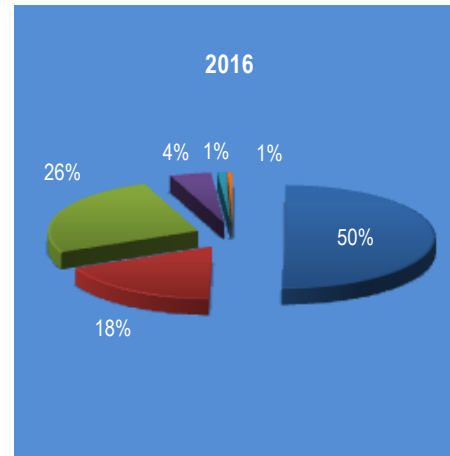
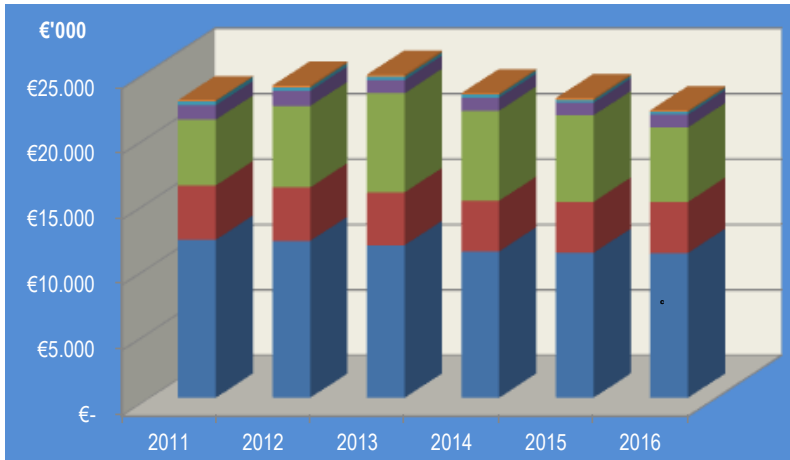




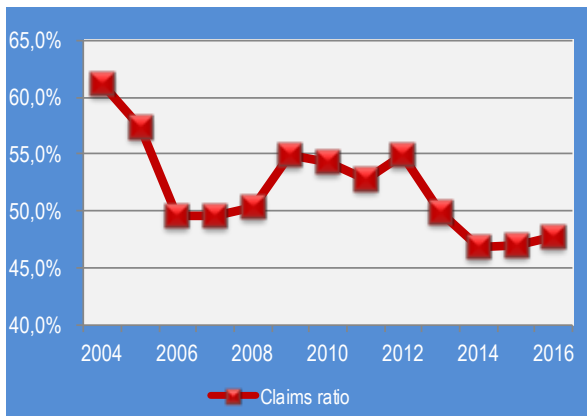
HISTORICAL FINANCIAL INFORMATION

Gross Written Premiums by Insurance class



■ Motor
 ■ Accident & Health
 ■ Property
 ■ Liability
 ■ Marine & Aviation
 ■ Others

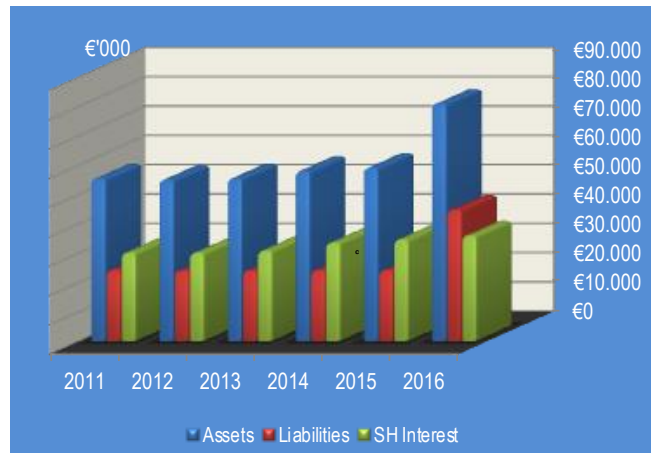
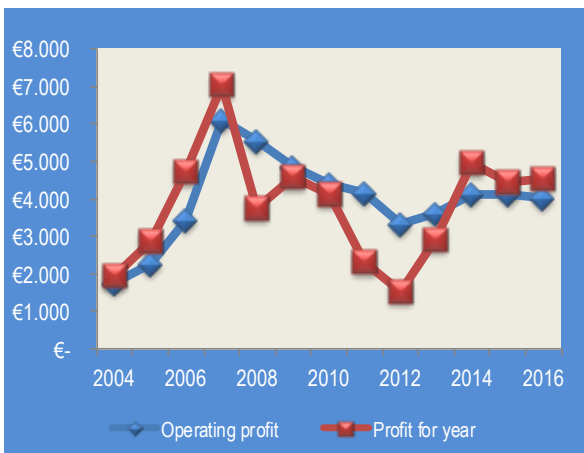
Claims Ratio



Return on Equity



Profits, Assets, Liabilities and Shareholders' Interest



ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS 2016

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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
 Triantafyllos Lysimachou

Marios Savvides (Alternate Director of Mr Lysimachou)

