Republic Bank (St. Maarten) N.V.

FINANCIAL HIGHLIGHTS
September 30, 2025

Managing Director's Report

Republic Bank (St. Maarten) N.V.

1. Economic Review: Key Country Highlights

- According to the Centrale Bank van Curaçao en Sint Maarten (CBCS), real GDP in Sint Maarten is expected to ease from 3.0% in 2024 to 2.8% in 2025 and 2.4% in 2026. Growth will be led by private demand, especially residential and commercial construction, supported by public infrastructure investments. Net foreign demand will also boost growth, as export gains from cruise and stay–over arrivals are expected to outweigh higher imports.
- Inflation is expected to decline from 3.6% in 2024 to 2.0% in 2025 (from 2.1% in 2023), influenced largely by international oil price developments and the inflation forecasts of main trading partners, like the United States, and the Netherlands.
- Centrale Bank van Curaçao en Sint Maarten (CBCS) pledging rate reduced from 5.8% at the end of fiscal 2024 to 4.8% at the end of fiscal 2025.
- The economic outlook for St. Maarten continues to be shaped by both external and domestic vulnerabilities, including heightened geopolitical instability and global trade frictions. This can result in supply chain disruptions, which may further increase import prices and uncertainty. In addition, despite U.S. Fed Rate cuts in September 2025, any pause in this easing could prolong tightened global financial conditions and lead to dampened credit growth and weakened private demand.

2. Financial Review - Fiscal 2025 Performance:

Highlights of financial performance

- Republic Bank (St. Maarten) N.V. has announced a Net Profit After Taxation of XCG 3.7M, this was below the prior year's performance by XCG 0.1M and falling short of the target by XCG 1.0M.
- Interest income for the period reached XCG 22.4M, exceeding the prior year's results by XCG 2.1M and largely attributable to growth in Residential Mortgage and recoveries from non–performing facilities that were resolved during the fiscal year.
- Non–interest income for the period totaled XCG 6.7M, falling short of target by XCG 0.4M (6.2%) and the prior year by XCG 1M (12.8%). This year–over–year difference was largely influenced by reversal of excess costs in the prior year.
- Operating expenses for the fiscal year totaled XCG 17.3M, which was above the prior year by XCG 1.4M and above the target by XCG 0.2M. The variance was largely due to a one–time write–off of aged balances as well as increase in staff costs during the year.

Loans Growth / Decline:

- Total Net Loans fell beneath prior year by XCG 1.7M and beneath the target by XCG 25.1M was largely due to significant reduction in the non–performing portfolio as the Bank disposed of some assets.
- Productive loan growth was below target by XCG 35.1M owing to delays in funding some approved corporate deals. However, growth in productive loans was above the prior year by XCG 7.1M.
- The Productive Loans Portfolio, predominantly composed of Mortgages, showcased noteworthy achievements. Mortgages exceeded both the targeted and prior–year performance by XCG 15.6M and XCG 10.8M, respectively. Retail Loans also exceeded both the targeted and prior–year figures by XCG 2.2M and XCG 2.6M respectively.

Deposits:

- Customer Deposits reached XCG 417.0M, marking a decrease of XCG 4.2M compared to the previous year. This variance is primarily attributed to a decrease in Corporate and Commercial deposits.
- In alignment with the Bank's strategic emphasis on deposit growth, there were no significant investment during the period 2024 to 2025.

Key Considerations:

- The Gross Loans to Deposits ratio, stands at 82.5%, which represents an increase from previous year 81.8% and is above the Bank's benchmark of 80.0%. The Bank continues to strategically manage its deposit Growth against the growth productive loan portfolio, in order to improve this position.
- The Gross Loans to Assets ratio stands at 65.9%, when compared to the prior year's position of 67.1%. The ratio remains stable and underscores the Bank's commitment to maintaining a prudent and well–adjusted financial position.
- The Average Return on Equity ratio stands at 6.6%, below prior year position of 7.3%, stemming from a decrease in Net Profit After Tax by XCG 0.1M year–on–year.

