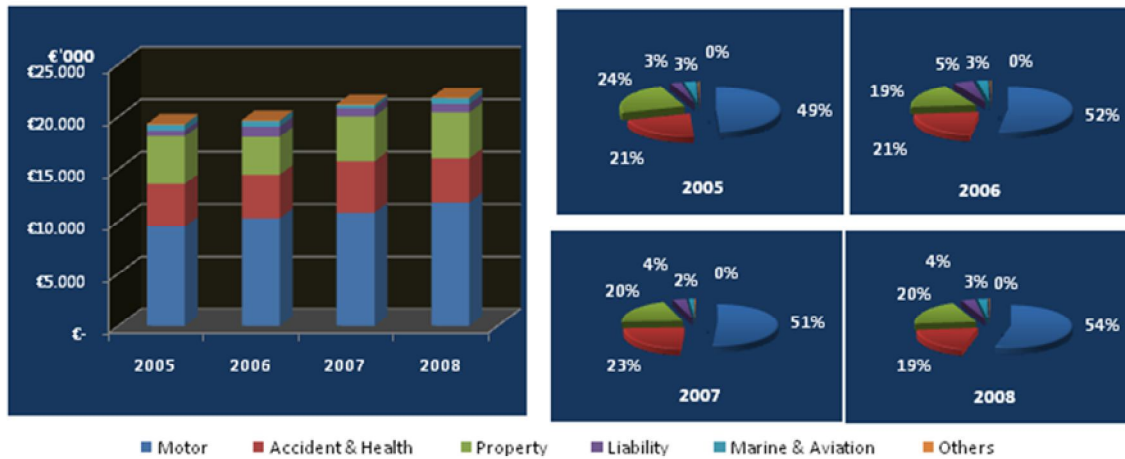


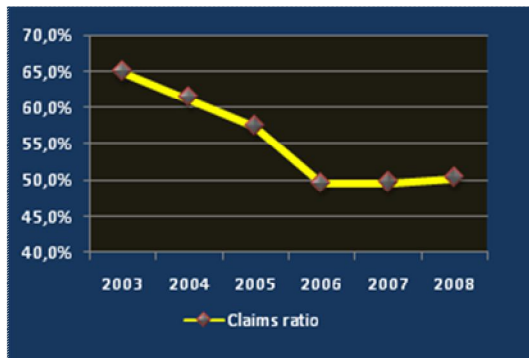


HISTORICAL FINANCIAL INFORMATION

Gross Written Premiums by Insurance class



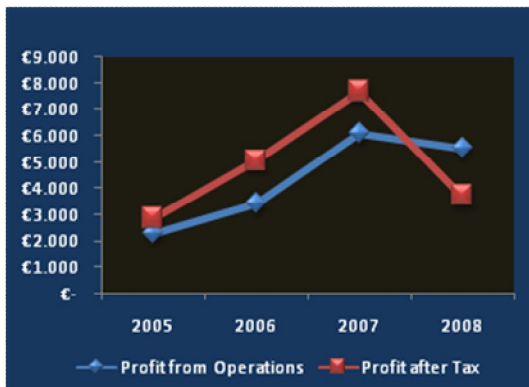
Claims Ratio



Return on Equity



Profits, Assets, Liabilities and Shareholders' Interest



ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS 2008

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ATLANTIC INSURANCE COMPANY PUBLIC LIMITED**OFFICERS AND PROFESSIONAL ADVISERS****Board of Directors**

Emilios Pyrishis Chairman and Managing Director
Andreas Pirishis Vice Chairman
Andreas Frangoullis
George Pyrishis
Charalambos Alexandrou
Nina Pyrishis
Panayiotis Mallis
Nikos Marathovouniotis (Died 15th January 2008)

Registered office

15 Esperidon street
Atlantic Building
CY-2001 Strovolos

Secretary

Andreas Pirishis (Appointed 4th July 2008)
Michael Christides (Appointed 15th January 2008 and resigned 4th July 2008)
Nikos Marathovouniotis (Died 15th January 2008)

