

**ANNUAL
REPORT**

2024

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"**Complexity** lies at the intersection of unpredictable human variables and predictable operational structures."



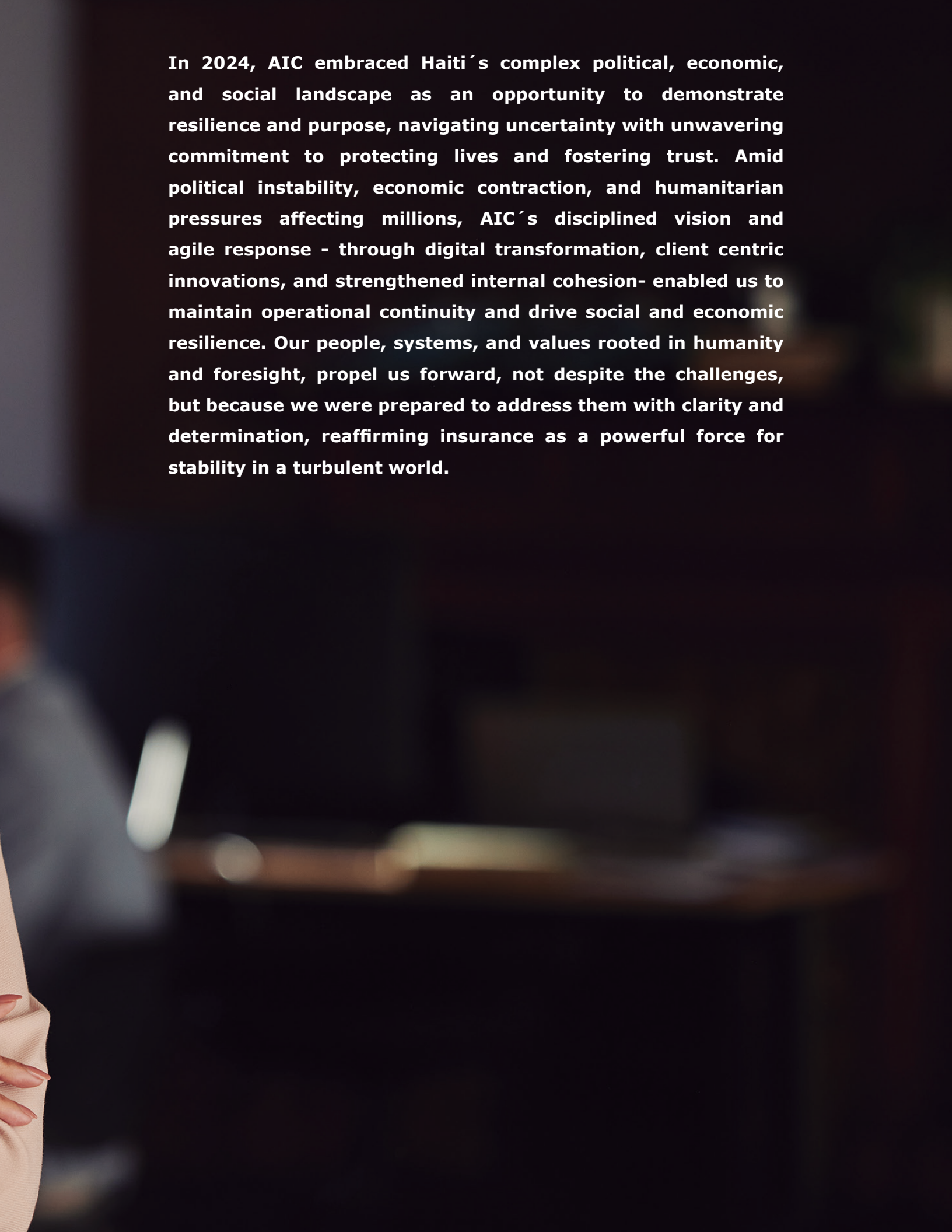
Olivier Barrau

Chairman and CEO

AIC- Alternative Insurance Company







In 2024, AIC embraced Haiti's complex political, economic, and social landscape as an opportunity to demonstrate resilience and purpose, navigating uncertainty with unwavering commitment to protecting lives and fostering trust. Amid political instability, economic contraction, and humanitarian pressures affecting millions, AIC's disciplined vision and agile response - through digital transformation, client centric innovations, and strengthened internal cohesion- enabled us to maintain operational continuity and drive social and economic resilience. Our people, systems, and values rooted in humanity and foresight, propel us forward, not despite the challenges, but because we were prepared to address them with clarity and determination, reaffirming insurance as a powerful force for stability in a turbulent world.



Chairman and CEO Message

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At AIC, we have always believed that our strength lies not only in our financial stability but in our unwavering commitment to people - our clients, our collaborators, and the communities we serve. 2024 was a year marked by extraordinary challenges, yet it was also a year where we demonstrated resilience, adaptability, and an unyielding sense of purpose.

In an environment where normality is the exception, we stood firm in maintaining key coverages such as riots, strike, civil commotion, and terrorism. These coverages, essential to our clients in a volatile context like Haiti, are a testament to the trust we have built with our reinsurance partners. Transparency, data mining and sharing, and strong governance remain the cornerstones of these partnerships.

Our greatest achievement has been our capacity to navigate this complexity while remaining financially stable. Thanks to prudent decisions in previous years, we leveraged our strong reserves to manage a year of increased claims pressure without compromising profitability. While many businesses struggled to survive, AIC stood firm, proving that resilience and foresight are key to long-term stability and positive results in challenging years.

