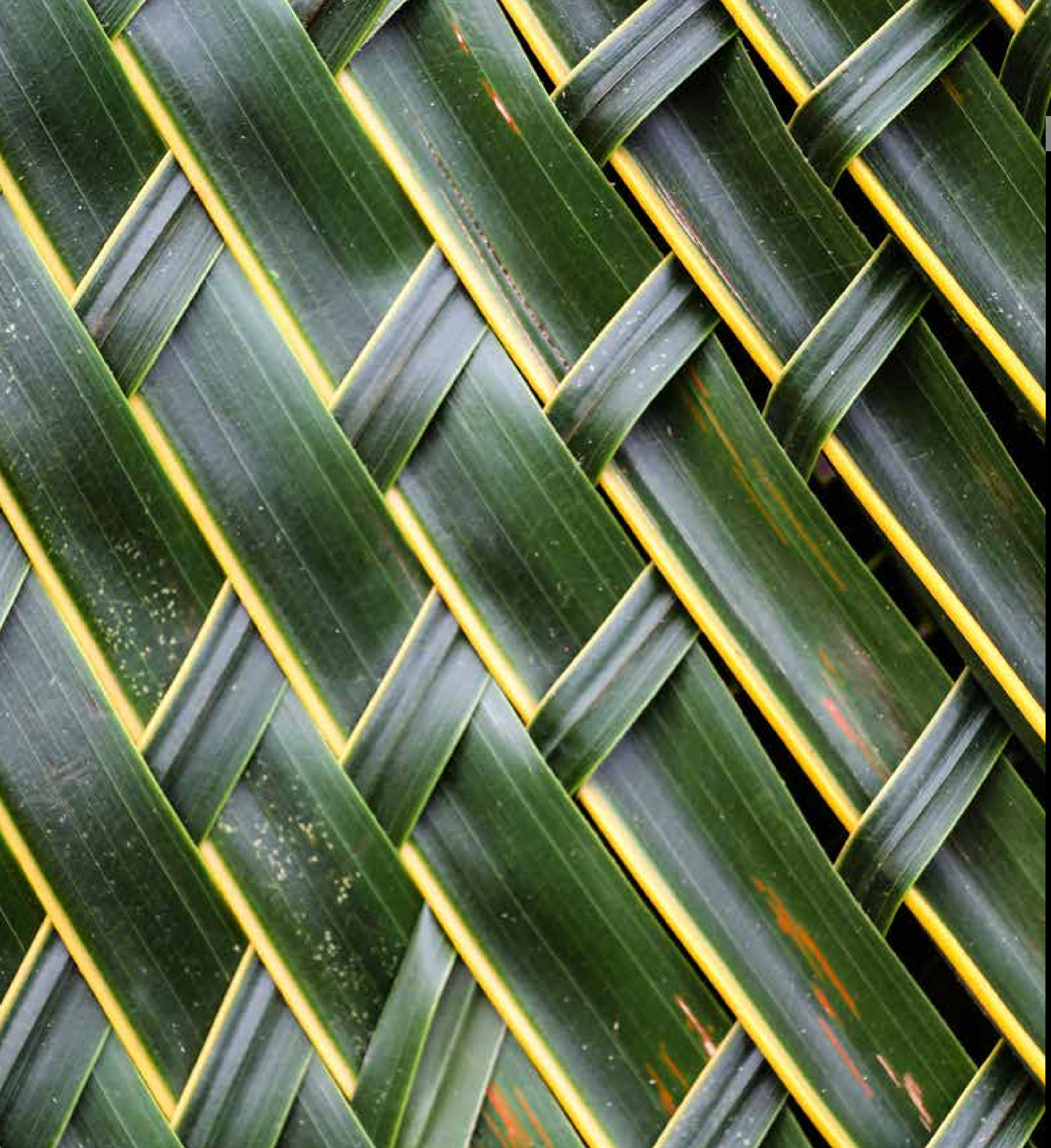
Woven into the Fabric of the Caribbean

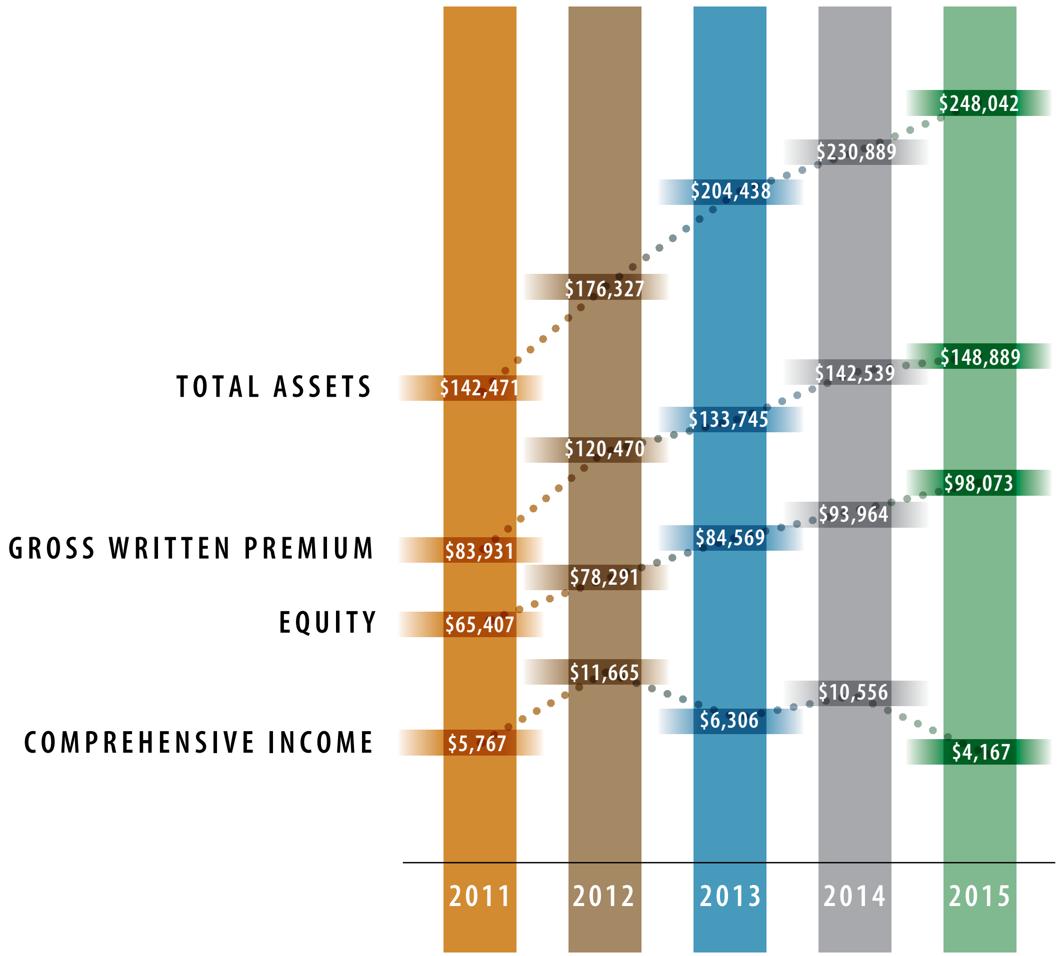
NAGICO INSURANCES

2015 ANNUAL REPORT



3 Key Performance Indicators
3 Mission and Vision Statements
4 A Stronger NAGICO
9 Chairman Statement
11 CEO, NAGICO N.V. Statement
13 CEO, NAGICO Life Statement
15 CFO Statement
17 CRO Statement
18 Board Of Directors
23 Independent Auditor's Report
24 Consolidated Statement of Financial Position
26 Consolidated Statement of Profit or Loss
27 Notes to the Consolidated Financial Highlights
41 Our Corporate Culture
43 Our Corporate Social Responsibility
45 NAGICO's Network

KEY PERFORMANCE INDICATORS



OUR MISSION

To provide our clients with exceptional value through the friendliest of service, competitive and innovative insurance products, fast and fair claims settlement, sound financial practices and strong community mindedness.