Auditors

Joannides + Co Limited
Approved Accountants
13 Ayiou Prokopiou street
CY-2406 Engomi,
Lefkosia

Legal advisers

L. Papaphilippou & Co.

Bankers

Bank of Piraeus (Cyprus) Limited
Bank of Cyprus Public Limited
Marfin Popular Bank Public Limited
Hellenic Bank Public Limited

Company registration number: 20008

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED**CHAIRMANS' STATEMENT**

Just like every year the circulation of the financial statements of the Group gives me the opportunity to communicate with the shareholders and inform them about the financial results and the general course and prospects of our Company. The year 2008 was a difficult year for the world economy since it was marked by the international financial crisis which led the international economy into recession. Within this intensely negative financial climate Atlantic continued its progress supported by its robust foundations and managed to achieve satisfactory results under the circumstances.

During the year insurance operations continued their upward trend with net earned premiums rising by 6,7% and profits from operations by 3,9%. In particular net earned premiums reached €16,8 million compared to €15,7 million in the previous year while the claims ratio remained at a satisfactory level reaching 50,3% (2007: 49,6%) leading to an increase in profit from insurance operations to €4,8 million from €4,6 million in 2007.

Despite the increase in the profitability of insurance operations, profits attributable to shareholders decreased by 46,6% and amounted to €3,7 million compared to €7,0 million in the previous year. The reduction is mainly due to the loss on sale and revaluation of investments of €2,1 million as opposed to profit of €0,9 million in 2007 and the decrease in the profitability of the financial and brokerage operations by 50,3%.

The Board of Directors after taking into account the financial results of 2008 and the prospects of the Group's profitability during the current year it decided to propose for approval at the Annual General Meeting of the Company the payment of a dividend of €0,09 cent per share as opposed to €0,08 cent during the corresponding period of 2007.

In December 2008 ATLANTIC acquired a new building located at 44 Griva Digeni Avenue in Paphos, for the amount of €3,1 million. Part of the building will be used for the relocation of the Company's Offices in Paphos. Following this acquisition the Company now owns freehold offices in all cities of Cyprus.

In November 2008 the Company increased its participation in the share capital of its subsidiary company Atlantic Consultancy Services Ltd from 60,55% to 75,10% for a consideration of €420 thousand.

During the year Piraeus Bank (Cyprus) Ltd acquired a strategic holding in the share capital of the Company which today equals to 21,66%. In March 2009 the Company signed an agreement for the appointment of Piraeus (Cyprus) Insurance Agency Ltd as an insurance agent of Atlantic Insurance Co Public Ltd. The agreement is subject to the approval of the Registrar of Insurance Companies. We appreciate that this strategic alliance will further enhance the growth of the Group's operations to the benefit of its shareholders.

The year 2009 is expected to be a difficult one. Nevertheless we are confident that ATLANTIC, with its financial strength, the appropriate strategic planning and the commitment of its human resources is in a position to face successfully the challenges and overcome the difficulties that may emerge as a result of the economic crisis with as little repercussions as possible. The fundamental strategic objectives of the Group for 2009 are effective risk management, maintenance of a healthy financial position, selective and careful growth of operations in the insurance and financial sectors and the achievement of satisfactory profitability. The Group will also persist the continuing technological upgrading of its services and the training of its personnel in the use of new technologies aiming at the improvement of the quality of its services and the enhancement of productivity.

Finally, I would like to express my warm and sincere gratitude to our shareholders, customers and associates for their loyalty and trust towards our Company during all these years and to assure them that within the frames of collectiveness and transparency we will continue our successful course with the same prudence and systematic approach that has characterised our Company in the 25 years of its existence. I would also like to thank and congratulate the Management and the Personnel of ATLANTIC for their devotion and contribution to the Company.

