



ANKER

Summary

Annual Report 2017

Anker Verzekeringen n.v.

PERSONAL DETAILS

SUPERVISORY BOARD

Mr. A. Engelsman (chairman)
Mr. G. X. Hollaar
Mr. M.J.M. Steenkamp




EXECUTIVE BOARD

Mr. B.J. Posthumus
Mr. S. Zijlstra

ACCOUNTANT

BDO Audit & Assurance B.V.
Mr. W.J.P. Hoeve RA

LABELS/ACTIVITIES

-  Anker Crew Insurance
-  Anker Verzuim
-  Anker Rechtsbijstand

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Anker Verzekeringen n.v.

Summary Annual Report 2017

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Summary Annual Report 2017

Management report

Foreword

Anker looks back with satisfaction on 2017. We succeed in maintaining and expanding step-by-step our market position by permanently staying focussed on specific target groups and niche insurances. Anker's positioning is becoming ever more clear and strong. Not only in the Netherlands, but also in the rest of Europe and gradually in Asia. Just like in the previous three years, Anker has succeeded in its 110th year in business in achieving a strong positive financial result.

Context

In 2017, economic growth peaked. Unfortunately, this growth fell short within our largest customer group (the maritime employers). Nevertheless, Anker has been able to maintain its premium volume within this customer group and to expand some subsegments. The premium volume of the niche insurance Rechtsbijstand (Legal Expenses Insurance) shows stability and even a slight growth in some parts.

The insurance sector is characterized by a movement where on the one hand there are signs of scale and amalgamation and where on the other hand a specialist area in specific or niche products and markets arises. In this regard Anker expressly chooses to serve specific target groups and to provide niche insurances.

Direction

Anker focusses on serving target groups and providing for niche insurances, whereby its main activities fall under the scope of the labels "Anker Crew Insurance" and "Anker Rechtsbijstand" (Anker Legal Expenses Insurance). Additional activities include the niche insurance 'Bedrijfszorg' (QHSE management) and the target group insurance 'Travel insurance for students', which is in the making.

In the coming years our insurance solutions will be expanded further and be made more professional. Where possible, these solutions will be developed further into overall solutions in which also additional and support services will be included. The integration of IT applications will expressly constitute part of this further development.

Proceeding on the basis of its focus on specific target groups and niche insurances, Anker's distinctive character as a solution-oriented, no-nonsense insurer must come to the fore (more) emphatically. An insurer which in cooperation and in conjunction arrives at insurance solutions and is respected and recognized as a flexible, cooperation-oriented and long-term partner.

2017

Anker has had a busy year. For instance, much attention has been devoted towards optimizing the provision of services: both process-based and on the 'human side'. Anker has worked vigorously and emphatically on intensifying the relations with customers, cooperation partners and potentials. In the Netherlands and abroad. In 2017, the renewed Anker Crew Insurance website (www.ankercrew.com) was completed. In 2018, the completion of the (renewed) website of Anker Rechtsbijstand (Legal Expenses Insurance) and Anker Insurance (corporate) will follow. In addition, the first steps have been taken in a further optimization of the IT infrastructure. The embodiment of (changing) laws and regulations constantly requires a considerable investment of time and energy.

An important step to arrive at comprehensive solutions has been taken by the acquisition of Seacrew: crew management software (www.seacrew.com). It is Anker's intention to accomplish an alignment of or integration with crew registration systems, which will in due course enable an improvement in efficiency and convenience resulting in considerable savings in time and money for maritime employers.

Looking ahead

Anker intends to continue and steadily expand its market share from a recognizable, independent and strong position. In order to achieve this, Anker will continue to pursue the same course as described.

To attain this goal it is necessary to be able to fall back on a compact, flexible and customer and cooperation-oriented organisation. An organisation where human contact is the key element. Contact with customers, colleagues and partners.

Anker has a long history of intensive cooperation with various market players, In the Netherlands and abroad. Such as (maritime) organisations, authorized parties, insurers, brokers, specialized service providers etc. This intensive cooperation form an important component part of Anker's existence. In the coming years Anker will expand and intensify this cooperation.

We are and remain engaged in talks with our customers, potentials and cooperation partners. As regards 2018 we expect to achieve a stable result based on a sound solvency position. In this connection it is important to expand and further develop the starting position in which we have invested much work in the past years.