OUR VISION

To become the most trusted insurance company in the Caribbean.

This is The NAGICO Way

NAGICO INSURANCES

A STRONGER AND MORE VERSATILE GROUP

On 23 July 2015, a definitive agreement was reached for Peak Reinsurance Company Limited (Peak Re), a Hong Kong based global reinsurer with an AM Best A- Excellent rating and equity totalling $717 million, to acquire a 50% share of NAGICO Insurances. Both the Chairman of NAGICO Insurances, Imran McSood Amjad and Franz Josef Hahn, Chief Executive Officer of Peak Re, are confident that this alliance will result in benefits to both entities.

Peak Re is owned 85.1% by Fosun International Limited, which has an equity in excess of $10 billion, and 14.9% by the International Finance Corporation (IFC), a member of the World Bank Group; a very powerful partnership.

NAGICO Insurances will benefit from being a part of the Fosun Group; it will leverage on Peak Re's expertise in reinsurance, asset and investment management as well as on the wealth of skill housed in the Group's Integrated Finance segment: insurance, investment and wealth management to provide its clients with enhanced risk solutions. In addition, NAGICO Insurances is likely to benefit from the IFC's oversight of Peak Re, particularly as it relates to further enhancing its corporate governance.

Peak Re will also benefit directly from this partnership with NAGICO Insurances as it will be provided with attractive growth prospects in the Caribbean region which would contribute to its global expansion and portfolio diversification plans. The reinsurer will be able to further expand its business and brand position as a global reinsurer in the Americas through this strategic investment, and gain access to revenues uncorrelated to its current portfolio. NAGICO Insurances' track record of consistent and profitable underwriting, notwithstanding Nat Cat events, represents a great investment for Peak Re.

NAGICO Insurances and Peak Re share similar business philosophy and values. We both place significant emphasis on enterprise risk management, apply prudent and disciplined underwriting approaches, and put policyholders' interests as priority while seeking to create long-term value for stakeholders.

NAGICO Insurances will continue to be led by its experienced and charismatic Chairman, Imran McSood Amjad, who has been and will remain the Group's visionary and driver. With this partnership, it is business as usual; there will be no change to the management team or staff – we are your trusted risk advisors! NAGICO Insurances is a stronger and more versatile Group with Peak Re, and the Fosun Group, by extension, as its partner. We are excited to continue our journey of exceptional service to you our customers with our new and extended family at our side.

NAGICO'S STRENGTH

NAGICO Insurances is a strong Group, rooted in the Caribbean for over 34 years. At the heart of its success is its commitment to excellence and solutions. With a team of dynamic, highly qualified and experienced professionals, a comprehensive and versatile suite of insurance offerings and an exceptionally robust reinsurance program, NAGICO has consistently provided outstanding risk solutions to its customers and delivered on its promises over the years. We have earned your trust!

Your Risk Advisors: Through a thorough understanding of your needs and ongoing analysis of the changing risk landscape we aim to continue to provide you with the solutions you require to build resilience into your business and lives. Your peace of mind is important to us!

Security is important – we recognise this! Our Reinsurance Program is strategically crafted to incorporate only the financially excellent and reputable as partners. NAGICO is very critical in its selection of its reinsurance partners. A very stringent due diligence process is completed to ensure the optimal program is established, partner and coverage wise, in order to protect our risk portfolio: you our customers. Together, our bench of reinsurers have equity well in excess of $150 Billion:

Reinsurer	AMB Rating	S & P Rating
Swiss Re	A+	AA-
Hannover Re	A+	AA-
Munic Re	N/A	AA-
Partner Re	A	A+
Lloyd's Syndicates	A	A+
Peak Re	A-	N/A
Others	A- or higher	A- or higher

Versatility: In today's rapidly changing environment it is imperative that we are agile. NAGICO remains in tune with the market, technological advancements and emerging trends. As innovators NAGICO will focus on the opportunities associated with the varying risks and continue to thrive.

One people: Proud to be present in over 21 islands, NAGICO has woven itself into the hearts and minds of the communities through sharing of values. One Caribbean, One People, Your Insurer – NAGICO Insurances.

MAIN OFFICE

34 Years
19 Territories
1 Group

NAGICO Insurances was established in Philipsburg, St. Maarten 34 years ago by a small group of businessmen who recognized the need for better protection against unforeseen losses with high quality service and a personal touch. NAGICO's phenomenal success has resulted in the expansion of services for 19 territories.

IMRAN MCSOOD AMJAD

Mr. Imran McSood Amjad *is the Executive Chairman of the Board of Directors for NAGICO Insurance Company Limited and Chairman of the Supervisory Board of National General Insurance Corp. N.V. In 1981 he became one of the youngest Chartered Insurers (ACII) in the Caribbean. After quickly moving up the ranks at GTM Insurance Company in Guyana, he took the challenge of heading a small insurance start-up in St. Maarten. He has been at the helm of NAGICO since its inception in 1982 guiding the one office operation with US $75.000 starting capital to the largest privately held general insurance provider in the Caribbean.*

CHAIRMAN STATEMENT

The year 2015 has been a very difficult year. In fact CNBC, the Business Network reported that 2015 was the hardest year to make money since 1937. Even the legendary Warren Buffet had his worst year since 2008. In addition to 2015 being a tough year for Wall Street our region has been struggling to regain pre 2008 levels with most territories showing only slight growth in GDP or remaining generally flat.

The Insurance Industry is also struggling with falling rates, especially in Property Business, increased cost of doing business and a fiercely competitive environment. Thankfully, reinsurance rates have fallen, though often that is also the prevailing reason for competitive pricing and a weakened market.

The results for The NAGICO Group reflect the prevailing market conditions with a less than expected return on equity. Furthermore, the Group suffered three natural events which affected Dominica, Martinique, St.Lucia and the Bahamas and thus our underwriting profits. In addition. investment earnings were down and we suffered currency losses from a falling Euro.

Despite all of this the Group still reported a profit of $5.6 Million after tax and before adjustment for changes in comprehensive income. NAGICO also saw an increase in its assets to nearly $250 Million and an increase in premium revenue to $146 Million compared to $142 Million in the previous year.

We have also made huge strides in Enterprise Risk Management and Internal Audits. Our proprietary software system continues to be developed and InsPro 3 has gone live on a couple of territories.

Our study program continues to bring huge benefits as we now have over 30 qualified Insurance professionals in the Group.

My thanks to our policyholders for their patronage and we wish to assure them of our commitment in providing them with the best Insurance security money can buy. We promise to continue to live by our motto of "Fast, Fair & Always There".

Imran McSood Amjad, ACII
Chairman
Chartered Insurer
NAGICO Group of Companies

DWAYNE ELGIN

__Mr. Dwayne Elgin__ is the Chief Executive Officer of National General Insurances Corp. N.V. He joined the company in 2001 and consistently worked his way up the ranks, eventually landing him the position of Senior Executive Director of Underwriting in 2012. With 13 years of experience under his belt he successfully obtained the following accreditations; Chartered Property Casualty Underwriter (CPCU) and Accredited Advisor in Insurance (AAI). In addition, he has obtained the following Associate Degrees; Insurance Services (AIS), Commercial Underwriting (AU), and Reinsurance (ARe).

