



ANKER
INSURANCE COMPANY

Summary
Annual Report 2020
Anker Insurance Company n.v.

PERSONAL DETAILS

SUPERVISORY BOARD

Martijn Steenkamp (chairman)
Guido Hollaar
Robbert Prins

EXECUTIVE BOARD

Sjoerd Zijlstra, CEO
Annemiek van Dijk-Bos, COO

ACCOUNTANT

BDO Audit & Assurance B.V.
Werner Hoeve RA

LABELS/ACTIVITIES

Anker Crew Insurance
Anker Insurance: legal assistance, travel and leisure

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**Anker Insurance
Company n.v.**

Summary Annual Report 2020

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Summary Annual Report 2020

Management report

Foreword

We have had an extraordinary year. A year that was dominated by the coronavirus worldwide. A year in which we as an organisation have shown exceptional resilience. A year in which, despite of the corona crisis, we have been able to realise our growth ambitions to a considerable extent.

Retrospective

Suddenly there was the corona crisis. From one day to the next, we had to work completely from home. This technological change went smoothly. The mental switch asked and is still asking more from us.

Our customers have been, and are, going through uncertain times. For example, the change of crew for clients of Anker Crew Insurance is difficult. The cruise sector is practically at a standstill, luxury yachts sail less and the development of the offshore sector is lagging. However, merchant vessels continue to carry loads worldwide and we see that deployment of crew members is stable and in some cases even growing.

At Anker Insurance we notice different patterns. For example, the amount of travel insurance for students has significantly dropped. At the same time, there is an exceptional growth in the number of bicycle insurances. Nevertheless, the volume of legal assistance and the volume of travel insurance increases in 2020. The first growth in caravan insurance is seen in the period leading up to 2021.

Looking at everything else, despite the corona crisis, we see an increase in premium volume in both Anker Crew Insurance and Anker Insurance: including legal assistance, travel and leisure. With a healthy premium/loss ratio as an underlying factor. Turnover at Anker Seacrew Software remained stable.

The increase of international medical expenses and the costs of disability payments remains a point of attention. In addition, it is important to monitor what the (indirect) cost effect of the coronavirus will be on the medical expenses at Anker Crew Insurance and Anker Insurance: (student) travel.

2020 concluded with a nice message. As of 2021, CNV is a client of Anker Insurance: legal assistance.

Looking ahead

Corona will have a hold on us for a while. Nevertheless, we will continue to work ambitiously on the development and growth of Anker Insurance Company n.v. In doing so, it is important to deepen and strengthen our position as a niche player and specialist. Strengthening our distinctive character and brand recognition. Focusing on the further development of existing activities and the development of additional, distinctive activities.

Anker Insurance Company n.v. wants to be a continuously adapting and developing organisation. An organisation where expertise is supported by self-management, deepening knowledge, cooperation, commitment and ambition.

The coming period we will speed up our efforts to further automation, to digitalise and to apply data science. In this way, we will optimise the way we work and the services we provide. And at the same time create opportunities to deepen our relationship with our clients and partners.

In order to guarantee the conditions for our growth and development we will, as a risk bearer, permanently link our risk to a larger whole in order to secure the long term. Our ties with De Goudse will be strengthened even further in 2021.

Our earned premium increased from € 6,6693,575 in 2010 to € 22,065,000 in 2020. Combined with a growth in premium volume, we could close 2020 with a positive result.

In 2021 we also expect a further increase of the premium volume. In the period leading up to 2021 and in the beginning of 2021 we see an above-average offer requests for Anker Crew Insurance. It seems that our acquisition efforts will have a positive impact here.

At Anker Insurance, we see growth in legal assistance. In particular because of the arrival of CNV as a client. Furthermore, we see a steady increase in the numbers at our distribution partners. During 2020, we worked intensely on the introduction of our travel- and caravan insurances. This is expected to be an increasing success in 2021. Lastly, the growth in bicycle insurance looks to be continuing in 2021.

Corona crisis

In 2021, we expect the corona crisis to continue to have an impact on premiums and claims. For Anker Crew Insurance, this crisis will cause an increase in medical expenses. The costs of travel insurance may also increase at Anker Insurance as a result of rising medical costs.

At the earliest, the student travel insurances will increase again starting from the summer. In legal assistance, we expect extra requests for legal assistance, especially in the area of labour law. Furthermore, we do not expect any or only a limited (negative) impact of the corona crisis on premiums and claims in legal assistance, travel and leisure.

The effect of the corona crisis on the stock market and therefore on our investment portfolio remains difficult to estimate. The pace of recovery of the global economy will be a determining factor here.