Secretary

Andreas Pirishis

Registered office

15 Esperidon Street
 Atlantic Building
 CY-2001 Strovolos

Auditors

Joannides + Co Limited
 Certified Public Accountants and Registered Auditors
 13 Ayiou Prokopiou Street
 CY-2406 Engomi,
 Nicosia

Legal advisers

L. Papaphilippou & Co.

Bankers

AstroBank Ltd (former Bank of Piraeus (Cyprus) Limited)
 Bank of Cyprus Public Limited
 Hellenic Bank Public Limited
 RCB Bank Ltd
 Credit Suisse (UK) Ltd
 Eurobank EFG Cyprus
 Cyprus Development Bank Plc
 BBAC Bank of Beirut and the Arab Countries

Co-operative Bank Allileggyis
 Co-operative Bank Ledra
 Co-operative Bank Makrasykas
 Alpha Bank (Cyprus) Ltd
 EFG Bank AG
 USB Bank Plc
 Societe Generale Cypurs
 Arab Jordan Investment Bank

Company registration number: HE20008

CHAIRMAN'S STATEMENT

With great pleasure I communicate with you to inform you about the progress and to present the results of the Group for the year ended 31 December 2016.

As you will see from the data and information contained in the report the progress of the Company during the year ended was stable in terms of revenues and satisfactory in terms of profitability. The prudent and consistent strategy followed by the management of the Company was once again proved to be correct. Despite the general trend which prevailed in the insurance market in 2016, neither the intense and to some extent unconventional competition nor the objective market difficulties, affected adversely the operations and results of Atlantic. The Group's profits attributable to shareholders increased by 2,1% to €4,53mln from €4,43mln in 2015. The earnings per share increased to 11,58 cents from 11,33 cents in 2015. In order to understand the significance of our success, it is sufficient to mention that the profits of Atlantic in 2016 were 18% of the total profits of the general insurance market despite the fact that our market share is 6% of the total premiums of the 22 general insurance companies in the market.

The Group's profits from operations fell by 1,8% and amounted to €4,04mln against €4,11mln in 2015. Profit from insurance operations fell slightly by 1,2% to €4,19mln (2015: €4,24mln) as a result of the 1,7% increase in incurred claims. Operating margin was 25,4% compared with 25,8% in 2015.

Claims from policyholders increased by 1,7% and amounted to €7,88mln (2015: €7,74mln). The net claims loss ratio on net earned premiums rose to 47,78% from 47,05% in the previous year. The claims ratio of motor and liability insurance classes increased while the claims ratio of the other insurance classes fell.

Administrative expenses fell by 2,9% to €4,58mln from €4,72mln in 2015. The decrease is mainly attributable to the reduction in the provisions for bad debts from €0,51mln to €0,32mln.

The performance of the Group's investment portfolio was highly satisfactory. Investment income increased to €0,40mln as opposed to €0,23mln in 2015 and investment gains reached €0,53mln compared to €0,37mln in the previous year. There was also a fair value gain on financial assets available for sale of €0,19mln (2015: loss €0,05mln) which was credited directly to equity.

The financial services sector recorded increased operating losses which amounted to €0,17mln (2015: €0,13mln) as a result of the significant reduction by 36,2% in operating income which amounted to €0,25mln against €0,39mln in 2015. The results were affected by provision for bad and doubtful debts of €0,02 (2015: €0,09mln). After the deduction of minority interest the net effect on the group results for the year was a loss of €0,11mln compared with a loss of €0,09mln in 2015. After the year end the Board of the Company has taken measures for the further reduction of the operating costs of the subsidiary company Atlantic Securities and is considering additional measures for the improvement of its results.

The financial strength of the Group improved further as indicated by the increase in own funds by 3,9%. Indicative of the Group's sound capital base is the Solvency II ratio of the Company which stood at 206,2% at 31 December 2016 versus the minimum regulatory level of 100%.

The Board of Directors after taking into account the financial results for the year 2016, the capital requirements and the profitability prospects of the Group for the coming year as well as the prevailing economic conditions, decided to propose for approval at the Annual General Meeting of the Company the payment of a dividend of 9,25 cents per share (2015: 8,5 cents).

Despite the fact that the local economy shows signs of recovery, the business environment in the local insurance market is expected to remain difficult during 2017. Considering the significant uncertainties the Board of Directors believes that at this stage any prediction about the results of the current year is premature.

However I would like to assure you of the determination of the Board to remain strictly committed to effective risk management, protection of the capital base, adequate diversification of bank deposits and investments and careful development of operations. The robust financial position and the high liquidity of the Group mean that Atlantic is in a strong position to take advantage of any interesting opportunities for expansion and growth of its operations.

Finally, I would like to express my warm and sincere appreciation to our shareholders, customers and associates for their constant support and loyalty. I also express my appreciation to the staff of the Group for their dedication, professionalism and diligence.



Emiliós Pyrishis
Chairman

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

MANAGEMENT REPORT

The Board of Directors of Atlantic Insurance Company Public Limited (the "Company") submits its Annual Management Report and the audited consolidated financial statements of the holding Company and its subsidiaries (the "Group") for the year ended 31 December 2016.

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 profits attributable to the shareholders for the year ended 31 December 2016 increased by 2,1% to €4,53m against €4,43m in 2015.

The improvement in profitability is mainly attributable to the following factors:

- Increase in gains from sale and revaluation of investments to €0,53m from €0,37m in 2015.
- Increase in investment income which amounted to €0,39m as opposed to €0,23m in 2015.

