



FCCA

Annual Report

2025

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FCCA

**Report of the Board
of Supervisory
Directors**

REPORT OF THE BOARD OF SUPERVISORY DIRECTORS

The Board of Supervisory Directors (Supervisory Board) supervises the policies of the Management Board and the general course of affairs of the housing foundation, while also providing advice and acting as a critical counterpart. In fulfilling its duties, the Supervisory Board is guided by the long-term interests of the organization and its stakeholders, with a particular focus on financial continuity, social objectives, risk management, and compliance.

During the reporting year, the Supervisory Board maintained regular and constructive engagement with the Management Board and fulfilled its statutory and governance responsibilities.

Financial Performance and External Developments

The Supervisory Board notes with satisfaction that the organization once again achieved a positive financial result in 2025. Although mortgage revenues decreased slightly and was below budget ambitions, this was offset by a spike in the credit impairment recovery. This financial outcome reflects prudent financial management and disciplined cost control under challenging conditions.

Following the 2024 elections, the newly formed government suspended a loan facility that the previous administration had included in the 2025 national budget. This decision has directly affected the corporation's liquidity outlook and investment capacity, necessitating adjustments to financial planning and project prioritization.

The year 2025 focused on advancing the development pipeline for new housing projects in the coming years, revitalizing neighborhoods, and repurposing existing properties.

Oversight of the Board of Managing Directors and Reporting

In 2025, 12 joint Supervisory Board and Management Board meetings were held, in addition to 4 Supervisory Board-only meetings. During the four Supervisory Board meetings, the audit results were discussed with the external auditors, and three of the meetings were dedicated to the performance evaluation of the Management Board.

Throughout the year, the Supervisory Board held periodic meetings to discuss the Management Board's quarterly reports in detail. These reports included financial performance, operational updates, and findings relating to risk management and compliance.

In the quarterly meetings, particular attention was paid to:

- financial performance against budget;
- liquidity and funding risks;
- compliance with applicable laws and regulations; and
- the effectiveness of internal control systems.

Risk Management and Governance

The Supervisory Board engaged in dedicated discussions with the Management Board to update the organization's risk matrix and reassess its risk appetite. These discussions focused on aligning the risk framework with the evolving external environment, including funding uncertainties and operational pressures.

Operational Developments and Social Initiatives

The corporation continued to invest in initiatives aimed at neighborhood beautification and improvement. These initiatives contribute to livability, tenant satisfaction, and the long-term value of the housing portfolio.

In addition, the Board approved an amendment to the articles of association ("Statuten") to comply with recent good governance principles and to expand the corporation's ability to undertake certain commercial activities. The profits generated from these activities are intended to support and finance affordable housing initiatives, thereby strengthening the corporation's social mission while enhancing financial resilience.

During the reporting year, a draft of the amended articles of association was submitted to the Central Bank of Aruba. After any comments from the Central Bank have been addressed, the proposed amendments will be discussed with the Minister of Public Housing.

Composition of the Supervisory Board

As per December 31, 2025, the Supervisory Board consisted of the following members:

- Mr. Anko R.O. Ringeling, Chairperson (effective August 8, 2022)
- Mr. Leo A. Ponson, Vice-Chairperson (effective August 15, 2019)
- Mrs. Marielsa R. Croes (effective May 23, 2019)
- Mr. Edgar C. Croes (effective July 20, 2022, until September 1, 2025)
- Mr. Nilo J.J. Swaen (effective October 29, 2022, until September 1, 2025)

As of September 1, 2023, Mrs. Valerie Nicolaas-Maduro was appointed (non-voting) secretary of the Supervisory Board. The memberships of Mr. Croes and Mr. Swaen were terminated by the Minister of Housing, effective September 1, 2025. We would like to express our gratitude and appreciation for their commitment and valuable contributions during their tenure.

Committees of the Supervisory Board

The Supervisory Board operates through four standing committees, each of which prepares in-depth information and recommendations in its respective domain:

- **Audit Committee:** Oversees financial reporting, internal controls, and audit processes.
- **Construction and Innovation Committee:** Focuses on development projects, maintenance strategy, and innovation.
- **Funding and Governance Committee:** Addresses financing strategy, governance structures, and regulatory compliance.
- **Selection and Remuneration Committee:** Handles appointments, evaluations, and remuneration policies.

The committees reported regularly to the full Supervisory Board on their deliberations and findings.

Conclusion

The Supervisory Board remains confident in the organization's ability to balance its social mandate with financial sustainability and will continue to closely monitor developments in funding, maintenance, and regulatory conditions.

Finally, the Supervisory Board wishes to express its appreciation for the commitment shown by the Management Board and the FCCA staff during 2025.

Oranjestad, May 22, 2026

FCCA Board of Supervisory Directors:

(Sgd.) **Mr. Anko R.O. Ringeling,**
Chairperson

(Sgd.) **Mr. Leo A. Ponson,**
Vice-Chairperson

(Sgd.) **Mrs. Marielsa R. Croes,**
Member



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**Report of the
Board of Managing
Directors**

REPORT OF THE BOARD OF MANAGING DIRECTORS

“A house is made of bricks and beams, a home is made of hopes and dreams”

Since 1979, FCCA has supported over 20,000 families in accessing safe, affordable housing through rental opportunities, mortgage solutions, and community development projects. Our legacy is not only measured in homes built, but in lives uplifted and communities strengthened.

While our mission is unchanged, the environment in which we operate continues to evolve. Economic growth in Aruba has remained steady, driven by tourism, but is expected to moderate in 2026. At the same time, construction costs and capacity constraints remain a critical factor shaping our investment decisions and delivery timelines.

Against this backdrop, 2025 was a year of preparation, prioritization, and partnership. We advanced the development pipeline of new housing projects, strengthened collaboration with our strategic partners, and made targeted investment decisions to ensure long-term affordability and feasibility. In doing so, we began to position ourselves for future project delivery, while safeguarding our financial sustainability.

FCCA remains committed to provide a place to call “home” for the people of Aruba.

Revitalization, development and repurpose were the highlights of 2025

During 2025 FCCA continued to emphasize the strategic revitalization of its neighborhoods, repurposing vacant office buildings into residential properties and development of new affordable housing. These projects not only address the critical housing shortages but also contribute to the revitalization of key urban areas, promote social inclusion, and optimize existing infrastructure.

- **Cas Marina – Oranjestad – Revitalization** - On August 27, 2024, FCCA acquired the former “Ministerio Publico (OM)” building, contributing to the government’s vision to revive the city center. During 2025 the preparation work to convert the property into 21 student apartments and 3 commercial spaces, enhancing urban vibrancy while preserving historical value was completed. As per January 2026 the renovation started and is expected to be completed in December 2026.
- **Wilhelminastraat – Oranjestad – Revitalization** - This property situated in the Wilhelminastraat has been leased as commercial office for years. However, due to its size it was difficult to attract tenants. Based on the demands for affordable housing and to contribute to the government’s vision to revive the city center, it was decided to convert the office building into 21 apartments including 2 commercial spaces. The planning of the project started in 2025, and the renovation and reconstruction will initiate in 2026. At completion the property will enhance the urban vibrancy combining modern and historic architecture preserving its historical value.
- **Construction of 120 houses** - FCCA obtain an Afl. 21.6 million commitments from its financiers, a consortium of lenders, for the development and construction of 120 affordable rental houses in Kiviti and Cas Paloma. The project preparation and loan negotiations took place in 2025. The loan was formalized in February 2026, and construction will initiate in the second quarter of 2026. The total project cost is estimated at Afl. 26 million.
- **Renovation and upgrade projects** - As part of our commitment to maintaining our properties at an appropriate standard, FCCA has established an extensive renovation program for the coming years. In 2025, FCCA completed several renovations and commenced preparation for projects planned in the years ahead. The renovation of 9 apartment complex at Tanki Leendert (3), Hato (1), Isaac Wagenmakerstraat (2), and Wegkustbatterij (2), was completed in 2025. The renovation of the apartment complex at Mabon woonhuevel (1) and the residential area at De Vuyst continued in 2026. The upgrading of the infrastructure and landscape of the residential areas of Bushiri and De Vuyst was adopted by the Government of Aruba. The funding of the project was approved in the budget 2025 of Land Aruba and is pending formalization by the Government of Aruba. It is expected to initiate this project in 2026.

Value to the community

FCCA's work goes beyond housing—it strengthens the social and economic fabric of Aruba. The following highlights capture the core benefits and institutional strengths that support our long-term mission:

- **Social Impact** - For 2025 FCCA continued with the renovations and revitalization of the neighborhoods in accordance to its strategic plan 2022-2026, "Hunto nos ta Logra". The repurpose and revitalizing projects contributes to the beautification of the Aruban landscape. FCCA remains committed to continuing expanding access to affordable housing to improve the quality of life across Aruba through their residential rental and mortgage activities.
- **Housing portfolio** – FCCA has a housing portfolio of 1794 units and plans to add over 500 housing units in the coming years. FCCA is currently developing a total of 42 apartments in Oranjestad, reinforcing its commitment to expanding its housing portfolio. The first phase – already under construction – features a three-story student apartment complex with 21 units and 3 commercial spaces. In the coming month's, a second phase will commence, adding another 21 apartments and 2 commercial units. Both developments are fully funded through the company's own capital injections, highlighting its solid financial position and proactive investment strategy. In 2026, FCCA will commence construction of 120 units, funded through consortium loan from financiers, and own capital. From 2027 onwards, FCCA plans to construct an additional 340 units, financed by Government of Aruba, financiers, and own capital. Through these ongoing and planned development, FCCA continues to contribute to addressing the housing shortage on the island.
- **Mortgage portfolio** - Housing prices continued to increase in 2025 and show no signs of stabilizing in 2026. These elevated prices combined with increasing construction costs driving by inflation in the construction sector, jeopardize the ability of the local community to acquire and finance a home. FCCA remained committed to providing affordable and tailored mortgage solutions aligned with the financial capacity of the local community.
- **Government support** - Approximately 45% of our tenants' rent is subsidized by the Government of Aruba, reinforcing broad institutional backing. Furthermore, the Government of Aruba adopted the infrastructure upgrade plans for the residential areas of Bushiri and De Vuyst, the initiation of which is pending the formalization of funding by the Government of Aruba. Additionally, the Government of Aruba, as approved in its 2025 budget, is in negotiations with FCCA to finance an amount of Afl. 23 million at an interest rate of 2% for the development and construction of affordable rental housing for seniors, on the condition that FCCA obtains additional private financing for the same amount from local financiers at current market rates. The total funds, at a blended rate of approximately 4%, will be used to develop and construct an additional 340 affordable rental housing units for the senior community of Aruba. The negotiations are ongoing and FCCA looks forward to formalizing this process in 2026.
- **Financial resilience and reliable collateral** - A strong solvency and liquidity position is supported by a diversified income stream. A diversified assets base, including 1794 residential units, a mortgage portfolio (8.2% market share as per the end of 2025), land parcels for future projects and commercial buildings contributes to a diversified income stream resulting in a strong liquidity and solvency position. This stable financial position demonstrates FCCA financial resilience and provides confidence and trust to local financiers. In doing so, FCCA continues to fulfill its statutory goal of continuous development of holistic residential neighborhoods and affordable housing units.
- **Corporate governance and compliance** - FCCA continue to meet all regulatory and lending obligations, ensuring accountability and transparency. FCCA is led by a two-member board of directors under the supervision of an independent board, ensuring that our operations align with our charter, regulatory standards, and long-term strategy. Through strong governance and risk management, FCCA continues to uphold transparency, accountability, and public trust.
- **Operational efficiency** - Ongoing organizational improvements support agility, resilience, and responsible growth.

Facing today's challenges with purpose and vision

Ongoing geopolitical developments have had a noticeable impact on our local economy, influencing both day-to-day operations and long-term financial planning. These external factors will continue to shape the opportunities and challenges we face in the years ahead, particularly in terms of investment capacity, cost developments, and strategic decision-making. In this context, FCCA will continue to work in close alignment with its strategic partners to ensure resilience and stability in the delivery of its mission.

- **Extensive waiting lists** - Over 3,800 households are currently awaiting social housing—representing nearly 4% of Aruba's population.
- **Rising demand from tourism** - The expansion of Aruba's tourism sector—an estimated 4,000 additional hotel rooms—could generate housing needs for approximately 5,900 new workers. This is projected to increase the waiting list to around 9,600 in the near term and up to 14,900 over the long term.
- **Inflation cost** - The continued reliance on import together with the rising cost of building materials and essential goods, driven by global market fluctuations and geopolitical instability, continues to impact project affordability and other operational cost.