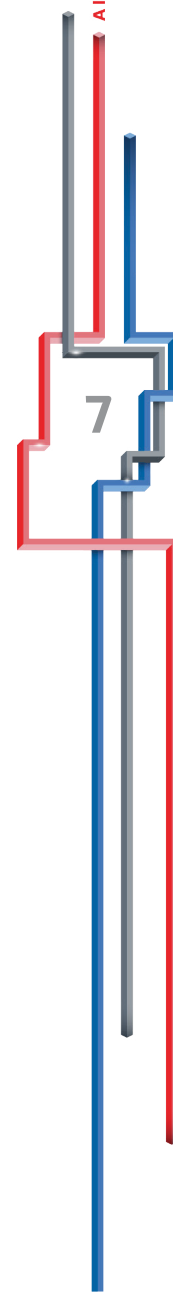
Amidst the turmoil, we also underwent significant transformation in our work model; the exodus of key talent due to security concerns forced us to adapt to a hybrid model. This shift was not without its challenges -operational risks and cultural dissonance tested our unity. Yet, our team remained steadfast, driven by a shared responsibility to each other and to our clients. At AIC, we are more than a company; we are a family committed to serving, regardless of the circumstances.

As we look ahead, our vision is clear. The complexity we face is not just operational -it is human, cultural, and institutional. In a country where insurance regulations are lacking, we choose to operate as if we were fully regulated, not because we must, but because we owe it to those who trust us. Our commitment to transparency is unwavering. For the past 15 years, we have published our financial results as a gesture of accountability to our clients and partners.


Looking forward, we see digital transformation as both a necessity and a challenge. In Haiti, where human connection is deeply valued, the balance between technological efficiency and human warmth is delicate. We are investing in tools that foster accessibility while preserving the trust and proximity that define our clients' relationships.



Alternative Insurance Company





A hand holding a telescope against a sunset background. The hand is in the foreground, holding the telescope horizontally. The background is a soft, warm sunset with a blurred landscape in the distance.

Insurance, we believe, plays a pivotal role in national development. Our collaboration with the World Food Programme to provide crop insurance to 10,000 smallholder farmers is just one example of how we aim to build resilience against climate change and promote food security in Haiti. We will continue to seek opportunities to extend our impact, especially in underserved sectors.

To all those who stand with us -collaborators, clients, partners, and reinsurers- thank you. Our path forward is clear: put humans at the centre, to provide better quality of life. By working together, we can build a more resilient, inclusive, and opportunity-filled future for Haiti and beyond.

Olivier Barrau

Chairman and CEO

AIC- Alternative Insurance Company





Olivier Barrau
Chairman and CEO



Nastazia Dodard
First Vice President,
Member Representative
of Tripod Financial Group S.A.

BOARD OF



Emile Pantaléon
Secretary



Laurent Saint-Cyr
Member



Jacques Villejoint
Member



Jean-Philippe Dufort
Second Vice President



Raoul Turnier
Treasurer

DIRECTORS



Alternative Insurance Company

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Andrés Millán
Member Representative of
Reaseguradora Patria S.A.



Julie Kennedy
Member



Alexandra Brun
Legal Advisor



Analysis of the Economic and Financial Situation in 2024

by Kesner Pharel

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The significant deterioration in the political situation during 2024 greatly affected economic development, resulting in the sharpest contraction in gross domestic product (GDP) in the last six years. Violent incidents caused by gangs in February 2024 prevented former Prime Minister Ariel Henry from returning to the country after an official visit to Africa. This was followed by a halt in international flights arriving at the country's main airport and difficulties in accessing the main international port, resulting in a marked slowdown in economic activity. In fact, for the sixth consecutive year, GDP contracted by more than 4%. The "2024 Economic Accounts" showed negative developments in all sectors, with a substantial drop of nearly 6% in the primary sector, which contributes to the domestic food supply. The secondary and tertiary sectors posted declines of 4.6% and 3.9%, respectively.



The continued decline in the supply of goods and services contributed to sustained inflationary pressures in the Haitian economy during the 2023-2024 fiscal year, negatively impacting the already weak purchasing power of most families. Multiple job losses and high prices for goods and services exacerbated poverty and extreme poverty in communities. In fact, the poverty rate approached 70% while the extreme poverty rate exceeded 30%, which explains why more than half of the Haitian population has become food insecure.

The shocks to the Haitian economy have generated significant fiscal and trade imbalances during the 2023-2024 fiscal year. Despite a sharp decline in public spending, the budget deficit increased with the considerable decline in government revenues, causing a weakening of the tax burden. The trade deficit, meanwhile, increased due to a more pronounced decline in exports coupled with a drop in imports.

