Island Finance (Aruba) N.V. and Subsidiary

(An indirect wholly-owned subsidiary of CFG Holdings, Ltd.)

Consolidated Financial Statements as of and for the year ended
December 31, 2023, and Independent
Auditors' Report as of July 10, 2024

Island Finance (Aruba) N.V. and Subsidiary

(An indirect wholly-owned subsidiary of CFG Holdings, Ltd.)

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Independent Auditors' Report

For the year ended 31 December 2023

Report on the audit of the consolidated financial statements

To the Stockholder of Island Finance (Aruba) N V

Opinion

We have audited the consolidated financial statements of Island Finance (Aruba) N V (the "Company"), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in stockholders equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Central Bank of Aruba.

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 *Auditors' Responsibilities for the Audit of the Consolidated 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Restriction on distribution and use

We draw attention to Note 2 to the financial statements, which describes the purpose of these financial statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and the requirements of the Central Bank of Aruba. They are prepared to assist the Company to meet the requirements of the Central Bank of Aruba. As a result, the consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the Company and the Central Bank of Aruba and should not be distributed to parties other than the Central Bank of Aruba. Our opinion is not modified in respect of this matter.

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 and 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Independent Auditors' Report (continued)

To the stockholders of Island Finance (Aruba) N V
For the year ended 31 December 2023

Responsibilities of management and those charged with governance for the consolidated financial statements (continued)

Auditors' 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 Auditors' 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 judgement 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 Company'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 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Deloitte & Touche

10 July 2024

drs A J Kernkamp RA

Island Finance (Aruba) N.V. and Subsidiary
(An indirect wholly-owned subsidiary of CFG Holdings, Ltd.)

Consolidated Statement of Financial Position
As of December 31, 2023 and 2022
(In Aruba Florin)

ASSETS	Notes	2023	2022
Cash		5,755,294	11,598,745
Finance receivables:			
Consumer loans		119,333,098	117,484,987
Interest receivables		1,678,195	1,226,742
Total finance receivables	3	121,011,293	118,711,729
Less: allowance for expected credit losses	4	(6,886,486)	(7,909,031)
Finance receivables – net		114,124,807	110,802,698
Furniture, equipment and leasehold improvements – net	6	217,029	225,100
Right-of-use assets – net	11	959,268	1,038,830
Due from affiliates – net	5	71,977,780	53,008,394
Deferred income taxes – net	9	60,804	82,739
Other assets		299,928	83,986
TOTAL ASSETS		193,394,910	176,840,492
LIABILITIES AND STOCKHOLDER'S EQUITY			
LIABILITIES:			
Accounts payable and accrued liabilities		2,437,826	1,102,548
Income tax payable	9	559,880	1,386,699
Due to affiliate	5	96,528,146	75,049,827
Unearned fees		1,343,196	1,159,959
Lease liabilities	11	1,118,854	1,211,730
Other liabilities		197,317	73,551
Total liabilities		102,185,219	79,984,314
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		84,913,691	90,560,178
Total stockholder's equity		91,209,691	96,856,178
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY		193,394,910	176,840,492

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

Island Finance (Aruba) N.V. and Subsidiary
(An indirect wholly-owned subsidiary of CFG Holdings, Ltd.)

Consolidated Statement of Profit and Other Comprehensive Income
For the Year Ended December 31, 2023 and 2022
(In Aruba Florin)

	Notes	2023	2022
INCOME:			
Interest income and fees		31,990,712	30,180,256
Commissions		614,752	508,899
Other	5	1,758,102	1,760,604
Total income		34,363,566	32,449,759
EXPENSES:			
Personnel		4,671,811	4,886,763
Occupancy		827,077	888,300
Other		6,529,309	7,470,671
Operating expenses		12,028,197	13,245,734
Interest expense	5, 11	8,249,503	5,349,216
Provision for expected credit losses	3	(2,139,514)	(597,618)
Total expenses		18,138,186	17,997,332
PROFIT BEFORE INCOME TAX EXPENSE		16,225,380	14,452,427
INCOME TAX EXPENSE:			
Current		2,517,932	502,006
Deferred		21,935	17,440
Total income tax expense	9	2,539,867	519,446
PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR		13,685,513	13,932,981

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

Island Finance (Aruba) N.V. and Subsidiary
(An indirect wholly-owned subsidiary of CFG Holdings, Ltd.)

Consolidated Statement of Stockholder's Equity
For the Year Ended December 31, 2023 and 2022
(In Aruba Florin)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Stockholder's Equity
BALANCE—At January 1, 2022	2,000,000	4,296,000	76,627,197	82,923,197
Profit and comprehensive income for the year	-	-	13,932,981	13,932,981
BALANCE—At December 31, 2022	2,000,000	4,296,000	90,560,178	96,856,178
Profit and comprehensive income for the year	-	-	13,685,513	13,685,513
Dividends	-	-	(19,332,000)	(19,332,000)
BALANCE—At December 31, 2023	2,000,000	4,296,000	84,913,691	91,209,691

Island Finance (Aruba) N.V. and Subsidiary
(An indirect wholly-owned subsidiary of CFG Holdings, Ltd.)

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2023 and 2022
(In Aruba Florin)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit and total comprehensive income for the year		13,685,513	13,932,981
Adjustments to reconcile profit and total comprehensive income for the year to net cash provided by operations:			
Provision for expected credit losses	3	(2,139,514)	(597,618)
Depreciation and amortization		324,076	365,774
Interest income		(31,990,712)	(30,180,256)
Interest expense		8,249,503	5,349,216
Deferred income tax expense		21,935	519,446
Change in operating assets and liabilities:			
Decrease in finance receivables		(731,142)	(5,517,778)
Decrease (increase) in due from affiliates ─ net		(17,712,652)	(2,966,443)
(Increase) decrease in other assets		(215,942)	19,264
Increase (decrease) in accounts payable and accrued liabilities		1,335,278	(237,657)
Increase in income tax payable		2,517,931	-
Increase in unearned fees		183,237	293,823
Increase (decrease) in other liabilities		123,766	(84,413)
Subtotal		(26,348,723)	(19,103,661)
Interest received		31,539,259	29,856,050
Interest paid		(7,292,088)	(4,754,670)
Withholding taxes paid on dividend paid		(1,933,200)	-
Income taxes paid		(1,411,550)	(93,175)
Net cash (used in) provided by operating activities		(5,446,302)	5,904,544
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of furniture, equipment and leasehold improvements	6	(103,708)	(81,882)
Net cash used in investing activities		(103,708)	(81,882)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments to affiliates		-	(598,862)
Payments of obligations under finance leases	11	(293,441)	(212,265)
Net cash used in financing activities		(293,441)	(811,127)
NET (DECREASE) INCREASE IN CASH		(5,843,451)	5,011,535
CASH, BEGINNING OF YEAR		11,598,745	6,587,210
CASH, END OF YEAR		5,755,294	11,598,745
NON-CASH FINANCING ACTIVITIES:			
Dividends paid	5	(19,332,000)	-
Securitization revolving loan	5	21,299,210	-
Amortization of deferred financing costs	5	888,293	598,862

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

1. Organization and operations

Island Finance (Aruba) N.V. (the “Company”) is a wholly-owned subsidiary of CFG Aruba Holdings N.V. (“CFG Aruba”), 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. The Company was incorporated under the laws of Aruba on December 11, 2006 as a wholly-owned subsidiary of CFG Aruba, a wholly-owned subsidiary of CFG Holdings.