Despite these challenges, FCCA remained firmly within budget and on course with our strategic objectives. This was achieved through a combination of careful financial oversight, proactive risk management, and close collaboration with our stakeholders and contractors.

FCCA five pillars for sustainable growth and well-being

To meet growing demand and create long-term positive impact, FCCA is actively working to develop and deliver housing solutions guided by five core pillars:

1. **Affordable housing** - We aim to offer a diverse range of homes at accessible price points that reflect the needs of Aruba's varied income groups.
2. **Community engagement** – We prioritize the creation of shared spaces that foster connection, inclusion, and a strong sense of community.
3. **Enhanced living conditions** - We focus on incorporating green spaces and recreational areas into our developments to promote mental and physical well-being. This includes both new projects and the revitalization of existing neighborhoods to ensure all residents benefit from healthier, more livable environments.
4. **Sustainable building practices** - We are committed to using that reduce both environmental impact and cost of living.
5. **Safety & security** - We focus on integrating thoughtful safety measures into our communities, including proper lighting, surveillance systems, and collaboration with community policing. These efforts aim to create secure, welcoming environments across both new developments and existing neighborhoods.

These pillars reflect FCCA's core principles in community and housing development. They guide how we design, build, and manage our neighborhoods to ensure long-term impact, quality of life, and inclusive growth.

Staying in Course with Strategy 2022–2026

While our Five Pillars guide how we build communities, the 2022–2026 Strategic Plan outlines FCCA's broader organizational roadmap—focusing on internal strength, operational excellence, and long-term growth.

- **Financial Health** - Our strong financial health showed improvements in 2025, guided by a profitability increase of 14.9%, solvency ratio of 76% and a prudential liquidity ratio of 10.3%. With these key contributors we will further strengthen our asset base, increase investment capacity, and support the construction of new social homes while expanding our mortgage portfolio.
- **Strategy & governance** - Our strategic direction is guided by a long-term vision that balances social impact with financial sustainability.

Good corporate governance is essential in ensuring that our strategic goals are met responsibly and transparently. We adhere to clear governance frameworks and compliance standards, with strong oversight by our supervisory board and active stakeholder engagement. Risk management, ethical decision-making, and accountability are embedded in our organizational culture. Through this integrated approach, we maintain the trust of our residents, stakeholders, and regulators — and ensure that our operations remain aligned with our mission and public responsibility.

- **Customer satisfaction & market positioning** - Our strategic focus is to place our customers at heart of our organization. We believe that delivering accessible, responsive, and high-quality service is essential to building long-term trust and satisfaction among our customers. To support this goal, we are currently developing a modern customer service platform that will streamline communication, improve transparency, and make it easier for customers to access information and support. We do not only invest in technology, but also in processes and people — ensuring that our teams are equipped to meet the evolving needs of our customers. Service quality, speed of response, and a personal approach will remain key pillars of our customer strategy going forward.
- **Innovative housing solution** - We remain committed to exploring innovative solutions for sustainable housing. As part of this effort, we are actively researching new construction methods that can help reduce overall building costs, while also minimizing the long-term expenses for our residents. By prioritizing sustainable building practices from the outset, we aim to keep homes both affordable and environmentally responsible.
Our future development plans reflect a holistic approach — one that goes beyond the individual unit and considers the broader living environment. We design with community in mind, integrating spaces for recreation, social interaction, and neighborhood cohesion. In short, we're not just building homes; we're building complete communities.
For our existing neighborhoods, the goal is to align them with our new strategic direction. We are working to upgrade and revitalize these areas to meet the same standards and vision applied to our new developments. This includes not only physical improvements, but also the implementation of integrated, long-term solutions that enhance the overall quality of life. Our aim is to ensure that every neighborhood reflects our commitment to livability, sustainability, and community well-being.
- **Process efficiency & digital transformation** - As part of our ongoing efforts to improve operational efficiency, we are actively streamlining our internal processes — always with the customer at the center. By re-evaluating workflows and eliminating unnecessary complexity, we aim to create a more agile and responsive organization. In parallel, we are investing in the digital transformation of the customer journey. Our goal is to make services more accessible, transparent, and user-friendly through digital platforms. This transformation supports our commitment to operational excellence, enabling faster response times, improved service delivery, and a more seamless experience for our residents.
- **Employee growth & culture** – Finally, our employees are central to our success. We invest in their growth through ongoing training and development, and we foster a workplace culture that encourages collaboration, accountability, and a shared sense of purpose. By empowering our team, we strengthen our ability to deliver on our mission and serve our communities with dedication and care.

Our Commitment To Aruba

As we reflect on 2025 and look toward the future, we reaffirm our commitment to the community of Aruba. FCCA stands ready to meet growing demand with resilience, vision, and integrity. We extend our sincere thanks to our staff, board members, government, partners, stakeholders, and the community for their continued trust and support. Together, we continue building homes for generations to come.

Oranjestad, May 22, 2026

FCCA Board of Managing Directors:

(Sgd.) Mr. R. Giovanni Anthony,
Director Financial & General Affairs

(Sgd.) Mrs. E.J.R. Wever,
Director Technical & Commercial Affairs

GOVERNANCE AND ORGANIZATION

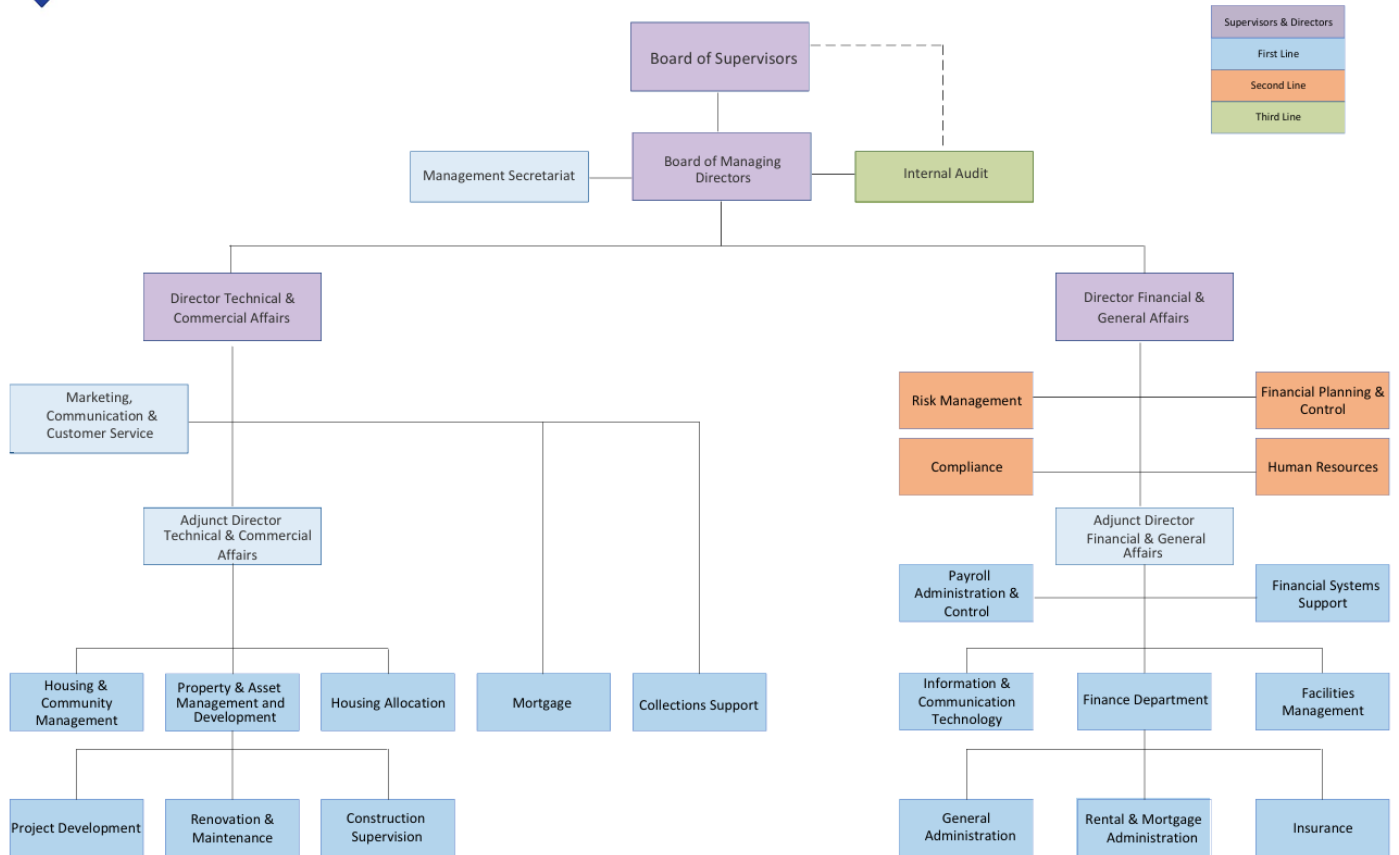
A board consisting of two directors under the supervision of a supervisory board manages FCCA. The board is responsible for the Management of FCCA, which means, among other things, that the board is responsible for the realization of FCCA's objectives, strategy, financing, and policy. The board is accountable for this to the supervisory board. The board is also responsible for compliance with all relevant laws and regulations and managing the risks associated with FCCA's activities.

Below is a presentation of the Organizational Structure:



Organization Chart

December 31, 2025





FCCA

**Financial
Statements**

STATEMENT OF FINANCIAL POSITION AS PER DECEMBER 31, 2025

	Note#	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>			
Current assets			
Cash and cash equivalents	4.1.3	21,524,537	21,969,768
Trade and other receivables	4.1.1	4,340,229	3,467,027
Financial assets - loans	4.1.1	26,830,895	26,726,855
Investments measured at amortized cost	4.1.2	16,078,540	3,842,074
Inventory		1,165,618	1,189,462
		69,939,819	57,195,186
Non-current assets			
Financial assets - loans	4.1.1	169,258,693	174,345,366
Investments measured at amortized cost	4.1.2	1,440,469	1,440,512
Investment Properties	4.2.1	135,625,500	138,587,599
Tangible fixed assets	4.2.2	3,571,599	3,493,464
		309,896,261	317,866,941
Total assets		379,836,080	375,062,127
Current liabilities			
Trade and other payables	4.1.4	15,213,671	15,844,885
Lease liabilities	4.1.5	96,329	113,089
Borrowings	4.1.6	2,407,974	2,288,946
		17,717,974	18,246,920
Non-current liabilities			
Lease liabilities	4.1.5	6,612,234	6,418,392
Borrowings	4.1.6	65,006,166	67,414,140
Employee benefit obligations		976,136	888,812
		72,594,536	74,721,344
Total liabilities		90,312,510	92,968,264
Capital			
Capital		100	100
Regulatory loan loss reserve		10,405,023	10,560,955
Retained earnings	4.3	279,118,447	271,532,808
Total capital		289,523,570	282,093,863
Total liabilities and capital		379,836,080	375,062,127

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR 2025

	Note#	2025	2024
<i>(in Aruban florin)</i>			
Revenues			
Revenues from financial activities	5.1	16,478,075	17,181,450
Revenues from real estate activities	5.2	17,318,446	16,689,428
		33,796,521	33,870,878
Other income	5.3	906,682	1,215,993
Credit impairment recovery		1,583,444	576,951
Expenses			
Personnel expenses	5.4	12,760,697	12,593,223
General expenses	5.5	2,883,286	3,510,530
Property expenses	5.6	3,116,634	3,015,418
Depreciation expenses	5.7	5,869,878	5,789,349
Interest costs	5.8	4,226,445	4,287,860
		28,856,940	29,196,380
Net result for the year		7,429,707	6,467,442

There are no items of other comprehensive income during 2025 and 2024.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 2025