CEO STATEMENT

We are elated at NAGICO to have navigated through 2015 and emerged a stronger company despite the prevailing challenges in Caribbean economies and insurance markets. Soft market conditions in the global reinsurance sector continues to fuel similar conditions in the insurance sector and as a consequence impeding insurers' ability to generate desired profit margins. At NAGICO, we have embraced these market challenges with the determination to minimize their impact on our business and simultaneously recognise that opportunities emerge in these conditions which we must be able to seize.

Quantitatively, our objectives to further strengthen NAGICO's balance sheet, increase market share, and enhance our shareholders value through profitable returns were achieved in 2015 and is evidenced in our financials. Our policyholders and other stakeholders continued to demonstrate confidence and trust in our ability to deliver on our promise to provide sound and reliable insurance protection. Throughout 2015, we maintained our commitment to positively contribute to communities in which we operate whether in times of natural disasters as evidenced in Dominica or through social and community development initiatives in every NAGICO Territory in the Region.

I envisage that the current tough market conditions will prevail in the short to medium term, however I wish to assure all stakeholders that the leadership, management and staff of NAGICO remains deeply focused on attaining our objectives in 2016 and beyond.

Considering our exposure to Catastrophes in this region, we have purposefully secured the most comprehensive Reinsurance program, structured to withstand multiple Catastrophes of varying intensity and to support our appetite for growth in 2016. Underwriting discipline will remain at the forefront of our business development activities backed by sound risk management principles and internal controls to ensure that we conform to best practices.

Continuing to add value to our policyholders, shareholders and employees remain paramount to me as CEO as well as all members within the leadership and management team of NAGICO. Innovating and embracing new technologies to enhance our service and products offerings is high on our agenda for 2016 and beyond. It makes for an exciting journey as we collectively take NAGICO to the next level.

Last but not least, I would like to express my sincere appreciation and gratitude to our Chairman, Board of Directors, Management and staff for their contributions in 2015 and I look forward to us all attaining our objectives of 2016.

I unreservedly express my confidence in our management, staff, agents and brokers to deliver as expected in 2016. We look forward to the continued support and guidance from our Board of Directors and Shareholders.

To our customers we pledge velocious, unprejudiced and reliable services that will guarantee our commitment to be "Fast, Fair & Always There".

Dwayne Elgin, CPCU, AIS, AAI
Chief Executive Officer,
NAGICO Insurances N.V.

DETLEF HOOYBOER

***Detlef J.G. Hooyboer** is the CEO for NAGICO Life and Executive Director responsible for the growth and profit targets of the Non-Life operations in Aruba, Bonaire and Curacao. Mr. Hooyboer has been at the helm of the NAGICO Aruba operation since its inception in 2003 where he managed to introduce NAGICO as a new insurance company in Aruba and subsequently manages the daily operations and management of the office. He was appointed CEO for the Life operations in December 2014.*

Mr. Hooyboer holds a Master of Science, degree in Business Administration, with emphasis in Strategic Management, Financial Management, Strategic Control Systems, Project Management and Management of non-profit organizations. He also has a Chartered Property and Casualty Underwriter (CPCU) degree from the American Institute for CPCU.

CEO, NAGICO LIFE STATEMENT

With the integration and consolidation of the NAGICO Life operations being completed, 2015 was a year where the focus was on strengthening the foundations of the NAGICO Life operations. To achieve these goals, we continued to invest in the key areas of the business namely; human resources, high quality software, hardware and administrative processes, alongside the revamping of our core products and services for our target markets.

A majority of these investments and additional expenses incurred were one-off with the expectation that going forward these investments will trigger more revenues and lower operational expenses in the coming years.

Our energy in time, resources and investment are driven by an inherent belief in the opportunities and added value that NAGICO Life will bring to the NAGICO Group. An example of this is accelerated revenue growth generated thorough cross-selling opportunities, while simultaneously creating added value synergies between the various products and processes in the Group. Additionally, these synergies are creating more avenues for reducing operational expenses throughout the Group. We are already seeing the results of the synergy effects throughout the operations and they are encouraging.

In all territories in which NAGICO Life operates, the economies continue to be stable with little to no growth. Despite these developments, NAGICO Life has accomplished a growth of more than 30% in its revenues. Taking out the one-off losses incurred of $800k and the adverse investment results of $261k the life operations would have already produced a positive result in 2015.

Looking ahead to 2016, we foresee a year where we will further capitalize on the investments previously made. With superior products, services and processes in place for our customers, we are confident that 2016 will continue to see double digit revenue growth, despite the challenging economic landscape. The Group, will further reap the benefits of the synergies that have been created throughout the operations.

I would like to take this opportunity to thank everyone who has contributed to our ongoing gains. There is no shortage of challenges in our competitive markets, some daily and some that present themselves unexpectedly. It is precisely because of this that our successes are all the more valued. This is not possible without the dedication and focus of skilled professionals, all working towards a common goal. I look forward to building on the 2015 accomplishments and raising the bar for 2016 and beyond.

Detlef Hooyboer CPCU, Drs.
Chief Executive Officer
NAGICO Life Insurance N.V.

JUSTIN WOODS

***Mr. Justin Woods** is the Chief Financial Officer of the NAGICO Group of Companies. With 14 years of public auditing experience, he has acquired a wealth of knowledge in various industries, including the financial, banking, insurance, manufacturing, retail and wholesale. He joined the NAGICO Group in 2013 and given his excellent performance was appointed as a Managing Director of National General Insurances Corp. N.V. Mr. Woods is a Certified General Accountant and also holds an Honors Bachelor of Commerce Degree.*

CFO STATEMENT

NAGICO Holdings Limited ("the Group") has had another profitable financial year, despite the numerous economic challenges and the fact that there were several natural catastrophes, including Hurricane Joaquin which struck the Bahamas, Tropical Storm Erika which struck Dominica and torrential rains which flooded St. Lucia.

The Group experienced organic growth with total assets increasing from US$230.9 million to US$248.0 million: an increase of $17.1 million or 7.4%. Of this amount liquid assets amounted to $154.0 million or 62.1%. Total shareholders' equity increased to US$98.1 million from $94.0 million in the prior year. Net profit after taxation for the year ended 31 December 2015 amounted to $5.6 million.

Most global and regional economies have continued to experience very little or negative GDP growth, changes in their respective political environments, revised governmental tax systems and low interest rates. In addition, despite the various catastrophic events in the region in 2015, we continue to operate in a soft insurance market which is characterized by falling premium rates, increased reinsurance capacity and increased competition. These factors combined have negatively impacted the Group's operating performance in 2015 with return on investments declining from 3.5% in 2014 to 3.0% in 2015, operating expenses increasing to $33.7 million in 2015 from $30.5 million in 2014 and claims expenses increasing to $46.5 million in 2015 from $45.0 million in 2014.

We continue to make investments in our infrastructure, our people and systems, to ensure that we effectively deliver on our promises to our valued customers, which are also reflected in the increased in operating expenses. Our customers and the communities within which we operate are important to us. We therefore position ourselves to ensure that we add value in all that we do, especially as it relates to the execution of our corporate social responsibility, which we view as a privilege.

In 2015, the Group also entered into a strategic partnership agreement with Peak Reinsurance Company Limited ("Peak Re"), a Hong Kong based global reinsurer and a subsidiary of Fosun International Limited, by agreeing to sell a 50.0% share of the Group, subject to regulatory approvals.

With this strategic partnership, NAGICO has aligned itself with an internationally recognized A.M Best A- rated company that has a strong balance sheet and exceptionally qualified insurance and reinsurance professionals. This will benefit the future of the Group and its policyholders, as we continue to grow and expand within the region. Our reinsurance program has also been enhanced with the introduction of a Quota Share arrangement which adds to the Group's financial strength and stability.

NAGICO Group is now well-positioned for greater success and accomplishment in 2016 and beyond.