Emilios Pyrishis
Chairman

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

DIRECTORS' REPORT

The Board of Directors of Atlantic Insurance Company Public Limited (the "Company") submits its Annual Report and the audited consolidated financial statements of the holding Company and its subsidiaries (the "Group") for the year ended 31 December 2008.

Principal activities

The principal activities of the Group are the undertaking of insurance business of the classes of Accident and Medical, Motor, Aviation, Marine and Goods Transportation, Fire and other Property Damage, General Liability, Credit and Guarantees and miscellaneous general business, the possession of land with the intention of its division into plots and their disposal and the provision of financial, consultancy and brokerage services. During the year there were no changes in the Group's activities.

Branches

The Company provides insurance services through its headquarters that are located in Nicosia and its branches which are located in the cities of Lamaka, Limassol and Paphos.

Review of the developments, position and results of activities

The Group's results during 2008 were adversely affected by the wider financial crisis. Profits from operations of the Group showed a decrease of 8,8% and amounted to €5.554 thousand as opposed to €6.094 thousand while profits attributable to shareholders were reduced by 46,6% and reached €3.746 thousand in comparison with €7.016 thousand in the corresponding period of 2007.

The reduction is mainly due to the loss of €2.095 thousand on sale and revaluation of investments as opposed to profit of €877 thousand in 2007 and the reduction of the profitability of the financial and brokerage operations by 50,3%. In particular the turnover of the subsidiary company which is engaged in the financial and brokerage sector, was reduced to €3.033 thousand compared to €5.309 thousand showing a decrease of 42,8% as a result of the wider negative stock exchange climate and the profits of the financial and brokerage sector reached €712 thousand (2007: €1.433 km) reduced by 50,3%.

On the contrary insurance operations continued their upward trend with net earned premiums rising by 6,7% and profits from operations by 3,9%. In particular net earned premiums reached €16.803 thousand compared to €15.752 thousand in the previous year while the claims ratio reached 50,3% (2007: 49,6%) leading to an increase in profit from insurance operations to €4.843 thousand from €4.662 million in 2007.

Financial results

As shown on page 5, net profit attributable to the shareholders for the year ended 31 December 2008, was reduced by 46,6% and reached €3.746 thousand as opposed to €7.016 thousand in the corresponding period of 2007. Profit for the year is transferred to reserves.

Dividend

The Board of Directors has decided to propose for approval at the Annual General Meeting of the Company the payment of a dividend of €0,09 cent per share as opposed to €0,08 cent per share in the previous year.

Significant risks and uncertainties

The most significant risks that the Group is exposed to are described in note 29 of the consolidated and separate financial statements of the Company.

Prospects

The Board of Directors after taking into consideration the progress of operations of the Company and its subsidiaries during the year and following a review of the prospects and financial information to date, is confident that the upward trend of insurance operations will continue in the current year and appreciates that the results of the Group for the year 2009 will, in the absence of any unforeseen events, increase as compared to the results of 2008.

Tangible Fixed Assets

On 5 December 2008 the Company acquired a new building located at 44 Griva Digeni Avenue in Paphos, for the amount of €3.130 thousand. Part of the building will be used for the relocation of the Company's Offices in Paphos while the rest will be kept for investment purposes.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED**DIRECTORS' REPORT (continued)****Investment in subsidiary undertakings**

On 13 November 2008 the Company increased its participation in the share capital of its subsidiary company Atlantic Consultancy Services Ltd from 60,55% to 75,10% through the acquisition of 72.750 shares for a consideration of €420 thousand, which was paid in cash.

Share Capital

The authorised share capital of the Holding Company amounts to €85.000.000 divided into 250.000.000 ordinary shares of a nominal value of €0,34 each. The issued share capital of the Company amounts to €13.297.030 divided into 39.108.912 ordinary shares of a nominal value of €0,34 each.