We would like to thank our clients and partners for their trust in Anker Insurance Company n.v.. We hope they come out of the corona crisis without any negative impact. We would also like to thank our colleagues in Groningen and Amsterdam, the Works Council and the Supervisory Board for their efforts and excellent cooperation.

Sjoerd Zijlstra and Annemiek van Dijk-Bos

Annual report 2020

Turnover and result

In 2020, the total turnover of Anker Insurance Company n.v. was € 23,189,000 (booked premium) and € 22,065,000 (earned premium). In 2019, this total turnover amounted to € 20,085,000 (booked premium) and € 19,351,000 (earned premium). Anker Insurance Company n.v. had a substantial increase in total premium volume in 2020 as compared to 2019. This growth is related to an increase in premium at Anker Crew Insurance and the increased premium income of Anker Insurance: legal assistance, travel and leisure.

In 2020, the financial result of Anker Insurance Company n.v. before taxes is € 1,898,000. The result before tax in 2019 was € 4,029,000. Anker Insurance Company n.v.'s financial result after tax is € 1,328,000 in 2020. The 2019 result after tax was € 3,032,000.

This result is mainly due to our focus as a niche insurer on Anker Crew Insurance, Anker Insurance: legal assistance, travel and leisure, as well as our active approach aimed at retaining and expanding our group of clients. In addition, we work continuously on optimising our organisation, business processes and service delivery. A notable feature of the result development for 2020, despite the corona crisis, is a positive unrealised as well as realised result from investments (€ 824,000 in 2020 compared to a result of € 1,939,000 in 2019).

Turnover and result of Anker Crew Insurance

Under the banner of Anker Crew Insurance, Anker Insurance Company n.v. supports maritime employers in taking care of their crew members. By providing them with insurance solutions for illness, disability, death and accidents. In 2020, the premium within this portfolio increased by € 65,000 to a total booked premium of € 11,535,000. The earned premium increased from € 11,354,000 in 2019 to € 11,414,000 in 2020. The increase is mainly the result of growth at existing customers and among our partners (brokers). The paid commission increased by € 80,000 in 2020 to a total of € 828,000.

Compared to 2019, the claims payments increased. A total of € 7,768,000 was paid out in claims in the reporting year 2020. In 2019, this was € 7,068,000.

As from 2019, Anker Insurance Company n.v. discontinued co-signing on sick leave insurances taken out by proxy. This resulted in premium income from this activity of € 0 in 2019. There is however still an outflow during 2019 and 2020.

Anker Crew Insurance's financial result before taxes is € 366,000 in 2020. The 2019 pre-tax result was € 2,841,000. Anker Crew Insurance's financial result after taxes was € 255,000 in 2019. In 2020, the result after taxes is € 2,109,000.

Turnover and result Anker Insurance

Under the brand of Anker Insurance we offer, through our partner network, insurance solutions in the areas of legal assistance, travel and leisure.

Legal assistance

Anker Insurance provides legal assistance to private persons, self-employed persons and companies, based on a legal expenses insurance. Anker Insurance outsources the execution of legal assistance to Anker Rechtshulp b.v. The booked premium for 2020 was € 5,622,000. In 2019, it was € 4,833,000. Compared to 2019, the earned premium increased by € 768,000 from € 4,817,000 to € 5,585,000.

The cost of claims handling (internal and external) increased from € 1,689,000 to € 1,940,000. Cases handled by external parties within the legal assistance portfolio, expressed as a percentage of premium income, decreased from 7% (€ 336,000) in 2019 to 6% (€ 339,000) in 2020. (This excludes the claim handling costs of DUPI of € 20,000)

The financial result for legal assistance before taxes is € 1,169,000 in 2020. In 2019, the result before taxes was € 1,179,000. The financial result of legal assistance after tax is € 813,000 in 2020. In 2019, the result after taxes was € 886,000.

Travel and leisure

Since 2018, Anker Insurance has been offering travel insurance in cooperation with specialised partners for students, individuals, professionals and specific target groups around the world. From 2019, Anker Insurance also offers leisure insurances in cooperation with partners in The Netherlands. In 2020, the booked premium is € 6,031,000. The booked premium in 2019 was € 3,783,000. The earned premium in 2020 was € 5,067,000. In 2019, it was € 3,181,000.

The financial result on travel and leisure insurance before taxes is € 301,000 in 2020. In 2019 this was € 50,000. The result on travel and leisure insurance after tax is € 209,000 in 2020, in 2019 it was € 37,000.