	Note#	2025	2024
<i>(in Aruban florin)</i>			
Cash flow from operating activities			
Net result for the year		7,429,707	6,467,442
Adjustments:			
Depreciation expenses	5.7	5,869,878	5,789,349
Amortization ROU		(186,449)	(184,829)
Credit impairment recovery		(1,583,444)	(576,951)
Write-offs of doubtful debtors (net)	4.1.1	24,437	35,073
Employee benefit obligations		(87,323)	8,485
Refinanced loans	4.1.1	(56,141)	(99,094)
Amortization borrowing costs	4.1.6	45,848	45,848
Interest income	5.1	(355,264)	(437,012)
Interest expense	5.8	<u>3,756,490</u>	<u>3,815,261</u>
		7,428,032	8,396,130
Movement in working capital:			
Movement in lease liability		177,083	89,076
Movement in receivables	4.1.1	(786,291)	413,227
Movement in Trade and other payables*	4.1.4	93,126	465,680
Movement in Inventory		<u>23,842</u>	<u>(53,235)</u>
		(492,240)	914,748
Interest paid		<u>(3,786,859)</u>	<u>(3,736,760)</u>
		(3,786,859)	(3,736,760)
Interest received	5.1.1	<u>355,264</u>	<u>437,012</u>
		355,264	437,012
Mortgage and other loans			
Increase in loans	4.1.1	(17,610,951)	(25,261,973)
Repayments received	4.1.1	40,515,361	41,590,309
Interest received	5.1.1	<u>(15,908,472)</u>	<u>(16,468,486)</u>
		6,995,937	(140,150)
Cash flow from operating activities		17,929,842	12,338,422
Cash flow from investing activities			
Held-to-maturity investment			
New investments	4.1.2	(16,000,000)	-
Matured investments	4.1.2	<u>3,670,000</u>	<u>1,125,000</u>
		(12,330,000)	1,125,000
Investment property			
Additions	4.2.1.1	(3,124,412)	(3,585,268)
Disposals and sale of assets	4.2.1.1	<u>235,468</u>	<u>493,817</u>
		(2,888,944)	(3,091,451)
Tangible fixed assets for own use			
Additions	4.2.2.1	(867,887)	(345,264)
Disposals and sale of assets	4.2.2.1	<u>46,552</u>	<u>35,369</u>
		(821,335)	(309,895)
Cash flow from investing activities		(16,040,279)	(2,276,346)
Cash flow from financing activities			
Repayment of borrowings	4.1.6	(2,334,794)	(2,395,410)
Cash flow from financing activities		(2,334,794)	(2,395,410)
Net increase in cash and cash equivalents		(445,231)	7,666,666
Cash and cash equivalents per January 1		21,969,768	14,303,102
Cash and cash equivalents as per December 31		21,524,537	21,969,768

*Additional information on movements in Trade and other payables:

In the movement from working capital relating to trade and other payables there is an amount of Afl. 724,337 representing a non-cash item pertaining to the investment grant that has been recognized in the investment property as per 2025. Refer further to note 4.2.1.1 'Investment grants' and note 4.1.4.1. 'Payable settlement FCCA/Land Aruba'.

The accompanying notes form an integral part of these financial statements. Refer to note 4.1.3. for further details.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2025

	Capital	Regulatory loan loss reserve	Retained earnings	TOTAL
<i>(in Aruban florin)</i>				
Balance per December 31, 2023	100	10,573,854	265,052,467	275,626,421
Regulatory loan loss reserve	-	(12,899)	12,899	-
Net result for the year	-	-	6,467,442	6,467,442
Balance per December 31, 2024	100	10,560,955	271,532,808	282,093,863
Regulatory loan loss reserve	-	(155,932)	155,932	-
Net result for the year	-	-	7,429,707	7,429,707
Balance as per December 31, 2025	100	10,405,023	279,118,447	289,523,570

The accompanying notes form an integral part of these financial statements.

FCCA is a private foundation; there are no shares issued or dividend payout. The result and earnings of the Foundation's products and services are to the interest and improvement of the housing and neighborhood facilities in Aruba. Its equity is affected by this result.

In accordance with the prudential guidelines of the Central Bank of Aruba (CBA), the Foundation is required to maintain a regulatory reserve amounting to at least 3% of the outstanding net mortgage loan portfolio, after deduction of specific provisions for doubtful debts and any specifically identified assets as determined by the CBA.

This reserve has been established since 2004 and serves as an additional capital buffer to strengthen the Foundation's solvency position in line with regulatory requirements.



FCCA

**Notes of Financial
Statements 2025**

1. GENERAL AND MATERIAL ACCOUNTING POLICIES

1.1. GENERAL INFORMATION

Stichting Fundacion Cas pa Comunidad Arubano ('FCCA' or 'the Foundation') is a foundation that was founded and established in Aruba on February 13, 1979. The registered office is located at Sabana Blanco 66, Oranjestad, Aruba.

The primary purposes of the Foundation are related to the improvement of social housing and community facilities:

- building and acquiring houses;
- acquiring or leasing land;
- improving and renovating houses;
- promoting the construction of private properties;
- selling properties;
- providing construction credits and mortgages;
- managing and operating housing in general, in particular, the division of housing, the rent, the collection of rental income and the provision of maintenance and renewal of houses;
- assisting in the provision of insurance contracts, the collection of insurance premiums, the settlement of damage claims and the provision of advice with insurance problems;
- managing and operating real estate;
- providing services to third parties with respect to housing; and
- promoting and improving the housing neighborhood facilities and social cohesion for the community of.

The Board of Managing Directors has prepared these financial statements. The Board of Supervisory Directors authorized the financial statements for the year ending December 31, 2025, on May 22, 2026.

The preparation of the financial statements is under the assumption that the Foundation operates on a going concern basis.

LNT Accountability

Due to the lack of further rules under the National Ordinance on the standard of top incomes ("Landsverordening Normering Topinkomens"/LNT), no LNT accountability can be drawn up by the Foundation following and according to the LNT provisions. This has been confirmed by the Minister of Finance & Culture through the letter dated February 28, 2023, with the topic "Overgangperiode LNT" with reference MinFic-23/2506. The other LNT provisions in force since August 1, 2022, apply fully during the transitional period where there are no further rules concerning LNT accountability. As of date of this report, there are no updates on the matter. Despite this and in accordance with article 23 of the LNT, the foundation applied the first discount of 25 % to the maximum salary for the management board and supervisory board as per August 1, 2024, and an additional 33% as per August 1, 2025. Furthermore, the applicable maximum compensation amounts have been indexed in line with the government-approved indexation percentages, as issued by the relevant authorities

1.2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies apply consistently to all the years presented unless otherwise stated.

1.2.1. BASIS OF PREPARATION

I. Compliance with IFRS

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgment in applying the Foundation's accounting policies.

II. Historical Cost Convention

The preparation of the financial statements is under the historical cost convention.

III. Standards, Amendments, Improvements, and Interpretations Effective First Time in The Current Year and Relevant to the Foundation's Operations

Some accounting pronouncements which have become effective from January 1, 2025 and the adoption thereof do not have a significant impact on the Foundation's financial results or position:

- Amendments to IAS 21 – Lack of exchangeability

IV. Standards, Amendments, and Interpretations to Existing Standards that are Not Yet Effective and Have Not Been Early Adopted by The Foundation.

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards or amendments to existing standards have been adopted early by the Foundation. The Foundation is still assessing the impact of these new standards and amendments on the financial statements, especially in relation to IFRS 18.

Other Standards and amendments that are not yet effective and have not been adopted early by the Foundation include:

- Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments
- Annual improvements to IFRS Accounting Standards – Volume 11
- Amendments to IFRS 9 and IFRS 7 – Contracts referencing nature-dependent electricity
- Amendments to IAS 21 – Lack of exchangeability
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without public accountability: Disclosures

1.2.2. FOREIGN CURRENCY TRANSLATION

I. Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The presentation of the financial statements is in Aruban Florin (Afl.), the Foundation's functional and presentation currency.

II. Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and the translation of monetary assets and liabilities are denominated in foreign currencies at year-end exchange rates and are generally recognized in profit or loss.

1.2.3. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at calls with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Investments designated by management as being held for investment purposes and retained until maturity date are not classified under Cash and Cash equivalents. Bank overdrafts, if any, are shown within borrowings in current liabilities in the statement of financial position.

1.2.4. FINANCIAL INSTRUMENTS

Financial Assets

I. Classification

The Foundation classifies its financial assets in the following categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) or amortized cost (AC). The classification depends on the following:

- the Foundation's assessment of the overall objective of the business model within which the asset is held; and
- the contractual cash flow characteristics of the assets.

Business Model Assessment

The business model reflects how the Foundation manages its assets to generate cash flows, whether the objective is to collect contractual cash flows, sell financial assets or both. The Foundation assesses its business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. Factors considered by the Foundation in determining the business model for a group of assets include:

- how performance is evaluated and reported to key management personnel;
- performance risk and management of those risks;
- how managers are compensated; and
- the frequency and volume of sales in the prior period and expectations about future sales activity.

Contractual Cash Flow Characteristics Assessment

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Foundation determines if they give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding, consistent with a basic lending arrangement. In this context, fundamental is the fair value of the financial asset on initial recognition, and interest is the consideration for the time value of money and credit risk associated with the principal amount outstanding during a particular period and for other key lending risks and costs as well as profit margin.

If the Foundation identifies any contractual cash flows, such that cash flows are no longer consistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

In making this assessment, the Foundation considers the following:

- contingent events;
- leverage features;
- prepayment and term extensions; and
- terms that limit the Foundation's recourse to specific assets and features that modify consideration of the time value of money.

II. Recognition and Measurement

Financial assets are initially recognized at fair value plus transaction costs, except for assets measured at fair value through profit or loss. Regular purchases and sales are recognized on the trade date, being the date the Foundation commits to purchase or sell the assets. Mortgage loans are recognized on settlement dates, when the notarial deed is signed. In specific cases where mortgage rights have not yet formally passed at the reporting date, recognition occurs on trade date.

- Debt Instruments Measured at Amortized Costs (AC)

Debt instruments are measured at amortized cost when held within a business model to collect contractual cash flows that represent solely payments of principal and interest. Subsequent measurement is at amortized cost using the effective interest method.

The Foundation's mortgage loans and investment securities that are sovereign bonds are measured at amortized cost. Interest income is recognized in profit or loss using the effective interest rate method. Impairment is determined using the expected credit loss model, and assets are presented net of loss allowances.

Recognition of purchases and sales of debt instruments at AC are at trade date – the date the Foundation commits to purchase or sell the asset – and are measured at AC when cash is advanced to the borrowers. Mortgage loans are recognized on the settlement date - the date on which the Foundation and the client sign the notary deed. There are cases of loans closed between the Foundation and its client for purchasing a house from the Foundation or former house of the Government of Aruba for which the mortgage rights have not been passed as per the balance sheet date. Recognition of these loans is at the trade date.

Interest income is recognized in profit or loss using the effective interest rate method. Impairment is determined using the expected credit loss model. Loans and debt securities measured at amortized cost are presented net of loss allowances in the Statement of Financial Position.

- Debt Instruments Measured at Fair Value through Other Comprehensive Income (FVOCI)

Debt instruments are measured at FVOCI when held within a business model aimed at both collecting contractual cash flows and selling financial assets, and where the cash flows represent solely payments of principal and interest.

Subsequent to initial recognition, changes in fair value are recognized in OCI, except for interest income, foreign exchange gains and losses, and expected credit losses, which are recognized in profit or loss. Upon derecognition, the cumulative gain or loss previously recognized in OCI is reclassified to profit or loss.

Impairment is determined using the expected credit loss model. The loss allowance does not reduce the carrying amount of the asset, which remains at fair value; instead, the allowance is recognized in OCI with a corresponding charge to profit or loss.

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income.

A financial asset is mandatorily measured at fair value through profit or loss if:

- Its contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- It is held within a business model whose objective is neither to collect contractual cash flows nor to collect contractual cash flows and sell financial assets, including financial assets held for trading or managed on a fair value basis.

- Financial Assets Designated as Measured at FVOCI

A financial asset may be designated at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces an accounting mismatch. Such assets are measured at fair value, with changes in fair value recognized in profit or loss.

Debt instruments of the Foundation comprise the following:

- Receivables, receivables of the Government of Aruba;
- Personal and mortgage loans; and
- Investments in time deposits and government bonds.

Based on the Foundation's business model and the contractual cash flow characteristics (solely payments of principal and interest), these instruments are measured at amortized cost. No financial assets have been designated at fair value through profit or loss.

1.2.4.1. TRADE AND OTHER RECEIVABLES

If collection is expected in one year or less, Trade and other receivables are classified as current assets. If not, they are presented as non-current assets. The Foundation uses a simplified approach in accounting for Trade and Other Receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Foundation uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

The Foundation assesses the Impairment of trade receivables collectively as they possess shared credit risk characteristics they have been grouped based on the days past due.

Receivables, receivables of the Government of Aruba and current account with the Government of Aruba are recognized initially at fair value and subsequently measured at AC, using the effective interest method, less expected credit loss.