The Annual General Meeting of the Company which took place on 11 June 2008 approved the following Ordinary Resolution:

Due to the adoption of Euro and in compliance with Law 33 (I) /2007, Article 18 (I)

a) the Authorised Share Capital of the company be converted in Euro that is to say from £50.000.000 (Fifty million Cyprus pounds) divided into 250.000.000 ordinary shares of a nominal value of £0,20 each to €85.000.000 (Eighty five million euro) divided into 250.000.000 ordinary shares of a nominal value of €0,34 each .

b) the Issued Share Capital of the company be converted in Euro that is to say from £7.821.782, 40 (Seven million eight hundred twenty one thousand seven hundred eighty two Cyprus pounds and 40 cents) divided into 39.108.912 ordinary shares of a nominal value of £0,20 each to €13.297.030, 08 (Thirteen million two hundred ninety seven thousand thirty Euro and 8 cents) divided into 39.108.912 ordinary shares of a nominal value of €0,34 each.

c) the reduction in the Issued Share Capital of €67.278, 60 (Sixty seven thousand two hundred seventy eight euro and 60 cents) arising from the conversion will be effected with the transfer of an equivalent amount to a special reserve account named "Difference from the conversion of share capital " which will be capitalized through a future share capital increase.

During the year no other change in the capital structure of the Company took place.

Post balance events

There were no significant post balance events.

Corporate Governance

At present the Company complies partly with the Code of Corporate Governance.

Board of Directors

The Board of Directors consists of the members shown on page 1. All directors served on the board for the whole year except from Mr. Nicos Marathovouniotis who died on 15 January 2008. According to the Articles of the Company's Association Mr Charalambos Alexandrou and Ms Nina Pyrishi retire from the Board, but being eligible offer themselves for re-election. An election will take place for the filling in of the vacant positions. There were no significant changes in the allocation of the responsibilities or the compensation of the Board of Directors.

Auditors

The Auditors of the Company Joannides + Co Limited have expressed their willingness to continue to provide their services. A resolution authorizing the Board of Directors to determine their remuneration will be submitted into the next Annual General Meeting.

By order of the Board of Directors,

Emilios Pyrishis
Chairman

Nicosia
16 April 2009

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2008

	2008 €'000	2007 €'000
Income from operations		
Gross premiums	21.052	20.428
Policy fees	746	726
Share of reinsurers' premiums	(4.761)	(5.131)
Net premiums	17.037	16.023
Transfer to unearned premiums	(234)	(271)
Net earned premiums	16.803	15.752
Other operating income from insurance operations	1.050	929
Operating income from brokerage and financial services	3.033	5.305
	20.886	21.986
Expenses		
Claims payable	8.455	7.819
Commission payable for insurance operations	1.052	997
Commission payable for brokerage and financial services	1.730	2.965
Administrative expenses	4.095	4.111
	15.332	15.892
Profit from operations	5.554	6.094
(Loss) / profit on sale and revaluation of investments	(2.095)	877
Other investment income	287	263
Net finance income	948	988
Profit before taxation	4.694	8.222
Taxation	(605)	(528)
Profit after taxation	4.089	7.694
Minority interest	(343)	(678)
Profit attributable to the shareholders	3.746	7.016
Earnings per share (cent)	9,58	17,94

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED BALANCE SHEET

as at 31 December 2008

	2008	2007
	€'000	€'000
Non-current assets		
Tangible fixed assets	6.731	6.341
Investment properties	6.298	3.649
Financial assets available for sale	3.934	5.986
Total non-current assets	16.963	15.976
Current assets		
Debtors and other receivables	13.878	12.524
Financial assets held for trading	3.304	4.067
Cash and bank balances	21.783	25.953
Total current assets	38.965	42.544
Total assets	55.928	58.520
Equity		
Share capital	13.297	13.364
Reserves	14.663	17.227
Equity attributable to shareholders	27.960	30.591
Minority interest	971	1.183
Total equity	28.931	31.774
Non-current liabilities		
Deferred taxation	406	411
	406	411
Current liabilities		
Outstanding claims and provision for unearned premiums	17.012	15.773
Bank overdrafts and short-term loans	2.584	139
Other Liabilities	6.995	10.423
	26.591	26.335
Total equity and liabilities	55.928	58.520