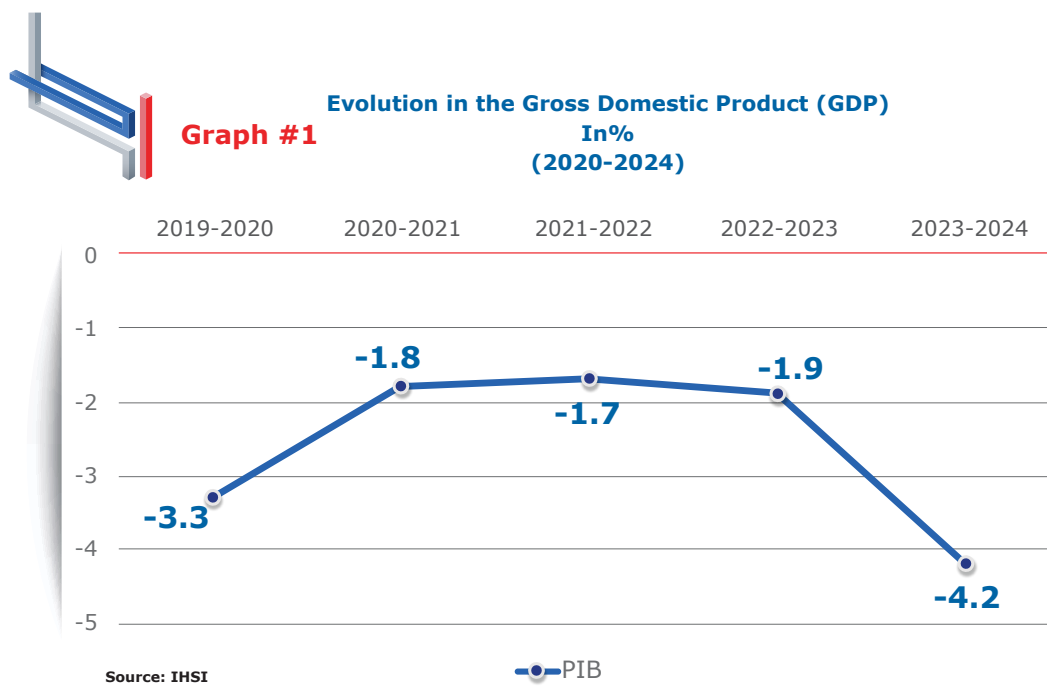
Free fall in GDP over the last six years

GDP has reached its lowest level in six years, following the severe shocks suffered by the economy in the context of Prime Minister Ariel Henry's forced departure (graph #1). For more than two months, economic activity slowed significantly as land, maritime, and air supply chains were blocked. For the second consecutive fiscal year, the primary sector, including "agriculture, forestry, and fishing," recorded a 5.7% decline, falling to around 90 billion gourdes. It should be noted that the primary sector was worth around 110 billion gourdes in the 2019-20 fiscal year. This sector, which currently accounts for less than 20% of GDP, is affected not only by the decline in production but also by the inability of agricultural entrepreneurs to access local and international markets to deliver their products.

Brutal gang violence has significantly affected the secondary sector, which includes "manufacturing" and "construction," fell by 4.6%, from 137.2 billion to close to 130 billion gourdes. The increasing control of territories in the Port-au-Prince metropolitan area by armed groups has severely affected the "construction" sub-sector, discouraging real estate lending.



As for the tertiary sector, the most important sector in the Haitian economy accounting for 58% of GDP, it has not been spared the violent shocks caused by attacks by gangs seeking new territories. Although it posted a smaller decline than the other two sectors, at 3.9%, the tertiary sector fell below 305 billion gourdes, compared to a level of nearly 340 billion in the 2019-2020 fiscal year.

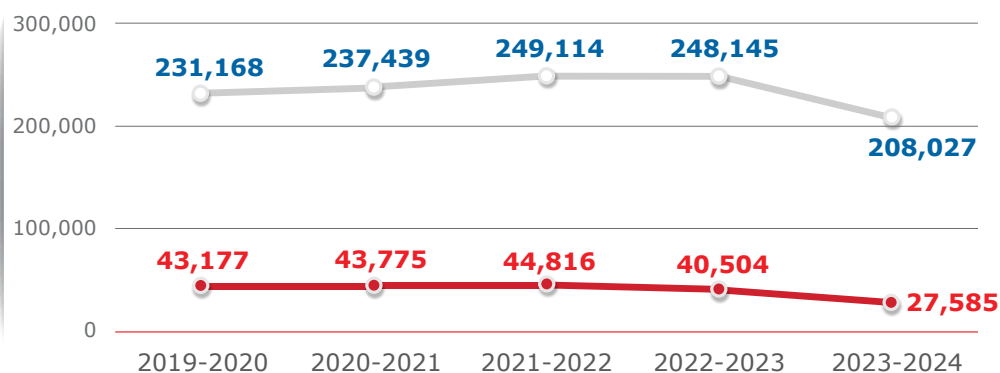


The multiple shocks suffered by the Haitian economy have had a negative impact on the volume and value of exports, with the latter falling by more than 30% to below the 30 billion gourdes mark (see graph #2). Obstacles at various ports and the international airport in the Port-au-Prince metropolitan area contributed to a 16.1% decline in the value of imports, which fell below the 210 billion gourdes mark.

The weakness of exports indicates not only job losses but also a reduction in the supply of foreign currency in the Haitian economy. It is important to note that the reduction in imports contributed to the scarcity of certain essential products and reinforced inflationary pressures.

Graph #2

Evolution of Haitian Import and Exports
(In millions of Gourdes)
(2020-2024)



Source: BRH

—●— Exports —●— Imports

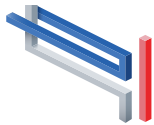
Negative impact of the crisis on public finances

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The shutdown of ports and airports in the Port-au-Prince metropolitan area for over two months had a very negative impact on Haitian government revenues. In fact, they fell below the 100 billion gourdes mark during the 2023-24 fiscal year, reaching 95.5 billion gourdes compared to 173.6 billion gourdes in the previous fiscal year, representing a contraction of more than 45% (graph #3).