We would like to thank our customers and partners for their trust in Anker. And we wish to thank our colleagues in Groningen and Amsterdam, the Works Council and the Supervisory Board for their dedication, and their pleasant and constructive cooperation.

Bert Posthumus and Sjoerd Zijlstra

Annual report

Turnover and result

The total turnover of Anker Verzekeringen n.v. amounted to € 14,029,000 in 2017. In 2016 this total turnover amounted to € 14,218,000. In 2017, Anker had a slight decrease in premium of the total premium volume from 2016, which can be traced back to the premium development at Anker Crew Insurance.

In 2017, the financial result of Anker Verzekeringen n.v. before tax is € 1,103,000. In 2016, the result before tax was € 1,302,000. In 2017, the financial result of Anker Verzekeringen n.v. after tax is € 823,000. In 2016, the result after tax was € 988,000.

This result can be attributed in particular to a strong focus on specific target groups and niche insurances, the further optimization of services and procedure, an active and targeted claims policy and a sound reinsurance policy.

Turnover of Anker Crew Insurance

Under the label Anker Crew Insurance, Anker Verzekeringen n.v. provides insurance cover for crew members employed by maritime employers against the consequences of the risks pertaining to medical expenses, illness, accidents and death. In 2017, the premium within this portfolio has decreased by € 371,000 to a total premium of € 9,769,000. This decrease has particularly been caused by the termination with effect from 1 January 2017 of the WGA insurance ((the insurance under the Return to Work (Partially Disabled Persons) Regulations)) within this label. The commission paid has increased in 2017 by € 65,000 up to a total of € 736,000.

The amount of the claims paid has decreased compared to 2016. In the reporting year 2017 a total amount of € 5,209,000 was paid in claims. In 2016, the total amount was € 5,426,000.

Anker Verzekeringen n.v. co-signs to sick leave insurances which have been effected by proxy. The premium income from this activity amounts to € 1,335,000 in 2017. This amount has been recorded in the total premium income amount of the Anker Crew Insurance label.

In 2017, the financial result of Anker Crew Insurance before tax is € 770,000. In 2016, the result before tax was € 717,000. In 2017, the financial result of Anker Crew Insurance after tax is € 472,000. In 2016, the result after tax was € 544,000.

Development of Anker Rechtsbijstand

Under the label Anker Rechtsbijstand (Legal Expenses Insurance), Anker Verzekeringen n.v. provides private persons, self-employed workers without employees and companies with legal assistance on the basis of a legal expenses insurance. The undertaking of legal assistance is subcontracted by Anker Verzekeringen n.v. to Anker Rechtshulp b.v. Compared to 2016, the premium earned increased by € 213,000 from € 4,034,000 to € 4,247,000.

The costs for claims handling (internal and external) show an increase from € 1,312,000 to € 1,353,000. The cases within the legal assistance portfolio handled by other parties, expressed in a percentage of the premium income, has decreased from 18% (€ 727,000) in 2016 to 11% (€ 467,000) in 2017.

In 2017, the financial result of Anker Rechtsbijstand before tax is € 455,000. In 2016, the result before tax was € 585,000. In 2017, the financial result after tax is € 351,000. In 2016, the result after tax was € 444,000.

Solvency and own funds

Anker wants to be able, now and in the future, to comply with its obligations as an insurer. To do so, the funds of Anker must be guaranteed at a certain level. This level is based on Anker's own views and principles as well as on those of the DNB (De Nederlandsche Bank). Important indicators in this connection are the parameters and requirements arising from Solvency II.

Anker applies the following starting points in respect of its solvency.

Solvency standards

100%	Standard according to Solvency II
115%	Intervention level
125%	Internal standard and lower limit

At the time the lower limit of 125% becomes apparent, Anker will take measures to ensure that this lower limit remains guaranteed.

At year-end 2017, the solvency ratio of Anker Verzekeringen n.v. is 206%. As a result, this ratio is well above the internal standard and lower limit of 125%. At the end of 2016, the solvency ratio was 212%. The minimum required solvency for Anker Verzekeringen, according to Solvency II, is in 2017 € 5,557,000. The actual solvency in 2017 is € 11,467,000. In 2016 this solvency was € 11,523,000.

In 2017, Anker's own funds have increased by € 823,000 to € 12,309,000.