1.2.4.2. IMPAIRMENT OF FINANCIAL ASSETS

Scope

The Foundation recognizes impairment loss allowances for expected credit losses on the following categories of financial assets unless measured at fair value through profit or loss:

- financial assets that are debt instruments;
- loan commitments;
- receivables and contract assets recognized under IFRS 15 'Revenue from contracts with customers.

The Expected credit loss model is an incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under IAS 39, to an expected credit loss model under IFRS 9, where provisions are taken upon initial recognition of the financial asset, based on expectations from potential credit losses at the time of initial recognition. The Foundation first evaluates individually whether objective Impairment exists for financial assets which are individually significant. It then collectively assesses financial assets that are not individually significant and loans that are significant but for which there is no objective evidence of Impairment.

The Foundation uses an Expected Credit Loss model developed to meet the requirements of IFRS 9. The allowance for credit loss calculations is an output of models with several underlying assumptions regarding the choice of variable inputs and their interdependencies. This model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination.

The Foundation assesses on a forward-looking basis the expected credit losses associated with its debt instrument assets carried at AC and FVOCI and the exposure arising from loan commitments and financial guarantee contracts. The Foundation recognizes a loss allowance for such losses at each reporting date.

The measurement of Expected Credit Loss reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Presentation of Allowance for Credit Losses in the Statement of Financial Position:

- financial assets measured at AC: as a deduction from the gross carrying amount of the financial assets;
- debt instruments measured at fair value through other comprehensive income: no allowance is recognized in the Balance Sheet because the carrying value of these assets is their fair value. However, the allowance determined is presented in the accumulated other comprehensive income.

Write-Offs

When a loan is uncollectible, it is written off against the related expected loan credit loss and reduces the gross carrying amount of the loan. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Modified Loans

Loans are identified as renegotiated and classified as credit-impaired when the Foundation modifies the contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit-impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and retain the designation of renegotiated until maturity or recognition. A renegotiated loan is derecognized if the existing agreement is canceled, and a new agreement is made on substantially different terms or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following recognition events in these circumstances are considered to be purchased or originated credit-impaired financial assets (POCI) and will continue to be disclosed as renegotiated loans. Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit-impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows, over the minimum observation period, and there are no other indicators of Impairment. These loans could be transferred to stage 1 or 2 by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Modified Loans That Are Not Credit-Impaired

Loan modifications that are not identified as renegotiated are considered to be restructured. Where a restructuring results in a modification such that the Foundation's rights to the cash flows under the original contract have expired, the old loan is derecognized, and the new loan is recognized at fair value. The rights to cash flows are generally considered to have expired if the restructuring is at market rates and no payment-related concession has been provided.

Non-Performing Loans

The Foundation's approach to classifying performing versus non-performing loans is through the utilization of the internal credit risk grading process. All credit graded/ categorized special caution, sub-performing and default are considered credit-impaired and require individual provisions or "Stage 3" Expected Credit Loss.

1.2.4.3. FINANCIAL LIABILITIES

I. Classification, Recognition and Subsequent Measurement

The Foundation classifies its financial liabilities as being measured at AC unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities mandatorily at fair value through profit or loss. Financial liabilities are initially recognized at fair value (usually the issued proceeds, that is, the fair value of the consideration received) less, in the case of financial liabilities subsequently carried at AC, transaction costs. Any difference between the proceeds, net of transaction costs, and the redemption value is recognized in the Statement of Comprehensive Income through profit or loss using the effective interest method for financial liabilities carried at AC.

The movement in own credit risk related to financial liabilities designated at fair value through profit or loss is recorded in other comprehensive income unless this would create or enlarge an accounting mismatch in profit or loss for the Foundation (in which case all gains or losses are recognized through profit or loss).

II. Derecognition

Financial liabilities are derecognized when they are extinguished, for instance, when the obligation specified in the contract is discharged, canceled, or expires.

1.2.4.4. TRADE AND OTHER PAYABLES

These amounts represent unpaid liabilities for goods and services provided to the Foundation before the end of the financial year. The charges are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are initially recognized at their fair value and subsequently measured at AC using the effective interest rate method.

1.2.4.5. LEASES

The Foundation as a Lessee

At inception, the Foundation assesses whether a contract is or contains a lease, being a contract that conveys the right to control the use of an identified asset for a period in exchange for consideration. To apply this definition, the Foundation assesses whether the contract meets three key evaluations, which are whether:

- the contract contains an identified asset, which is either explicitly identified in the agreement or implicitly specified by being identified at the time the asset is made available to the Foundation.
- the Foundation has the right to obtain substantially all the economic benefits from the use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and
- the Foundation has the right to direct the use of the identified asset throughout the time of use. The Foundation assesses whether it has the right to control 'how and for what purpose' the asset is used throughout the period of use.

Measurement and Recognition of Leases as a Lessee

At the lease commencement date, the Foundation recognizes a right-of-use asset and a lease liability. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, lease payments made at or before commencement, initial direct costs and an estimate of restoration obligations, less any lease incentives received.

The Foundation depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Foundation also assesses the right-of-use asset for impairment when such indicators exist. Leases of land generally have lease terms between 4 and 60 years, while office equipment generally has lease terms between 3 and 4 years.

At commencement, the lease liability is measured at the present value of lease payments not yet paid, discounted using the interest rate implicit in the lease or, if not readily determinable, the Foundation's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method, and the right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and its useful life. The right-of-use asset is assessed for impairment when indicators exist.

The Foundation applies the practical expedients for short-term leases and leases of low-value assets, recognizing the related lease payments as an expense on a straight-line basis over the lease term.

After the initial measurement, the liability will be reduced for payments made and increased for interest. It is premeasured to reflect any reassessment or modification or if there are changes in in-substance fixed payments. When the lease liability is premeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Foundation applies the practical expedients for short-term leases and leases of low-value assets, recognizing the related lease payments as an expense on a straight-line basis over the lease term.

The Foundation as a Lessor

The Foundation leases out investment properties under operating leases. Investment properties include real estate properties owned to earn rentals and not for capital appreciation.

1.2.4.6. BORROWINGS

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at AC. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss throughout the borrowings period using the effective interest rate method. Fees paid on establishing loan facilities are recognized as loan transaction costs to the extent that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn-down occurs.

To the extent there is no evidence that this is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, canceled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Foundation has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing Costs

General and specific borrowing costs are expensed in the period they are incurred.

1.2.5. INVESTMENT PROPERTIES

Investment Properties are properties held to earn rental income, not for capital appreciation. Investment properties are stated at cost less accumulated depreciation, except property available for sale, projects in progress and land stated at historical cost less depreciation. Projects in progress are stated at historical cost and are not depreciated during the period of construction. The land is stated at cost and is not depreciated.

The disclosed fair value of investment properties is derived from recent independent appraisal reports, supplemented by management's estimated adjustments, in accordance with applicable IFRS standards.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, which ranges between 5 to 50 years (depending on the property type) from the property's purchase date without considering a residual value. The land is not depreciated. Useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

1.2.6. TANGIBLE FIXED ASSETS FOR OWN USE

Tangible fixed assets for own use consist of the office building, furniture and equipment, computer equipment, vehicles, and community center facilities. Tangible fixed assets for own use are stated at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Office building and improvements: 3 - 40 years
- Furniture equipment: 2 - 10 years
- Computer equipment: 3 years
- Vehicles: 5 years
- Community centers: 10 - 50 years

Useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

1.2.7. CAPITAL

Capital

FCCA is a foundation; there is no issuance of shares or payout of dividends. The result of the Foundation's products and services is to the benefit of its products and services. Its capital is affected by this result, included in retained earnings.

Other Reserves

Other reserves consist of the Foundation's retained earnings and a regulatory loan loss reserve. As a financial institution under the prudential supervision of the Central Bank of Aruba, the Foundation is, based on the applicable State Ordinance on the Supervision of the Credit System and related Supervisory Directives, required to recognize a reserve of at least 3% of the net loan portfolio (gross loans minus allocated provisions) plus other risk items on the asset side of the statement of financial position. This reserve is formed from retained earnings.

1.2.8. REVENUE RECOGNITION

Revenue from contracts with customers is recognized in accordance with IFRS 15 when control of the promised goods or services is transferred to the customer, either at a point in time or over time. Contract liabilities are recognized for consideration received in advance of performance, and contract assets are recognized when performance precedes billing.

Interest income on loans and investments is recognized using the effective interest method. For credit-impaired financial assets, interest income is calculated on the net carrying amount.

Fee and other income is recognized as the related services are performed.

Rental income from investment properties, including rent subsidies received from the Government of Aruba, is recognized on a straight-line basis over the lease term.

1.2.9. EXPENSES

Expenses are recognized in the period in which they are incurred.

1.2.10. EFFECTIVE INTEREST RATE

The effective interest rate is the rate that discounts estimated future cash flows to the gross carrying amount of a financial asset or financial liability. The effective interest rate is calculated by considering transaction costs, any discounts or premiums on the acquisition date, and fees and costs that are an integral part of the effective interest rate.

1.2.11. TAXES

Due to the Foundation's activities, it is not subject to profit tax. Refer to note 6.4.

The Foundation is subject to taxes for certain revenue items due to the laws on turnover tax (BBO and BAVP) and, later, health care levy (BAZV) in Aruba. Turnover tax (BBO and BAVP) and health care levy (BAZV) are presented in the statement of profit or loss within general expenses.

1.2.12. CASH FLOW AND LIQUIDITY POSITION

The Statement of Cash Flows is prepared using the indirect method in accordance with IAS 7. Under this method, the surplus for the year is adjusted for non-cash items and changes in working capital to determine net cash from operating activities. Cash flows are classified into operating, investing and financing activities. The Foundation monitors its liquidity on an ongoing basis to ensure sufficient funds are available to meet its operational and financing obligations.

1.2.13. GOVERNMENT GRANTS

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is deducted from the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset by way of a reduced depreciation expense.

1.2.14. CRITICAL ESTIMATES AND JUDGMENTS

The Foundation applies to IFRS 9 in classifying and measuring its financial assets and in determining impairment. Mortgage loans, receivables and investments are assessed under the business model and contractual cash-flow characteristics test are measured at amortized cost, as they are held to collect contractual cash flows that represent solely payments of principal and interest.

Impairment is determined using the expected credit loss (ECL) model. The Foundation recognizes 12-month ECL for performing exposures and lifetime ECL where there has been a significant increase in credit risk or where assets are credit-impaired. The application of the ECL model requires judgment in assessing significant increases in credit risk, defining default, and estimating future cash flows, including the value of underlying collateral.

2. FINANCIAL RISK MANAGEMENT

The Foundation manages its risks in accordance with its Governance Code. The internal audit and risk management operate separately, and with regards to compliance responsibilities, the Money Laundering Compliance Officer and Money Laundering Reporting Officer, are carried out by two full-time staff members.

2.1. CREDIT RISK

Credit risk is the risk of financial loss to the Foundation if a counterparty to a financial instrument fails to meet its contractual obligations and arises from the loan portfolio of the Foundation, as well as cash and cash equivalents, investments in time deposits and government bonds, deposits with banks and outstanding receivables.

The Foundation has a relatively elevated credit risk due to the nature of its activities for its primary target group (c.q. social).

The Foundation, as a financial institution under the supervision of the Central Bank of Aruba, has continuously been monitored through field surveys since the first onsite inspection in 1988 and must comply entirely with the State Ordinance under Supervision of the Credit System.

In addition, the Foundation has, in this respect, the requirement to report monthly to the Central Bank of Aruba. Non-compliance to the prudential supervision standards of the Central Bank of Aruba will first lead to non-compliance fines, and ultimately, it can result in the withdrawal of the banking permit necessary for the home mortgage loan product.

The Foundation has made adequate provisions and has appropriate insurance coverage for deaths and accidents for the risk of collectability and the underlying collateral. The Foundation has first mortgage rights on its clients' homes by means of construction or purchase loans. Concerning receivables and other assets, the Foundation has made adequate provisions and tries to arrange automatic deductions on salary or automatic bank transfers from its clients to ensure timely repayments. Management has a credit policy, and the credit risk is continuously monitored.

Risk Management

Credit risk is managed on a group basis:

- Bank accounts are held with local banks under the supervision of the Central Bank of Aruba. These banks must comply with sound solvency and liquidity requirements stipulated by the Central Bank of Aruba. These banks have no external ratings;
- The investments consist of local government bonds and time deposits held with local banks. Local government bonds issued by the Government of Aruba have no external rating;
- The (mortgage) loan portfolio, all having no external rating; and
- Receivables from tenants and other parties, all having no external rating.