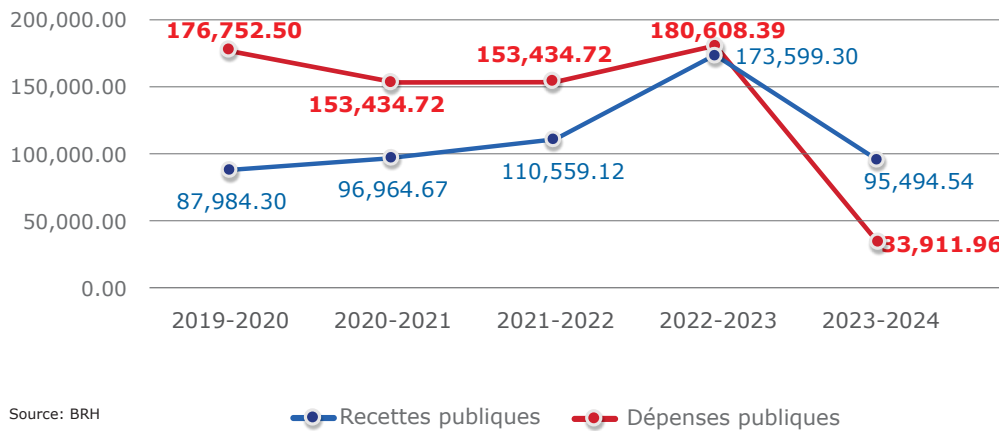
The decline was more pronounced on the public expenditure side, with a drop of more than 80%. The latter reached the very low level of 33.9 billion gourdes in fiscal year 2023-24, compared to more than 180 billion gourdes in the previous fiscal year. This decline of more than 80% caused a considerable decrease in public investment, thus jeopardizing a rapid recovery of economic activity after the deep crisis that affected the country.

It is important to note that a rapid assessment by the Government and its technical and financial partners of the damage and losses suffered by security, education, and health infrastructure, as well as road infrastructure, particularly



Graph #3

**Changes in Government Revenue and Expenditures
(In millions of Gourdes)
(2020-2024)**



in the West and Artibonite departments, estimates public financing needs at more than US \$1 billion. The sharp reduction in international financial assistance, due to a certain “fatigue” observed by donors in relation to Haiti, will create pressure on financial authorities to mobilize more local resources in order to meet the country’s financing needs and return to a path of inclusive and sustainable growth.

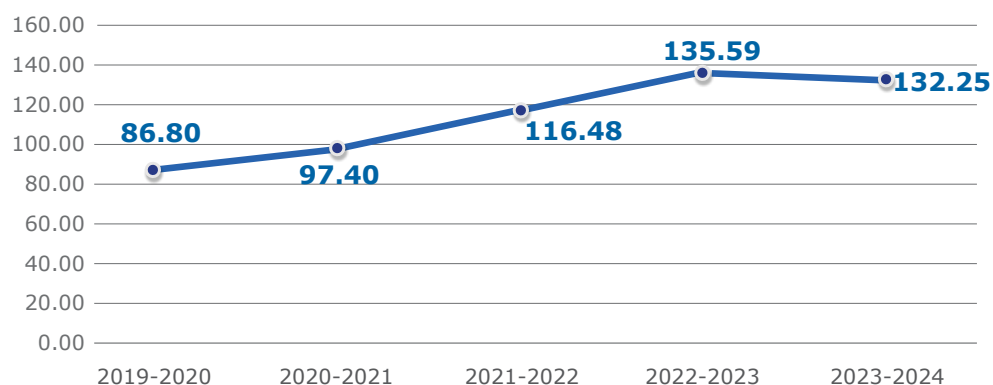
Appreciation of the Haitian gourde against the US dollar

The Haitian gourde appreciated somewhat against the US dollar during the 2023-24 fiscal year when compared to the previous fiscal year, despite the continued budget and trade deficits observed during the period (Graph #4). This 2.5% appreciation is partly the result of the decision of financial authorities not to use monetary financing from the Central Bank to finance the government’s budget deficit. It should be noted that the decline of over 16% in imports caused a drop in demand for international currencies on the local foreign exchange market.



Graph #4

Evolution in the exchange rate of the
Gourde against the US Dollar
In%
(2020-2024)



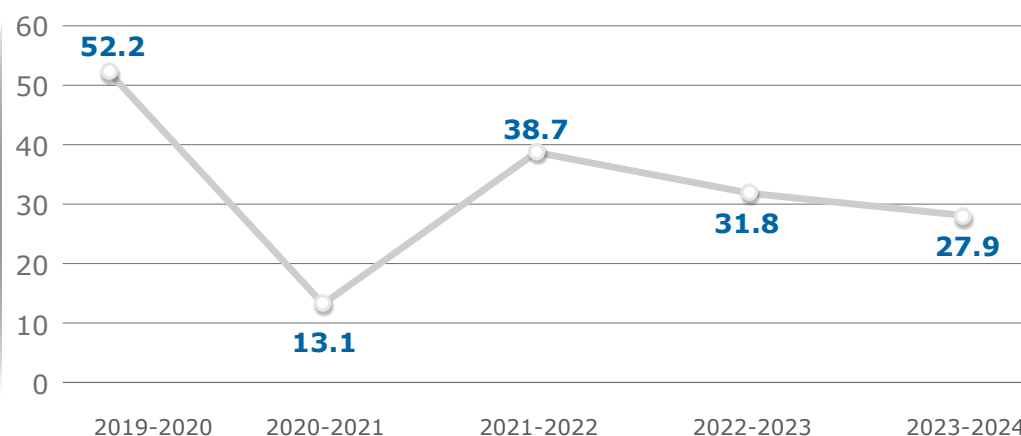
Source: IHSI

Taux de Change

The stability of the exchange rate has prevented local consumers from benefiting from a significant reduction in prices on local markets due to supply chain constraints. Indeed, there has been some slowdown in the rate of inflation in recent years, but it continues to fluctuate between 25% and 30% (graph #5). In addition to the negative impact on consumer purchasing power, inflationary pressures affect the savings of economic agents and the profitability of investments. The restrictive monetary policy adopted by the Central Bank to control inflation is hindering the recovery of bank lending.