Solvency and own funds

Anker Insurance Company n.v. wants to be able to comply with its requirements as an insurer, both now and in the future. In order to do so, Anker Insurance Company n.v. must guarantee that its funds are at a certain level. This level is based on our own views and principles, and those of the DNB (De Nederlandsche Bank). Important indicators are the parameters and requirements derived from Solvency II.

Anker Insurance Company n.v. applies the following starting points in respect of its solvency.

Solvency standards

100%	Standard according to Solvency II
125%	internal standard and lower limit
150%	Internal standard and target standard

As soon as the threshold of 125% becomes apparent, Anker Insurance Company n.v. will take measures to ensure that this threshold remains guaranteed.

At the end of 2020, the solvency ratio of Anker Insurance Company n.v. is 184%. This is well above the internal standard and lower limit of 125%. The solvency ratio at the end of 2019 was 239%. The minimum required solvency in accordance with Solvency II for Anker Insurance Company n.v. is € 9,615,000 in 2020. The actual solvency is € 17,717,000 in 2020. In 2019 this was € 15,195,000.

In 2020, Anker Insurance Company n.v. own funds increased by € 1,328,000 to € 17,818,000.

Liquidity

Anker Insurance Company n.v. always wants to be able to comply with its current requirements. Therefore Anker Insurance Company n.v. monitors its liquidity needs closely and adjusts its liquidity reserves accordingly. These reserves are formed both by maintaining an ample liquid position and by ensuring high liquidity within the investment portfolio.

Investments

The income from investments over 2020, as part of the underwriting results, amounted to € 824,000. This is a decrease of €1,115,000 compared to 2019. Most of the investment income is derived from returns on shares.

1 Balance Sheet as at 31 December 2020

(before appropriation of profit or treatment of loss)

ASSETS	<u>31-12-2020</u>		<u>31-12-2019</u>	
	EUR	EUR	EUR	EUR
Intangible fixed assets				
Software	232,746		229,611	
Goodwill	<u>347,218</u>		<u>578,695</u>	808,306
		579,964		
Investments				
<i>Investments in group undertakings</i>				
Participating interests in group undertakings		151,933		126,334
<i>Other financial investments</i>				
Shares and fixed-interest securities	8,861,686		7,065,233	
Bonds	3,065,858		5,166,257	
Deposits	7,607,712		6,850,029	
Claims arising from mortgage loans	0		1,150,000	
Receivables from other loans	<u>100,000</u>		<u>200,000</u>	
		29,635,256		20,431,519
Receivables				
Direct insurance claims against:				
- policyholders	1,196,414		936,903	
- intermediaries	738,274		453,058	
- insurance companies	142,750		0	
	1,200,264			
- authorized agents			747,862	
Claims against group companies	454,379		42,267	
Receivables from reinsurance	928,632		935,183	
Taxes and national insurance contributions	31,843		48,333	
Other receivables	<u>132,593</u>		<u>106,562</u>	
		4,825,150		3,270,168
Other assets				
Tangible fixed assets	246,414		370,720	
Cash at bank and in hand	<u>645,814</u>		<u>1,230,937</u>	
		892,228		1,230,937
Prepayments and accrued income				
Accrued interest		1,139		13,922
		<u>28,815,171</u>		<u>25,881,187</u>

1 Balance Sheet as at 31 December 2020

(before appropriation of profit or treatment of loss)

LIABILITIES	<u>31-12-2020</u>		<u>31-12-2019</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	12,941,754		9,909,869	
Unappropriated result	<u>1,328,401</u>		<u>3,031,885</u>	
		17,818,155		16,489,754
Technical provision –				
<i>For unearned premiums and current risks</i>				
Gross		2,336,889		1,632,369
<i>For losses payable</i>				
Gross	7,616,633		8,514,864	
Reinsurance part	<u>-2,368,784</u>		<u>-3,713,784</u>	
		5,247,849		4,801,080
Provisions				
Provision before taxes	709,164		561,025	
Other provisions	<u>170,136</u>		<u>134,993</u>	
		879,300		696,019
Liabilities				
Amounts owed to policyholders, intermediaries and insurance companies	202,987		318,685	
Taxes and national insurance contributions	684,828		636,750	
	131,326		0	
Debt to participant				
Other liabilities	<u>1,513,837</u>		<u>1,306,531</u>	
		2,532,978		2,261,966
		<u>28,815,171</u>		<u>25,881,187</u>