Justin Woods, H.B Comm, CGA
Chief Financial Officer
NAGICO Group of Companies

KYRIA ALI

__Ms. Kyria Ali__ joined NAGICO in 2014 as Chief Risk Officer of the NAGICO Group of Companies and is also on the Board of Directors of NAGICO Holdings Limited, NAGICO Insurance Company Limited, NAGICO St. Lucia Limited, NAGICO Grenada and NAGICO Insurance Trinidad & Tobago. She is a Chartered Certified Accountant, a Certified Internal Auditor, Certified Fraud Examiner, is a Member of the Chartered Institute for Securities & Investments and an Enterprise Risk Management Certified Professional.

Ms. Ali has a diverse background spanning from strategy development and business planning to internal controls and forensic reviews. She has provided various business advisory services to financial service entities in the Caribbean region since 2005 and has significant experience in the governance, risk management and compliance fields.

CRO STATEMENT

Over the years the insurance industry has been affected by a number of factors, such as but not limited to a 'soft market' which has resulted in persistent declining premium rates, currency instability, protracted low interest returns globally and increased regulatory oversight. These influences have resulted in the industry trending toward a higher risk profile from the perspective of exposure to capital volatility and product complexity.

NAGICO, however, has differentiated itself from the market through the application of effective Enterprise Risk Management practices. During 2015, modifications were made to NAGICO's business profile based on its defined appetite and tolerance levels which directly contributed to the preservation of its operational performance in a difficult economic and highly competitive climate. In addition, NAGICO continued its drive to ensure that it maintained a prudent level of risk-adjusted capital. It made an integral and calculated strategic decision to enhance its reinsurance program by incorporating quota-share treaties thereby increasing its capacity and further improving its balance sheet strength.

The Caribbean region was impacted by two-named storms during 2015, TS-Erika which significantly affected Dominica and Hurricane-Joaquin which developed to CAT-4 at its highest strength and caused destruction to some of the Bahamian islands. St. Lucia was also impacted by a weather system which caused heavy rainfall and flooding. The minimal impact of these events on NAGICO's performance is a testament of our maturing ERM processes and augurs well for the expected active 2016 hurricane season.

NAGICO's footprint in the Caribbean region is a significant one as it operates from within 21 islands; it is also uniquely supervised by 15 regulators – Dutch, French and English speaking. The management of enterprise-wide risk in such a diverse group is an intricate process, much like an art form, that requires nurturing. NAGICO's risk management culture is engrained at all levels of our organisation, including within our intermediaries, who are a vital part of our business model, and is the common thread that links us to success.

Risk Management is in our DNA! It is the substance that guides and drives our decision making process and it is replicated in everything we do. NAGICO is more than an insurer; we are Trusted Risk Advisors that understand our client's various risk exposures and develop tailor-made solutions to address them. Enterprise Risk Management is our key for ensuring that we deliver on our promise to Always Be There for our stakeholders and thus guarantee our formidable presence in the region.

Kyria Ali

Kyria Ali, FCCA, CIA, CFE, MCSI, ERMCP
Chief Risk Officer
NAGICO Group of Companies

BOARD OF DIRECTORS

IMRAN MCSOOD AMJAD

Mr. Amjad is the Executive Chairman of the Board of Directors for NAGICO Insurances Company Limited and Chairman of the Supervisory Board of National General Insurance Corp. N.V. In 1981. He became one of the youngest Chartered Insurers (ACII) in the Caribbean. After quickly moving up the ranks at GTM Insurance Company in Guyana, he took the challenge of heading a small insurance start-up in St. Maarten. He has been at the helm of NAGICO since its inception in 1982 guiding the one office operation with US $75.000 starting capital to the largest privately held general insurance provider in the Caribbean.

REZA AMJAD

Mr. Amjad is a member of the Supervisory Board of National General Insurance Corp. N.V., NAGICO Life Insurance N.V. Board and NAGICO Insurance Company Limited Board and the NICL General Insurance Company Limited in 2014. He is the Managing Director of Motorworld, Caribbean Auto and Dollar/Thrifty Car Rental in St. Maarten and also International Motors located in Anguilla. He earned a Bachelor's Degree in Communications and Public Relations from St. John's University in New York.

RONALD KNOWLES

Mr. Knowles has been a member of the Supervisory Board of National General Insurance Corp. N.V., NAGICO Life Insurance N.V. Board, NAGICO Insurance Company Limited Board and since 2008. He is a Fellow of the Association of Chartered Certified Accountants. Mr. Knowles previously worked for Peat Marwick (now known as KPMG) in their Bahamas and London Offices. In 1989, Mr. Knowles started his own accounting practice and now runs two offices in The Bahamas.

- National General Insurances Corp. N.V.
- NAGICO Life Insurance N.V.
- NAGICO Insurance Company Limited
- NAGICO Insurance (Trinidad & Tobago) Limited
- NAGICO Insurance (Bahamas) Limited
- NAGICO (St. Lucia) Limited
- NICL General Insurance Company Limited

SARAH HATCHER

Mrs. Hatcher is on the Supervisory Board of National General Insurance Corp. N.V. and the NAGICO Life Insurance N.V. Board. She initially worked for a number of UK life insurance companies in the capacity of Compliance Manager. Mrs. Hatcher holds a Distinction in the International Compliance Diploma, a certificate in Financial Planning from Chartered Institute of Personnel from Development (CIPD). She is currently the Compliance and Money Laundering Reporting Officer at Century Insurance Agency in BVI.

RAYMOND RAMPHAL

Mr. Ramphal joined the Supervisory Board of National General Insurance Corp. N.V., NAGICO Life Insurance N.V. Board and NAGICO Insurance Company Limited Board in 2013. Mr. Ramphal has over 40 years of experience and knowledge in the insurance industry; he became a chartered insurer in 1981 after completing the Associate Chartered Insurances Institute (ACII). Prior to joining the board Mr. Ramphal worked at NAGICO for over 20 years and he retired in 2012 as the Managing Director of Underwriting and Reinsurance.

KYRIA ALI

Ms. Kyria Ali joined NAGICO in 2014 as Chief Risk Officer of the NAGICO Group of Companies and is also on the Board of Directors of NAGICO Holdings Limited, NAGICO Insurance Company Limited, NAGICO St. Lucia Limited, NAGICO Grenada and NAGICO Insurance Trinidad & Tobago. She is a Chartered Certified Accountant, a Certified Internal Auditor, Certified Fraud Examiner, is a Member of the Chartered Institute for Securities & Investments and an Enterprise Risk Management Certified Professional. Ms. Ali has a diverse background spanning from strategy development and business planning to internal controls and forensic reviews. She has provided various business advisory services to financial service entities in the Caribbean region since 2005 and has significant experience in the governance, risk management and compliance fields.

BOARD OF DIRECTORS

BRENDA BROOKS

Ms. Brooks is a member of the Supervisory Board of National General Insurance Corp. N.V. and NAGICO Life Insurance N.V. She is an attorney at law by profession and Director at Brooks & Associates Attorneys at Law on St. Maarten. Ms. Brooks also serves as the Chairperson of the Supervisory Board at the Bureau for Telecommunications & Post in St. Maarten.

VIBERT WILLIAMS

Mr. Williams joined NAGICO in 2001. He is a member of the Board of Directors and Managing Director of NAGICO Insurance (Bahamas) Limited and the Executive Director for Regional Development. Mr. Williams has a wealth of insurance experience and holds the following designations: Chartered Property Casualty Underwriter (CPCU), Accredited Adviser in Insurance (AAIA) and Fellow of the Life Management Institute (FLMI) Mr. Williams has earned an Associate Degree in four other insurance disciplines.