Liquidity

Anker always wants to be able to comply with its current liabilities. Anker keeps a close eye on the liquidity requirement and adjusts its liquidity buffers accordingly. On the one hand, these buffers are formed by maintaining an ample liquidity position and on the other hand, by ensuring high liquidity within the investment portfolio.

Investments

The proceeds from investments for 2017 as part of the insurance results amounted to € 693,000. This means an increase of € 110,000 from 2016. The proceeds from investments consisted for the greater part of return on shares.

1 Balance Sheet as at 31 December 2017

(before appropriation of profit or treatment of loss)

ASSETS	<u>31-12-2017</u>		<u>31-12-2016</u>	
	EUR	EUR	EUR	EUR
Intangible fixed assets				
Software	109,336		95,995	
Goodwill	<u>1,041,650</u>		<u>6,059</u>	
		1,150,986		102,054
Investments				
<i>Investments in group undertakings</i>				
Participating interests in group undertakings		66,992		0
<i>Other financial investments</i>				
Shares and fixed-interest securities	6,020,602		6,514,888	
Bonds	3,290,124		2,943,598	
Deposits	3,188,872		2,419,670	
Claims arising from mortgage loans	1,150,000		1,150,000	
Receivables from other loans	<u>500,000</u>		<u>0</u>	
		14,149,598		13,028,156
Receivables				
Direct insurance claims against:				
- policyholders	445,648		435,055	
- intermediaries	262,347		209,650	
- insurance companies	556,534		493,060	
Claims against group companies	1,128,735		574,116	
Receivables from reinsurance	1,044,488		612,033	
Taxes and national insurance contributions	88,150		81,338	
Other receivables	<u>91,954</u>		<u>17,156</u>	
		3,617,855		2,422,407
Other assets				
Tangible fixed assets	97,747		85,466	
Cash at bank and in hand	<u>982,509</u>		<u>2,503,852</u>	
		1,080,256		2,589,298
Prepayments and accrued income				
Accrued interest		3,475		4,446
		<u>20,069,162</u>		<u>18,146,361</u>

1 Balance Sheet as at 31 December 2017

(before appropriation of profit or treatment of loss)

LIABILITIES	<u>31-12-2017</u>		<u>31-12-2016</u>	
	EUR	EUR	EUR	EUR
Capital and reserves				
Paid and called-up part of the capital	2,248,000		2,248,000	
Share premium reserve	1,300,000		1,300,000	
Other reserves	7,938,216		6,950,658	
Unappropriated result	<u>822,904</u>		<u>987,588</u>	
		12,309,120		11,486,216
Technical provision – <i>For unearned premiums and current risks</i>				
Gross		480,877		468,082
<i>For losses payable</i>				
Gross	6,453,762		6,573,483	
Reinsurance part	<u>-1,616,819</u>		<u>-1,559,800</u>	
		4,863,943		5,013,683
Provisions				
Provision before taxes	392,844		282,193	
Provisions participating interest	97,573		0	
Other provisions	<u>57,809</u>		<u>0</u>	
		548,226		282,193
Liabilities				
Amounts owed to policyholders, intermediaries and insurance companies	371,919		363,658	
Amounts owed to group undertakings	61,837		0	
Taxes and national insurance contributions	27,769		21,517	
Other liabilities	<u>1,432,472</u>		<u>511,011</u>	
		1,893,997		896,186
		<u>20,069,162</u>		<u>18,146,361</u>

2 Profit and Loss Account for 2017

	<u>2017</u>		<u>2016</u>	
	EUR	EUR	EUR	EUR
Earned premiums for own account				
Gross premiums	14,028,764		14,217,678	
Ceded reinsurance premiums	<u>2,277,276</u>		<u>2,352,151</u>	
		11,751,489		11,865,527
<i>Change in value of technical provision for unearned premiums</i>				
Gross	<u>-12,794</u>		<u>-44,307</u>	
		<u>-12,794</u>		<u>-44,307</u>
Earned net premium for own account		11,738,694		11,821,219
Proceeds from investments				
Proceeds from investments	182,854		199,250	
Profits achieved on investments	216,021		19,487	
Non-realised result from investments	<u>294,329</u>		<u>364,482</u>	
		<u>693,204</u>		<u>583,219</u>
		12,431,898		12,404,438
Losses for own account				
Gross loss	5,662,632		5,983,735	
Reinsurer's share	<u>2,104,922</u>		<u>2,483,092</u>	
		3,557,710		3,500,643
<i>Change of the technical provision for losses payable</i>				
Gross	159,027		-226,836	
Reinsurer's share	<u>57,019</u>		<u>-425,751</u>	
		<u>102,008</u>		<u>198,915</u>
		3,659,719		3,699,558
Operating costs				
Staff and management costs, depreciation	5,602,939		5,702,017	
Acquisition costs	<u>1,757,037</u>		<u>1,628,489</u>	
		7,359,976		7,330,506
Investments expenses				
Administrative expenses and interest charges	<u>187,486</u>		<u>72,313</u>	
		<u>187,486</u>		<u>72,313</u>
Result of technical account nonlife insurance		1,224,718		1,302,060
Result of undertakings in which Anker has a participating interest		-121,966		0
Corporation tax		-279,849		-314,502
Result after taxation		<u>822,904</u>		<u>987,558</u>