Graph #5

Annual Inflation Rate Trend
In%
(2020-2024)



Source: IHSI

Inflation

Outlook

The forecasts made at the beginning of the year by economic and financial authorities in recent years have not materialized, due to the inability of security forces to recover areas controlled by gangs. Less optimistic for the 2024-25 fiscal year, these authorities are forecasting weak growth (less than 1%), but the prolongation of the political crisis with the change of Prime Minister and the ongoing attacks by gangs to acquire new territories do not bode well for a return to economic growth in 2025.

A rapid assessment carried out in 2024 of the multiple damages and losses suffered by the Haitian economy estimates that more than US\$1 billion in funds will be needed to ensure investments. The response from donors has so far been rather timid, leaving the country in a situation of uncertainty. With limited internal resources, the authorities will face serious financial challenges in reviving the economy.

The holding of elections in 2025 is a major source of uncertainty, as security conditions are far from being met for the electoral process to take place. This is likely to create pessimistic expectations among potential investors and thus delay the normal resumption of economic activity.





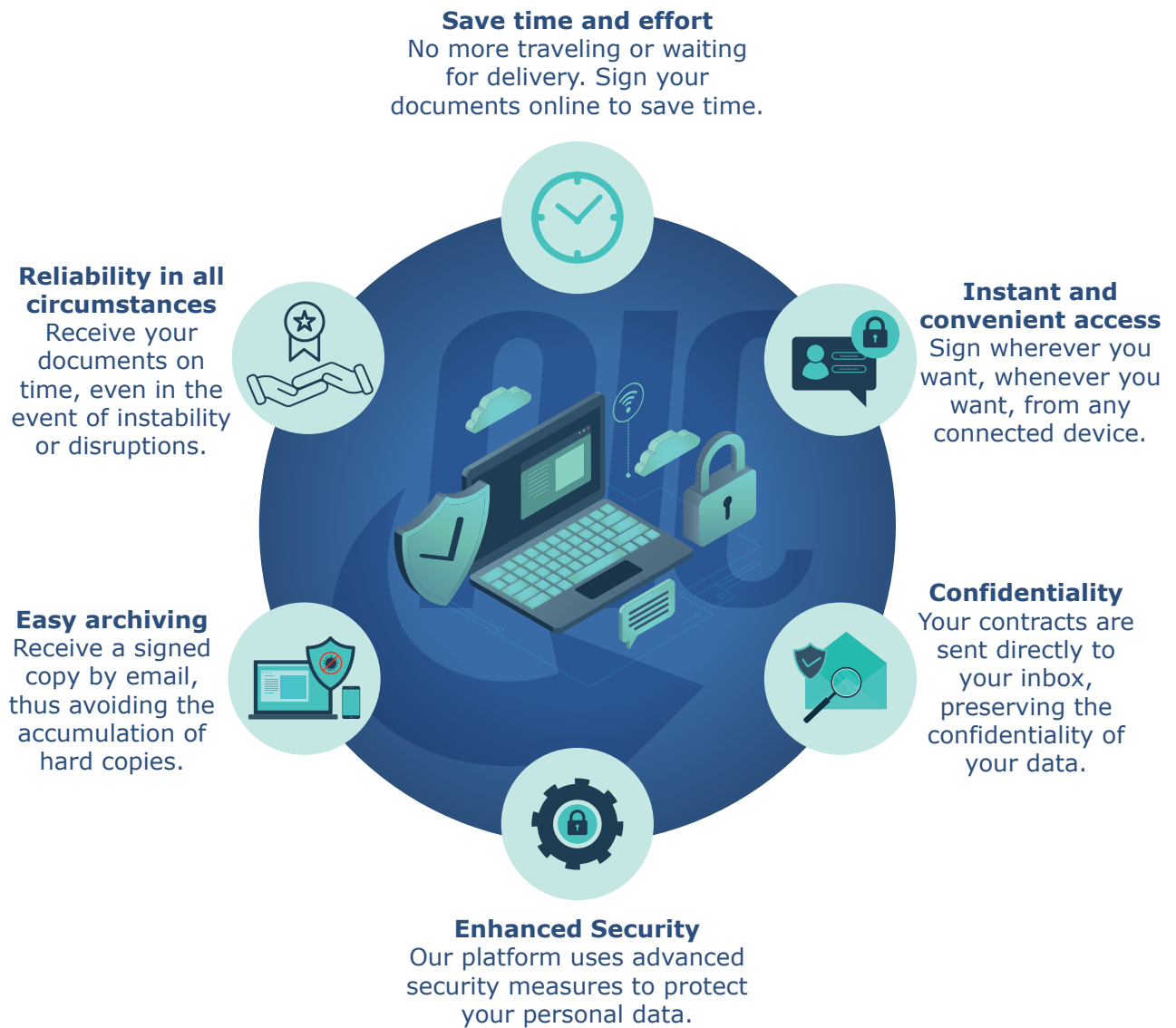
Highlights of the year

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One Click That Changes Everything: Implementing Electronic Signatures

As part of our commitment to innovating for our customers and simplifying access to our services, in 2023 we launched electronic signatures via a secure platform. Compliant with current Haitian legislation (law published in the Moniteur, Special Issue 12), this solution allows our policyholders to sign their documents remotely in complete security. Thanks to a two-factor authentication protocol, we guarantee the identity of the signatory, their explicit consent, and the integrity of the signed document. This new tool reduces processing times, limits travel, and facilitates archiving, all while ensuring the confidentiality of personal data. A concrete step toward a more fluid, modern, and resilient customer experience, even in times of instability.