DAWN DAVIES

Ms. Davies has been the Director of NAGICO Insurance (Bahamas) Limited since 2011. Mrs. Davies retired as Deputy Managing Director of Fortis Fund Services (Bahamas) Limited in 2000, after having served in managerial positions in the financial services sector in The Bahamas for over thirty-five years. She is a graduate of the University of Strathclyde in Scotland and obtained her M.B.A. from the University of Miami, Florida. Currently, Mrs. Davies serves as a Director of Euro-Dutch Trust Company (Bahamas) Limited and a number of investment companies.

National General Insurances Corp. N.V.
NAGICO Life Insurance N.V.
NAGICO Insurance Company Limited
NAGICO Insurance (Trinidad & Tobago) Limited
NAGICO Insurance (Bahamas) Limited
NAGICO (St. Lucia) Limited
NICL General Insurance Company Limited

EDWARD LORD

Mr. Lord is the Director of NICL General Insurance Company Limited. He is the Administrative Manager of the Grenada Ports Authority and past member of the Grenada Sustainable Development Council. In 2006, Lord was a part of the Ministry of Finance Strategy Design Team which formulated the Grenada Export Strategy. Mr. Lord represented the Ministry of Environment, Foreign Trade and Export Development in preparing the social road map on building a green economy for sustainable development in Carriacou and Petite Martinique, Grenada for United Nations Department of Economic and Social Council.

MARK TEELUCKSINGH

Mr. Teelucksingh is a member of the Board of Directors of NAGICO Insurance (Trinidad & Tobago) Limited, NAGICO General Insurance Corp. N.V. and NAGICO Life Insurance N.V.. He presently holds the position of Director-Finance & Administration and Corporate Secretary at Ferreira Optical Limited. He previously worked at Nationwide Insurance starting as an Assistant Accountant. He attained his FLMI designation while at Nationwide and acquired his MBA from the Heriot Watt University in 2009. Mr. Teelucksingh previously worked at Royal Bank of Trinidad and Tobago and is currently the Corporate Secretary for Ferreira Optical Limited.

INDEPENDENT AUDITOR'S REPORT

The accompanying Consolidated Financial Highlights, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statement of profit or loss and the consolidated statement of other comprehensive income for the year then ended and related notes, are derived from the audited consolidated financial statements ofNagico Holdings Limited for the year ended December 31, 2015. We expressed an unmodified audit opinion on those financial statements in our report dated March 8, 2016. Those consolidated financial statements and the consolidated financial highlights do not reflect the effects of events that occurred subsequent to the date of our report on those statements.

The Consolidated Financial Highlights do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited consolidated financial statements ofNagico Holdings Limited.
Management's responsibility for the Consolidated Financial Highlights
Management is responsible for the preparation of Consolidated Financial Highlights of the consolidated financial statements in accordance with International Financial Reporting Standards.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Consolidated Financial Highlights based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

OPINION

In our opinion, the Consolidated Financial Highlights derived from the audited consolidated financial statements of Nagico Holdings Limited for the year ended December 31, 2015 are consistent, in all material respects, with those financial statements, in accordance with International Financial Reporting Standards.

We report that the management report, to the extent we can assess, 1s consistent with the consolidated financial statements.

Sint Maarten
August 18, 2016
KPMG Accountants B.V.

A.J.M. Oude Weernink RA

CONSOLIDATED FINANCIAL HIGHLIGHTS

Consolidated Statement of Financial Position as at December 31, 2015
(in thousands of U.S. dollars)

ASSETS	2015	2014 (restated)	As at Jan 1 2014 *(restated)
Property and equipment	18,434	18,077	17,299
Retirement benefit asset	10,613	11,584	11,805
Investment properties	30,373	30,373	27,719
Investment securities	70,586	74,391	58,482
Intangible assets	2,949	2,151	1,789
Deferred tax assets	3,227	3,381	1,907
Receivables			
Due from reinsurers	29,056	24,301	13,142
Insurance receivables	26,816	23,194	20,933
Deferred acquisition costs	8,006	7,594	7,273
Policy loans	1,298	1,408	1,878
Prepayments and other current assets	5,011	3,236	3,147
	70,187	*59,733*	*46,373*
Cash and cash equivalents	41,673	31,199	39,690
TOTAL ASSETS	**248,042**	**230,889**	**205,064**

EQUITY AND LIABILITIES	2015	2014 (restated) *	As at Jan 1 2014 (restated)
Equity			
Share capital	10	10	10
Additional paid in capital	43,515	43,515	43,515
Other components of equity	5,718	6,163	5,696
Retained earnings	47,048	42,532	34,310
Shareholders' equity	*96,291*	*92,220*	*83,531*
Non-controlling interests	1,782	1,744	1,664
Total equity	*98,073*	*93,964*	*85,195*
Liabilities			
Insurance liabilities	113,049	112,961	99,108
Due to reinsurers	25,258	12,185	5,222
Deferred tax payable	4,055	4,768	6,830
Current tax payable	1,505	1,303	2,928
Accounts payable and accrued liabilities	6,102	5,708	5,781
	149,969	*136,925*	*119,869*
TOTAL EQUITY AND LIABILITIES	**248,042**	**230,889**	**205,064**

* restatements: refer to notes to the consolidated financial highlights

Consolidated Statement of Profit or Loss for the Year Ended December 31, 2015
(in thousands of U.S. dollars)

Underwriting income	2015	2014 (restated)
Insurance premium revenue	146,398	142,092
Reinsurance cost	(42,362)	(45,138)
Net premiums earned	104,036	96,954
Commission expense	(22,346)	(21,951)
Net insurance premium revenue	*81,690*	*75,003*
Underwriting expenses		
Insurance claims and loss adjustment expenses, net of recoveries from reinsurers	*(46,546)*	*(45,034)*
Net underwriting income	**35,144**	**29,969**
Other expenses		
Personnel expenses	16,729	14,580
Administrative expenses	5,135	5,028
Other operating expenses	10,276	9,191
Amortization	159	247
Depreciation	1,450	1,476
Total other expenses	*33,749*	*30,522*
Other income		
Investment income	2,126	2,602
Other income	2,630	5,337
Total other income	*4,756*	*7,939*
Net result before taxation	**6,151**	**7,386**
Taxation	(568)	3,069
Net result after taxation	**5,583**	**10,455**
Attribution:		
Net income for the year attributable to shareholders	5,467	10,243
Net income for the year attributable to non-controlling interests	116	212
	5,583	**10,455**

CONSOLIDATED FINANCIAL HIGHLIGHTS

Consolidated Statement of Other Comprehensive Income for the Year Ended as at December 31, 2015
(in thousands of U.S. dollars)

	2015	2014 (restated)
Net result after taxation	**5,583**	**10,455**
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	(393)	-
Net loss on available-for-sale financial assets	(44)	48
Realized (loss) gain on available for sales assets	(18)	-
	(455)	48
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):		
Remeasurement gains/(losses) on defined benefit plans	(961)	(447)
Revaluation of land and buildings	-	500
	(961)	53
Change in other comprehensive income	*(1,416)*	*101*
Comprehensive income for the year	**4,167**	**10,556**
Attribution:		
Comprehensive income for the year attributable to shareholders	4,072	10,343
Comprehensive income for the year attributable to non-controlling interests	95	213
	4,167	**10,556**

NOTES TO THE CONSOLIDATED FINANCIAL HIGHLIGHTS

As per December 31, 2015

GENERAL

NAGICO Holdings Limited (the "Company") was incorporated in Anguilla on July 15, 1999. The Company's principal activity is to manage its subsidiaries. The address of the Company's registered office is Caribbean Commercial Centre, The Valley, Anguilla. The consolidated financial statements of the Company as at and for the year ended December 31, 2015 include the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

During 2015, Peak Reinsurance Company Limited ("Peak Re"), a Hong Kong based global reinsurer, entered into an agreement to acquire a 50% share in NAGICO Holdings Limited. The completion of the transaction is subject to the receipt of all required regulatory approvals and other customary closing conditions. Peak Re is a global reinsurer with extensive experience in the Asia Pacific market. Peak Re is authorized by the Office of the Commissioner of Insurance of Hong Kong and is backed by Fosun International Limited and the International Finance Corporation.