3 Cash Flow Statement for 2017

(according to the indirect method)

	<u>2017</u>		<u>2016</u>	
	EUR	EUR	EUR	EUR
Cash flow from operational activities				
Result after taxation	822,904		987,558	
Depreciation (in)tangible fixed assets	200,289		226,790	
(Non)realised changes in investment value	-294,329		-364,482	
Change in receivables	-1,195,448		-1,033,989	
Change in prepayments and accrued income	971		30,481	
Change in technical provision	-163,945		-6,778	
Change in provisions	266,033		125,046	
Change in current liabilities	997,807		-406,770	
Total of cash flow from operations		634,281		-442,143
<i>Cash flow from investment activities</i>				
Investments in intangible fixed assets	-1.223,014		-1.260	
Investments in tangible fixed assets	-52,456		-1,230	
Disposal tangible fixed assets	13,950		22,227	
Investment buying	-4,486,746		-5,701,658	
Sale/payment of investments	3,592,641		7,887,751	
Cash flow from investment activities		-2,155,625		2,205,830
Cash flow from financing activities				
Dividend payments		0		0
Net cash flow		-1,521,344		1,763,688
<i>Change in cash at bank and in hand</i>				
Cash at bank and in hand at the end of the year under review		982,509		2,503,852
Cash at bank and in hand at the end of the previous financial year		2,503,852		740,164
Change in cash		-1,521,344		1,763,688
Statement of the total result of the legal entity for 2017			<u>2017</u>	<u>2016</u>
			EUR	EUR
Net result after taxation accrued to the legal entity			822,904	987,558
Total of the direct changes in the equity capital of the legal entity as part of the group			0	0
Total result of the legal entity			<u>822,904</u>	<u>987,558</u>

4 Notes to the Profit and Loss Account for 2017

4.1 Premiums and losses

*The following amounts concerns 2017.
The amounts are in euros.*

	<u>Booked premiums</u>	<u>Earned premiums</u>	<u>Booked gross losses</u>	<u>Losses for reinsurance</u>
	EUR	EUR	EUR	EUR
Legal assistance	4,231,748	4,247,077	466,829	731,042
Disability insurance and other medical/accident insurances	5,731,252	5,703,129	2,733,111	3,079,372
Medical insurances, supplementary WGA ER	4,065,764 0	4,065,764 0	2,300,266 162,427	2,011,246 0
Total	<u>14,028,764</u>	<u>14,015,970</u>	<u>5,662,632</u>	<u>5,821,660</u>

	<u>Operating costs</u>	<u>Reinsurance balance</u>
	EUR	EUR
Legal assistance	3,360,295	0
Disability insurance and other medical/accident insurances	2,103,923	-206,124
Medical insurances, supplementary WGA ER	1,770,723 125,034	90,790 0
Total	<u>7,359,976</u>	<u>-115,334</u>

*The following amounts concerns 2016.
The amounts are in euros*

	<u>Booked premiums</u>	<u>Earned premiums</u>	<u>Booked gross losses</u>	<u>Losses for reinsurance</u>
	EUR	EUR	EUR	EUR
Legal assistance	4,031,316	4,033,897	557,684	726,534
Disability insurance and other medical/accident insurances	5,713,313	5,666,425	3,308,780	2,903,576
Medical insurances, supplementary WGA ER	4,082,258 390,791	4,082,259 390,791	1,958,875 158,397	1,915,392 211,397
Total	<u>14,217,678</u>	<u>14,173,371</u>	<u>5,983,735</u>	<u>5,756,899</u>