Profit from operations

Profit from operations fell by 1,8% and amounted to €4,04m against €4,11m in 2015.

Insurance operations

Profit from insurance operations fell slightly by 1,2% to €4,19m (2015: €4,24m) as a result of the 1,7% increase in incurred claims. Operating margin was 25,4% compared with 25,8% in 2015.

Financial services

The financial services sector recorded increased operating losses which amounted to €0,17m (2015: €0,13m) as a result of the significant reduction by 36,2% in operating income which amounted to €0,25m as opposed to €0,39m in 2015. The results were affected by provision for bad and doubtful debts of €0,02 (2015: €0,09m). After the deduction of minority interest the net effect on the group results for the year was a loss of €0,11m compared with a loss of €0,09m in 2015.

Premiums

Net written premiums amounted to €16,57m versus €16,50m in 2015, recording an increase of 0,5%. After the adjustments for unearned premiums, net earned amounted to €16,48m at similar levels with the previous year.

Other income

Other income from insurance operations amounted to €0,76m compared to €0,77m in 2015. Other income mainly includes commissions receivable from reinsurers of €0,69m (2015: €0,73m). The share of the Cyprus Hire Risks Pool profits increased to €0,05m from €0,04m in 2015.

Claims

Claims from policyholders increased by 1,7% and amounted to €7,88m (2015: €7,74m). The net claims loss ratio on net earned premiums rose to 47,78% from 47,05% in the previous year. The claims ratio of motor and liability insurance classes increased while the claims ratio of the other insurance classes fell.

Gross outstanding claims include a provision of €20m regarding property damages on the EAC's facilities at the station of Vasilicos in November 2016. A corresponding provision for the reinsurer's share of the €20m claim is included in receivables. The Company's financial results will not be affected because the Company has secured a 100% reinsurance support for this risk.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

MANAGEMENT REPORT (continued)

Administrative expenses

Administrative expenses fell by 2,9% to €4,58m from €4,72m in 2015. The decrease is mainly attributable to the reduction in the provisions for bad debts from €0,51m to €0,32m and the reduction in municipal taxes, vehicle expenses, electricity and computer expenses. On the other hand intangibles amortisation, professional services, rents and discounts recorded an increase.

Net finance income

Net finance income amounted to €0,44m against €0,61m in 2015. The significant fall is due to the exchange loss of €0,09m against exchange gain of €0,10m in 2015. Interest from bank deposits decreased to €0,33m from €0,42m as a result of the reduction in local deposit interest rates and also the reduction in bank balances. On the other hand interest from bonds increased significantly to €0,25m from €0,17m in 2015 due to increased position on investments in bonds. Bank charges fell sharply by 30,4% to €0,05m (2015:€0,08m) as a result of the significant reduction in visa charges.

Profit on investments

There was a significant improvement in income from investments which increased to €0,40m as opposed to €0,23m in 2015 as well as in investment gains which reached €0,53m compared to €0,37m in the previous year. There was also a fair value gain on financial assets available for sale of €0,19m (2015: loss €0,05m) which was credited directly to equity. The value of the Company's investment portfolio in transferable securities at 31 December 2016 was €16,35m against €10,70m in 2015.

During 2016 the Company recorded a loss on the revaluation of investment properties of €0,32m (2015:€0,29m). There was also a gain on the revaluation of fixed assets of €0,06m (2015: loss €0,13m) which was recognised directly in the statement of changes in equity.

Earnings per share

The earnings per share of the Group rose to 11,58 cents per share from 11,33 cents in 2015.

Own funds

The Group's own funds increased by 3,9% and reached €35,8m from €34,5m in 2015.

Solvency II

Based on the Solvency II calculations of the minimum solvency capital requirements, which were submitted to the superintendent of Insurance, the Solvency Ratio of the Company as at 31 December 2016 was 206,2% versus the minimum regulatory level of 100%.

Financial results

As shown on page 8 of the extract from the consolidated financial statements, net profit attributable to shareholders reached €4,53m compared to €4,43m in 2015, recording an annual decrease of 2,1%. 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 9,25 cents per share (2015: 8,5 cents).

Significant risks and uncertainties

The most significant risks that the Group is exposed to are described in note 33 of the consolidated and separate financial statements of the Company.

Risk Mitigation

As part of its effective risk management the Company whenever necessary makes use of derivatives for hedging purposes. During the year the Company entered into 2 USD forward contracts through AstroBank Ltd for the sale of USD on the expiry dates of February 17, 2017 and September 29, 2017 of \$2m and \$1,9m respectively. The contracts were entered for the purpose of hedging currency risks arising from the USD exposure of the Company's investments and bank balances.

Prospects

The Board of Directors considered the results of the Group as satisfactory especially considering the economic climate which prevailed.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

MANAGEMENT REPORT (continued)

As regards the prospects for the current year, there are no major developments which may affect the assessment of the results of the current period. The management believes that the conditions in the operating environment of the company will remain difficult but notes the satisfactory recovery in the wider economic environment. Considering the significant uncertainties the Board of Directors considers that at this stage any projection about the operating results of the Group for the current year are premature.

The management remains committed to its strategy of effective risk management and careful development of operations as well as the protection and strengthening of the capital base, liquidity and profitability of the Group.