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

CFG Investments Aruba VBA (“Aruba SPV”) is a wholly owned subsidiary of the Company – also incorporated under the laws of Aruba – and began operations on November 9, 2017 in connection with the securitization of CFG Investments Limited, a subsidiary of CFG Partners Holding L.P.

CFG Investments Aruba VBA II (“Aruba II SPV) is a wholly owned subsidiary of the Company – also incorporated under the laws of Aruba – and began operations on July 13, 2023 in connection with the Ares Warehouse Facility of CFG Investments WH Limited, a subsidiary of CFG Partners Holding L.P.

The Company currently operates four consumer and sales finance loan retail branches 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.

2. Material accounting policies

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

Basis of valuation and presentation of currency – All amounts presented in the consolidated financial statements and notes are expressed in Aruba Florin (“AFL”) AFL, 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 this 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 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.

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements 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 statements of profit and other comprehensive income unless required or permitted by any accounting standard or interpretation.

Basis of consolidation – The consolidated financial statements include the Company, Aruba SPV and Aruba SPV II. 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 subsidiaries begins when the Company obtains control over the subsidiaries and ceases when the Company loses control of the subsidiaries. Specifically, income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statements of profit and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiaries.

Profit or loss and each component of other comprehensive income is attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries 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 subsidiaries are eliminated in consolidation.

Foreign currency transactions **–** Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit and comprehensive income. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

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 consolidated financial statements 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.

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 – 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.

The probability of default (PD) is calculated evaluating the transition of the accounts from a starting delinquency level measured as PPD (payments past due) to default. Default is measured as 4PPD. The PPD is calculated at the end of each month (the measurement month or static pool) and the transition is evaluated from the measurement month to 71 months thereafter. The probability of default is the aggregate receivable that rolls to a more delinquent bucket as percent of the receivable at measurement date for each PPD. The Company uses, among other factors and new developments in the market, the average of 10 years of historical measurement dates to build a robust PD curve.

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.

Expected defaults, credit losses after default, and the identification of loans with significant credit deterioration are calculated on a static pool basis. Outstanding loans are grouped into static pools based on the delinquency status (measured in PPD) at the end of the month. Each static pool is assessed a loss allowance based upon expected defaults (PD) and Loss Given Default (LGD), based on expected default, gross write-off after default, and loss recovery curves for loans that exhibit similar delinquency status characteristics. A loan is considered a default loan when it reaches four payments past due (4 PPD). The Company write-offs delinquent outstanding loan balances once they reach seven Payments Past Due (7 PPD). Recovery efforts commence immediately after the loan is written-off and will continue until the balances paid in full or the deemed un-collectable.

Expected default, gross write-off after default, and loss recovery curves are based on historical data and updated every quarter to reflect recent portfolio performance. Loss after default performance considers lifetime expected gross write-offs and 84-month recoveries, adjusted for the time value of money.

- 12-month expected defaults (Stage 1) are calculated on static pools of loans that are either current or 1 PPD at the time of assessment.
- A static pool is determined to exhibit a significant increase in credit risk (Stage 2) since initial recognition when the delinquency status of the loans at time of assessment is 2 PPD or greater. The loss allowance for Stage 2 assets is calculated based on the amount of lifetime expected defaults.

- When a loan is considered to be credit-impaired (loans at 4+ PPD; see Note 13c), a loss allowance is recognized equal to credit losses expected 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 issuance 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 effective 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 statements of profit and other comprehensive income. Deferred loan origination fees and costs are presented net as part of the finance receivables account in the accompanying consolidated statements 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 – Applying IFRS 16, for all leases, the Company:

- Recognizes right-of-use assets and lease liabilities in the statements 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 consolidated statements of profit 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 consolidated statements 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 statements 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 periods 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. The right-of-use assets are presented as a separate line in the consolidated statements of financial position.

Impairment in value of non-financial assets – At the date of each consolidated statements 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 IAS 36.

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 current and deferred tax.

Current tax – The income tax payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the consolidated statements of profit 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, 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. 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.

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 statements of profit and other comprehensive income, net of any reimbursement.

Effective interest rate – The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial assets or financial liability to the gross carrying amount of a financial assets (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transactions costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. The Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or losses.

Transactions with related parties – Transactions with affiliates are those between the Company and other entities under common control of the Group Parent, if one of the entities has the ability, directly or indirectly, to control the other or to exercise significant influence over the other in making financial and operating decisions. Entities are also considered to be related if there are subject to common control or common significant influence from the Group Parent. Related party transactions have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Accounting pronouncements effective in future periods

IAS 1 Classification of Liabilities as Current and Non-current

In January 2020, the IASB issued "*Classification of Liabilities as Current or Non-current*", which amended IAS 1 "*Presentation of Financial statements*". The amendments clarified how an entity classifies debt and other financial liabilities as current or non-current circumstances. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The Company is assessing the impact of these amendments will have on its consolidated financial statement disclosures.

IFRS 16 – Leases

On September 22, 2022, the IASB issued an amendment to IFRS 16 "*Lease Liability in a Sale and Leaseback* (amendments to IFRS 16) which requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments are effective for annual periods beginning on or after January 1, 2024. The Company is assessing the impact of these amendments will have on its consolidated financial statement disclosures.

Recently adopted accounting standards

IAS 8 Definition of Accounting Estimates

In February 2021, the IASB issued "*Definition of Accounting Estimates*" (amendments to IAS 8) to help entities to distinguish between accounting policies and accounting estimates.

Effective January 1, 2023, the Company adopted the amendments to IAS 12, however, the amendments did not have any material impact or required additional disclosures to the consolidated financial statements as of December 31, 2023 and 2022.

IAS 1 Disclosures of Accounting Policies

In February 2021, the IASB issued "*Disclosures of Accounting Policies*", amendments to IAS 1, "*Presentation of Financial Statements*", and IFRS Practice Statement 2, "*Making Materiality Judgements*", which require companies to disclose their material accounting policies rather than their significant accounting policies. The amendments define material accounting policies as those policies that, when considered together with other information included in the financial statements, can reasonably be expected to influence decisions users make based on those financial statements. The amendments also encourage more entity-specific information within policy disclosures.

Effective January 1, 2023, the Company adopted the amendments to IAS 1, however, the amendments did not have any material impact or required additional disclosures to the consolidated financial statements as of December 31, 2023 and 2022.

IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

In May 2021, the IASB amended IAS 12, "*Income taxes*", to require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments will typically apply to transactions such as leases for the lessee and decommissioning obligations.

Effective January 1, 2023, the Company adopted the amendments to IAS 12, however, the amendments did not have any material impact or required additional disclosures to the consolidated financial statements as of December 31, 2023 and 2022.

IFRS 3 — Business Combinations

IFRS 3 "*Business Combinations*" outlines the accounting when an acquirer obtains control of a business (e.g., an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.