2.1.1. EXPECTED CREDIT LOSS MEASUREMENT

The Foundation applies the IFRS 9 three-stage expected credit loss (ECL) model to its financial assets measured at amortized cost.

Exposures are classified as follows:

- Stage 1: Performing exposures – 12-month ECL recognized.
- Stage 2: Exposures with a significant increase in credit risk – lifetime ECL recognized. A backstop of 30 days past due is applied.
- Stage 3: Credit-impaired exposures – lifetime ECL recognized. Default is generally considered to have occurred when contractual payments are more than 90 days past due or where the borrower is assessed as unlikely to pay.

Measuring ECL – Basis Of Inputs, Assumptions And Estimation Techniques

IFRS 9 does not distinguish between individually significant or not individually significant financial assets. As such, the Foundation calculates expected credit losses for each financial asset individually.

The Foundation uses three main components to measure ECL: Probability of default (PD), exposure at default (EAD), and loss given default (LGD). The Foundation has leveraged existing parameters used to determine capital demand under the Basel Internal Ratings Based Approach and internal risk management practice as much as possible to calculate ECL. These parameters are adjusted where necessary to comply with IFRS 9 requirements.

Details of these statistical parameters/inputs are as follows:

- The probability of default (PD) estimates the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life if the facility has not been previously derecognized and is still in the portfolio.
- The exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- The loss-given default (LGD) estimates the loss arising when a default occurs at a given time. It is based on the difference between the contractual cash flows due and those the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Forward-Looking Macroeconomic Factors

ECL should consider forward-looking information. The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information require significant judgment. The Foundation used the unemployment index as a forward-looking macroeconomic factor. The average increase in the unemployment rate has been projected over a twelve-month period for stage 1 and over the remaining terms of the loans for stage 2 and 3.

2.1.2. IMPAIRMENT PROVISIONING POLICIES

The Foundation has established a Credit Loss and Provisioning Policy, which describes its principles and policies for identifying, assessing, and recognizing impairment and loss provisioning for all financial assets except those measured at Fair Value through the Profit & Loss. The internal rating tool assists Management in determining whether objective evidence of impairment exists based on the criteria set out by the Foundation in Note 1.2, Summary of Material Accounting Policies.

For expected credit loss provisions modeled collectively, a grouping of exposures is performed based on shared risk characteristics, such that risk exposures within a group are homogenous.

Maximum Credit Risk Exposure (Financial Instruments subject to impairment).

The table below summarizes the composition and risk profile of the Foundation's financial assets subject to impairment.

Mortgage loans - Amortized Cost						
ECL -Stages:	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total 2025	Total 2024
Credit grade						
1. Exceptional	14,215,809	73,530	-	-	14,289,339	3,552,994
2. Strong	19,104,422	54,359	-	-	19,158,781	11,757,148
3. Satisfactory	39,944,141	234,951	-	-	40,179,092	39,831,628
4. Acceptable	29,736,574	1,038,300	-	-	30,774,874	38,782,546
5. Less acceptable	35,888,312	9,070,444	-	-	44,958,756	56,726,454
6. Vulnerable	518,657	2,548,343	-	-	3,067,000	4,202,457
7. More vulnerable	762,377	3,244,823	-	-	4,007,200	4,154,406
8. Marginal	-	26,169,573	13,569,343	-	39,738,915	44,034,254
9. Special caution	-	-	1,821,902	-	1,821,902	1,005,213
10. Sub-performing	-	-	367,178	-	367,178	1,520,078
11. Default	-	-	913,843	-	913,843	517,802
Gross carrying amount	140,170,293	42,434,323	16,672,266	-	199,276,881	206,084,980
Loss allowance	(784,787)	(2,009,848)	(1,116,478)	-	(3,911,113)	(5,767,612)
Carrying amount	139,385,505	40,424,475	15,555,788	-	195,365,768	200,317,368

Exposure to loan commitments				
Credit grade	Stage 1	Stage 2	Stage 3	Total
01. Exceptional	14,434	-	-	14,434
02. Strong	56,259	-	-	56,259
03. Satisfactory	23,057	-	-	23,057
04. Acceptable	919,789	-	-	919,789
05. Less acceptable	2,190,576	-	-	2,190,576
06. Vulnerable	-	-	-	-
07. More Vulnerable	-	-	-	-
08. Marginal	-	-	21,973	21,973
09. Special caution	-	-	-	-
10. Sub-performing	-	-	-	-
11. Default	-	-	-	-
Total	3,204,115	-	21,973	3,226,088

Changes in Carrying Amount					
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
Mortgage Loans	12-month Carrying Amount	Lifetime Carrying Amount	Lifetime Carrying Amount		
Carrying amount as per Januari 1, 2025	137,325,615	51,687,522	17,071,862	-	206,084,999
Movements with P&L impact					
Transfers:					
New financial assets originated or purchased	17,657,651	741,702	256,888	-	18,656,241
Derecognition of assets	(9,562,022)	(2,479,179)	(1,510,085)	-	(13,551,286)
Changes in PY loan balances	(9,735,736)	(2,069,436)	(107,900)	-	(11,913,072)
Total net P&L charge during the period					
Transfers:					
Transfer from Stage 1 to Stage 2	(22,987,123)	22,987,123	-	-	-
Transfer from Stage 1 to Stage 3	(2,574,804)	-	2,574,804	-	-
Transfer from Stage 2 to Stage 1	26,595,052	(26,595,052)	-	-	-
Transfer from Stage 2 to Stage 3	-	(5,956,747)	5,956,747	-	-
Transfer from Stage 3 to Stage 2	-	4,118,390	(4,118,390)	-	-
Transfer from Stage 3 to Stage 1	3,451,660	-	(3,451,660)	-	-
Carrying amount as per December 31, 2025	140,170,293	42,434,323	16,672,265	-	199,276,881

Collateral and credit enhancements held for stage 3 loans			
	Carrying amount	Collateral	Net exposure
Loans	16,672,265	36,153,498	(19,481,233)

The investment measured at amortized cost is assessed in the ECL model at stage 1. The stage is based on international rating of the government Bonds of the Government of Aruba. As of March 2025, Standard & Poor's credit rating for Aruba stands at BBB+ with a stable outlook. The impaired amount is Afl. 18,517 of the total investment of Afl. 17.4 million.

Other debtors in stage 3 are 100% impaired, for a total amount of Afl. 2.0 million.

Investments - Amortized Cost						
Credit grade	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total 2025	Total 2024
1. Performing	17,442,000	-	-	-	17,442,000	5,112,000
2. Underperforming	-	-	-	-	-	-
3. Not performing	-	-	-	-	-	-
Gross carrying amount	17,442,000	-	-	-	17,442,000	5,112,000
Loss allowance	(18,517)	-	-	-	(18,517)	(5,276)
Carrying amount	17,423,483	-	-	-	17,423,483	5,106,724

All investments in time deposits and government bonds are denominated in Aruban florins. As a result, there is no exposure to foreign currency risk.

The expected credit loss for the rental debtors has been determined using the simplified approach. The total amount impaired is Afl. 4.1 million as per December 31, 2025 (2024: Afl. 3.9 million)

Rent Debtors – Amortized Cost						
Credit grade	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total 2025	Total 2024
1. Performing	70,644	-	-	-	70,644	35,246
2. Underperforming	-	99,490	-	-	99,490	94,493
3. Not performing	-	-	4,007,810	-	4,007,810	3,806,215
Gross carrying amount	70,644	99,490	4,007,810	-	4,177,944	3,935,954
Loss allowance	(36,119)	(26,411)	(4,007,810)	-	(4,070,340)	(3,819,870)
Carrying amount	34,525	73,079	-	-	107,604	116,084

The personal loans for a total amount of Afl. 723,839 and the insurance debtors for the amount of Afl. 33,076 are not subjected to impairment.

2.2. LIQUIDITY RISK

Risk Management

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. On a daily basis, the cash and cash equivalents and securities positions are monitored to maintain the minimum amount of Afl. 15 to 20 million (5% of the asset total). Management estimates that this amount is adequate based on the obligations and operations of the foundation. Additionally, a buffer is available within investment properties (land etc.) that that can be converted into cash when required.

The Foundation only invests in time deposits and government bonds that are favorably marketable and negotiable, minimizing any risk. Besides that, investments in time deposits are only performed with local counterparts under the supervision of the Central Bank of Aruba.

Financing Arrangements

The Foundation has no bank overdraft or undrawn borrowing facilities at the end of the reporting period.

Maturities Of Financial Liabilities

The tables below analyze the Foundation's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities.

The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant. For future contractual payments of leases, see note 6.4.

Contractual maturities of financial assets and liabilities	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
<i>(in Aruban florin)</i>				
Per December 31, 2025				
Cash and cash equivalents	21,524,537	-	-	21,524,537
Financial assets - loans and receivables	31,171,125	41,519,286	127,739,406	200,429,817
Financial assets - investments measured at amortized costs	16,078,540	1,440,469	-	17,519,009
Total financial assets	68,774,202	42,959,756	127,739,406	239,473,363
Trade and other payables	15,213,671	-	-	15,213,671
Borrowings	6,123,841	24,245,365	73,436,931	103,806,137
Lease liability	390,611	1,338,593	13,796,113	15,525,316
Total financial liabilities	21,728,123	25,583,958	87,233,043	134,545,124
Net liquidity position	47,046,079	17,375,798	40,506,363	104,928,240
<i>(in Aruban florin)</i>				
Per December 31, 2024				
Cash and cash equivalents	21,969,768	-	-	21,969,768
Financial assets - loans and receivables	30,193,882	42,699,721	131,645,645	204,539,248
Financial assets - investments measured at amortized costs	3,842,074	-	1,440,512	5,282,586
Total financial assets	56,005,724	42,699,721	133,086,157	231,791,602
Trade and other payables	15,844,888	-	-	15,844,888
Borrowings	6,128,841	24,465,365	79,340,772	109,934,978
Lease liability	412,196	1,397,093	14,128,223	15,937,512
Total financial liabilities	22,385,925	25,862,458	93,468,995	141,717,378
Net liquidity position	33,619,799	16,837,263	39,617,162	90,074,224

2.3. COMPETITIVE RISK

The Foundation is the only housing foundation with a mortgage bank on the island and competes with other financial institutions and insurance companies with regards to housing mortgages.

2.4. MARKET RISK

Foundation faces market risks consisting mainly of price risk and interest rate risk. Foreign exchange risk is considered low since the Foundation holds no loans in foreign currencies.

Price risk is related to the value of the investments held by the Foundation and the risk related to the Foundation's exposure to price developments in the Aruban housing market. Interest rate risk is associated with interest-bearing financial instruments, particularly the Foundation's borrowings.

Risk Management

Market risk management aims to maintain the market risk position within acceptable boundaries versus generating an optimal return. To manage market risk, long-term government bonds and time deposits are concluded at fixed interest rates and the

available funds are kept as much as possible in interest-bearing bank accounts. Given the market in which it operates, the Foundation can count on a steady number of clients for its products.

The interest rate risk management against the interest rate gap limits is supplemented by monitoring the sensitivity of the Foundation's financial assets and liabilities to expected interest rate scenarios.

The interest rate in the Foundation's financial liabilities is fixed at 5.5% for the coming four years (reference is made to note 4.1.5). Consequently, the interest rate risk on financial liabilities is limited.