The Group is primarily involved in the offering of property and casualty insurance including fire, motor, public liability, health and marine insurance and life insurance. The Group conducts business through subsidiaries and their branches and agents in St. Maarten, St. Martin, French Overseas Territories (mainly Guadeloupe and Martinique), Anguilla, British Virgin Islands, Antigua, Aruba, Curaçao, Bonaire, Dominica, St. Kitts and Nevis, Montserrat, Saba, St. Eustatius, St. Vincent and the Grenadines, Trinidad & Tobago, Grenada, Bahamas and St. Lucia. A significant portion of the Company's casualty and life insurance business is reinsured.

On December 31, 2014, NAGICO (Dutch Caribbean) B.V., a private limited liability company was established in Sint Maarten, with address at #26 C.A. Cannegieter Street, P.O. Box 87, Philipsburg, St. Maarten, and is a wholly owned subsidiary of NAGICO Holdings Ltd.

Effective December 31, 2014, 100% of the shares of NAGICO N.V. and NAGICO Life Insurance N.V owned by NAGICO Holding Ltd were transferred to NAGICO (Dutch Caribbean) B.V., resulting in NAGICO (Dutch Caribbean) B.V being the new parent company.

The consolidated financial statements were approved by the Board of Directors on March 4, 2016.

BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These explanatory notes are an extract of the detailed notes included in the consolidated financial statements and are consistent in all material respects with those from which they have been derived.

STATEMENT OF COMPLIANCE

The consolidated financial statements of the Group, from which the consolidated highlights have been derived, are prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention.

BASIS OF ESTIMATES

The preparation of the consolidated financial statements requires the Group to make estimates and assumptions that affect items reported in the consolidated statement of financial position and the consolidated statements of profit or loss and other comprehensive income. Notably the insurance liabilities are prone to estimates and assumptions. Although these estimates and assumptions are based on management's best knowledge of current facts, circumstances and, to some extent, future events and actions, actual results ultimately may differ, possibly significantly from those estimates.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the the Group as at December 31 of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies.

Details of the Company's subsidiaries as at December 31, 2015 are as follows:

NAME OF SUBSIDIARY	PLACE OF INCORPORATION AND OPERATION	PROPORTION OF OWNERSHIP INTEREST	PRINCIPAL ACTIVITY
NAGICO (Dutch Caribbean) B.V.	St. Maarten	100%	Holding company
National General Insurance Corporation (NAGICO) N.V.	St. Maarten	100% through NAGICO (Dutch Caribbean) B.V.	Non-life insurance
NAGICO Insurance Company Ltd. (NICL)	Anguilla	100%	Non-life insurance
NAGICO Aruba N.V.	Aruba	100% through NAGICO N.V.	Non-life insurance
NAGICO Investments Ltd.	Anguilla	100%	Investments
NAGICO Finance B.V.	Curaçao	100% through NAGICO N.V.	Investments
Pasha N.V.	St. Maarten	100% through NAGICO N.V.	Real estate
Zonoever N.V.	St. Maarten	100% through NAGICO N.V.	Real estate
NAGICO Reinsurance Company Limited	Anguilla	100%	Inactive
NAGICO Information Technology Centre (NITC)	Dominican Republic	100% through NAGICO Investments N.V.	Technology
NAGICO Road and Claims Services N.V.	Aruba	100% through NAGICO N.V.	Road assistance service
NAGICO Insurance (Trinidad and Tobago) Limited	Trinidad and Tobago	100% through NAGICO N.V.	Non-life insurance
NAGICO Life Insurance N.V.	St. Maarten	100% through NAGICO (Dutch Caribbean) B.V.	Life insurance
NAGICO Life Insurance (Aruba) N.V. (formerly British American Insurance Company (Aruba) N.V)	Aruba	100% through NAGICO.	Life insurance
St. Vincent Insurances Ltd.	St. Vincent & the Grenadines	54.54% through NICL	Non-life insurance
NAGICO Insurance (Bahamas) Limited	Bahamas	100% through NICL	Non-life insurance
NAGICO Insurance (Grenada) Ltd. (formerly NICL General Insurance Company Ltd.)	Grenada	100% through NICL	Non-life insurance
NAGICO (St. Lucia) Limited	St. Lucia	100% through NICL	Non-life insurance
The Grenadines Insurance Limited	St. Vincent and the Grenadines	54.54% through St. Vincent Insurance Ltd.	Non-trading
Insurance Company of St. Vincent and the Grenadines Limited	St. Vincent and the Grenadines	54.54% through St. Vincent Insurance Ltd.	Non-trading

FINANCIAL INSTRUMENTS

Classification

The Group's non-derivative financial instruments comprise of financial assets at fair value through profit or loss, loans and receivables, held-to-maturity instruments, available-for-sale financial assets and trade and other payables.

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss (loans and receivables, held-to-maturity investments, available-for-sale financial assets) as appropriate. The Group determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, and in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Group's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis. The available-for-sale and held to maturity categories are used when the relevant liability (including shareholders' funds) is passively managed and/or carried at amortized cost.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalent, receivables and investment securities.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss;
- Available-for-sale financial investments;
- Loans and receivables; and
- Held-to-maturity investments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Investments typically bought with the intention to sell in the near future are classified as available-for-sale financial investments. For investments designated as at fair value through profit or loss, the following criteria must be met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis, or
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

As per December 31, 2015

These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are remeasured at fair value. Fair value adjustments and realised gains and losses are recognised in the income statement.

The Group evaluated its financial assets at fair value through profit and loss whether the intent to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Available-for-sale financial investments
Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are not designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the asset is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or determined to be impaired, or the cumulative loss is recognised in the income statement in finance costs and removed from the available-for-sale reserve.

The Group evaluated its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term would still be appropriate. In the case where the Group is unable to trade these financial assets due to inactive markets and management's intention significantly changes to do so in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and management has the intention and ability to hold these assets for the foreseeable future or until maturity. The reclassification to held to maturity is permitted only when the entity has the ability and intention to hold the financial asset until maturity.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortized to profit or loss over the remaining life of the investment using the effective interest rate method (EIR). Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is reclassified to the consolidated statement of profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortized cost, using the EIR less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold until maturity. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, held to maturity financial assets are measured at amortized cost, using the effective interest rate method, less impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

Derecognition
A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a passthrough 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 recognised to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that have occurred since the initial recognition of the asset (an incurred 'loss event'), have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing

significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.
The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.
The interest income is recorded as part of investment income in the consolidated statement of profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'finance cost' in the consolidated statement of profit or loss.

Available-for-sale (AFS) financial investments
For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated statement of profit or loss – is removed from other comprehensive income and recognised in the consolidated statement of profit or loss. Impairment losses on equity investments are not reversed through the consolidated statement of profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated statement of profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss, the impairment loss is reversed through the income statement.

Intangible assets
Goodwill
Goodwill is recognised at its cost, being the excess of the cost of the acquisition over the interest acquired in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity at the acquisition date. After initial recognition, goodwill acquired in a business combination is to be measured at cost less any accumulated impairment losses. Goodwill is not amortized, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Internally generated goodwill and negative goodwill are not recognised as an asset. Gains arising from bargain purchase is recognised in the consolidated statement of profit or loss.