Tangible Fixed Assets

Capital expenditure for tangible fixed assets amounted to €203 thousand (2015: €62 thousand) as shown in note 16 of the financial statements.

Research and technological advancement

The management examines on a continuous basis modern tools for the upgrading and improvement of its systems and internal operating procedures. Technological advancements fall in the following 3 basic categories according to their objective:

- Productivity improvement and cost reduction
- Improvement of customer service and of the quality of services
- Strengthening of security and monitoring systems

Share Capital

The authorised share capital of the Holding Company amounts to €85 mln divided into 250 mln ordinary shares of a nominal value of €0,34 each. The issued share capital of the Company amounts to €13,30 mln divided into 39,11 mln ordinary shares of a nominal value of €0,34 each. All the titles of the Company are listed in the Cyprus Stock Exchange and there are neither any restrictions in the transferability of the titles of the Company nor any known agreements between shareholders that may imply restrictions in the transferability of the titles and/or the voting rights.

The Extraordinary General Meeting of the Company which took place on 1 June 2016 approved the following Special Resolution:

“That the Board of Directors be authorized and is hereby authorized to implement a buy- back programme, in accordance with the provisos of Article 57A of the Companies Act 113 (Amended). The minimum and maximum price at which own shares may be bought, cannot exceed by more than 5%, the average market price of the Company’s shares during the last 5 trading sessions before the acquisition. The Company may acquire, within the period of 12 months from the date of AGM resolution, the maximum number of shares which is permitted by the Act. The shares may be acquired either in the market or through a private agreement.”

The purpose of the above resolution was the extension of the Company’s buy-back programme for the period June 1, 2016 to May 31, 2017.

During the year the Company did not acquire any own shares. The total number of own shares held by the Company at 31 December 2016 is 165 241 and the total acquisition cost amounts to €163 thousand.

No other change in the capital structure of the Company took place during the year.

Investment in subsidiary companies

During the year the Company made a provision of €265 thousand for the permanent diminution in the value of its investment in the subsidiary undertaking Atlantic Consultancy Services Ltd. As a result the carrying value of the investment was reduced to €672 thousand from €937 thousand in 2015. The provision did not have any impact in the consolidated results of the Group.

During the year the subsidiary Atlantic Consultancy Services Ltd increased its interest in the share capital of its subsidiary Atlantic Securities Ltd to 88,01% from 85,43%. As a result the effective interest of Atlantic Insurance Company Public in Atlantic Securities Limited Ltd rose to 66.1% from 64.2%.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

MANAGEMENT REPORT (continued)

Contracts with Directors' and related parties

There were no significant contracts in force by the year end or by the date of approval of the financial statements to which shareholders owning directly or indirectly more than 5% of the share capital of the Company and members of the Board and the management of the Company, their spouses or minor children have or had direct or indirect material interest, with the exception of the contracts of employment of executive directors and the agreement for the appointment of Piraeus (Cyprus) Insurance Agency Ltd as an insurance agent of Atlantic Insurance Co Public Ltd as mentioned in note 32 of the financial statements.

The transactions of the Company with related parties are shown in note 29 of the financial statements.

Significant events

There were no significant events which had a material impact on the consolidated financial statements.

Post balance events

Events occurring after the reporting period which are affecting the understanding of the financial statements are presented in note 36 of the financial statements.

Corporate Governance

At present the Board of Directors has partly adopted the Code of Corporate Governance ('Code') issued by the Cyprus Stock Exchange since the Company is listed in the Alternative Market of the Cyprus Stock Exchange where the adoption of the Code is voluntary and not compulsory. The Code of Corporate Governance is published on the website www.cse.com.cy.

The report of the Board on the Code ('Report on Corporate Governance') is shown on pages 8 and 18 of the consolidated financial statements and is available on the Company's website www.atlantic.com.cy.

The degree of the Company's compliance and explanation of areas of non-conformity with the principles and articles of the Code at the date of the report are described in the Report on Corporate Governance.

The Group adopts effective procedures in relation to the preparation of the financial statements to safeguard that transactions and events recorded in the accounting books and records are accurately presented in the financial statements, the relevant announcements and the financial reports of the Group.

The risk management process of the Group which covers the presentation of financial information aims at the recognition, analysis and management of the risks related to the preparation of the financial statements, the relevant announcements and other financial reporting so that they are in conformity with the relevant financial reporting standards, the laws and regulations, including the periodical reporting which is required by the Transparency Requirements (Securities Trading in Regulated Markets) Cyprus Laws of 2007 and 2014. This is accomplished by the identification of risks of material inaccuracy in the reports and the adoption and implementation of internal controls for the prevention or detection of items that may lead to a material misstatement.

The company through its internal control system has implemented effective processes for the preparation of its financial statements, as well as for the preparation of periodic reporting required by listed companies. The main characteristics of these procedures are:

- The financial statements of the subsidiaries of the Group are prepared under the responsibility of the Financial Director of each company and under the supervision of the Financial Director of the Company.
- The financial statements of the Company and the Group are prepared under the responsibility of the Financial Director of the Group.
- The announcements of the results of the Group as well as the related explanatory statements are compiled by the Group's Financial Director and are reviewed by the Audit Committee. The relevant announcements are approved by the Board of Directors prior to their publication.