On May 14, 2020, the IASB issued an amendment to IFRS 3 "*Reference to the Conceptual Framework* (amendments to IFRS 3) to: update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Effective January 1, 2022, the Company adopted the amendments to IFRS 3, however, the amendments did not have any material impact to the financial statements or required additional disclosures to the consolidated financial statements.

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

Interest rate benchmark reform

London Interbank Offered Rate (LIBOR) is the most widely referenced benchmark interest rate across the globe for derivatives, bonds, loans and other floating rate instruments; however, there is a regulator-led push to transition the market away from LIBOR and certain other benchmark rates to alternative benchmark rates (ABRs) that are based on actual overnight transactions. Key alternative reference rates have been established and progress continues to be made in establishing better liquidity and term structures required to efficiently replace the existing LIBOR structures.

In 2021, the Group Parent acknowledged with its lending group that certain LIBOR-based benchmarks to be phased out at the end of 2021 would no longer be available until it agreed to replace them with alternative benchmarks. This change did not impact the Group Parent's general ability to borrow under the existing facilities, as there were adequate LIBOR benchmarks still in effect until June 2023 and then amended as discussed in Note 7.

Except for the LIBOR-based benchmarks in the Group Parent's Mezzanine (Note 7), the Company has no material agreements with third parties that use or reference LIBOR as a benchmark rate which require amendment. Therefore, as of December 31, 2023 and 2022 there is no material impact to the financial statements or disclosures to the financial statements as a result of this amendment.

3. Finance receivables

As of December 31, 2023, and 2022, the components of net finance receivables included the following:

	2023	2022
Consumer loans, unpaid principal balance	119,940,808	118,480,499
Add: Deferred origination costs	822,983	805,892
Deferred origination fees	(1,430,693)	(1,801,404)
Interest receivable	1,678,195	1,226,742
Consumer loans, recorded investment	121,011,293	118,711,729
Less: Allowance for expected credit losses	(6,886,486)	(7,909,031)
Consumer loans, net carrying amount	114,124,807	110,802,698

As of December 31, 2023 and 2022, the contractual duration upon commencement of the loan portfolio was as follows:

	2023	2022
Within 1 year	1,055,423	990,499
From 1 to 2 years	6,420,024	6,397,673
From 2 to 3 years	12,443,842	12,262,610
From 3 to 4 years	13,535,620	14,126,225
From 4 to 5 years	23,659,365	26,771,243
Over 5 years	63,897,019	58,163,479
	121,011,293	118,711,729

The activity in the allowance for expected credit losses on finance receivables for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Allowance for expected credit losses – beginning of year	7,909,031	7,579,830
Expected credit loss allowance for the year	(2,139,514)	(597,618)
Write-offs	(6,208,699)	(5,877,012)
Recoveries	7,325,668	6,803,831
Allowance for expected credit losses – end of year	6,886,486	7,909,031

4. Credit risk

The Company's loan portfolio includes homogeneous unsecured consumer loans to individual borrowers with shared credit risk characteristics. These consumer instalment loans are fixed rate, fixed payment, and fully amortizing over the contractual repayment term. 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 loan defaults, and credit losses, are calculated on a collective basis given the homogeneous nature of the loans offered to our customers.

The Company uses the average of 10 years of historical measurement dates to build a robust PD curve while carving out the activity from March 2020 to December 2021 to exclude the Covid pandemic effect which would otherwise overstate the PD on the current active portfolio. The current active portfolio was, for the most part, originated post pandemic.

Grouping loans on the basis of shared credit risk characteristics using comprehensive credit risk information allows the Company to identify significant increases in credit risk on a timelier basis than would otherwise be possible if each loan was analyzed independently. Since all the Company's loans are of one product and exhibit similar economic characteristics and shared credit risk characteristics, the Company utilizes a single grouping, based on delinquency status, for collective credit risk determinations.

Forward-looking information is included in the amount of expected credit losses to reflect the expected impact of discrete events such as plant closures, local disasters, and local macroeconomic weaknesses. The Company does not utilize internal or external credit scores suitable for reporting stratification of risk, and consequently cannot rescore the portfolio as a component of the calculation of expected credit losses.

The Company defines a defaulted loan to be any loan in excess of four instalments past due (on average 91 days or more past due). Typically, loans are written off on an individual basis when they reach seven instalments past due (on average 181 days past due). Loans that are written-off, but still subject to enforcement activity are actively managed by the Company, and any collections subsequent to write-off are treated as a credit to the loan loss provision during the period recovered. All the Company's loans are classified as financial instruments measured at amortized costs.

A loan is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the loan have occurred. Credit-impaired loans are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event, or;
- The lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default (see above).

At December 31, 2023 and 2022, the Company had no outstanding loans with concessions where there is evidence that the concession has reduced future cash flows materially.

The Company's allowance for expected credit losses included the following components as of December 31, 2023 and 2022:

		2023	**2022**
Stage 1:	Loss allowance measured at 12-month expected credit losses	1,864,849	1,429,353
Stage 2:	Loss allowance measured at lifetime credit losses:	1,436,247	1,521,061
Stage 3:	Loss allowance for credit impaired	3,585,390	4,958,617
	Total allowance for expected credit losses	6,886,486	7,909,031

The unpaid principal balance of loans and allowance for expected credit losses by Stage as of December 31, 2023 and 2022 were as follows:

	Unpaid Principal Balance			**Allowance for Expected Credit Losses**		
	12-month expected credit losses	**Lifetime credit losses**	**Total portfolio**	**12-month expected credit losses**	**Lifetime credit losses**	**Total portfolio**
Stage 1	102,140,748	-	102,140,748	1,864,849	-	1,864,849
Stage 2	-	10,731,075	10,731,075	-	1,436,247	1,436,247
Stage 3	-	7,068,985	7,068,985	-	3,585,390	3,585,390
Balance at December 31, 2023	102,140,748	17,800,060	119,940,808	1,864,849	5,021,637	6,886,486

	Unpaid Principal Balance			**Allowance for Expected Credit Losses**		
	12-month expected credit losses	**Lifetime credit losses**	**Total portfolio**	**12-month expected credit losses**	**Lifetime credit losses**	**Total portfolio**
Stage 1	101,945,029	-	101,945,029	1,429,353	-	1,429,353
Stage 2	-	10,110,904	10,110,904	-	1,521,061	1,521,061
Stage 3	-	6,424,566	6,424,566	-	4,958,617	4,958,617
Balance at December 31, 2022	101,945,029	16,535,470	118,480,499	1,429,353	6,479,678	7,909,031

During the year ended December 31, 2023 and 2022 the Company deferred origination costs, deferred origination fees and interest receivables, net, amounting to 1,070,485 and 231,230, respectively.
Changes in the gross carrying value of loans giving rise to changes in the allowance for expected credit losses included the following during the year ended December 31, 2023 and 2022:

	Unpaid Principal Balance			Allowance for Expected Credit Losses		
	12-month expected credit losses	Lifetime credit losses	Total portfolio	12-month expected credit losses	Lifetime credit losses	Total portfolio
Balance at January 1, 2023	101,945,029	16,535,470	118,480,499	1,429,353	6,479,679	7,909,032
Loans originated	73,098,804	11,856,616	84,955,420	3,897,635	632,196	4,529,831
Loans collected	(6,976,084)	(1,131,520)	(8,107,604)	(431,439)	(69,979)	(501,418)
Loans renewed	(36,525,061)	(5,924,360)	(42,449,421)	(2,258,911)	(366,395)	(2,625,306)
Loans written off	(5,009,958)	(812,614)	(5,822,572)	(309,843)	(50,257)	(360,100)
Amortization	(24,391,982)	(2,723,532)	(27,115,514)	(504,401)	(1,069,919)	(1,574,320)
Change in forward looking adjustment	-	-	-	90,583	(533,688)	(443,105)
Change in accrued interest allowance	-	-	-	(48,128)	-	(48,128)
Balance at December 31, 2023	102,140,748	17,800,060	119,940,808	1,864,849	5,021,637	6,886,486

	Unpaid Principal Balance			Allowance for Expected Credit Losses		
	12-month expected credit losses	Lifetime credit losses	Total portfolio	12-month expected credit losses	Lifetime credit losses	Total portfolio
Balance at January 1, 2022	97,332,515	14,644,264	111,976,779	2,241,763	5,338,068	7,579,831
Loans originated	79,898,172	12,021,162	91,919,334	1,840,215	4,381,904	6,222,119
Loans collected	(6,647,861)	(1,000,211)	(7,648,072)	(153,114)	(364,593)	(517,707)
Loans renewed	(39,921,632)	(6,006,450)	(45,928,082)	(919,475)	(2,189,446)	(3,108,921)
Loans written off	(5,108,420)	(768,593)	(5,877,013)	(117,657)	(280,164)	(397,821)
Amortization	(23,607,745)	(2,354,702)	(25,962,447)	(1,701,715)	(2,199,325)	(3,901,040)
Change in forward looking adjustment	-	-	-	327,970	1,793,234	2,121,204
Change in allowance for fraud losses	-	-	-	(86,307)	-	(86,307)
Change in Management assumption	-	-	-	(2,327)	-	(2,327)
Balance at December 31, 2022	101,945,029	16,535,470	118,480,499	1,429,353	6,479,678	7,909,031

Modification of finance receivables

A modification of a loan occurs when the contractual terms governing the cash flows of that loan are renegotiated or otherwise modified between initial recognition and maturity of the loan. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

It is the Company's policy to monitor these loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined based on the account's PPD at the time of each allowance evaluation posterior to the modification of the loan terms. For conservatism, it is the Company's policy to assume that the modified accounts whose PPD was re-aged at the time of the restructuring continues to have the same risk as prior to the modification of the terms. The additional risk is recognized via the application of an adjustment (increase) to the allowance for the PPD risk differential between the PPD at the time of the modification and the PPD at the time of allowance evaluation.

A change in the assumptions used to estimate the credit losses was implemented this year. The activity related to Covid 19 was carved out from the model due to a severe impact of the pandemic in the portfolio's performance which is not expected to continue in the upcoming years.

Credit Deterioration

The Company's unit of measure to assess the loans credit quality and to determine the appropriate allowance is in accordance with IFRS 9 whereby the loans are grouped in stages based on their PPD . The Company groups under Stage 1 the loans with 0 and 1PPD, in Stage 2 the loans with 2 and 3 PPD as well as any loss mitigation loans with a 0, 1, 2, and 3PPD, and under Stage 3 the loans with a 4, 5, or 6 PPD.

5. Transactions and balances with related parties

In the normal course of business, the Company have transactions with affiliated companies under common control of the Group Parent.

As of December 31, 2023 and 2022, significant transactions with affiliated companies are summarized as follows:

i. In November 2017, the Company entered into a Revolving Note Credit Facility ("Credit Facility") with CFG Holding with a facility limit up to USD 20.0 million. The Credit Facility accrue interests at an annual rate of 6% with automatic one-year renewal.

ii. The Company has transactions with Caribbean Financial Group Inc. ("CFG, Inc."), an affiliated company registered in the United States with offices in Puerto Rico and the State of Florida. The most significant transaction are the payments and provisioning of fees for certain administrative services received. Additionally, during 2023 the Company declared dividends of 19,332 million to CFG Holding to settle intercompany claims from CFG, Inc.

iii. On November 9, 2017 Aruba SPV entered into a revolving note payable with CFG Investments Curacao B.V. in connection with the securitization of CFG Investments Limited maturing on November 30, 2023. On July 15, 2019 the revolving note was amended to an interest rate of 6.24% and in connection with the refinancing of the prior securitization, in July 2023 the interest rate was amended to 10.59%. As a result of the 2023 Securitization (refer to Note 7 for additional information), the Company increased its revolving loan with CFG Investments Curacao B.V. by USD 11.9 million.

As of December 31, 2023 and 2022, balances with affiliates are summarized as follows:

	2023	2022
Due from affiliates:		
(i) CFG Holdings Ltd. (6.00% interest bearing note for 2023 and 2022)	38,470,246	36,717,146
(iii) CFG Investments Curacao B.V. (non-interest bearing)	21,451,039	151,829
CFG Investments Limited (non-interest bearing)	9,890,215	10,675,798
(ii) Caribbean Financial Group Inc. (non-interest bearing)	1,690,146	5,038,267
CFG Aruba Holdings N.V. (non-interest bearing)	188,927	166,789
Island Finance (Curacao) N.V. (non interest bearing)	256,208	258,565
CFG Investments WH Limited (non-interest bearing)	30,999	-
	71,977,780	53,008,394
Due to affiliates:		
(iii) CFG Investments Curacao B.V. (10.59% and 6.24% interest bearing note for 2023 and 2022, respectively)	96,528,146	75,049,827
	96,528,146	75,049,827

	2023	2022
Income:		
Interest income:		
CFG Holdings Ltd. (6% interest bearing note for 2023 and 2022)	1,753,103	1,753,103
Expense:		
Interest expense:		
CFG Investments Curacao B.V. (10.59% and 6.24% interest bearing note for 2023 and 2022, respectively)	8,181,673	6,260,052
Service fee expense:		
Caribbean Financial Group Inc.	3,441,042	5,395,729

During the year ended December 31, 2023 and 2022, the Company amortized $888,293 and $598,862, respectively, of deferred financing costs related to the revolving loan payable to CFG Investments Curacao B.V.

6. Furniture, fixtures, equipment and leasehold improvements

Furniture, fixtures, equipment and leasehold improvements at December 31, 2023 and 2022 consist of the following:

	Computers and Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Cost:				
Balance as of January 1, 2022	501,789	552,855	1,198,425	2,253,069
Additions	74,138	7,744	-	81,882
Balance as of December 31, 2022	575,927	560,599	1,198,425	2,334,951
Additions	38,214	65,494	-	103,708
Balance as of December 31, 2023	614,141	626,093	1,198,425	2,438,659
Accumulated depreciation:				
Balance as of January 1, 2022	(402,886)	(147,122)	(1,416,895)	(1,966,903)
Depreciation expense for the year	(57,552)	(27,677)	(57,719)	(142,948)
Balance as of December 31, 2022	(460,438)	(174,799)	(1,474,614)	(2,109,851)
Depreciation expense for the year	(52,318)	(30,684)	(28,777)	(111,779)
Balance as of December 31, 2023	(512,756)	(205,483)	(1,503,391)	(2,221,630)
Carrying amounts as of:				
December 31, 2023	101,385	420,610	(304,966)	217,029
December 31, 2022	115,489	385,800	(276,189)	225,100

7. Commitments

Senior Secured Term Notes

The Company is financed via intercompany loans, which are financed centrally at the group level. On November 30, 2018, the Group Parent issued USD 105,000,000 to a third-party, senior secured term notes maturing on November 30, 2023 ("Mezzanine") secured by certain assets of an affiliate Island Finance – Trinidad & Tobago Limited as guarantor and guarantees and/or security interests in assets from other affiliated subsidiaries of the Group Parent, including the Company.