Exposure To Interest Rate Risk

The following tables show the carrying values of the assets and liabilities, presented at the earliest interest due date, or contracted re-pricing date:

Interest period	Up to 1 year	Between 1 and 5 years	More than 5 years	Non-interest bearing	Total
<i>(in Aruban florin)</i>					
Per December 31, 2025					
Cash and cash equivalents	-	-	-	21,524,537	21,524,537
Loans and receivables	26,830,895	41,519,287	127,739,406	4,340,229	200,429,817
Investments measured at amortized costs	16,078,540	1,440,469	-	-	17,519,009
Inventory	-	-	-	1,165,618	1,165,618
Investment properties	-	-	-	135,625,500	135,625,500
Tangible fixed assets	-	-	-	3,571,599	3,571,599
Total assets	42,909,435	42,959,756	127,739,406	166,227,483	379,836,080
Trade and other payables	-	-	-	15,213,671	15,213,671
Lease liability	96,329	188,808	6,423,426	-	6,708,563
Employee benefit obligation	-	-	-	976,136	976,136
Borrowings	2,407,974	10,760,583	54,245,583	-	67,414,140
Total liabilities	2,504,303	10,949,391	60,669,009	16,189,807	90,312,510
Interest rate gap	40,405,132	32,010,365	67,070,397	150,037,676	289,523,570
Per December 31, 2024					
Cash and cash equivalents	-	-	-	21,969,768	21,969,768
Loans and receivables	26,726,855	42,699,721	131,645,645	3,467,027	204,539,248
Investments measured at amortized costs	3,842,074	-	1,440,512	-	5,282,586
Inventory	-	-	-	1,189,462	1,189,462
Investment properties	-	-	-	138,587,599	138,587,599
Tangible fixed assets	-	-	-	3,493,464	3,493,464
Total assets	30,568,929	42,699,721	133,086,157	168,707,320	375,062,127
Trade and other payables	-	-	-	15,844,885	15,844,885
Lease Liability	113,089	237,099	6,181,293	-	6,531,481
Employee benefit obligation	-	-	-	888,812	888,812
Borrowings	2,288,946	10,414,300	56,999,840	-	69,703,086
Total liabilities	2,402,035	10,651,399	63,181,133	16,733,697	92,968,264
Interest rate gap	28,166,894	32,048,322	69,905,024	151,973,623	282,093,863

Sensitivity

An analysis of the Foundation's sensitivity to an increase or decrease in mortgage loan interest rates, assuming no asymmetrical movements in various interest rates and a constant Statement of Financial Position, is as follows:

	100 bp parallel increase	100 bp parallel decrease
<i>(in Aruban florin)</i>		
Sensitivity of Projected Net interest income 2025	2,061	(2,061)
Sensitivity of Projected Net interest income 2024	2,113	(2,113)

As only the interest income is affected by an in- or decrease in the effective interest rate on mortgage loans, the sensitivity of the reported equity equals the sensitivity of the projected net interest income by way of retained earnings arising from increases or decreases in net interest income reported in the profit or loss.

2.5. LOSS ALLOWANCE

The loss allowance recognized in the period is impacted by a variety of factors, such as transfers between stages due to financial instruments experiencing significant increases or decreases in credit risk, step-up or step-down between 12-month and lifetime ECL, additional allowances for new financial instruments recognized during the period, among others. Refer to the table presentation.

The table below explains the changes in the loss allowance between the beginning and the end of the annual period.

Changes in Loss Allowance					
	Stage 1	Stage 2	Stage 3	Purchased credit impaired	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
Mortgage Loans					
Loss allowance as per January 1, 2025	1,134,671	3,070,903	1,562,038	-	5,767,612
Movements with P&L impact					
New financial assets originated or purchased	311,606	32,759	-	-	344,365
Derecognition of assets	(71,677)	(238,376)	(140,051)	-	(450,104)
Changes in PDs/LGDs/EADs	(1,997,417)	365,997	(119,339)	-	(1,750,759)
Total net P&L charge during the period	(1,757,488)	160,380	(259,390)	-	(1,856,498)
Transfers:					
Transfer from Stage 1 to Stage 2	(303,138)	303,138		-	-
Transfer from Stage 1 to Stage 3	(46,954)		46,954	-	-
Transfer from Stage 2 to Stage 1	1,311,323	(1,311,323)		-	-
Transfer from Stage 2 to Stage 3		(523,987)	523,987	-	-
Transfer from Stage 3 to Stage 2		310,737	(310,737)	-	-
Transfer from Stage 3 to Stage 1	446,374		(446,374)	-	-
Loss allowance as per December 31, 2025	784,788	2,009,848	1,116,478	-	3,911,114

3. CAPITAL MANAGEMENT

The Foundation defines capital risk as the risk of losing all or part of its capital invested, meaning its assets. This measurement is monitored explicitly by the Central Bank of Aruba, for which the Foundation must submit its monthly calculations. As per year-end 2025 and 2024, the Capital Ratio defined by the Central Bank of Aruba is 115%, respectively 111% (the norm is 16%).

The Foundation invests its capital in mortgage loans and the development of rental houses. The investment in rental properties is continuously maintained to upkeep their values at all times.

When managing capital, the Foundation's objectives are to safeguard the ability to continue as a going concern to provide returns and benefits for its primary target group and to maintain an optimal capital structure to reduce the cost of capital.

Internally, the Foundation monitors capital based on the debt-to-equity ratio. This ratio is calculated as total debt divided by total equity.

This debt-to-equity ratio amounts for 2025 and 2024:

	2025	2024
<i>(in Aruban florin)</i>		
Total debt	90,312,510	92,968,264
Total equity	289,523,570	282,093,863
Debt to equity ratio	0.31	0.33

During ALCO meetings, key management is kept informed about possible changes in investments and projects and the effects on the Foundation's capital adequacy are discussed.

Loan Covenants FCCA Intercreditor Agreement (Consortium Loan)

The Foundation is required to comply with the following financial covenants:

- Debt service coverage ratio (DSCR; EBITDA divided by debt service) at a level equal to or exceeding 1.25;
- The loan delinquency ratio over the total loan portfolio (total outstanding balances of past due loans divided by the total outstanding loan balances) shall not exceed 10% (ten percent);
- The solvency ratio (equity divided by total assets) is maintained at a level equal to or exceeding 30% (thirty percent); and
- The total aggregate value of the outstanding balance of the pledged mortgage loans pledged as collateral must be at least 125% of the then outstanding borrowing balance as per balance sheet date.

The Foundation has complied with these covenants at the reporting date (see Key figures):

	Required	2025	2024
Solvency ratio	≥ 30%	76%	75%
Debt Service Coverage ratio	≥ 1.25	2.79	2.62
Mortgage Loan Delinquency ratio	≤ 10%	4.87%	5.06%
Mortgage Loan Collateral (Afl.)	≥ 125%	83,650,358	86,320,190

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION

4.1. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Per the Statement of Financial Position per December 31, 2025, and based on the cash flow over the twelve months for 2025, the Foundation shows positive results, a sound financial position and positive cash flows from operating activities.

The Foundation holds the following financial instruments:

	Note#	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>			
Financial assets			
Loans and receivables	4.1.1	200,429,817	204,539,248
Investments in time deposits and government bonds	4.1.2	17,519,009	5,282,586
Cash and cash equivalents	4.1.3	21,524,537	21,969,768
		239,473,363	231,791,602
Financial liabilities			
Trade and other payables	4.1.4	15,213,671	15,844,885
Borrowings	4.1.5	67,414,140	69,703,086
		82,627,811	85,547,971

All financial instruments above are categorized as 'financial assets/liabilities at amortized cost.

The Foundation's exposure to various risks associated with financial instruments is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

4.1.1. LOANS AND RECEIVABLES

<i>(in Aruban florin)</i>	Dec. 31, 2025 current	Dec. 31, 2025 non-current	Dec. 31, 2024 current	Dec. 31, 2024 non-current
Receivables	10,472,695	-	9,315,240	-
Expected credit loss	(6,132,466)	-	(5,848,213)	-
	4,340,229	-	3,467,027	-
Loans	27,993,620	172,007,081	28,373,667	178,466,166
Expected credit loss	(1,162,725)	(2,748,388)	(1,646,812)	(4,120,800)
	26,830,895	169,258,693	26,726,855	174,345,366
Total loans and receivables	31,171,124	169,258,693	30,193,882	174,345,366

Loans and receivables are further specified as follows:

Loans and receivables - gross	Note#	Dec. 31, 2025 current	Dec. 31, 2025 non-current	Dec. 31, 2024 current	Dec. 31, 2024 non-current
<i>(in Aruban florin)</i>					
Receivable Land Aruba		872,311	-	866,484	-
Net other debtors	4.1.1.1	2,122,703	-	2,308,840	-
Net rental property receivable	4.1.1.2	4,203,602	-	4,040,412	-
Other receivables		3,274,079	-	2,099,504	-
Total receivables		10,472,695	-	9,315,240	-
Mortgage loans and purchase loans not covered by mortgage deeds	4.1.1.3	27,805,947	171,470,915	28,155,125	177,929,856
Personal loans employees		187,673	536,166	218,542	536,310
Total loans		27,993,620	172,007,081	28,373,667	178,466,166
Total loans and receivables - gross		38,466,315	172,007,081	37,688,907	178,466,166

Expected credit loss	Note#	Dec. 31, 2025	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2024
<i>(in Aruban florin)</i>		current	non-current	current	non-current
Net other debtors	4.1.1.1	(1,965,164)	-	(1,976,947)	-
Net rental property receivable	4.1.1.2	(4,167,302)	-	(3,871,266)	-
Total expected credit loss - receivables		(6,132,466)	-	(5,848,213)	-
Mortgage loans and purchase loans not covered by mortgage deeds	4.1.1.3	(1,162,725)	(2,748,388)	(1,646,812)	(4,120,800)
Total expected credit loss - loans		(1,162,725)	(2,748,388)	(1,646,812)	(4,120,800)
Total expected credit loss for loans and receivables		(7,295,191)	(2,748,388)	(7,495,025)	(4,120,800)

4.1.1.1. NET OTHER DEBTORS

	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		
Neither past due nor impaired	157,539	331,892
Individually impaired	1,965,164	1,976,947
Other debtors	2,122,703	2,308,840
Less: Allowance for doubtful accounts other debtors	(1,965,164)	(1,976,947)
	157,539	331,892

The movement schedule for the allowance for doubtful accounts other debtors is as follows:

	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		
Allowance per January 1st	(1,976,947)	(1,929,168)
Addition to the allowance	(85,658)	(38,880)
Release of the allowance in favour of the net result	134,770	26,167
Write-off of doubtful debtors	(37,520)	(35,066)
Allowance as per December 31st	(1,965,355)	(1,976,947)

The category 'individually impaired' is specified as follows:

	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		
< 1 month	481,732	762,315
1 - 3 months	85,460	107,107
3 - 6 months	39,051	372,320
6 - 12 months	347,601	94,404
> 12 months	1,168,859	972,694
Total	2,122,703	2,308,840

4.1.1.2. NET RENTAL PROPERTY RECEIVABLES

	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		
Neither past due nor impaired	36,300	169,146
Individually impaired	4,167,302	3,871,266
Rental property receivables	4,203,602	4,040,412
Less: Allowance for rental property receivables	(4,167,302)	(3,871,266)
	36,300	169,146

The movement schedule for the allowance for doubtful accounts rental debtors is as follows:

	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		
Allowance per January 1st	(3,871,266)	(3,763,656)
Addition to the allowance	(666,100)	(229,081)
Release of the allowance in favor of the net result	356,981	121,478
Write-off of doubtful debtors	13,083	(7)
Allowance as per December 31st	(4,167,302)	(3,871,266)

The expected credit loss for the rental debtors has been determined using the simplified approach. Management estimates the probability of receiving the outstanding amounts unlikely, even though it continues to take action to collect them.

The category 'individually impaired' is specified as follows:

	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		
< 1 month	34,878	11,177
1 - 3 months	156,855	149,815
3 - 6 months	396,824	370,407
6 - 12 months	261,282	756,103
> 12 months	3,353,763	2,752,910
Total	4,203,602	4,040,412

4.1.1.3. MORTGAGE LOANS

	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		
Construction mortgage loans	68,466,363	74,357,308
Purchase mortgage loans	75,443,079	76,017,755
Mortgage loans related to sale of Land Aruba houses	778,820	973,780
Other mortgage loans	51,899,289	51,471,578
	196,587,551	202,820,421
Unsecured Purchase loans	2,689,331	3,264,561
	199,276,881	206,084,982
Less: Allowances for expected credit losses	(3,911,113)	(5,767,612)
	195,365,768	200,317,370

The Foundation use DCF to calculate the present value of the principal and interest payments on the remaining term of prime loans discounted at 5.2%: Afl. 169,481,264, non-default subprime loans discounted at 6.4%: Afl. 45,993,374, and loans in default for 90 days or more at the execution value less cost-to-sell discounted at 6.4%: Afl. 15,755,223. Fair value: Afl. 231,229,861.

The Foundation mortgage loans are secured with a mortgage deeds (which covers the nominal value of the respective loan plus a 40 percent increment for interest and collection cost). The mortgage deeds secure the Foundation as first beneficiary at executing its mortgage rights at foreclosure.

In the outstanding balance of the purchase loans, an amount of Afl. 2,689,331 (December 31, 2024: Afl. 3,264,561), with an average annual interest rate of 8.2% and an average maturity period of 21 years, are unsecured. These 90 loans (December 31, 2024: 88) represent the purchase of a house form the Foundation and the Government of Aruba, where no mortgage rights could have been vested due to the omissions of the title register certificates and the respective ministerial decisions, as per balance sheet date.