The share capital of the Company is divided into ordinary shares having the same and equal rights. There are no issued shares with special controlling or voting rights. Detailed information on the Company's share capital is presented in note 23 of the consolidated financial statements.

The shareholders owning directly or indirectly more than 5% of the share capital of the Company on 31 December 2016 and 5 days before the date of approval of the financial statements are shown in note 30 of the financial statements.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED**MANAGEMENT REPORT (continued)**

The percentage holdings on the Company's share capital that is owned by each member of the Board, their spouses, minor children and companies in which they own directly or indirectly more than 20% of the voting rights, on 31 December 2016 and 5 days before the date of the approval of the financial statements are mentioned in note 31 of the consolidated financial statements.

Each member of the Board is elected by the General Meeting of the shareholders or is appointed by the Board of Directors. A member who is appointed by the Board of Directors retires by law at the first annual general meeting following their appointment, which then decides on his appointment. At every annual general meeting one third of the board of directors retires and their appointment is determined by the annual general meeting. A director may be removed from office before the end of his term with an ordinary resolution at a General Meeting.

The Company's Memorandum may be amended with a special resolution at a General Meeting.

The power of the directors is general and is limited only by the powers granted in a general meeting of the shareholders of the company either by law or by the articles of the Company. The decision on the issue of new shares, unless it relates to a rights issue which is offered to the shareholders in proportion to their existing holding, is taken by the general meeting in accordance with the prevailing legislation. The right to purchase the company's own shares, unless the legislation allows otherwise, is provided to the Board of Directors for a specified period by a special resolution of the general meeting.

The composition, terms of reference and details about the functioning of the management, administrative and supervisory bodies and positions designated in accordance with the Code are mentioned in the Report of Corporate Governance which is presented immediately after the Management Report.

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. According to the Articles of the Company's Association Messrs Emilios Pyrishis and Charalambos Alexandrou and Mrs Nina Pirishi 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 in the next Annual General Meeting.

By order of the Board of Directors,



Emilios Pyrishis
Chairman

Nicosia
13 April 2017

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2016

	Notes	2016 €'000	2015 €'000
Income from operations			
Gross written premiums		21.265	22.190
Policy fees		705	709
Reinsurers' share of premiums		(5.399)	(6.404)
Net premiums		16.571	16.495
Transfer to unearned premiums		(88)	(41)
Net earned premiums		16.483	16.454
Other operating income from insurance operations	6	759	770
Operating income from brokerage and financial services		254	398
		17.496	17.622
Expenses			
Claims payable	5	7.876	7.741
Commission payable for insurance operations		955	974
Commission payable for brokerage and financial services		49	80
Administrative expenses		4.580	4.718
		13.460	13.513
Profit from operations	10	4.036	4.109
Profit on sale and revaluation of investments	12	530	368
Loss on revaluation of investment properties		(319)	(294)
Other investment income	7	396	232
Net finance income	11	441	606
Profit before taxation		5.084	5.021
Taxation	13	(623)	(652)
Profit after taxation		4.461	4.369
Minority interest		67	64
Profit attributable to the shareholders		4.528	4.433
Earnings per share (cent)	14	11,58	11,33

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

	2016 €'000	2015 €'000
Profit for the year	4.528	4.433
Other recognised gains :		
Gain/(loss) on revaluation of immovable property	64	(127)
Deferred tax on revaluation of immovable property	(8)	22
Purchase of own shares	-	(85)
Fair value gain / (loss) on financial assets available for sale	192	(55)
Transfer to profit and loss for the year on disposal of financial assets available for sale	(127)	(126)
Transfer to profit and loss for the year on change of classification of bonds	7	-
	128	(371)
Total comprehensive income for the year	4.656	4.062

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	Notes	2016 €'000	2015 €'000
Non-current assets			
Tangible fixed assets	16	6.756	6.693
Intangible assets	17	22	11
Investors' Compensation Fund	21	210	210
Investment properties	18	5.665	5.984
Financial assets available for sale	19	4.314	5.125
Total non-current assets		16.967	18.023
Current assets			
Debtors and other receivables	21	32.768	14.506
Financial assets held for trading	20	12.056	5.647
Cash and bank balances	22	19.001	20.738
Total current assets		63.825	40.891
Total assets		80.792	58.914
Equity			
Share capital	23	13.297	13.297
Reserves		22.685	21.353
Purchase of own shares		(163)	(163)
Equity attributable to shareholders		35.819	34.487
Minority interest		366	468
Total equity		36.185	34.955
Non-current liabilities			
Deferred taxation	24	240	289
		240	289
Current liabilities			
Outstanding claims and provision for unearned premiums	25	41.547	20.962
Other Liabilities	26	2.820	2.708
		44.367	23.670
Total equity and liabilities		80.792	58.914