Advantages of electronic signature





The Digital Transformation of Our IT System: **A Key Asset**

In a national context marked by political and economic instability and physical insecurity, resilience and business continuity have become imperatives for any responsible company. For AIC, our strategic response to these challenges has been centered on a decisive digital transformation: the complete modernization of our technological environment.

An agile system at the heart of our transformation

The establishment of a modern and centralized cloud-computing infrastructure has enabled us to become more flexible and efficient. Today, our digital environment gives us the ability to deploy, adapt, or restore our services in real time, remotely and securely.

This operational agility has proven essential in dealing with critical situations: public service interruptions, mobility restrictions, or tensions related to localized instability. Our teams, whether on-site or remote, can access all the tools and resources they need to continue serving our customers—anywhere and anytime.



This transformation has not been limited to technical improvements. It has strengthened the trust of our customers, partners, and investors. In an uncertain environment, a company's ability to maintain service continuity becomes a strong indicator of stability and long-term vision.

Our digital ecosystem, now entirely based on flexible and centralized infrastructure, demonstrates our commitment to investing in sustainable, secure, and scalable solutions.

As our CEO, Olivier Barrau, points out:

"More importantly, we are all learning that a culture of prevention makes us stronger in a risk-prone environment."

This preventive approach has guided our digital transformation: anticipating threats, protecting our activities, and building a technological foundation capable of dealing with any unforeseen events.

A concrete response to systemic risks

Beyond efficiency gains, our IT system now offers us proactive risk management. Hosted in a fully virtual, flexible and secure environment, our technological core benefits from redundancy, automated backups, and proven business continuity plans, ensuring the protection of our data and that of our policyholders.

This digital shift positions us today as a modern, forward-thinking and committed player in the insurance sector. It reflects our desire to remain close to our customers, whatever the circumstances, while offering investors a solid, responsive and forward-looking organization.



Maintaining Cohesion and Boosting Motivation

In 2023-2024, despite the particularly difficult context facing the country, we succeeded in strengthening our corporate culture by relaunching the Social Committee, now composed of nine committed members.

This committee has led several initiatives aimed at promoting cohesion within teams, particularly in a context of numerous new recruits. These actions have helped maintain a positive working environment, boost motivation, and strengthen the collective energy essential to our mission.







Audit Letter

In our opinion, the consolidated balance sheets and income statements present fairly, in all material respects, the financial position and results of operations of Alternative Insurance Company S.A. at 30th September 2024. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Joseph PAILLANT

FCPAH BucoFisc



Financial Reports

Profit and Loss Statement

In 2024, gross written premiums declined by 8.43% compared to the previous year. Despite this, net profit increased by 3.3%, reflecting disciplined cost management and prudent reserving. Civil unrest significantly impacted claims activity, leading to an unusually high combined ratio, though our existing reserves helped absorb much of the impact.

Income Statement

In thousands of gourdes

2024**2023**

Gross written premiums	2,322,962	2,536,856
Net written premiums	1,344,500	1,515,643
Claim for losses	(908,488)	(782,602)
Gross margin	436,012	733,041
Gross profit after other income and exp.	224,864	240,832
Taxes	(50,696)	(72,249)
Net Profit	174,168	168,582

Balance Sheet

Total assets rose by 10% in 2024, largely driven by expected recoveries from reinsurance. Liabilities increased by 8%, reflecting both the utilization of reserves to cover unrest-related claims and a strengthening of claims reserves. The company remains in a solid financial position with continued balance sheet resilience.

Balance Sheet

In thousands of gourdes



Alternative Insurance Company

Assets

Cash

Total short term assets

Total long term assets

Other assets

Total assets

Liabilities

Technical reserves

Other short term liabilities

Total long term liabilities

Total Liabilities

Owners equity

Total Liabilities and owners equity

2024

363,926

1,779,432

3,628,021

187

5,771,566

1,934,027

1,205,614

846,901

3,986,542

1,785,024

5,771,566

2023

422,976

1,398,182

3,418,808

187

5,240,154

1,362,048

1,205,513

1,119,954

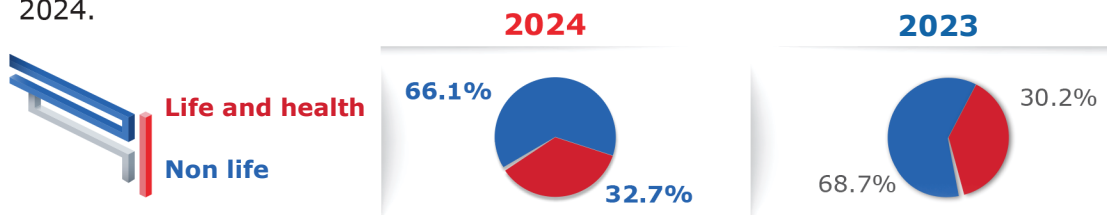
3,687,514

1,552,640

5,240,154

Portfolio composition :

Our non-life products represent 66% of our total portfolio for the fiscal year 2024.



Despite an environment marked by exceptional claims activity, profitability remained solid, with a ROA of 3% and a ROE of 10%, representing a slight decline compared to 2023.

We have paid 100% of eligible claims, in line with our commitment to our policyholders.

	2024	2023
% Claims Paid	100%	100%
ROAA	3%	4%
ROAE	10%	11%

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Social Indicators

Breakdown of insured persons by premium level, gender, and age

The percentage of policyholders with a monthly premium of USD 10 or less is 50%. This group consists of 43% women and 57% men. 63% of these women are under 60 years of age and 37% are 60 years of age or older. 73% of these men are under 60 years of age and 27% are 60 years of age or older.