The Mezzanine accrue interest at the greater of 3.0% or the 6-month London Interbank Offered Rate (LIBOR) or an alternate rate considering prevailing market convention (if LIBOR cannot be used) plus 7.5%, with a maximum annual interest accrual of 12.0%. The Mezzanine also requires the payment of a maintenance fee of USD 10,000 per month.

On June 30, 2023, the Group Parent entered into a sixth amendment to adjust the interest rate structure. Effective as of the amendment date, an adjusted term SOFR (Secured Overnight Financing Rate (SOFR) is applicable equal to the sum of (a) the applicable term SOFR as of 11.00 a.m. on the SOFR Quotation Day for a period of six months plus (b) 0.42826%. Also, the amendment deletes the definition of the base rate and current term note interest rate in their entirety and replaces them as the base rate be the greater of a 3% per annum or the adjusted term SOFR plus 7.5%, with a maximum annual interest accrual of 12.0%. The payment of a maintenance fee of USD 10,000 per month remains in effect.

Warehouse Facility

On February 15, 2022, CFG Investments WH Limited, P.A. CFG de la Transacción Ares (a wholly-owned subsidiary of CFG Holdings), entered into a USD 150,000,000 Senior Secured Revolving Loan facility with Ares Agent Services L.P. ("Ares Warehouse Facility") that provides for funding for loans to certain subsidiaries of the Group Parent.

On February 16, 2022, proceeds of USD 21,489,184 million from the Warehouse Facility were used to repay in full and terminate the previous Amended and Restated Revolving Credit Facility with Banco Popular de Puerto Rico ("BPPR") and Oriental Bank.

Prior to the establishment of the Ares Warehouse Facility, CFG Holdings and its active non-Borrower SPV subsidiaries were co-borrowers on a USD 60,000,000 Warehouse Facility The Warehouse Facility was structured on November 12, 2019 with an initial three-year revolving period, and a legal maturity of November 30, 2024.

Securitization

On April 15, 2021, CFG Investments Limited ("Securitization Issuer), a Cayman exempted Group, completed the issuance of $185,600,000 of asset backed notes ("Senior Secured Notes") in four classes ("2021 Securitization"). The Class A notes were issued in a principal amount of USD 100,400,000, with a coupon of 4.70%; the Class B notes were issued in a principal amount of USD 53,800,000, with a coupon of 5.82%; the Class C notes were issued in a principal amount of USD 20,900,000, with a coupon of 7.48%; and the Class D notes were issued in a principal amount of USD 10,500,000, with a coupon of 9.07%; Additionally, Class RR notes were issued to CFG Holdings in principal amount of USD 9,500,000, with a coupon of 10.00%.

On July 12, 2023, the Securitization Issuer refinanced and replaced 2021 Securitization with the issuance of USD 160,900,000 ("Senior Secured Notes") of asset backed notes in four classes ("2023 Securitization). The Class A notes were issued in a principal amount of USD 107,100,000, with a coupon of 8.56%; the Class B notes were issued in a principal amount of USD 24,500,000, with a coupon of 10.05%; the Class C notes were issued in a principal amount of USD 17,200,000, with a coupon of 13.05%; and the Class D notes were issued in a principal amount of USD 12,100,000, with a coupon of 16.80%; Additionally, Class RR notes were issued to CFG Holdings in principal amount of USD 7,300,000, with a coupon of 19.00%.

The Class A, Class B, Class C and Class D notes are primarily secured by a first-priority perfected security interest in the revolving loans. The revolving loans are secured, in Panama, by a beneficial interest in a trust that owns the receivables purchased by CFG Investments Panama de S. R.L. (Panama SPV), and in each of Curacao, Aruba, and Bonaire, the receivables purchased by CFG Investments Curacao B.V. (Curacao SPV), CFG Investments Aruba VBA II (Aruba SPV), and CFG Investments Bonaire B.V. (Bonaire SPV); together "Borrower SPV".

Seller	Purchaser	Currency	Revolving Loan Amount 2023	Revolving Loan Amount 2022
Financiera El Sol S.A.	Panama SPV	USD	87,464,000	103,240,000
Island Finance (Aruba) N.V.	Aruba SPV	USD	53,824,000	41,925,000
Island Finance (Curacao) N.V	Curacao SPV	USD	21,445,500	45,245,000
Island Finance (Bonaire) N.v	Bonaire SPV	USD	5,466,500	4,690,000

The Senior Secured Notes include a revolving period, ending on August 20, 2025, whereby each Borrower SPV is permitted to purchase additional receivables, from time to time, subject to the maximum principal amount of the Senior Secured Notes, a reinvestment test, and certain eligibility requirements and concentration limits. After the termination of the revolving period, the Senior Secured Notes will amortize pursuant to a contractual priority of payments, subject to a legal final maturity in May 2034.

The holders of the Senior Secured Notes have no recourse to the Company if the cash flows from the underlying receivables are not sufficient to pay all principal and interest on the Senior Secured Notes. After the termination of the revolving period, cash inflows will be allocated, pursuant to a contractual priority of payments, to the Class A notes until fully repaid and, thereafter, to the Class B notes, Class C notes and Class D notes as each senior tranche is fully repaid. Any credit losses in the pools of finance receivables securing the Senior Secured Notes are expected to be limited to the retained interest.

Collateral

Substantially all of the Company's assets and/or equity are pledged as collateral securing three separate debt obligations:

- Substantially all of the assets of the Company were pledged as first lien collateral securing the Ares Warehouse Facility at December 31, 2023 and 2022, with the exception of the loans pledged as security for the Securitization Issuer Class A and Class B Notes.
- Substantially all the assets of the Company were pledged as second lien collateral securing the Senior Secured Term Notes at December 31, 2023 and 2022.

8. Common Stock

At December 31, 2023 and 2022, the authorized share capital is composed of 5,000 issued and outstanding common shares with a par value of 1,000 each.

9. Income taxes

On November 11, 2014, the Company entered into a fiscal unity with its direct parent, CFG Aruba. The two entities file a consolidated income tax return; therefore, each member of the fiscal unity is in principle jointly and individually liable for the income tax liability of the entire fiscal unity. The corporate income tax calculated and recognized for the fiscal unity is included for the full amount in the consolidated financial statements.

Current and deferred tax expense is allocated to the members of the fiscal unity by considering the tax attributes contributed by each entity. The settlement of taxes between the parent company and the subsidiary occurs at the time the fiscal authorities approve the income tax declaration.