Delinquency and Non-Performing Loans (NPLs)

- The delinquency rate stood at 11.3% which were primarily facilities that were less than 30 days past due; this reflected a minor decrease from the previous year's 12.1%. The Bank continues to monitor accounts that are past due 1–60 days very closely with the view to preventing them becoming more than 90 days past due.
- Non–Performing Loans (NPLs) account for 6.7% of the portfolio. This would have been a significant reduction from the prior year's position of 8.9%. This performance underscores the Bank focus on reducing our exposure by disposing non–performing facilities to maintain a healthy and resilient loan portfolio.

3. Ongoing Initiatives

- On September 8, 2025, the Bank launched its Digital Onboarding platform, this product allowed new and existing customers to open three types of electronic accounts in both XCG and USD currency.
- During the fiscal 2025 the Bank would have installed a series on newer model ATM devices. There were five devices that were replaced at strategic locations around the island (Simpson Bay, Cupecoy, Philipsburg and Bush Road). There was another installed at a newly identified location in Maho. The Bank proposed to install another in the new fiscal at Cole Bay.
- On March 31, 2025, the Bank successfully converted its systems and the currency from ANG to XCG. The experience on live day was seamless to our customers with no major issues being reported.
- The Bank commenced the rollout of its new 'Engage' merchant terminals to our customers throughout the island. The terminal proposes to deliver a more efficient way for merchants to process their payments while replacing a near obsolete device.

Growth opportunities for the Bank

- Promising growth prospects persist in Non–Residential Mortgages, Merchant Services penetration, and Commercial Mortgages.
- There is an opportunity to deepen our Credit Card offering by introducing new facilities suited for business customers as well as retail customers seeking other types of reward packages.

Market Share

Republic Bank (St. Maarten) N.V. market share for loans was 17.0% and deposits 14.0% as at August 2025. There are six major banks that currently operate in the territory. The Bank continues to focus on steady growth in both portfolios.

ACKNOWLEDGEMENTS

I extend my heartfelt gratitude and appreciation to the Chairman and the esteemed Board of Directors of Republic Bank (St. Maarten) N.V. for their unwavering commitment to the expansion of operations in St. Maarten. I would also like to express my sincere thanks to the executive management of Republic Bank (EC) Limited, the dedicated teams at the Philipsburg and Simpson Bay branches, as well as our auditors and regulators. Your collaborative efforts and steadfast support have been instrumental during this year.

As we embark on the journey into 2026, our vision is centered on growth and making a positive impact in the lives of our valued customers and the broader community. Together, we look forward to achieving new milestones and contributing to the well–being of all stakeholders.

Sterl Lyons
General Managing Director

Independent Auditor’s Report on the Financial Highlights

To: The shareholder and management board of Republic Bank (Sint Maarten) N.V.

Opinion
The accompanying financial highlights, which comprise the balance sheet as at 30 September 2025 and income statement for the year then ended and related notes, are derived from the audited financial statements of Republic Bank (Sint Maarten) N.V. (“the Bank”) for the year ended 30 September 2025.

In our opinion, the accompanying financial highlights are consistent, in all material respects, with the audited financial statements of the Bank, in accordance with the Provisions for the Disclosure of Consolidated Financial Highlights of Domestic Banking Institutions, as set by the Centrale Bank of Curaçao and Sint Maarten (“CBCS”).

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

The audited financial statements and our auditor’s report thereon
We expressed an unmodified audit opinion on the audited financial statements 2025 of the Bank in our auditor’s report dated 19 November 2025.

Other information
Management is responsible for the other information. The other information consists of the Managing Director’s Report but does not include the financial highlights and our auditor’s report thereon. Our opinion on the financial highlights 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 highlights, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial highlights or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 for the financial highlights
Management is responsible for the preparation of the accompanying financial highlights in accordance with the Provisions for the Disclosure of Consolidated Financial Highlights of Domestic Banking Institutions, as set by the CBCS.