Present value of acquired in-force business
The Group recognizes an intangible asset arising from the acquisition of insurance portfolios. The fair value of these type of assets were calculated based on cost savings on commissions and management fees and other opportunity costs. The capitalized cost will be amortized over the lifetime of the policies and expected client relationships, which have an estimated useful life not longer than five years. These are reviewed at the end of each reporting date and are written-off where they are no longer considered as recoverable.

Development costs
Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:
- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Consolidated Statement of Financial Position as at December 31, 2015

RESTATEMENTS DEVELOPMENT COSTS

During 2015, it was discovered that the expenses in relation to the development of the Group's new Insurance Operating Software "INSPRO III" from inception in 2012 to 2014 was recorded in error as an expense instead of being capitalized as an Intangible Asset in accordance with IAS 38 Intangible Assets. The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

JANUARY 1, 2014 (in thousands of U.S. dollars)	AS PREVIOUSLY STATED	AS STATED	IMPACT
Statement of financial position			
Intangible assets	1,163	1,789	626
Retained earnings	(33,684)	(34,310)	(626)
	(32,521)	**(32,521)**	-

DECEMBER 31, 2014 (in thousands of U.S. dollars)	AS PREVIOUSLY STATED	AS STATED	IMPACT
Statement of financial position			
Intangible assets	939	2,151	1,212
Retained earnings	(41,320)	(42,532)	(1,212)
	(40,381)	**(40,381)**	-
Statement of profit or loss			
Personnel expenses	15,073	14,580	(493)
Administrative expenses	5,092	5,028	(64)
Other operating expenses	9,220	9,191	(29)
	29,385	**28,799**	**(586)**

Other intangible assets

Other intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Employee benefits

Starting January 2005, the Group (except for NAGICO Insurance (Trinidad and Tobago) Limited) participates in a defined contribution pension plan which covers all permanent employees and/or employees who have been with the Group for a minimum of one year. At the beginning of each year premiums are being paid which represents 10% of the gross salaries, 5% for the account of employee and the remaining 5% is shouldered by the Group. In 2010, this pension scheme was transferred to NAGICO Pension Fund Foundation which is a newly established Fund that will manage the pension of NAGICO Group of Companies.

NAGICO Insurance (Trinidad and Tobago) Limited participates in a defined benefit pension plan which covers all permanent employees under a trust agreement. The plan is administered by another company, an approved trustee under the Financial Institution Act, and is regulated by the Central Bank of Trinidad and Tobago. The employer and employee both contribute to the plan as defined by the trust deed.

The asset recognised in the statement of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have terms to maturity that approximate the terms of the related pension asset.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

Remeasurements of the net defined benefit, which comprise actuarial gains and losses, the return on plan assets (excluding interest) are recognised immediately in other comprehensive income.

As per December 31, 2015

RETIREMENT BENEFIT ASSET (in thousands of U.S. dollars)

	2015	2014
The amounts recognised in the statement of financial position are as follows:		
Present value of obligations	(6,778)	(5,974)
Fair value of plan assets	17,391	17,558
	10,613	11,584
Expenses recognized in the statement of profit or loss are as follows:		
Current service cost	254	202
Net interest on net defined benefit liability/(asset)	(580)	(591)
Administration expenses	47	38
Net pension costs	(279)	(351)
Re-measurements recognised in the statement of other comprehensive income:		
Experience (gains)/losses	1,282	597
	1,282	**597**
Reconciliation of opening and closing balance sheet entries		
Defined benefit liability as at January 1	11,584	11,805
Net pension cost	279	351
Re-measurements recognised in other comprehensive income	(1,282)	(597)
Company contributions paid	32	25
Net pension costs	**10,613**	**11,584**

RETIREMENT BENEFIT ASSET CONTINUED (in thousands of U.S. dollars)

	2015	2014
Movement in present value of defined benefit obligation:		
Defined benefit obligation as at January 1	(5,974)	(5,815)
Current service cost	(254)	(202)
Interest cost	(292)	(285)
Members' contributions	(32)	(25)
Past service cost	-	-
Re-measurements		
Experience adjustments	(517)	50
-		
Benefits paid	291	303
Balance as at December 31	**(6,778)**	**(5,974)**

Liability profile (calculated at 31 December 2015)

The defined benefit obligation is allocated between the Fund members as follows:

Active members	33%
Deferred members	6%
Pensioners	61%

The weighted average duration of the defined benefit obligation at year-end is 13.7 years. 88% of the value of the benefits for active members are vested. 15% of the defined benefit obligation for active members is conditional on future salary increases.

As per December 31, 2015

RETIREMENT BENEFIT ASSET CONTINUED (in thousands of U.S. dollars)

	2015	2014
Movement in fair value of fund assets		
Fair value of fund assets as at January 1	17,558	17,620
Interest income	871	875
Return on plan assets, excluding interest income	(764)	(646)
Company contributions	32	25
Members' contributions	32	25
Benefits paid	(291)	(303)
Expenses	(47)	(38)
Balance as at December 31	**17,391**	**17,558**

INVESTMENT SECURITIES (in thousands of U.S. dollars)

	2015	2014
Long term investments		
Held-to-maturity financial assets	28,020	29,776
Fair value through profit or loss financial assets	1,941	2,857
	29,961	**32,633**
Short-term investments		
Held-to-maturity financial assets	23,834	35,777
Fair value through profit or loss financial assets	13,916	2,979
Loans and receivables	2,271	2,160
Available-for-sale financial assets	604	1,647
	40,625	42,563
	70,586	**75,196**

INVESTMENT SECURITIES CONTINUED (in thousands of U.S. dollars)

	2015		2014	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Long term investments				
Held-to-maturity financial assets	28,020	28.451	29,776	30,967
Fair value through profit or loss financial assets	1,941	1,941	2,857	2,857
	29,961	30,392	32,633	33,824
Short-term investments				
Held-to-maturity financial assets	23,834	23,877	35,777	35,793
Fair value through profit or loss financial assets	13,916	13,916	2,979	2,979
Loans and receivables	2,271	2,271	2,160	2,160
Available-for-sale financial assets	604	604	1,647	1,647
	40,625	40,668	42,563	42,579
	70,586	**71,060**	**75,196**	**76,403**

CAPITAL

Share Capital and Additional Paid in Capital
The authorized capital consists of 10,000 ordinary shares with a par value of $1 each. All of the shares have been issued and outstanding. The additional paid in capital relates to capital that was issued above the nominal value of the shares. There was no movement in the number of shares outstanding during the year.

Statutory Reserve
As required by Section 171 of the Insurance Act, 1980 of Trinidad and Tobago at least 25% of the profit of NAGICO Insurance (Trinidad and Tobago) Limited from general insurance business, for the preceding year is to be appropriated towards a statutory surplus reserve until such surplus equals or exceeds the reserves in respect of its outstanding unexpired policies. This reserve is not distributable.

Catastrophe Reserve Fund
On an annual basis, management of NAGICO Insurance (Trinidad and Tobago) Limited determines an amount that is transferred to a catastrophe reserve. This is treated as an appropriation of retained earnings and is included as a separate component of equity.

Fair Value Reserve
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognized or impaired.

Contingent Liability
Certain pending litigations exist for which the outcome is uncertain at this time and for which no provision has been made. A provision is made where a potential liability is assessed as being probable.

Developing Our Core Asset, Building Professionals
Having operated for over 34 years, we understand that customer retention is derived from an empowered and educated workforce. As such, we continue to invest in the development of our employees.

Continuous Learning, the Key to Success
As a dynamic and progressive organization, NAGICO encourages its employees to develop a passion for learning and supports professional development in a variety of ways.