The fiscal unity was subject to income taxes in Aruba at a statutory rate of 22% and 25% in effect for the period ending December 31, 2023 and 2022, respectively. CFG Aruba has been designated a tax-exempt development company by Aruba Central Bank and is thus exempt from income tax.

As of December 31, 2023 and 2022, the Company continues to have a reserve for uncertain tax position of zero.

The effective income tax rate differs from the statutory income tax rate as follows:

	2023	**2022**
Profit before taxation	16,225,380	14,452,427
Computed tax expense (at 22% and 25% for 2023 and 2022, respectively)	4,056,345	2,803,771
Release of uncertain tax provision	-	(2,225,674)
Other permanent differences ─ net	(64,902)	(57,810)
Over provision of prior year current tax charge	495,470	(841)
Dividend withholding	(1,947,046)	-
Total	2,539,867	519,446

	2023	**2022**
	Percent	Percent
Tax expense calculated at the statutory income tax rate	22.00%	25.00%
Increases (decreases) resulting from:		
Release of uncertain tax provision	0.00%	-20.40%
Other permanent differences, net	-0.40%	-2.00%
Prior year balance adjustment	6.10%	1.00%
Dividend Withholding	-12.00%	0.00%
Efective tax rate	15.7%	3.6%

As of December 31, 2023, the Company's tax years from 2018 through 2023 are open for possible examination by the tax authorities. The Company is no longer subject to examinations by the tax authorities for years prior to 2018.

Deferred tax assets are recognized for tax losses carried forward only to the extent that realization of the related tax benefit is probable. As of December 31, 2023, and 2022, no deferred tax assets related to available loss carry forwards have been brought to account. The Company believes that it is more likely than not that the benefits from the losses available for compensation will be realized, therefore, no valuation allowance would be necessary for the deferred tax asset. As of December 31, 2023, and 2022, deferred income taxes, net is as follows:

	2023	**2022**
At beginning of year	82,739	100,179
Charge	(21,935)	(17,440)
At end of year	60,804	82,739

The deferred tax assets are attributable to the following:

	2023	**2022**
Property and equipment	31,084	41,742
Leases	29,720	40,997
Deferred tax assets – net	60,804	82,739

10. Employee pension plan

As of December 31, 2023 , 13 of the Company's 74 employees participate in the Company's defined benefit pension plan (the "Plan"). New employee enrollments in the Plan were discontinued in 2005. Annual pension benefits provided are equal to 1.75% of monthly salary, as defined, for each year of service up to a maximum of 40 years less the current calculated social security monthly benefit normal retirement age has been established at 60 years, although early retirement is allowed. The Plan also covers employees of Island Finance (Curacao) N.V., Island Finance (Bonaire) N.V. and Island Finance (Sint Maarten) N.V.

This Plan is insured by a participating annuity contract with Ennia Caribe Leven N.V. ("Ennia"), located in Willemstad, Curacao. The participating annuity contract guarantees the funding of the Company's future pension obligations for its defined pension plan. Regarding this pension plan the Company applies IAS 19.46 and such treats the pension plan as a defined contribution plan. In accordance with the contract, Ennia will pay all vested obligations for the Plan, while the Company pays annual insurance premiums. Payment of the insurance premiums by the Company constitutes an unconditional and irrevocable transfer of the related pension obligation from the Company to Ennia. During 2007, the Company started making their contributions in advance as established by the contract. Prepaid premiums for the years ended December 31, 2023 and 2022 were $23,381 and zero, respectively, and are included in the accompanying consolidated balance sheet as part of other assets. Pension expense for the year ended December 31, 2023 and 2022 were $240,594, and $249,922, respectively, and are included in the accompanying consolidated statement of profit and other comprehensive income as part of personnel expenses.

In 2012, the government of Aruba implemented a mandatory General Pension Plan for all workers effective January 1, 2012. It provides for a financial contribution shared equally by the employer and the employee and is to achieve a minimum of 6% contribution of the employee's annual salary. The entitlement age is the same as the prescribed for the AOV, the general old age pension in Aruba. General pension plan expenses for the years ended December 31, 2023 and 2022 were $44,222 and $33,085, respectively, and are included in the accompanying consolidated statement of profit and other comprehensive income as part of personnel expenses.

11. Leases

The Company maintains lease agreements related to equipment, office space and branch locations. Most of branch lease agreements are executed with terms of five years and generally contain options to extend from three to five years. None of the Company's lease payments are dependent on a rate or index that may change after the commencement date, other than the passage of time.

The Company's lease liabilities as of December 31, 2023 and 2022 were 1,118,854 and 1,211,730, respectively. These liabilities are based on the present value of the remaining minimum rental payments using a discount rate that is determined based on the Company's incremental borrowing rate. The right-of-use assets as of December 31, 2023 and 2022 were 959,268 and 1,038,830, respectively. These assets include right-of-use assets equalling the lease liabilities, net of prepaid rent and deferred rents that existed as of the adoption of the new lease standard.

Amounts recognized in profit and loss:

	2023	**2022**
Depreciation expense	212,297	222,826
Interest on lease liabilities	67,830	67,508
Expense relating to variable lease payments	20,027	14,587

Right-of-use assets movement by type is presented below:

Type	Beginning balance as of January 1, 2023	Additions	Disposals	Other adjustments	Depreciation expense	Ending balance as of December 31, 2023
Building	1,038,830	255,781	(123,046)	-	(207,696)	963,869
Equipment	-	-	-	-	(4,601)	(4,601)
Total	1,038,830	255,781	(123,046)		(212,297)	959,268

Type	Beginning balance as of January 1, 2022	Additions	Disposals	Other adjustments	Depreciation expense	Ending balance as of December 31, 2022
Building	1,243,027	-	-	18,031	(222,228)	1,038,830
Equipment	598	-	-		(598)	-
Total	1,243,625	-	-	18,031	(222,826)	1,038,830

The total leases cash outflow for the years ended December 31, 2023 and 2022, were 293,441 and 212,265 respectively.

Present value of the remaining minimum rental payments associated to the Company's lease liabilities as of December 31, 2023 are as follows:

	2023
2024	196,962
2025	181,164
2026	148,872
2027	126,222
2028	465,634
Total	1,118,854

12. Litigation

The Company is not engaged in any litigation that is material to the Company's business or, to the best of the knowledge of the Company's Management, which is likely to have an adverse effect on its business, financial condition or results of operations.

13. Fair value of financial instruments

The Company determines the fair value of its financial instruments using the fair value hierarchy established in IFRS 13 "*Fair Value Measurements and Disclosure*", which requires the Company to maximize the use of observable inputs (those that reflect the assumptions that market participants would use in pricing the asset or liability developed based on market information obtained from sources independent of the reporting entity) and to minimize the use of unobservable inputs (those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances) when measuring fair value. Fair value is used on a non-recurring basis to evaluate assets and liabilities for impairment or for disclosure purposes. Fair value is defined as 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. Depending on the nature of the asset or liability, the Company uses some valuation techniques and assumptions when estimating fair value. The Company applied the following fair value hierarchy:

- 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 following disclosures are related to financial instruments which are not measured at fair value on the Company's consolidated statement of financial position at December 31, 2023 and 2022:

On demand financial instruments – The carrying value of on demand financial instruments, including cash, and accounts payable and accrued liabilities, approximates the fair value of these instruments. These financial instruments generally expose the Company to limited credit risk and have no stated maturities or have on demand maturities. The Company classifies these assets and liabilities as Level 2 as these are observable inputs for the determination of fair values.