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

Curaçao, 5 February 2026

EY
Shape the future
with confidence
for Ernst & Young Accountants

signed by drs. R.J.W. van Nimwegen RA

Republic Bank (St. Maarten) N.V.

FINANCIAL HIGHLIGHTS
September 30, 2025

STATEMENT OF FINANCIAL POSITION

As at September 30, 2025
Expressed in thousands of Caribbean Guilder (XCG'000) except where otherwise stated

	2025	2024
ASSETS		
Cash and due from banks	161,674	157,433
Investment securities	7,192	78
Loans and advances to customers	334,528	336,193
Premises and equipment	13,049	9,019
Deferred tax assets	1,539	1,213
Other assets	3,700	9,057
TOTAL ASSETS	**521,682**	**512,993**
LIABILITIES		
Customer deposits	417,047	421,197
Due to other banks	31,828	24,277
Profit tax payable	2,330	3,914
Deferred tax liabilities	1,081	1,081
Other liabilities	11,257	8,074
TOTAL LIABILITIES	**463,543**	**458,543**
EQUITY		
Stated capital	34,685	34,685
Additional paid up capital	1,115	1,115
Other reserves	6,801	2,056
Retained earnings	15,538	16,594
TOTAL EQUITY	**58,139**	**54,450**
TOTAL LIABILITIES AND EQUITY	**521,682**	**512,993**

These financial statements were approved by the Board of Directors on November 18, 2025 and signed on its behalf by:

Karen Yip Chuck, Chairman

Whitfield Vlaun, Managing Director

Sterl Lyons, General Managing Director

Henri-Jacques Mangal, Corporate Secretary

STATEMENT OF INCOME

For the year ended September 30, 2025
Expressed in thousands of Caribbean Guilder (XCG'000) except where otherwise stated

	2025	2024
Interest income	22,376	20,319
Interest expense	5,509	3,515
Net interest income	16,867	16,804
Fees and commission income	7,033	5,881
Fees and commission expense	2,666	2,007
Net Fees and commission	4,367	3,874
Net trading income	1,209	1,596
Other operating income	1,160	2,253
Operating income	23,603	24,527
Salaries and other employee expenses	5,314	4,710
Occupancy expenses	1,563	1,124
Net impairment losses on loans and advances	1,098	2,439
Net impairment losses on investments securities	5	–
Other operating expenses	10,389	10,080
Operating expenses	18,369	18,353
Net result before tax	5,234	6,174
Profit tax expense	1,545	2,382
Net results after tax	3,689	3,792

EXPLANATORY NOTES TO THE FINANCIAL HIGHLIGHTS OF REPUBLIC BANK (ST. MAARTEN) N.V.

For the year ended September 30, 2025
Expressed in thousands of Caribbean Guilder (XCG'000) except where otherwise stated

A. Accounting policies

1. General

The principal accounting policies adopted in the preparation of the financial highlights of Republic Bank (St. Maarten) N.V. (the 'Bank') are set out below. These explanatory notes are an extract of the detailed notes included in the financial statements and are consistent in all material respects with those from which they have been derived.

2. Basis of preparation

These financial highlights have been prepared on the criteria established by the Provisions for the Disclosure of Financial Highlights of Domestic Banking Institutions, as set out by the Centrale Bank of Curaçao and Sint Maarten. The financial statements, from which these financial highlights have been derived, are prepared in accordance with International Financial Reporting Standards ('IFRS'). The figures presented in these financial highlights are stated in thousands of Caribbean Guilders ('XCG') and are rounded to the nearest thousand. The accounting policies used have been consistently applied and are consistent, in all material respects, with those used in previous year. The financial statements are prepared under the historical cost convention, except for financial assets at fair value through profit or loss ('FVTPL').