In the balance of other mortgage loans, three loans to key management members of the Foundation for the amount of Afl. 612,143 as per December 31, 2025 (2024: Afl. 775,807). The average annual interest rate on these loans is 5.00 %. The fair value of these loans is similar to the carrying amount.

Collateral

The Foundation employs a range of policies and practices to mitigate credit risk. The most common of these is the vesting of mortgage rights as collateral.

The collateral policies remained in principle unchanged for the reporting period and maintained the overall quality of collateral held by the Foundation.

The Foundation closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Foundation will take possession of collateral to mitigate potential credit losses.

As per December 31, 2025, an amount of Afl. 83,650,358 (December 31, 2024: Afl. 86,320,190) is pledged as collateral for the Credit Facility Agreement. Reference is made to note 4.1.5 for further explanation.

The movement schedule of the allowances for expected credit losses is as follows:

	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		
Provision as per January 1	(5,767,612)	(6,457,274)
Release / (Addition) on doubtful loans	1,856,499	689,662
Provision as per December 31	(3,911,113)	(5,767,612)

Aging of mortgage loans in months as per ECL model:

		Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>			
Satisfactory	< 1 month	149,520,405	158,470,937
Special mention	1 - 3 months	40,055,566	37,178,665
Substandard	3 - 6 months	6,597,987	7,392,304
Doubtful	6 - 12 months	2,626,264	2,599,687
Loss	> 12 months	476,659	443,407
Total		199,276,881	206,085,000

4.1.2. INVESTMENTS MEASURED AT AMORTIZED COST

	Dec. 31, 2025	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2024
<i>(in Aruban florin)</i>				
	current	non-current	current	non-current
Time deposits	16,000,000	-	-	-
Interest receivable and time deposits	95,526	-	175,862	-
Government bonds	-	1,442,000	3,670,000	1,442,000
Total Investments measured at amortized cost	16,095,526	1,442,000	3,845,862	1,442,000
Expected credit loss	(16,986)	(1,531)	(3,788)	(1,488)
	16,078,540	1,440,469	3,842,074	1,440,512

Investments in time deposits and government bonds are included in non-current assets, except those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets. The investments regard level 3 investments. The fair value of investments approximates cost is Afl.17,592,328.

Investments in time deposits and government bonds can be further specified as follows:

	Interest p/yr	Maturity date	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>				
Current investments				
Government bonds	6.00%	June 2025	-	3,670,000
Time deposits	2.50%	February 2026	3,000,000	-
Time deposits	3.00%	March 2026	3,000,000	-
Time deposits	3.25%	October 2026	5,000,000	-
Time deposits	2.90%	October 2026	5,000,000	-
			16,000,000	3,670,000
Non-current investments				
Government bonds	5.90%	May 2030	1,442,000	1,442,000
			1,442,000	1,442,000
			17,442,000	5,112,000

4.1.3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, non-restricted current account with banks and demand deposits that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value.

4.1.4. TRADE AND OTHER PAYABLES

		Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		current	current
Accounts payable		3,038,237	2,479,274
Employees' savings plan, payroll and other liabilities		4,174,987	4,447,621
Other payables and accrued expenses	4.1.4.1.	8,000,447	8,917,990
Total Trade and other payables		15,213,671	15,844,885

Trade and other payables are unsecured. Trade payables are usually paid within 30 days of recognition.

Due to their short-term nature, the carrying amounts of Trade and other payables are considered the same as their fair values.

Employees' savings plan

The Foundation personnel, except management board, can participate exclusively by salary withholding in a savings plan that bears 8% interest per year.

4.1.4.1. OTHER PAYABLES AND ACCRUED EXPENSES

		Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		current	current
Payable 'settlement FCCA/Land Aruba'		968,993	1,693,330
Land lease and ground payable		2,429,099	1,801,378
Interest payable on loans Intercreditor Agreement - Vida Nova		1,195,060	1,266,001
Accrued expenses related to finished construction projects		920,600	919,455
Mortgage loans prepayments		108,603	94,753
Audit and other payables		145,970	638,175
Other accrued liabilities		2,232,122	2,504,899
Total other payables and accrued expenses		8,000,447	8,917,990

4.1.5. LEASE LIABILITIES

		Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>			
As per 1 January		6,531,481	6,442,405
Additions		-	105,820
Accretion of interest		299,106	301,752
Payment		(122,024)	(318,496)
As per 31 December		6,708,563	6,531,481

4.1.6. BORROWINGS

	Dec. 31, 2025	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2024
<i>(in Aruban florin)</i>	current	non-current	current	non-current
Loans Land Aruba	200,000	600,000	200,000	800,000
Consortium Intercreditor Agreement	2,253,822	64,665,974	2,134,794	66,919,796
Success and commission fee Intercreditor Agreement	(45,848)	(259,808)	(45,848)	(305,656)
Total borrowings	2,407,974	65,006,166	2,288,946	67,414,140

The following table gives an overview of the loan conditions and repayment schedules as well as the original and carrying values:

	Year of closing	Annual nominal interest rate	Annual repayment (Afl.)		Year of repayment
Loan Land Aruba	2009	2.50%	200,000	*	2029
Loan Intercreditor Agreement - Vida Nova	2017	5.00%	2,195,410	**	2020-2023
Loan Intercreditor Agreement - Vida Nova	2024	5.50%	2,253,822	***	2024-2039

* Repayment amount is Afl. 200,000, starting on September 16, 2020.

** Nominal interest rate is 5%. The loan was granted on August 27, 2017. Repayment began in the third year.

***Restructured interest rate is 5.5% as at March 2024. Amortized over 20 years with a balloon payment of Afl. 25,504,819 as per March 1, 2039.

		Dec. 31, 2025		Dec. 31, 2024	
(in Aruban florin)		Original amount	Carrying amount	Original amount	Carrying amount
Loan Land Aruba		2,000,000	800,000	2,000,000	1,000,000
Loan Intercreditor Agreement	4.1.6.1.	95,000,000	66,919,796	95,000,000	69,054,590
		97,000,000	67,719,796	97,000,000	70,054,590

The contractual redemption of loans can be specified as follows:

	Year of closing	Total	Less than 1 year	1-5 years	More than 5 years
Loan Land Aruba	2009	800,000	200,000	600,000	-
Loan Intercreditor Agreement -Vida Nova	2017	66,919,796	2,253,822	10,343,976	54,321,998
		67,719,796	2,453,822	10,943,976	54,321,998

4.1.6.1. LOAN INTERCREDITOR AGREEMENT, 2017, AFL. 95,000,000

On August 28, 2017, the Foundation entered into a Afl. 95 million consortium loan with several financial institutions, with Vidanova Bank N.V. acting as Administrative and Security Agent. The loan was restructured effective March 1, 2024, resulting in a 15-year term with a bullet payment of Afl. 26.2 million at maturity, an interest rate of 5.5% for five years, and semi-annual annuity payments of Afl. 2.95 million.

The consortium loans are secured by:

- Assigned accounts receivables at all times for a total amount such that the coverage value of the assigned accounts receivable is equal to 125% of the total outstanding amount under the loan agreement on a pari passu pro-rata basis with all lenders under the loan agreement, also complying with the following standards:
 - The encumbered mortgage loan portfolio shall consist of mortgage loans that are not delinquent;
 - Any mortgage loan as part of the encumbered mortgage loan portfolio that becomes a delinquent mortgage loan shall be replaced by the Foundation with a non-delinquent mortgage loan out of its mortgage loan portfolio;
 - Any mortgage loan as part of the encumbered mortgage loan portfolio that matures or is repaid shall the Foundation replace that mortgage loan with a new non-delinquent mortgage loan out of the mortgage loan portfolio.
- General undisclosed pledge of money and claims, present and future other than the pledge under the prior item a. to restore minimum coverage value under the previous item a. if this minimum coverage value is not met.

For existing financial covenants that should be met, reference is made to note 3.

4.1.6.2. FAIR VALUE

The fair value of the borrowings is estimated at Afl. 67,414,140 (2024: Afl. 69,703,086). This fair value of borrowings is based on discounted cash flows using a current borrowing rate of 5.5%. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including their own credit risk.

4.1.6.3. RISK EXPOSURES

Details of the Foundation's exposure to risks arising from current and non-current borrowings are set out in note 2.

4.2. NON-FINANCIAL ASSETS AND LIABILITIES

This note provides information on the determination of the fair value of assets and liabilities, including the related judgments and estimation uncertainties.

4.2.1. INVESTMENT PROPERTIES

		Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>			
Investment properties	4.2.1.1.	130,607,640	133,463,588
Right-of-use leasehold lands		5,017,860	5,124,011
		135,625,500	138,587,599

4.2.1.1. INVESTMENT PROPERTIES

	Commercial rental properties	Residential rental properties	Projects in progress and land	Total
<i>(in Aruban florin)</i>				
Cost:				
Cost as per December 31, 2023	17,462,360	156,702,350	20,246,910	194,411,620
Investments	44,540	-	3,506,251	3,550,791
Transfer to assets	34,477	-	-	34,477
Transfer of assets	840,949	-	(840,949)	-
Completed projects	-	8,330,673	(8,330,673)	-
Disposal	(234,052)	(210,924)	(85,138)	(530,114)
Cost as per December 31, 2024	18,148,274	164,822,099	14,496,401	197,466,774
Accumulated depreciation:				
Acc. depreciation as per December 31, 2023	(6,559,610)	(52,628,756)	-	(59,188,366)
Depreciation	(455,792)	(4,395,324)	-	(4,851,116)
Acc. depreciation on disposal	4,876	31,421	-	36,297
Acc. depreciation as per December 31, 2024	(7,010,526)	(56,992,659)	-	(64,003,185)
Carrying value as per December 31, 2024	11,137,748	107,829,440	14,496,401	133,463,589
<hr/>				
	Commercial rental properties	Residential rental properties	Projects in progress and land	Total
<i>(in Aruban florin)</i>				
Cost:				
Cost as per December 31, 2024	18,148,274	164,822,099	14,496,401	197,466,774
Investments	88,598	113,453	2,922,361	3,124,412
Other adjustments	-	(171,125)	-	(171,125)
Investment grants	-	(724,337)	-	(724,337)
Completed projects	-	1,281,167	(1,281,167)	-
Disposal	(64,343)	(3,545)	-	(67,888)
Cost as per December 31, 2025	18,172,529	165,317,712	16,137,595	199,627,836
Accumulated depreciation:				
Acc. depreciation as per December 31, 2024	(7,010,526)	(56,992,659)	-	(64,003,185)
Depreciation	(509,501)	(4,511,055)	-	(5,020,556)
Acc. depreciation on disposal	-	3,545	-	3,545
Acc. depreciation as per December 31, 2025	(7,520,027)	(61,500,169)	-	(69,020,196)
Carrying value per December 31, 2025	10,652,502	103,817,543	16,137,595	130,607,640

4.2.1.2. RIGHT-OF-USE ASSETS

	Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>		
As per 1 January	5,124,011	5,161,154
Adjustment prior year	-	399
Additions	-	68,025
Depreciation	(106,150)	(105,567)
As per 31 December	5,017,861	5,124,011

Investment properties consist of land and buildings in Aruba and Bonaire. Land is not depreciated; however, on the buildings, a remaining useful life, which ranges from 15 to 50 years depending on the property, is considered from the date of acquisition.

Commercial Rental Properties

The fair value of the commercial property in Aruba, based on appraisals, amounts to Afl. 27,431,156. Additionally, the Foundation has some individual long-lease land available for construction.

Residential Rental Properties

Residential rental properties amount to 1,794 rental units, consisting of various types of rental units.

Not all the legal rights have been transferred to the Foundation due to the omissions of the respective registry certificates and ministerial decisions caused by delays at the concerned government departments.

The majority of the rental units (1,217 units) are built on long-lease land. The remaining units are built on owned property land.

Based on internal valuation, the value of the rental property approximates a total amount of Afl. 277 million (2024: Afl. 207 million). The value of the rental property is based on the income approach and has been calculated based on a discounted rate of 5.50%, reflecting the actual financing structure.

Projects In Progress and Land

These projects include major renovations for several residential houses and the purchase of the ex-OM building which will be renovated and reconstructed in 2026 into student apartments.

The offices of the Foundation and one branch are on lease land, except for short-term leases and leases of low-value underlying assets. Each lease is reflected in the Statement of Financial Position as a right-of-use asset and a lease liability.