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

	Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Profit and Loss account	Own Shares	Total	Minority Interest	Total Equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance 1 January 2015	13.297	1.965	3.136	302	14.738	(78)	33.360	532	33.892
Deficit on revaluation of immovable property			(127)	-	-	-	(127)	-	(127)
Deferred tax on revaluation of immovable property	-	-	21	-	-	-	21	-	21
Transfer of excess depreciation on revaluation of buildings	-	-	(1)	-	1	-	-	-	-
Fair value loss on financial assets available for sale	-	-	-	(55)	-	-	(55)	-	(55)
Transfer to profit and loss for the year of realised gain on financial assets available for sale	-	-	-	(126)	-	-	(126)	-	(126)
Purchase of own shares	-	-	-	-	-	(85)	(85)	-	(85)
Dividend paid	-	-	-	-	(2.934)	-	(2.934)	-	(2.934)
Profit for the year	-	-	-	-	4.433	-	4.433	(64)	4.369
Balance 31 December 2015	13.297	1.965	3.029	121	16.238	(163)	34.487	468	34.955
Balance 1 January 2016	13.297	1.965	3.029	121	16.238	(163)	34.487	468	34.955
Gain on revaluation of immovable property	-	-	64	-	-	-	64	-	64
Deferred tax on revaluation of immovable property	-	-	(8)	-	-	-	(8)	-	(8)
Reduction of minority due to sale of shares	-	-	-	-	-	-	-	(35)	(35)
Fair value gain on financial assets available for sale	-	-	-	192	-	-	192	-	192
Transfer to profit and loss for the year of realised gain on financial assets available for sale	-	-	-	(127)	-	-	(127)	-	(127)
Transfer to profit and loss for the year on change of classification of bonds	-	-	-	7	-	-	7	-	7
Dividend paid	-	-	-	-	(3.324)	-	(3.324)	-	(3.324)
Profit for the year	-	-	-	-	4.528	-	4.528	(67)	4.461
Balance 31 December 2016	13.297	1.965	3.085	193	17.442	(163)	35.819	366	36.185

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

The share premium, the revaluation reserve and the fair value reserve are not available for distribution.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2016

		2016	2015
		€'000	€'000
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before taxation		5.084	5.021
<i>Adjustments for:</i>			
Gain on sale and revaluation of investments	12	(530)	(368)
Loss on revaluation of investment properties		319	294
Depreciation of tangible and intangible fixed assets	10	248	209
Profit on sale of assets		(3)	-
Interest received	11	(494)	(682)
Dividends received	7	(333)	(171)
Interest paid and bank charges	11	53	76
Profit from operations before changes in working capital		4.344	4.379
(Increase) /decrease in debtors and other receivables		(18.256)	1.151
Increase in liabilities and provisions		20.455	107
Cash flow from operations		6.543	5.637
Interest paid		(53)	(76)
Taxation paid		(684)	(728)
Net cash flow from operating activities		5.806	4.833
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of investments		(9.547)	(5.553)
Sale of investments		4.785	3.065
Purchase of own shares		-	(85)
Purchase of tangible fixed assets	16	(203)	(62)
Purchase of intangible fixed assets	17	(55)	(8)
Receipts on disposal of tangible fixed assets		3	1
Increase in holding of subsidiary undertaking		(29)	-
Interest received		494	682
Dividends received		333	171
Net cash flow (for) /from for investing activities		(4.219)	(1.789)
CASH FLOW FOR FINANCING ACTIVITIES			
Dividend paid		(3.324)	(2.934)
Net cash flow for financing activities		(3.324)	(2.934)
Net (decrease)/ increase in cash and cash equivalents		(1.737)	110
Cash and cash equivalents at the beginning of the year	22	20.738	20.628
Cash and cash equivalents at the end of the year	22	19.001	20.738
Cash and cash equivalents consist of:			
Cash and bank balances	22	19.001	20.738

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4: Segmental Reporting

The Group has two main segments of business activity, general insurance business and financial services, both of which are carried out in Cyprus.

	Insurance	Financial Services	Total
	€'000	€'000	€'000
Year ended 31 December 2016			
Premiums and other income	23.120	259	23.379
Profit /(loss) from operations	4.207	(171)	4.036
Total Assets	78.521	2.271	80.792
Total Liabilities	44.428	179	44.607
Purchase of tangible fixed assets	203	-	203
Purchase of intangible fixed assets	55	-	55
Disposal of tangible fixed assets	41	-	41
Depreciation of tangible fixed assets	202	2	204
Depreciation of intangible fixed assets	44	-	44
Year ended 31 December 2015			
Premiums and other income	23.904	398	24.302
Profit from operations	4.239	(130)	4.109
Total Assets	56.019	2.895	58.914
Total Liabilities	23.753	206	23.959
Purchase of tangible fixed assets	62	-	62
Purchase of intangible fixed assets	8	-	8
Depreciation of tangible fixed assets	210	-	210
Depreciation of intangible fixed assets	187	2	189

Note 5: Claims payable

	2016			2015	
	Gross	Reinsurers' Share	Recoveries	Net	Net
	€'000	€'000	€'000	€'000	€'000
Motor	6.387	(819)	(394)	5.174	4.868
Accident and health	2.277	(5)	(10)	2.262	2.641
Marine	(7)	(2)	-	(9)	8
Property	20.266	(20.130)	-	136	258
Liability	317	(5)	-	312	(45)
Other	1	-	-	1	11
	29.241	(20.961)	(404)	7.876	7.741

Note 6: Other income from insurance operations

	2016	2015
	€'000	€'000
Commissions earned	689	730
Share of Pool profits	45	39
Profit on sale of assets	3	-
Other income	22	1
	759	770

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7: Other income from investments

	2016	2015
	€'000	€'000
Dividends received	333	171
Rents received	63	61
	396	232

Note 8: Income from Cyprus Hire Risks Pool

The income arises from the Company's participation to the Cyprus Hire Risks Pool. The company's share in the profits and losses of the Pool is calculated based on the share of the Company's motor premiums as a percentage of the total market motor premiums. The Company's share of profits of the Pool for 2016 amounted to €45 thousand (2015: Profit €36 thousand).

