company creates the provisions and performs the verification of the possibilities of recovery. A loan is considered a default loan when it reaches four payments past due. The Company writes off delinquent outstanding loan balances once they reach seven payments past due. Recovery efforts commence immediately after the loan is written-off and will continue until the balances are paid in full or deemed un-collectable.

The Company's loan portfolio includes homogeneous unsecured consumer loans to individual borrowers with shared credit risk characteristics. The Company does not have reasonable and supportable information that is available without undue cost or effort to measure expected credit losses on an individual instrument basis. Therefore, expected credit losses are estimated on a collective (static pool) basis.

- If the credit risk of a loan has not increased significantly since initial recognition, the loss allowance for the static pool of loans with similar characteristics is calculated for expected defaults over a 12- month period (Stage 1).
- If the credit risk of a loan has increased significantly since initial recognition, the loss allowance for the static pool of loans with similar characteristics is calculated for expected lifetime defaults (Stage 2).
- When a loan is considered to be credit-impaired (i.e. already reached default status), a loss allowance is recognized equal to expected credit losses over the remaining lifetime of the asset and interest revenue is calculated based on the carrying amount of the loan, net of the loss allowance, rather than on its gross carrying amount (Stage 3).

Derecognition of financial assets and financial liabilities – A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all risk and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset;
- The Company retains the right to receive cash flows from the asset but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement;
- The Company has transferred its rights to receive cash flows from an asset or has entered into a pass– through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained;
- The obligation under the liability is extinguished, or;
- The obligation specified in the contract is discharged or cancelled or expires.

Interest income and fees – Interest income and fees are recorded using the interest method on an accrual basis. Finance receivables accrue interest until the receivable is collected or deemed uncollectible, at which time it is written off.

Loan origination fees and costs – Transaction costs that are directly attributable to the issue of loans, such as loan origination fees and direct loan origination costs, are deferred and recognized over the life of the loans as an adjustment to yield using the interest method. At the time receivables are paid in full, any unamortized amounts of deferred origination fees are recognized as part of the interest income and fees account in the accompanying consolidated statement of profit or loss and other comprehensive income. Deferred loan origination fees and costs are presented net as part of the finance receivables account in the accompanying consolidated statement of financial position.

Furniture, fixtures, equipment and leasehold improvements – Furniture, fixtures, equipment and leasehold improvements are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets or in the case of leasehold improvements over the term of the related lease, whichever is shorter. Useful lives range from three to ten years. Maintenance and repairs that do not extend the life of the asset, are charged to expense as incurred.

The depreciable lives used by the Company are the shorter of the remaining lease term or the useful life and they are as follows:

	Useful life (Years)
Computer and office equipment	3 to 5
Furniture and fixtures	5 to 10
Leasehold improvements	3 to 10

The Company evaluates the impairment of long-lived assets based on the projections of undiscounted cash flows whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded value of the assets, the assets are written down to their estimated fair values based on a discounted cash flow analysis.

Leases – The Company applied IFRS 16 as of January 1st, 2019 using the cumulative catch-up approach

The Company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17:

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company has elected not to recognize right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Company has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Applying IFRS 16, for all leases (except as noted above), the Company:

- Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii)
- Recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss and other comprehensive income.
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a renewal option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the period presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the period of lease term. The depreciation starts at the commencement date of the lease.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Impairment in value of non-financial assets - At the date of each consolidated statement of financial position, the Company reviews the carrying amounts of its non-financial assets to assess whether there is objective evidence that such non-financial assets have suffered an impairment loss of their value. If there is any evidence of impairment, the recoverable amount of the asset is calculated with the purpose of determining the scope of loss in its value (if any) in accordance with IAS36.

As of December 31, 2020 and 2019, Management has not identified impairment of the non-financial assets.

Long term debt – Long term debt is carried at amortized cost and is presented in the accompanying consolidated statement of financial position including interest accruals.

Dividends - Dividends on common shares are recognized in equity in the period in which they have been approved by the Board of Directors.

Taxation – Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax - The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax - Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Fiscal unity - Together with CFG Aruba Holdings NV, the Company has formed a fiscal unity and together file one consolidated income tax return. The Company accounts for income taxes on an individual stand-alone basis. Any advantage from the fiscal unity therefore is recorded in the consolidated financial statements of the head of the fiscal unity: CFG Aruba Holdings N.V. The Company initially records the advantages from the fiscal unity as Income tax payable. As soon as one fiscal year is considered final by the tax authorities, the advantage for the respective year is reclassified to Due to affiliates as payable to CFG Aruba Holdings N.V.

Provisions – Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of profit or loss and other comprehensive income, net of any reimbursement.

Recently adopted accounting standards

IFRS 16 – Leases

In January 2016, the International Accounting Standards Board issued IFRS 16 which introduced a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. The standard required: (i) all leases to be recognized on the consolidated statement of financial position as lease (right-of-use) assets and lease liabilities and (ii) both quantitative and qualitative disclosures regarding key information about leasing arrangements. The Company applied IFRS 16 under the modified retrospective approach with an effective date of January 1, 2019. As a result, the Company recognized right- of-use assets and lease liabilities associated with their leases, excluding short-term leases, while the comparable prior periods in the Company's consolidated financial statements are reported in accordance with IAS 17, including the disclosures of IAS 17.

The Company did not use hindsight to determine the lease term or include options to extend for leases existing at the transition date. In addition, the Company elected not to apply the new lease standard to leases with terms of twelve months or less.

Financial impact of initial application of IFRS 16

The weighted average company's incremental borrowing rate applied to lease liabilities recognized in the consolidated statement of financial position on January 1, 2019 was 5.5%.

The impact from the application of IFRS 16 on the amounts reported in the Company's consolidated financial statements at January 1, 2019 was 2,117,847 recognized as of right-of-use assets and of lease liabilities upon transition to IFRS 16. The lease liabilities were based on the present value of the remaining minimum lease payments using discount rates as of the effective date.

Issued but not yet effective accounting standards

Amendments to IAS 1 and IAS 8 definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted. The amendments to IAS 1 and IAS 8 did not have any impact on the Company's financial statements and did not require any additional disclosures as of December 31, 2020 and 2019.

Amendments to references to the conceptual framework in IFRS standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 3, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 19, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

The amendments to references to the conceptual framework in IFRS standards did not have any impact on the Company's financial statements and did not require any additional disclosures as of December 31, 2020 and 2019.

Issued but not yet effective accounting standards

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 17	Insurance Contracts
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 7	Maturity Analysis
IFRS 9	Financial Instruments
IAS 39	Hedge Accounting
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
	Amendments to IFRS 1 First-time Adoption of International Financial Reporting
Annual Improvements to IFRS	Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
Standards 2018-2020 Cycle	

Management is evaluating the effects the adoption of these amendments will have on the future amounts reported in the Company's consolidated financial statements. Management does not expect any material impact to the consolidated financial statements or notes to the consolidated financial statements as a result of these amendments.

3. FINANCE RECEIVABLES

As of December 31, 2020, and 2019, the components of Finance receivables - net included the following:

	2020	2019
Consumer loans, unpaid principal balance	120,143,398	134,851,095
Add: Deferred origination costs	269,572	365,470
Deferred origination fees	(1,783,810)	(2,178,267)
Interest receivable	4,065,768	1,953,160
Consumer loans, recorded investment	122,694,928	134,991,457
Less: Allowance for expected credit losses	(13,161,925)	(4,651,012)
Consumer loans, net carrying amount	109,533,003	130,340,445