Finance receivables – The carrying value of the portfolio of financial receivables was 114,124,807 as compared to its fair value of 119,032,174 at December 31, 2023, the difference arise from movements in benchmarks and interest rates. The carrying value of the portfolio of financial receivables was 110,802,698 as compared to its fair value of 118,891,295 at December 31, 2022. The key inputs to calculate the fair value of the financial receivables were portfolio runoff assumptions and a discount rate based on market and portfolio related factors. The rate used to discount the associated future cash flows of the consumer loan portfolio is consistent with discount rates for loans to similar borrowers and with similar maturities. Discount rates for valuation purposes are frequently revised to approximate market rates.

Notes receivable from or payable to affiliates – For balances with affiliates under common control, the Company does not calculate Fair Value given that some of these amounts are callable at any time.

The following tables provide information on the carrying value and estimated fair value at December 31, 2023 and 2022, of the Company's financial instruments that are not reported at fair value in the accompanying consolidated statement of financial position:

	2023				
	Carrying value	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets:					
Cash	5,755,294	5,755,294	5,755,294	-	-
Finance receivable − net	114,124,807	119,032,174	-	-	119,032,174
Due from affiliate (note receivable)	38,470,246	38,470,246	-	-	38,470,246
Due from affiliates (other)	33,507,534	33,507,534	-	33,507,534	-
Financial liabilities:					
Accounts payable and accrued liabilities	2,437,826	2,437,826	-	2,437,826	-
Lease liabilities	1,118,854	1,118,854	-	1,118,854	-
Due to affiliate (revolving note payable)	96,528,146	96,528,146	-	96,528,146	-

	2022				
	Carrying value	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets:					
Cash	11,598,745	11,598,745	11,598,745	-	-
Finance receivable − net	110,802,698	118,891,295	-	-	118,891,295
Due from affiliate (note receivable)	36,717,146	36,717,146	-	-	36,717,146
Due from affiliates (other)	16,291,248	16,291,248	-	16,291,248	-
Financial liabilities:					
Accounts payable and accrued liabilities	1,102,548	1,102,548	-	1,102,548	-
Lease liabilities	1,211,730	1,211,730	-	1,211,730	-
Due to affiliate (revolving note payable)	75,049,827	75,049,827	-	75,049,827	-

14. Risk management

a) Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to the stockholder through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2019. The capital structure of the Company consists of financing obtained from affiliates (as detailed in Note 5) and equity of the Company (comprising issued capital and retained earnings).

The Company is regulated by the Central Bank which among other things requires maintenance of certain regulatory capital requirements, measured with respect to “well capitalized” or equivalent regulatory capital threshold (Aruba Capital Ratio > 12% and minimum of Aruba Florin of 1,000,000). During the year ended December 31, 2023 and 2022, the Company met the requirements set out by the Central Bank.

b) Financial risk management objectives

The Company is exposed to financial risks that may threaten its business objectives. Proactive identification of significant risks is critical to minimizing potential adverse effects on financial performance. Management and the Board of Managers of the Group Parent are responsible for establishing and conforming the strategic direction of the organization, the business approach and corporate values.

Financial and economic risk overview - The Company’s evaluation of the macro-economic environment suggests that the risk of a global economic recession for the year 2023 elongated into the year 2024 and shifted to a slow down while an economic rebound is expected for the year 2025. Consequently, the Company lowered the severity of its 12-month economic outlook and current conditions factors on the first quarter of the year 2024 for the upcoming year.

Similarly, in the third quarter of the year 2023, the Company removed from the probability of default and loss given default rates the Covid 19 activity (March 2020 to December 2021) since the delinquency and loss rate levels that stemmed from the pandemic are not expected to occur next year.

The year 2023 saw a Stage 1 unpaid principal balance (UPB) increase of 0.19% relative to the prior year end and a Stage 2 and 3 increase in UPB of 6.13% and 10.03%, respectively, while the performance of the restructured assets improved causing the removal of the performing restructured assets from the adjustment for restructures. Performing restructured assets pass a 6-month performance test during which time they shall maintain a Stage 1 status prior to the allowance calculation. The 27.69% decrease in allowance for Stage 3 and the overall decrease in allowance of 12.93% relative to last year is primarily due to the re-evaluation of the macro-economic outlook and the current conditions factors, as well as the removal of the adjustment for restructures.

	Balance at December 31, 2023 Allowance for expected credit losses			Balance at December 31, 2022 Allowance for expected credit losses			2023 vs 2022	
	12-month Expected Credit Losses	Lifetime Credit Losses	Total Portfolio	12-month Expected Credit Losses	Lifetime Credit Losses	Total Portfolio	% Change	AWG
Stage 1	1,864,849	-	1,864,849	1,429,353	-	1,429,353	30.47%	435,496
Stage 2	-	1,436,247	1,436,247	-	1,521,061	1,521,061	-5.58%	(84,814)
Stage 3	-	3,585,391	3,585,391	-	4,958,617	4,958,617	-27.69%	(1,373,226)
	1,864,849	5,021,638	6,886,486	1,429,353	6,479,678	7,909,031	-12.93%	(1,022,544)

c) Credit risk

Credit risk is the risk of loss as a result of a borrower's failure to pay on time and in full its obligations, or the counterparty with whom the Company negotiates breaches a contractual obligation before liquidating a contract.

Concentration of credit risk – The Company's loan portfolio is comprised of a large number of undifferentiated small balance consumer loans, and there is no material concentration of loans to a single borrower. The Company is exposed to significant adverse changes in the local economy that could adversely impact the collectability of its finance receivables.

Credit quality indicator disclosures – Management monitors the credit quality of its financing receivables in an ongoing manner. As of December 31, 2023 and 2022, the amounts and ratios for finance receivable were as follows:

	2023	**2022**
Finance receivables	121,011,293	118,711,729
2+ Payments Past Due	16,026,203	14,961,336
4+ Payments Past Due	7,385,634	6,704,268
Total contractual delinquent loans as a percentage of finance receivables	13.24%	12.60%
Allowance for credit losses as a percentage of finance receivables	5.69%	6.66%
Net charge-offs as a percentage of average finance receivables	0.93%	0.80%
Delinquency 4+ PPD as a % of finance receivables	6.10%	5.65%

Total 2+ PPD refers to loans with two or more scheduled payments past due after month-end processing and is a sub-set of total contractual delinquency. 2+ PPD accounts include both principal and interest payments that are past due.

Total 4+ PPD refers to loans with four or more scheduled payments past due after month-end processing and is a sub-set of total contractual delinquency. 4+ PPD accounts include both principal and interest payments that are past due and serve as a proxy for loans that are 91 days or more past due.

Finance receivables are issued at a maximum period of 72 months. Finance receivables more than 90 days past due and accruing interest amounted to approximately 7,385,634 and 6,704,268 at December 31, 2023 and 2022, respectively.