Note 9: Staff costs

	2016	2015
	€'000	€'000
Salaries	2.417	2.366
Social insurance contributions	167	160
Provident fund contributions	117	114
Other contributions	102	100
	2.803	2.739

Average number of employees

The average number of employees was as follows:

	2016	2015
Full-time employees	104	102

The Company and its subsidiary Atlantic Securities Ltd operate defined contribution provident fund schemes. The funds are separately financed and prepare their own financial statements. In accordance with the Funds' memorandum the members are entitled to the payment of certain benefits on their retirement or early termination of their employment.

Note 10: Profit from operations

Profit from operations arises after the deduction of the following:

	2016	2015
	€'000	€'000
Depreciation of tangible fixed assets	204	189
Depreciation of intangible fixed assets	44	20
Provision for bad and doubtful debts	324	510
Audit Fees		
Audit fees	57	57
Fees for other verification services	7	9
Fees for non-audit services	-	-

Note 11: Net finance income

	2016	2015
	€'000	€'000
Interest received	333	416
Interest from bonds	252	168
Bank charges and interest paid	(53)	(76)
Exchange (losses) / gains	(91)	98
	441	606

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Note 12- Gains on sale and revaluation of investments

	2016	2015
	€'000	€'000
Gain / (loss) on sale and revaluation of shares held for trading	140	(166)
Gain on sale and revaluation of foreign investments	130	296
Gain on sale and revaluation of bonds	495	238
Forward contract losses	(235)	-
	530	368

Note 13-Taxation

The tax charge is based on the profit for the year as adjusted for tax purposes and consists of the following:

	2016	2015
	€'000	€'000
Corporation tax	616	632
Defence tax contribution	5	10
Foreign taxes deducted at source	58	7
Deferred Tax	(57)	(49)
Prior year taxes	-	52
Tax Interest	1	-
	623	652

The reconciliation between the tax charge and the tax which is calculated on the accounting profit of the year using the current applicable tax rates is as follows:

	2016	2015
	€'000	€'000
Accounting profit	5.084	5.021
	635	628
Tax based on current tax rates	5	10
Defense tax contribution	58	7
Overseas tax withheld	1	-
Tax interest	-	52
Prior year taxes	(57)	(49)
Deferred tax	5.084	5.021
<i>Adjustments for :</i>		
Disallowed expenses	54	49
Income not taxed	(42)	(26)
Profit on sale and revaluation of investments	(26)	(9)
Capital allowances	(28)	(26)
Tax losses brought forward	(4)	-
Tax losses of subsidiaries carried forward	27	16
	623	652

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Note 14: Earnings per share

	2016 €'000	2015 €'000
Net profit attributable to shareholders	4.528	4.433
Weighted average number of issued shares	39.109	39.109
Basic earnings per share (cents)	11,58	11,33

Earnings per share is calculated based on the weighted average number of shares which were issued during the year.

Note 15: Group companies

The subsidiary companies of the group are the following private limited liability companies registered in Cyprus:

Company	Principal activities	Share %	2016 €'000	2015 €'000
Lyssi Investments Ltd	Car hire	100,0	86	86
Lion Insurance Agency Ltd	General insurance agent	100,0	141	141
Atlantic Consultancy Services Ltd ⁽¹⁾ Atlantic Securities Limited 88,01% ⁽²⁾ subsidiary undertaking of Atlantic Consultancy Services Limited	Financial and consultancy services Brokerage and investment services	75,1	672	937
			899	1.164

(1) The carrying amount of the investment in Atlantic Consultancy Services Ltd was reduced to €672 thousand due to a provision of €265 thousand for permanent diminution in the value of the investment.

(2) During the year the subsidiary Atlantic Consultancy Services Ltd bought 29,000 shares of Atlantic Securities Limited for the amount of €29 thousand. As a result the company increased its participation to 88.01% from 85.43% and hence the effective interest of Atlantic Insurance Company Public in Atlantic Securities Limited Ltd rose to 66.1% from 64.2%. Negative goodwill of €5.4 thousand which arose from the transaction was credited to the income statement of the year and is included in other income.

The contribution of the parent company to the consolidated financial statements, after taking into account transactions and balances between Group companies which were eliminated at consolidation, is as follows:

	2016 €'000	2015 €'000
Premiums and other income	23.120	23.902
Profit from operations	4.192	4.242
Total assets	78.258	55.760
Total liabilities	44.423	23.750

The contribution of subsidiary undertakings to the consolidated financial statements is as follows:

	Lyssi Investments Ltd €'000	Lion Insurance Agency Limited €'000	Atlantic Consultancy Services Limited €'000	2016 €'000	2015 €'000
Premiums and other income	-	-	259	259	398
Profit / (loss) from operations	(1)	16	(171)	(156)	(133)
Total assets	110	153	2.271	2.534	3.154
Total liabilities	2	3	179	184	209

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Note 16: Tangible fixed assets