4.2.2. TANGIBLE FIXED ASSETS

		Dec. 31, 2025	Dec. 31, 2024
<i>(in Aruban florin)</i>			
Tangible fixed assets for own use	4.2.2.1.	3,293,538	3,135,104
Right-of-use assets for own use		278,061	358,360
		3,571,599	3,493,464

4.2.2.1. TANGIBLE FIXED ASSETS FOR OWN USE

	Office building and building improvements	Community center facilities	Furniture and computer equipment	Vehicles	Total
<i>(in Aruban florin)</i>					
Cost:					
Cost as per December 31, 2023	5,239,079	2,810,142	7,381,708	1,212,338	16,643,267
Investments	88,618	-	256,646	-	345,264
Disposal	(34,477)	-	(5,737)	-	(40,214)
Cost as per December 31, 2024	5,293,220	2,810,142	7,632,617	1,212,338	16,948,317
Accumulated depreciation:					
Acc. depreciation as per December 31, 2023	(4,201,231)	(1,400,736)	(6,590,611)	(872,079)	(13,064,657)
Depreciation	(121,282)	(144,143)	(359,666)	(128,310)	(753,401)
Acc. depreciation on disposal of assets	-	-	4,845	-	4,845
Acc. depreciation as per December 31, 2024	(4,322,513)	(1,544,879)	(6,945,432)	(1,000,389)	(13,813,213)
Carrying value as per December 31, 2024	970,707	1,265,263	687,185	211,949	3,135,104

	Office building and building improvements	Community center facilities	Furniture and computer equipment	Vehicles	Total
<i>(in Aruban florin)</i>					
Cost:					
Cost as per December 31, 2024	5,293,220	2,810,142	7,632,617	1,212,338	16,948,317
Investments	104,944	176,467	539,212	47,264	867,887
Disposal	-	(89,618)	(2,261,768)	-	(2,351,386)
Cost as per December 31, 2025	5,398,164	2,896,991	5,910,061	1,259,602	15,464,818
Accumulated depreciation:					
Acc. depreciation as per December 31, 2024	(4,322,513)	(1,544,879)	(6,945,432)	(1,000,389)	(13,813,213)
Depreciation	(105,817)	(143,439)	(314,604)	(99,041)	(662,901)
Acc. depreciation on disposal	-	53,362	2,251,472	-	2,304,834
Acc. depreciation as per December 31, 2025	(4,428,330)	(1,634,956)	(5,008,564)	(1,099,430)	(12,171,280)
Carrying value per December 31, 2025	969,834	1,262,035	901,497	160,172	3,293,538

Management did not identify any indications that would require the impairment of these assets.

4.3. CAPITAL

The retained earnings include a total amount of Afl. 65,826,155 (2024: Afl. 65,826,155) of grants from the Government of Aruba for construction purposes in the past. Grants from the sale of houses are recognized at the date of the loan agreement if financed or at the transaction date.

<i>(in Aruban florin)</i>	Self -construction projects	Office buildings	Residential houses	Total
Balance per December 31, 2023	29,750,000	418,684	35,657,471	65,826,155
Received grants	-	-	-	-
Balance per December 31, 2024	29,750,000	418,684	35,657,471	65,826,155
Received grants	-	-	-	-
Balance per December 31, 2025	29,750,000	418,684	35,657,471	65,826,155

5. NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

5.1. REVENUES FROM FINANCIAL ACTIVITIES

	Note#	2025	2024
<i>(in Aruban florin)</i>			
Interest and similar revenues	5.1.1	16,263,737	16,905,500
Commission income		214,338	275,950
		16,478,075	17,181,450

5.1.1. INTEREST AND SIMILAR REVENUES

	2025	2024
<i>(in Aruban florin)</i>		
Interest from (mortgage) loans	15,538,376	16,146,162
Interest from bank deposits and bank balances	282,823	362,398
Interest earned during construction of houses	370,096	322,325
Interest earned on personal loans employees	72,442	74,615
	16,263,737	16,905,500

5.2. REVENUES FROM REAL ESTATE ACTIVITIES

	2025	2024
<i>(in Aruban florin)</i>		
Rental revenue	17,318,446	16,689,428
	17,318,446	16,689,428

The Foundation's investment properties inventory amounts to 1,826 units as per December 31, 2025 (1,823 units as per December 31, 2024).

Future minimum rentals receivable:

	2025	2024
<i>(in Aruban florin)</i>		
Within 1 year	18,079,546	16,859,819
After 1 year, but not more than 2 years	18,899,981	17,073,538
After 2 years, but not more than 3 years	19,627,057	18,309,197
After 3 years, but not more than 4 years	20,051,758	19,063,146
After 4 years, but not more than 5 years	20,476,485	19,817,096
More than 5 years	453,378,867	451,498,133
	550,513,694	542,620,929

5.3. OTHER INCOME

	2025	2024
<i>(in Aruban florin)</i>		
Profit from sale of assets	62,403	322,071
Insurance brokerage commission	601,675	736,772
Other net income	242,604	157,150
	906,682	1,215,993

5.4. PERSONNEL EXPENSES

	2025	2024
<i>(in Aruban florin)</i>		
Salaries and allowances	9,701,550	9,632,697
Pension contribution	825,696	787,234
Social premiums	1,704,931	1,714,524
Other personnel expenses	718,583	603,221
	12,950,760	12,737,676
Less: Capitalized personnel expenditures	(180,634)	(130,785)
Less: Invoiced sick leave days at SVB	(9,429)	(13,668)
	12,760,697	12,593,223

Personnel expenses allocated to construction projects (assets) are capitalized and maintenance work carried out to the tenants are invoiced. Compensation of key management is included in the personnel expenses. For further details, reference is made to note 6.1 "Related parties" and note 6.4 "Contingent assets and contingent liabilities". At the end of 2025, the Foundation has 86 employees (at the end of 2024: 90).

5.5. GENERAL EXPENSES

	2025	2024
<i>(in Aruban florin)</i>		
Operating expenses	942,196	919,958
Audit, legal and consulting expenses	1,060,961	1,149,795
Communication expenses	211,212	214,993
Transportation expenses	163,889	161,074
Collection expenses	257,843	306,745
Representation and promotion expenses	175,459	145,008
Turnover taxes	169,385	170,169
Expenses related to granting of mortgage loans	223,624	235,922
Write-off payables previous years	(976,188)	(692,404)
Other general expenses	654,905	899,270
	2,883,286	3,510,530

Compensation of supervisory board members is included in other general expenses. For further details, reference is made to note 6.1, "Related parties".

5.6. PROPERTY EXPENSES

	2025	2024
<i>(in Aruban florin)</i>		
Expenses for rental property owned by the Foundation	2,560,342	2,500,052
Expenses for construction projects in progress	157,783	107,124
Expenses for investment properties	398,509	408,242
	3,116,634	3,015,418

5.7. DEPRECIATION

	2025	2024
<i>(in Aruban florin)</i>		
Depreciation on Fixed Assets for own use	662,873	753,404
Depreciation on Investment Properties	5,020,556	4,851,116
Depreciation on Right-of-use assets	186,449	184,829
	5,869,878	5,789,349

5.8. FINANCE COSTS

	2025	2024
<i>(in Aruban florin)</i>		
Interest costs	3,756,490	3,815,261
Closing and finance costs	469,955	472,599
	4,226,445	4,287,860

6. OTHER NOTES TO THE FINANCIAL STATEMENTS 2025

6.1. RELATED PARTIES

The Foundation has identified the following related parties:

- Government of Aruba;
- Key management, consisting of the Board of Supervisory Directors, the Board of Managing Directors, and the Division heads.

- Government Of Aruba

The Foundation is not owned or controlled by the Government of Aruba, but the Minister appoints two of the five members to the Board of Supervisory Directors.

The Foundation informs the Minister in writing of resolutions it has adopted concerning:

- the adoption of public housing standards;
- the location of the housing projects to be developed;
- the programming of urban development;
- the standardization of housing allocation;
- the preparation of longer time schedules for the building program;
- the development of building programs that require infrastructural works; and
- any adjustment of the Foundation's Bylaws.

The foundation managed the rent subsidy (subject subsidy) policy for the Government of Aruba. During the reporting period, the foundation received Afl. 7.9 million rent subsidies from the Government of Aruba. The subject subsidy to entitled to the tenants are directly transferred to the foundation for practical and efficiency reasons. Additionally, the Foundation depends on the Government of Aruba for the long lease land for construction of social housing projects, including the cost of infrastructure for the concerning projects.

For the nature of the transactions and balance amounts and the relationship between the Foundation and the Government of Aruba, reference is made to the following notes:

- Note 4.1.1. "Receivable with Land Aruba"
- Note 4.1.6. "Borrowings"
- Note 4.3. "Retained Earnings"

The transactions between the Foundation and this related party during the year were made in the ordinary course of business and within the framework of implementing the housing policy of the Government of Aruba.

- Key Management

The compensation of key management during the year 2025 can be specified as follows:

	2025	2024
<i>(in Aruban florin)</i>		
Short-term employee benefits	2,602,216	3,312,844
Post-employment benefits	352,087	389,171
	2,954,303	3,702,015

Reference is also made to note 4.1.1.3. "Mortgage loans", note 5.5. "General expenses" and note 6.4. "Contingent assets and contingent liabilities".

6.2. IRREVOCABLE FACILITIES AND COMMITMENTS

As per December 31, 2025, the Foundation has approximately Afl. 3.2 million (December 31, 2024: Afl. 2.5 million) of approved mortgage loan facilities that the borrowers still need to draw.

As per December 31, 2025, the Foundation has approximately Afl. 0.9 million (December 31, 2024: Afl. 0.5 million) outstanding of committed liabilities based on signed construction agreements.

6.3. SUBSEQUENT EVENTS

Subsequent to the reporting date, effective February 12, 2026, the Foundation entered into facility agreement under the existing Accordion Facility of the Consortium Intercreditor Agreement for the total amount of Afl. 21.2 million bearing interest at a rate of 5.5% per annum.

The purpose of the facility agreement is to finance 80% of the development and construction of 120 affordable housing units located at Kiviti and Cas Paloma. The Foundation will contribute 20% of its own equity to the projects.

The facility agreement will be disbursed into two tranches, each tranche will have an interest only grace period of 24 months, term of 15 years and a balloon payment of Afl. 3.9 million at the end of each respective term:

Tranche 1:

The first tranche, amounting to Afl.10.6 million, was received as per March 1, 2026. The first semi-annually annuity payment is scheduled for March 1, 2028.

Tranche 2:

The second tranche, amounting to Afl.10.6 million, is expected to be received as per March 1, 2027. The first semi-annually annuity payment is scheduled for March 1, 2029.

The security package applicable to the facility is according to the existing consortium facility agreement

Management has assessed this event as a non-adjusting subsequent event, as the conditions arose after the reporting date. Accordingly, no adjustments have been made to the financial statements; however, the event has been disclosed for completeness.

6.4. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Lease Land Commitments

Reference is made to note 4.2 "Non-financial assets and liabilities", for details.

The Foundation has long lease land in Bonaire; the lease expires in 2050. The future commitments concerning the long lease are:

- Less than 1 year: Afl. 4,949
- 1 – 5 years: Afl. 19,795
- More than 5 years: Afl. 98,973

The Foundation has Tangible fixed assets, Investment properties built on long- lease land and long- lease land available for construction projects in Aruba.

The future commitments concerning the long lease are:

- Less than 1 year: Afl. 327,370
- 1 – 5 years: Afl. 1,308,647
- More than 5 years: Afl. 13,697,140

Profit Tax

On December 22, 2020, the Aruban Tax Authorities (Departamento di Impuesto – DIMP) withdrew the Foundation’s existing profit tax exemption ruling. Following discussions between the Foundation and DIMP, it was confirmed on May 16, 2023, that activities serving a specific vulnerable group in the general social interest remain exempt, while other activities are subject to profit tax.

As per December 2025 FCCA reached and signed a settlement agreement with the DIMP. FCCA will be submitted to the profit tax for the non-exempted activities as described in the settlement agreement as per January 1, 2029.



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INDEPENDENT AUDITOR'S REPORT

To the Management and Supervisory Board of Stichting Fundacion Cas pa Comunidad Arubano "(F.C.C.A.)"

Opinion

We have audited the financial statements of Stichting Fundacion Cas pa Comunidad Arubano "(F.C.C.A.)" (the Foundation), which comprise the statement of financial position as at 31 December 2025, statement of changes in equity and the statement of comprehensive income and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Foundation's 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Supervisory Board for the financial statements

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



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In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Foundation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

Aruba, May 26, 2026
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For Ernst & Young

(Sgd.) Garrick de Cuba, MSc, RA
Partner