For several years, our education policy has created the opportunity of individual career progression for those who meet requirements and aspire to get the necessary knowledge and skills applicable to their current and future roles. With recognized testing centers for insurance studies in almost every territory, employees are offered the flexibility to achieve academic success while balancing work and life commitments; an important consideration for today's working professionals. The policy also caters to our qualified employees who require continuous learning in order to stay current with the latest developments, trends, and technologies in their field. This program continues to be successful, already producing leaders in Executive Management.

In 2015, over 25 Senior Managers and Executives throughout the Group embarked on an intense one year management training program. This program will provide new insights into strategic leadership with an emphasis on developing core competencies needed to successfully lead organizations through the process of change.

In addition to training and education offered by external institutions, NAGICO offers in-house training sessions which are developed and executed by our seasoned and capable professionals. These sessions have helped employees enhance their product knowledge and customer service skills and consequently equipping them with the requisite tools to live up to the Company's promise of fast, fair and friendly service.

With presence in over 21 territories, our employees are fortunate to be awarded opportunities to work alongside their counterparts in various regional offices. In the process, they gain exposure to new environments where they can develop the knowledge and experience needed to operate in a regional capacity. The welcomed alliance with PEAK Re, will further open new doors of opportunity for many at NAGICO and will enhance our regional scope to include international standards, best practices and mindset.

Promoting Service Excellence
Knowing the strategic importance of service excellence, the company introduced an internal recognition program based on the principles of hard work, dedication, quality performance and exceptional service to internal and external customers. In addition, this program also emphasizes the importance of community mindedness in our employees by promoting participation in company organized volunteer activities. This program not only shines the light on top performers but encourages others to emulate endorsed behaviors and attitudes which in turn contributes to creating a culture of excellence .

The Future
We will continue to build and enhance a professional and diverse NAGICO workforce to meet the demands of all areas of our core business including finance, internal audit, risk & compliance, which are continuously evolving to adapt to the ever changing Insurance Industry.

NAGICO's philosophy of continuous education and desire to improve service will continue to have a significant impact on the Company's culture of long-term growth, success and prosperity.

At NAGICO, the future is bright!

NAGICO Curacao participated in the CURA-DOET project volunteering their time to help 'Kolegia san Dominico' elementary school renovate their facilities to become a more pleasant learning environment for the students.

OUR CORPORATE SOCIAL RESPONSIBILITY

Improving the communities in which we live
NAGICO Insurances has transformed from a small one office operation in St. Maarten, to a multimillion dollar corporation with operations in 21 islands. This success can be attributed to the fact that from day one, the founding members understood that the business of insurance is about people.

With that in mind the NAGICO Group operates based on our core value of 'integrity', conveying that we are honest, fair, trustworthy and dependable. These values are cemented and visible in our community involvement programs which are carried out in every territory in which we operate, some on a local level and others regionally.

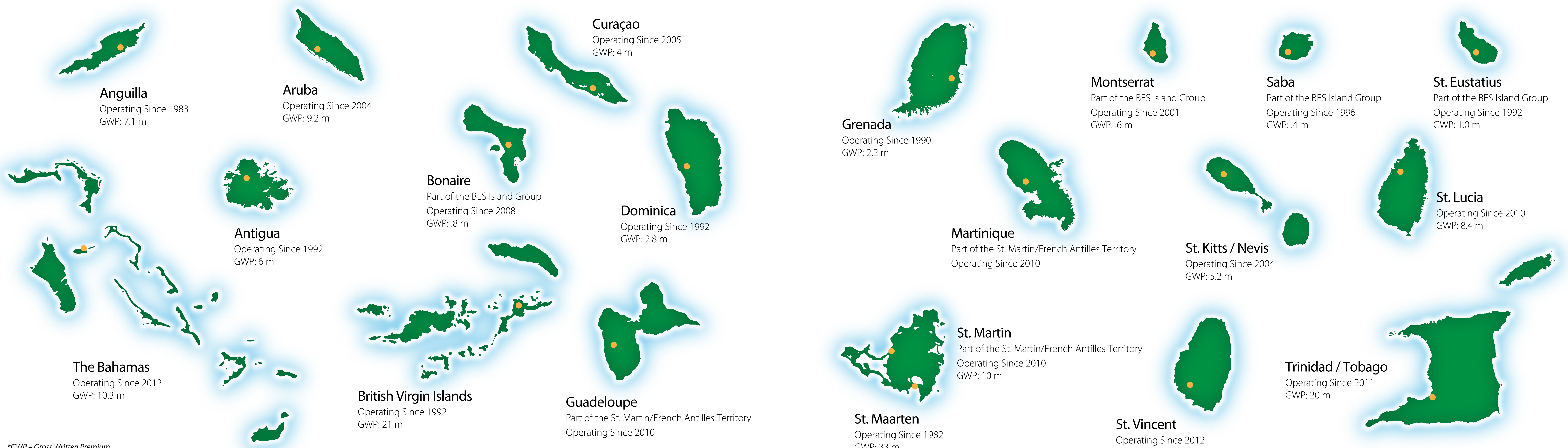
While the company has evolved over time, this foundation principle of giving back to improve the way of life and enriching our communities has not changed. Our efforts incorporate both corporate sponsorships and employee volunteering programs. It is a value that is continuously practiced and thus ingrained in our corporate culture, one of the key elements that make up The NAGICO Way.

Our goal through our community involvement projects is to provide hope, support and create unique opportunities within the communities in which we live and operate. This will contribute towards empowering communities mainly in the areas of sports, education, culture and social sectors which cater to the needs of vulnerable groups within our society, for example: the elderly, the disabled, and the less fortunate.

For over 34 years NAGICO has taken pride in fulfilling our customers' individual insurance needs, providing employees with rewarding careers and training programs and supporting the well-being of our communities. This has cemented our reputation of 'always being there' for our communities, customers and staff.

At NAGICO, we will continue through these efforts, progressing steadily to achieve our mission; which is to be the most trusted insurance company in the region.

NAGICO St. Maarten staff spending one and one time with one student during a play session with the Down Syndrome St. Maarten & Caribbean Foundation



**GWP – Gross Written Premium*

**GWP St. Martin including Guadeloupe & Martinique*

Anguilla
Branch Office
Howard Chengajune

Antigua
Brysons Insurance Agency
Marjorie Parchment

Aruba
Subsidiary
Detlef Hooyboer

Bahamas
Subsidiary
Vibert Williams

Bonaire
Branch Office
Johannes William

Curacao
Branch Office
Johannes William

Dominica
Branch Office
Merle Lawrence

France and French Overseas Territories
Cooper Gay

Grenada
Subsidiary
Adele Jn Baptiste

Montserrat
Judith Greer & Associates Inc.
Judith Greer

Ryan Investments Ltd.
(Authorized Agent)
Yvette Ryan

Nevis
Branch Office
Laurenn Barry

Saba
Branch Office
Sheritsa Oleana

St. Martin
(French Side)
Branch Office
David Ménissier

St. Eustatius
A.R.C. Agency N.V.
Arlene Cuvalay

Carmen Suares-Mars

I.F. Rivers Enterprises N.V.
Ivan Rivers

St. Kitts
Branch Office
Sunita Sookram

St. Lucia
Subsidiary
Royron Adams

St. Maarten
NAGICO Head Office

St. Vincent
St. Vincent Insurances Ltd.
(Represented by Vinsure)
Samuel Goodluck

BVI
(Tortola / Virgin Gorda)
Century Insurance Agency
Shan Mohamed

Trinidad & Tobago
Subsidiary
Sharon Melville

NAGICO Life
(Dutch Antilles)
Detlef Hooyboer

Head Office
C.A. Cannegieter Street, #26
Philipsburg • St. Maarten
Tel: (1-721) 542-2739
Fax: (1-721) 542-4476
nagico.com
info@nagico.com