3. Classification and measurement of financial instruments

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

The Bank classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms, measured at either:

- Amortised cost or
- FVPL

Financial liabilities, other than loan commitments and financial guarantees are measured at amortised cost

Financial assets at amortised cost:

The Bank only measures financial assets at amortised cost if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding and
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Solely payments of principal and interest (the 'SPPI test')

The Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL or fair value through other comprehensive income (FVOCI) without recycling.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not assessed on an instrument–by–instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

Financial assets at fair value through profit or loss:

Financial assets in this category are those that are designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management may designate an instrument at FVPL upon initial recognition. The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis.

EXPLANATORY NOTES TO THE FINANCIAL HIGHLIGHTS OF REPUBLIC BANK (ST. MAARTEN) N.V. (continued)

Financial assets at FVPL are recorded at fair value. Interest earned or incurred on instruments designated at FVPL is accrued in interest income, using the effective interest rate (EIR), taking into account any discount/premium and qualifying transaction costs being an integral part of instrument. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other income when the right to the payment has been established.

4. Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions
The Bank derecognises a financial asset, such as a loan to a customer, to facilitate changes to the original loan agreement or arrangement due to weaknesses in the borrower's financial position and/or non–repayment of the debt as arranged and terms and conditions have been restructured to the extent that, substantially, it becomes a new loan, with the difference recognised as an impairment loss. The newly recognised loans are classified as Stage 2 for ECL measurement purposes.

Derecognition other than for substantial modification

Financial assets
A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

5. Impairment of financial assets

Overview of the expected credit loss ('ECL') principles
The Bank records an allowance for ECL for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The Bank uses the general probability of default approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the size and nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank classifies its loans and investments into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1
When financial assets are first recognised and continue to perform in accordance with the contractual terms and conditions after initial recognition, the Bank recognises an allowance based on 12mECLs. Stage 1 financial assets also include facilities where the credit risk has improved and the financial asset has been reclassified from Stage 2.

Stage 2
When financial assets have shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 financial assets also include facilities where the credit risk has improved and the financial asset has been reclassified from Stage 3.

Stage 3
Financial assets considered credit–impaired. The Bank records an allowance for the LTECLs.

The calculation of ECLs
The Bank calculates ECLs based on the historical measure of cash shortfalls, discounted at the instrument's coupon rate. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

PD – The Probability of Default is an estimate of the likelihood of default over a given period of time. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD – The Exposure at Default 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.

LGD – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information
The Bank integrates forward–looking indicators (FLIs) and macroeconomic factors into its ECL calculations to estimate potential future credit risks. Key FLIs include interest rates, inflation trends, unemployment rates, and industry–specific forecasts, which help assess the probability of default for financial assets. Broader macroeconomic factors such as GDP growth, current account balance, fiscal deficit and foreign exchange reserves are also considered. The Bank uses scenario analysis and probability–weighted outcomes, best to worst case, to model different economic conditions, ensuring more accurate and robust ECL estimates.

B. Specification of accounts

	2025 XCG	2024 XCG
I. ASSETS		
Investment securities		
Debt securities at amortised cost	5,352	–
Financial assets at fair value through profit or loss	78	78
Total investment securities	5,430	78
Less allowance for expected credit loss	5	–
Net investment securities	5,425	78
Loans and advances to customers		
Retail customers	224,295	208,662
Corporate customers	119,580	135,695
Total Loans and advances to customers	343,875	344,357
Accrued interest receivable on loans and advances	1,680	1,581
Less allowances for expected credit loss	9,836	8,791
Less unearned loan origination fees	1,191	954
Net loans and advances to customers	**334,528**	**336,193**
II. LIABILITIES		
Customer deposits		
Retail customers	191,827	194,282
Corporate customers	225,220	226,915
TOTAL CUSTOMER DEPOSITS	**417,047**	**421,197**