Breakdown of insured persons by gender and age

Across the entire personal insurance portfolio, 38% are women and 62% are men. 71% of these women are under 60 and 29% are 60 or older. Meanwhile, 78% of these men are under 60 and 22% are 60 or older.

Breakdown of insured persons by product type and gender

- Health insurance accounts for 79% of the portfolio: 33% of policyholders are women and 67% are men.
- Funeral insurance accounts for 18% of the portfolio: 60% of policyholders are women and 40% are men.
- Term life insurance accounts for 1% of the portfolio: 40% of policyholders are women and 60% are men.
- Universal life insurance accounts for 1% of the portfolio: 34% of policyholders are women and 66% are men.

Health insurance

- Total number of policyholders and dependents: 60,640
- Percentage of insured individuals (single): 42%
- Proportion of insured individuals with families: 57%
- Percentage of insured individuals with exactly one dependent: 1%
- Average number of dependents per family: 1.9

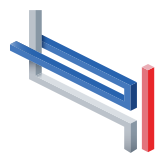


Chart 1: Breakdown of insured persons by age and gender

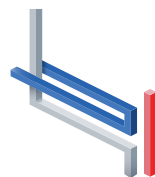
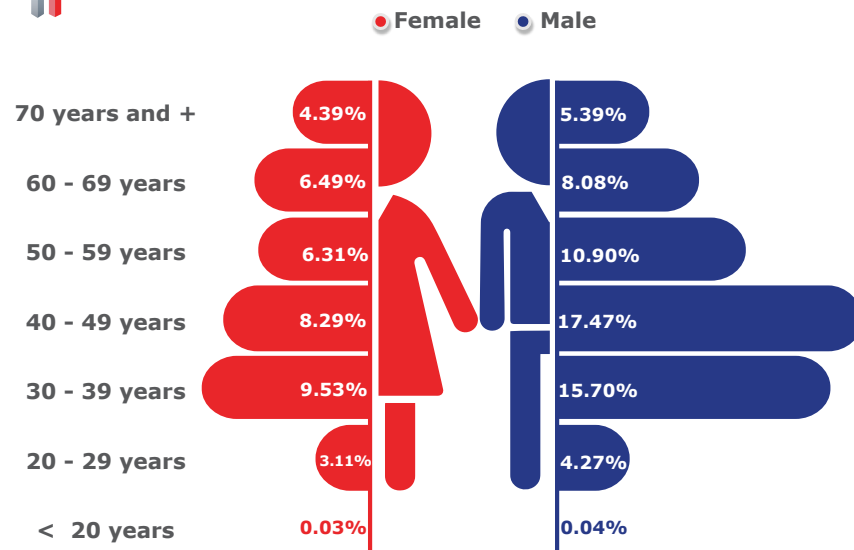
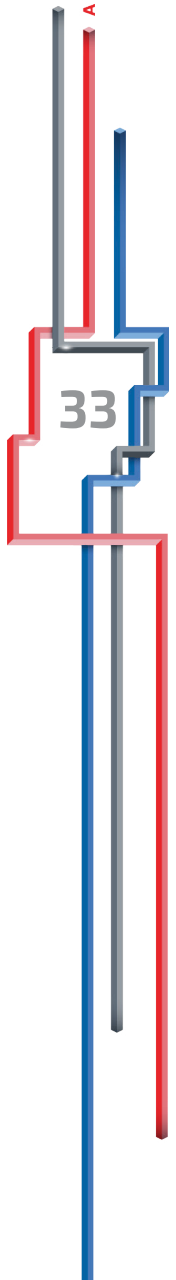
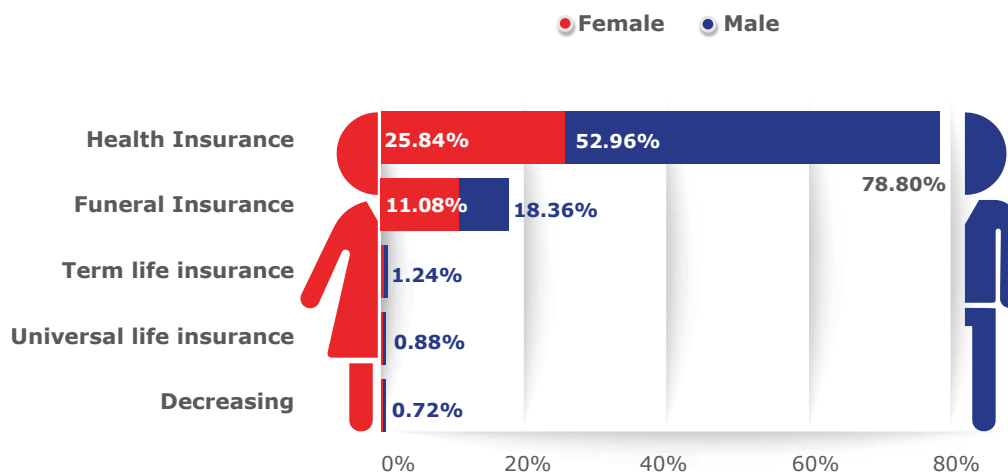


Chart 2: Breakdown of insured persons by product type and gender





AIC-WFP Indexed Agricultural Insurance



Alternative Insurance Company

The 2023–2024 fiscal year was marked by a deep economic and social crisis, with GDP contracting for the fifth consecutive year, a critical humanitarian situation, and political instability. The country experienced a wave of violence, fueled by armed gangs, which led to the departure of Prime Minister Ariel Henry and has since resulted in the suspension of international flights at the Port-au-Prince International Airport.