	<u>Operating costs</u>	<u>Reinsurance balance</u>
	EUR	EUR
Legal assistance	2,925,320	0
Disability insurance and other medical/accident insurances	2,686,261	-606,011
Medical insurances, supplementary WGA ER	1,590,330 128,596	311,200 0
Total	<u>7,330,506</u>	<u>-294,811</u>

4 Notes to the Profit and Loss Account for 2017

4.1 Premiums and losses

The premium has been obtained from the following regions:

	<u>2017</u>	<u>2016</u>
	EUR	EUR
The Netherlands	9,267,910	9,571,833
Other countries within the European Union	2,055,012	1,903,922
Countries outside the European Union	<u>415,772</u>	<u>304,503</u>
Total net premium amount	<u>11,738,694</u>	<u>11,821,219</u>

4.2 Proceeds from investments

	<u>2017</u>	<u>2016</u>
	EUR	EUR
The proceeds can be specified as follows:		
Interest on deposits	50,974	27,703
Interest on current account with banks and group companies	13,063	16,478
Dividend on shares	46,293	6,341
Interest on bonds	32,275	12,052
Interest mortgage	40,250	32,424
Exchange rate fluctuations	<u>0</u>	<u>104,253</u>
Subtotal investments	<u>182,854</u>	<u>199,250</u>
Profit achieved on investments	216,021	19,487
Non-realised result from investments	<u>294,329</u>	<u>364,482</u>
Total proceeds from other investments	<u>693,204</u>	<u>583,219</u>

4 Notes to the Profit and Loss Account for 2017

4.3 Employee and management expenses, depreciation of operating assets

The employee expenses included under operating costs can be specified as follows:

	<u>2017</u>	<u>2016</u>
	EUR	EUR
Salaries (after deduction of received sick pay)	3,038,561	2,903,828
Social insurance costs	497,982	410,630
Pension contributions	377,727	379,304
Other expenses	<u>53,731</u>	<u>235,172</u>
Total of employee expenses	<u>3,968,001</u>	<u>3,928,933</u>
Depreciations	200,289	266,072
Accommodation costs	219,955	212,725
Costs to sell	71,747	113,488
Car costs	51,735	49,544
Automation costs	410,063	358,552
Other administrative expenses	<u>681,149</u>	<u>772,703</u>
Total amount of administrative expenses and depreciation of assets	<u>1,634,938</u>	<u>1,773,084</u>
Total amount of employee and administrative expenses	<u>5,602,939</u>	<u>5,702,017</u>

The staff members are employed by Anker Verzekert b.v.
The employee expenses relating to Anker Verzekeringen n.v.
are charged on.

The fees for the services provided by the accounting body
amount to:

Annual accounts audit	101,156	51,954
Other assurance services	2,118	17,200
Tax advice	0	0
Other non-audit services	<u>0</u>	<u>0</u>
Total	<u>103,274</u>	<u>69,154</u>

4 Notes to the Profit and Loss Account for 2017

4.4 Acquisition costs

	<u>2017</u>	<u>2016</u>
	EUR	EUR
The acquisition costs can be specified as follows:		
Acquisition costs paid	1,502,448	1,396,614
Acquisition costs due	<u>254,589</u>	<u>231,875</u>
Total amount of acquisition costs	<u>1,757,037</u>	<u>1,628,489</u>

4.5 Investment expenses

	<u>2017</u>	<u>2016</u>
The investment expenses can be specified as follows:		
Management costs	100,880	71,615
Currency differences	84,023	0
Interest expenses	<u>2,583</u>	<u>698</u>
Total amount of investment expenses	<u>187,486</u>	<u>72,313</u>

4.6 Corporation tax

The effective tax rate amounts to 22,9%.

There is a difference between the effective tax rate and the normalized tax burden. This is caused by a difference in valuation of the fiscal equalization reserve, VOBA and the investment result.

4.7 Additional notes

The remuneration of the executive directors amounts to € 453,443 (2016: € 490,604) and the remuneration of the supervisory directors amounts to € 61,124 (2016: € 51,011).

During the year 2017, income and expenditure pertaining to the year 2016 have been presented. This refers to retroactive settlements in 2017 for 2016 at € 60,134 (income) and the reinsurance premium on these retroactive settlements at € 17,439 (expenditure).

The full annual report including an audit opinion is available at our business address in Groningen, The Netherlands. The full annual report is in the Dutch language.