The Company considers a customer contractually delinquent at the end of the month in which two schedule payments are past due after month-end processing.

The following table analyses the credit quality of financial assets and impairment reserves held by the Company for these assets as of December 31, 2023 and 2022:

	2023			2022		
Maximum exposure						
Finance receivables-net	114,124,807			110,802,698		
Delinquency/Risk levels	**Finance receivable**	**Expected Credit Loss**	**Net Receivables**	**Finance receivable**	**Expected Credit Loss**	**Net Receivables**
Stage 1 - Normal or no PPD	87,282,676	2,242,867	85,039,808	89,819,849	3,020,009	86,799,840
Stage 1 - 1PPD	17,702,414	853,587	16,848,827	13,930,543	894,222	13,036,321
Stage 2 - 2PPD	5,531,152	726,022	4,805,130	4,873,684	806,881	4,066,803
Stage 2 - 3PPD	3,109,418	679,620	2,429,798	3,383,384	711,588	2,671,796
Stage 3 - 4PPD	2,332,850	649,806	1,683,044	1,957,146	587,301	1,369,845
Stage 3 - 5PPD	2,380,021	787,205	1,592,816	2,214,343	642,549	1,571,794
Stage 3 - 6PPD or more	2,672,763	947,379	1,725,383	2,532,780	1,246,479	1,286,301
Expected Credit Loss Total	121,011,293	6,886,486	114,124,807	118,711,729	7,909,031	110,802,698
Risk Levels						
Stage 1	104,985,090	3,096,454	101,888,635	103,750,392	3,914,231	99,836,161
Stage 2	8,640,570	1,405,642	7,234,928	8,257,068	1,518,470	6,738,598
Stage 3	7,385,634	2,384,391	5,001,243	6,704,269	2,476,330	4,227,939
Total	121,011,293	6,886,486	114,124,807	118,711,729	7,909,031	110,802,698

d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has assets that are maintained in AFL while having United States dollar denominated long term debt at affiliates associated with those assets. While the AFL is pegged to the United States dollar, Management recognizes that e-fluctuations in the AFL can affect the Company's financial results and cash flow. Management believes that the yield on its finance receivables would cushion the effects of a weakened AFL and enable the Company to meet its debt obligations.

e) Interest risk

The Company's net interest income is subject to various categories of interest rate risk, including basis and yield curve risks. The table below summarizes the Company's exposure to interest rate risk. This includes the balances of the Company's financial instruments as of December 31, 2023 and 2022, classified by the most recent between the contractual term or the maturity date. Finance receivables are all fixed rate loans at amortized cost, as well as certain note and revolving facility to and from affiliates were issued with fixed rates at amortized costs, thus they are not directly impacted by changes in market interest rates.

	2023				
	Due on demand	**Due in one year**	**Due in two to five years**	**Due in more than five years**	**Total**
Assets:					
Cash	5,755,294	-	-	-	5,755,294
Due from affiliate (note facility)	-	-	-	38,470,246	38,470,246
Total assets	5,755,294	1,055,423	56,058,851	102,367,265	165,236,833
Liabilities:					
Lease liabilities	-	196,962	921,892	-	1,118,854
Due to affiliate (revolving loan payable)	-	-	-	96,528,146	96,528,146
Total liabilities	-	196,962	921,892	96,528,146	97,647,000
Net surpuls	5,755,294	858,461	55,136,959	5,839,119	67,589,833
Cumulative surpuls	5,755,294	6,613,755	61,750,714	67,589,833	67,589,833

	2022				
	Due on demand	**Due in one year**	**Due in two to five years**	**Due in more than five years**	**Total**
Assets:					
Cash	11,598,745	-	-	-	11,598,745
Due from affiliate (note facility)	-	-	-	36,717,146	36,717,146
Total assets	11,598,745	6,895,944	49,618,350	91,005,550	159,118,589
Liabilities:					
Lease liabilities	-	240,998	970,732	-	1,211,730
Due to affiliate (revolving loan payable)	-	-	-	75,049,827	75,049,827
Total liabilities	-	240,998	970,732	75,049,827	76,261,557
Net surpuls	11,598,745	6,654,946	48,647,618	15,955,723	82,857,032
Cumulative surpuls	11,598,745	18,253,691	66,901,309	82,857,032	82,857,032

f) Liquidity risk

The liquidity risk is defined as the risk that the Company may encounter difficulties in obtaining funds to meet its commitments and obligations on time. Management periodically monitors the availability of liquid funds given that the Company is exposed to daily loan disbursements.

	2023				
	Due on demand	**Due in one year**	**Due in two to five years**	**Due in more than five years**	**Total**
Assets:					
Cash	5,755,294	-	-	-	5,755,294
Finance receivables	-	92,181,519	51,280,999	141,084	143,603,603
Due from affiliate (note facility)	-	-	-	32,578,493	32,578,493
Due from affiliate	33,507,534	-	-	-	33,507,534
Total assets	39,262,828	92,181,519	51,280,999	32,719,577	215,444,923
Liabilities:					
Accounts payable and accrued liabilities	2,437,826	-	-	-	2,437,826
Lease liabilities	-	196,962	921,892	-	1,118,854
Due to affiliate (revolving loan payable)	-	-	-	113,293,162	113,293,162
Total liabilities	2,437,826	196,962	921,892	113,293,162	116,849,842
Net surplus	36,825,002	91,984,557	50,359,107	(80,573,586)	98,595,081
Cumulative surplus	36,825,002	128,809,559	179,168,667	98,595,081	98,595,081

	2022				
	Due on demand	**Due in one year**	**Due in two to five years**	**Due in more than five years**	**Total**
Assets:					
Cash	11,598,745	-	-	-	11,598,745
Finance receivables	-	91,381,313	49,380,468	73,988	140,835,769
Due from affiliate (note facility)	-	-	-	34,331,597	34,331,597
Due from affiliate	16,291,248	-	-	-	16,291,248
Total assets	27,889,993	91,381,313	49,380,468	34,405,585	203,057,359
Liabilities:					
Accounts payable and accrued liabilities	1,102,548	-	-	-	1,102,548
Lease liabilities	-	240,998	970,732	-	1,211,730
Due to affiliate (revolving loan payable)	-	-	-	88,660,300	88,660,300
Total liabilities	1,102,548	240,998	970,732	88,660,300	90,974,578
Net surplus	26,787,445	91,140,315	48,409,736	(54,254,714)	112,082,782
Cumulative surplus	26,787,445	117,927,760	166,337,496	112,082,782	112,082,782

15. Reclassifications

Certain prior year amounts in the consolidated statement of financial positions, consolidated statement of cash flows and Note 5 to the consolidated financial statements have been reclassified for consistency with the current year presentation. These reclassifications have no impact on the reported results of operations.

16. Subsequent events

The Company has evaluated events subsequent to December 31, 2023 in order to assess the need for potential recognition or disclosure in these consolidated financial statements. Such events were evaluated through the date these consolidated financial statements were available to be issued. Based upon this evaluation, the Company has determined no subsequent events have occurred that require recognition or disclosure in these consolidated financial statements.

17. Approval of consolidated financial statements

The consolidated financial statements for the year ended December 31, 2023 were approved by Management and authorized for their issuance on July 10, 2024.

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