It was against a national backdrop of declining domestic production and rising food insecurity that the WFP decided to boost agricultural production in the Greater South of the country by purchasing food directly from farmers' associations in the Grande Anse, South, and Nippes departments. However, in the event of bad weather or drought, farmers lose their crops, are unable to supply products to the WFP, and are also decapitalized to the point that some abandon their land.

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To mitigate this risk, the WFP partnered with AIC to offer farmers index-based agricultural insurance. What is index-based agricultural insurance? It is an agricultural insurance product based on the history of the last 10 years of losses recorded in the field due to flooding and drought. Depending on the amount of rainfall recorded in the commune by the nearest satellites, too much rain or too little rain—AIC will compensate all farmers in the commune in proportion to the severity of the risk.

As Emile Pantaléon, Executive Director, Personal Insurance Operations at AIC, explains:

"The sustainable development of Haiti's agricultural sector depends on strengthening the capacity of farmers and private investors to anticipate and manage climate-related risks. Agricultural insurance offers a vital pathway to securing national production, thereby helping to reduce food insecurity and effectively feed the Haitian population."



Similarly, Isabelle Delpêche, Insurance Specialist and Activity Manager at WFP, emphasizes:

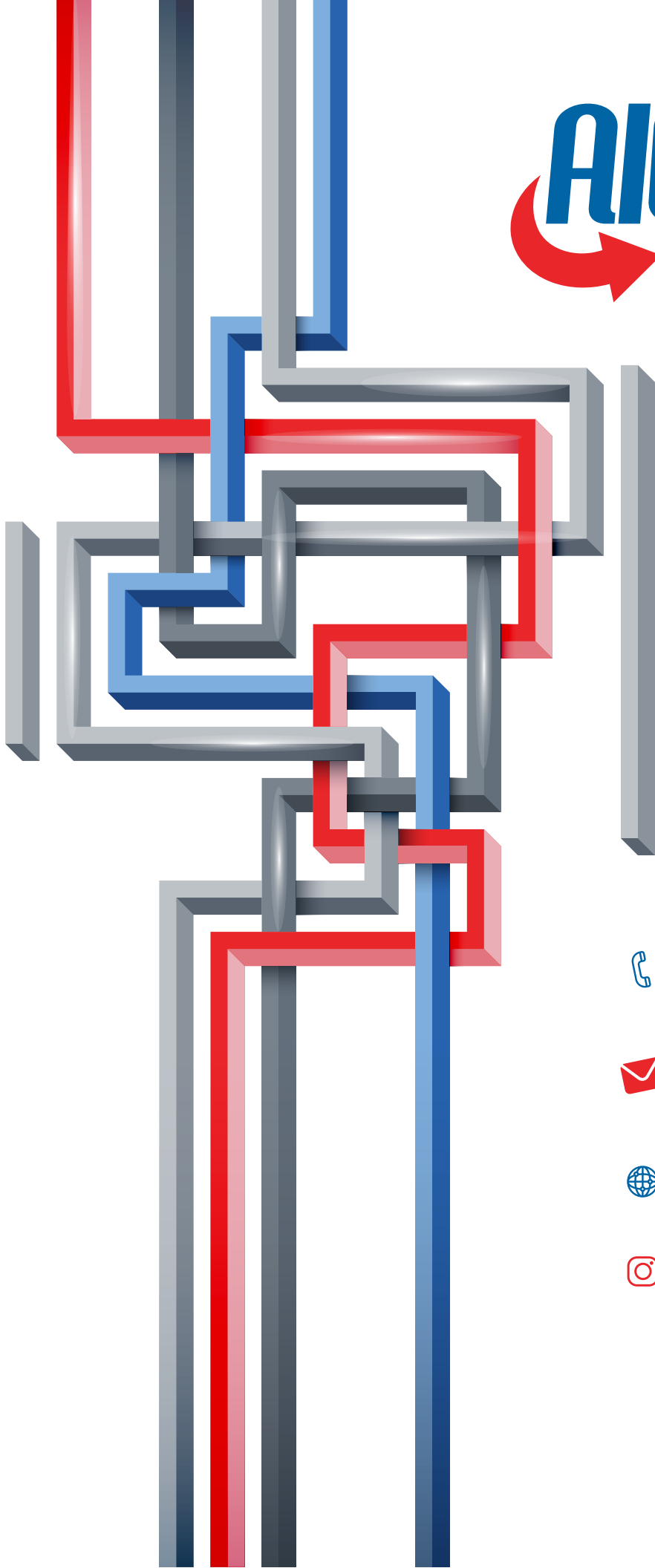
"Building resilience within communities is never without its challenges, yet the journey toward strengthening the agricultural sector is profoundly enriching. Agricultural insurance stands as a vital and dynamic piece of Haiti's resilience mosaic—empowering farming households that are often left vulnerable in the wake of climate shocks and natural disasters. Its availability reflects a growing commitment to innovative and inclusive approaches to risk mitigation, offering communities access to well-designed financial tools and protective structures that foster long-term stability and self-reliance."

Thus, during the 2023–2024 period, we insured 9,597 farmers in the South, broken down as follows: 3,895 farmers in the Grande Anse; 1,050 in the South; 3,452 farmers in the Nippes; and 1,200 households in Pestel and Bonbon. We compensated the farmers after each episode of bad weather—in November and December 2023 and again in April and May 2024. This represented a total amount of USD 387,098 or HTG 49,965,174.









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