2 Profit and Loss Account for 2020

	<u>2020</u>		<u>2019</u>	
	EUR	EUR	EUR	EUR
<i>Earned premiums for own account</i>				
Gross premiums	23,188,548		20,084,557	
Ceded reinsurance premiums	<u>3,161,087</u>		<u>3,150,534</u>	
		20,027,461		16,934,023
<i>Change in value of technical provision for unearned premiums</i>				
Gross	<u>-1,123,487</u>		<u>-1,733,221</u>	
		<u>-1,123,487</u>		<u>-733,221</u>
Earned net premium for own account		18,903,974		16,200,802
<i>Proceeds from investments</i>				
Proceeds from investments	152,221		2228,224	
Profits achieved on investments	798,514		726,014	
Non-realised result from investments	<u>-126,493</u>		<u>984,532</u>	
		<u>824,242</u>		<u>824,242</u>
		19.728.216		18,139,571
<i>Losses for own account</i>				
Gross loss	10.384.254		8,996,778	
Reinsurer's share	<u>4,505,827</u>		<u>3,603,778</u>	
		5,878,427		5,393,000
<i>Change of the technical provision for losses payable</i>				
Gross	-653,247		577,420	
Reinsurer's share	<u>-1,345,000</u>		<u>1,535,464</u>	
		<u>691,753</u>		<u>-958,044</u>
		6,570,180		4,434,956
<i>Operating costs</i>				
Staff and management costs, depreciation	7,026,083		6,532,052	
Acquisition costs	<u>4,059,466</u>		<u>3,025,736</u>	
		11,085,549		9,557,788
<i>Investments expenses</i>				
Administrative expenses and interest charges	<u>174,125</u>		<u>1117,810</u>	
		<u>174,125</u>		<u>117,810</u>
Result of technical account nonlife insurance		1,898,362		4,029,016
Result of undertakings in which Anker has a participating interest		26.705		41,160
Corporation tax		-596,666		-1,038,291
Result after taxation		<u>1,328,401</u>		<u>3,031,885</u>

3 Cash Flow Statement for 2020

(according to the indirect method)

	<u>2020</u>		<u>2019</u>	
	EUR	EUR	EUR	EUR
Cash flow from operational activities				
Result after taxation	1,328,401		3,031,885	
Depreciation (in) tangible fixed assets	413,649		379,303	
(Non)realised changes in investment value	-672,021		-1,710,546	
Change in receivables	-1,554,982		188,425	
Change in prepayments and accrued income	12,783		-6,359	
Change in technical provision	1,151,289		-741,229	
Change in provisions	183,281		281,490	
Change in current liabilities	271,010		187,384	
Total of cash flow from operations		1,133,411		1,610,353
<i>Cash flow from investment activities</i>				
Investments in intangible fixed assets	-80,994		-172,291	
Investments in tangible fixed assets	-176,129		-214,327	
Disposal tangible fixed assets	196,124		23,521	
Investment buying	-18,352,921		-8,201,241	
Sale/payment of investments	17,066,107		6,226,683	
Cash flow from investment activities		<u>-1,347,813</u>		<u>-2,337,655</u>
Net cash flow		<u>-214,403</u>		<u>-727,302</u>
<i>Change in cash at bank and in hand</i>				
Cash at bank and in hand at the end of the year under review		645,814		860,217
Cash at bank and in hand at the end of the previous financial year		860,217		1,587,519
Change in cash		<u>-214,403</u>		<u>-727,302</u>
Statement of the total result of the legal entity			<u>2020</u>	<u>2019</u>
			EUR	EUR
Net result after taxation accrued to the legal entity			1,328,401	3,031,885
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>1,328,401</u>	<u>3,031,885</u>

4 Notes to the Profit and Loss Account for 2020

4.1 Premiums and losses

The following amounts concerns 2020.
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	5,622,262	5,584,525	359,519	318,008
Disability insurance and other medical/accident insurances	6,831,607	6,710,236	4,596,881	4,033,395
Medical insurances, supplementary	4,703,405	4,703,405	3,170,849	3,074,045
Travel insurances	3,699,210	3,664,510	1,659,902	1,804,879
Leisure insurances	2,332,063	1,402,384	581,941	648,684
WGA ER	0	0	15,163	-148,004
	<u>23.188.548</u>	<u>22.065.061</u>	<u>10.384.254</u>	<u>9.931.007</u>
		<u>Operating costs</u>	<u>Reinsurance balance</u>	
	EUR	EUR		
Legal assistance	4,441,249	0		
Disability insurance and other medical/accident insurances	2,533,310	30,762		
Medical insurances, supplementary	1,747,433	-72,899		
Travel insurances	1,735,908	41,877		
Leisure insurances	619,293	0		
WGA ER	8,356	0		
	<u>11.085.549</u>	<u>-260</u>		

4 Notes to the Profit and Loss Account for 2020

4.1 Premiums and losses

The following amounts concerns 2019.