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2008

	Share Capital	Share Premium	Difference on conversion of share capital	Revaluation reserve	Fair value reserve	Profit and loss account	Total	Minority interest	Total Equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance 1 January 2007	13.364	1.898	-	2.241	1.094	6.880	25.477	506	25.983
Deferred taxation on revaluation of immovable property	-	-	-	11	-	-	11	-	11
Transfer of excess depreciation on revaluation of buildings	-	-	-	(11)	-	11	-	-	-
Deferred taxation on excess depreciation	-	-	-	1	-	(1)	-	-	-
Losses on disposal of investments written off	-	-	-	-	(2)	-	(2)	-	(2)
Fair value gains for the year	-	-	-	-	260	-	260	-	260
Dividend paid	-	-	-	-	-	(2.172)	(2.172)	-	(2.172)
Profit for the year	-	-	-	-	-	7.016	7.016	678	7.694
Balance 31 December 2007	13.364	1.898	-	2.242	1.352	11.734	30.591	1.184	31.774
Balance 1 January 2008	13.364	1.898	-	2.242	1.352	11.734	30.591	1.184	31.774
Deferred taxation on revaluation of immovable property	-	-	-	5	-	-	5	-	5
Transfer of excess depreciation on revaluation of buildings	-	-	-	(11)	-	11	-	-	-
Deferred taxation on excess depreciation	-	-	-	1	-	(1)	-	-	-
Difference on conversion of share capital to euro	(67)	-	67	-	-	-	-	-	-
Fair value loss for the year	-	-	-	-	(3.253)	-	(3.253)	-	(3.253)
Reduction of minority interest due to a reduction in minority share	-	-	-	-	-	-	-	(552)	(552)
Dividends received	-	-	-	-	-	-	-	(4)	(4)
Dividend paid	-	-	-	-	-	(3.129)	(3.129)	-	(3.129)
Profit for the year	-	-	-	-	-	3.746	3.746	343	4.089
Balance 31 December 2008	13.297	1.898	67	2.237	(1.901)	12.361	27.960	971	28.931

Gains or losses on the revaluation of financial assets available for sale are recognised in equity.

Share premium reserve, revaluation reserve and fair value reserve are not available for distribution.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2008

	2008	2007
	€'000	€'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before taxation	4.694	8.222
<i>Adjustments for:</i>		
Loss /(profit) on sale and revaluation of investments	2.095	(877)
Depreciation	286	277
Interest received	(1.050)	(1.071)
Dividends received	(233)	(187)
Interest paid	102	83
Profit from operations before changes in working capital	5.894	6.447
(Increase) /decrease in debtors and other receivables	(1.354)	843
(Decrease) / increase in liabilities and provisions	(2.329)	1.904
Cash flow from operations	2.211	9.194
Interest paid	(102)	(83)
Taxation paid	(601)	(672)
Net cash flow from operating activities	1.508	8.439
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(10.676)	(12.405)
Sale of investments	8.143	11.375
Purchase of tangible fixed assets	(1.401)	(462)
Purchase of investment properties	(1.925)	(1.746)
Increase in holding of subsidiary undertaking	(420)	-
Receipts from sale of tangible fixed assets	2	-
Interest received	1.050	1.071
Dividend received	233	187
Net cash flow for investing activities	(4.994)	(1.980)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(3.129)	(2.172)
Net cash flow for financing activities	(3.129)	(2.172)
Net (decrease) / increase in cash and cash equivalents	(6.615)	4.287
Cash and cash equivalents at the beginning of the year	25.814	21.527
Cash and cash equivalents at the end of the year	19.199	25.814
Cash and cash equivalents consist of:		
Cash and bank balances	21.783	25.953
Bank overdrafts and short-term loans	(2.584)	(139)
	19.199	25.814