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	4,833,457	4,816,686	445,038	625,921
Disability insurance and other medical/accident insurances	6,327,608	6,213,179	3,973,235	4,727,412
Medical insurances, supplementary	5,140,644	5,140,644	3,095,094	3,208,648
Travel insurances	3,152,877	2,751,825	1,235,684	1,418,239
	629,972	429,003	178,258	152,978
Leisure insurances				
WGA ER	0	0	69,469	-559,000
	<u>20,084,557</u>	<u>19,351,336</u>	<u>8,996,778</u>	<u>9,574,198</u>
Total				

	<u>Operating costs</u>	<u>Reinsurance balance</u>
	EUR	EUR
Legal assistance	3,910,317	0
Disability insurance and other medical/accident insurances	2,303,103	1,546,599
Medical insurances, supplementary	1,794,084	492,304
Travel insurances	1,303,029	-50,194
	206,987	
Leisure insurances		0
WGA ER	40,268	0
	<u>9,557,788</u>	<u>1,988,709</u>

4 Notes to the Profit and Loss Account for 2020

4.1 Premiums and losses

The premium has been obtained from the following regions:

	<u>2020</u>	<u>2019</u>
	EUR	EUR
The Netherlands	13,408,208	10,634,154
Other countries within the European Union	4,769,158	3,478,356
Countries outside the European Union	<u>726,608</u>	<u>2,088,292</u>
Total net premium amount	<u>18,903,974</u>	<u>16,200,802</u>

4.2 Proceeds from investments

	<u>2020</u>	<u>2019</u>
	EUR	EUR
The proceeds can be specified as follows:		
Interest on deposits	0	5,142
Interest on current account with banks and group companies	9,622	21,141
Dividend on shares	80,976	100,628
Interest on bonds	21,373	45,170
Interest mortgage	40,250	40,250
Currency differences	<u>0</u>	<u>15,893</u>
Subtotal investments	<u>152,221</u>	<u>228,224</u>
Profit achieved on investments	798,514	726,014
Non-realised result from investments	<u>-126,493</u>	<u>-984,532</u>
Total proceeds from other investments	<u>824,242</u>	<u>1,938,769</u>

4 Notes to the Profit and Loss Account for 2020

4.3 Employee and management expenses, depreciation of operating assets

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

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Salaries (after deduction of received sick pay)	3,695,993	3,587,791
Social insurance costs	620,849	585,559
Pension contributions	493,937	404,620
Other expenses	<u>57,333</u>	<u>65,528</u>
Total of employee expenses	<u>4,868,111</u>	<u>4,643,480</u>
Depreciations	413,649	378,186
Accommodation costs	275,077	239,780
Costs to sell	31,763	61,792
Car costs	41,863	57,565
Automation costs	609,295	517,281
Other administrative expenses	<u>786,654</u>	<u>633,968</u>
Total amount of administrative expenses and depreciation of assets	<u>2,158,301</u>	<u>1,888,572</u>
Total amount of employee and administrative expenses	<u>7,026,412</u>	<u>6,532,052</u>

The average number of employed persons, calculated on a fulltime basis and broken down according to activities, amounts to:

	<u>2020</u>	<u>2019</u>
Anker Insurance Company n.v.	75	71
Seacrew b.v.	<u>5</u>	<u>3</u>
	<u>80</u>	<u>74</u>

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

Annual accounts audit	136,942	104,638
Other assurance services	<u>7,865</u>	<u>8,497</u>
Total	<u>144,807</u>	<u>113,135</u>

4 Notes to the Profit and Loss Account for 2020

4.4 Acquisition costs

	<u>2020</u>	<u>2019</u>
	EUR	EUR
The acquisition costs can be specified as follows:		
Acquisition costs paid	3,355,433	2,671,409
Acquisition costs due	<u>704,033</u>	<u>354,327</u>
Total amount of acquisition costs	<u>4,059,466</u>	<u>3,025,736</u>

4.5 Investment expenses

	<u>2020</u>	<u>2019</u>
The investment expenses can be specified as follows:		
Management costs	123,072	117,806
Currency differences	43,355	0
Interest expenses	<u>7,698</u>	<u>4</u>
Total amount of investment expenses	<u>174,125</u>	<u>117,810</u>

4.6 Corporation tax

The effective tax rate amounts to 30,9%.

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.

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.