	Land and buildings €'000	Furniture and fittings €'000	Computer hardware and software €'000	Motor vehicles €'000	Total €'000
Cost or revaluation					
Balance at 1 January 2015	6.717	816	493	707	8.733
Additions	-	24	28	10	62
Revaluation	(238)	-	-	-	(238)
Disposals	-	-	-	(210)	(210)
Balance at 1 January 2016	6.480	840	521	506	8.347
Additions	-	58	39	106	203
Revaluation	(42)	-	-	-	(42)
Disposals	-	-	-	(41)	(41)
Balance at 31 December 2016	6.438	898	560	571	8.467
Depreciation					
Balance at 1 January 2015	-	655	466	665	1.786
Depreciation for the year	110	44	16	19	189
On revaluation	(110)	-	-	-	(110)
On disposals	-	-	-	210	(210)
Balance at 1 January 2016	-	698	482	474	1.654
Depreciation for the year	106	42	21	35	204
On revaluation	(106)	-	-	-	(106)
On disposals	-	-	-	(41)	(41)
Balance at 31 December 2016	-	740	503	468	1.711
Net book value at					
31 December 2016	6.438	158	57	103	6.756
31 December 2015	6.480	141	39	32	6.693

Revaluation of tangible fixed assets and investment properties

The immovable property of the Company was revalued at 31 December 2016 by independent professional property valuers using the open market value method. The market value was calculated based on current comparative data and after taking into account the physical and legal characteristics, prospects and advantages of the relevant properties as well as the general trends in the property market and the economy.

Tangible fixed assets

The value of the land and buildings that would appear in the consolidated and the parent financial statements based on historical cost minus depreciation is as follows:

	2016 €'000	2015 €'000
Land	1.263	1.263
Buildings	2.255	2.361
	3.518	3.624
Revalued amount of land on which no depreciation is charged	2.920	2.935

Investment properties

The value of investment properties that would appear in the consolidated and the parent financial statements based on historical cost is as follows:

	2016 €'000	2015 €'000
Land	4.619	4.619
Buildings	1.952	1.952
	6.571	6.571

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Note 17-Intangible assets

	Goodwill on acquisition of agents portfolios €'000	Computer software €'000	Total €'000
Cost or revaluation			
Balance at 1 January 2015	80	409	489
Additions	-	8	8
Balance at 1 January 2016	80	417	497
Additions	26	29	55
Balance 31 December 2016	106	446	552
Amortisation			
Balance at 1 January 2015	67	399	466
Amortisation for the year	10	10	20
Balance at 1 January 2016	77	409	486
Amortisation for the year	29	15	44
Balance 31 December 2016	106	424	530
Net book value at			
31 December 2016	-	22	22
31 December 2015	3	8	11

Note 18: Investment properties

	2016 €'000	2015 €'000
Land and buildings		
Balance at 1 January	5.984	6.279
Fair value loss on revaluation	(319)	(294)
Balance at 31 December	5.665	5.984

Note 19: Financial assets available for sale

	2016 €'000	2015 €'000
Equity investments in listed securities	115	148
Republic of Cyprus government bonds	2.874	2.307
Greek government bonds	1	201
Corporate bonds	1.027	1.223
Foreign corporate bonds	297	1.246
	4.314	5.125

Financial assets available for sale include investments in securities listed in the Cyprus Stock Exchange and the Athens Stock Exchange. These assets are valued at the end of the year using the mid-market price as at the balance sheet date. Financial assets available for sale are included in non-current assets unless it is anticipated that they will be disposed of within 12 months from the balance sheet date. The fair value gain on financial assets available for sale for the year 2016 amounted to €0,19m (2015: loss €0,05m) and was recognized in the fair value reserve which is included as part of equity.

Republic of Cyprus government bonds include a bond of €0,54m which is under custody with Clearstream through FBME Bank Ltd. As a result of the reorganisation measures which were adopted for the branch of FBME Bank Ltd in Cyprus, the Company has not yet managed to transfer these securities to another custodian.

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Note 20: Financial assets held for trading

	2016	2015
	€'000	€'000
Equity investment in listed securities	1.402	541
Foreign investments funds	3.447	2.403
Private equity investment funds	459	293
Hedge funds	2.496	1.755
International real estate funds	1.281	606
Corporate Bonds	1.655	49
Investments in gold	1.316	-
	12.056	5.647

Note 21: Debtors and other receivables

Non-current assets

	2016	2015
	€'000	€'000
Other receivables from financial services operations	210	210

Current assets

	2016	2015
	€'000	€'000
Trade receivables from insurance operations	4.925	5.642
Reinsurers' share of technical reserves (note 25)	24.332	3.795
Receivables from reinsurers	187	1.293
Share in pool assets	482	437
Deferred acquisition costs	458	464
Other receivables from insurance operations	672	616
Other receivables from financial services operations	1.694	2.241
Tax refundable	18	18
	-	-
	32.768	14.506

Note 22: Cash and bank balances

	2016	2015
	€'000	€'000
Cash and bank balances	19.001	20.738
	19.001	20.738

The bank overdrafts of the Company are secured by a mortgage of €215 thousand on the immovable property of the Company and by personal guarantees of the members of the Board of Directors.

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Note 23: Share Capital

	2016		2015	
	Number of shares (thousand)	€'000	Number of shares (thousand)	€'000
Authorised				
Ordinary shares €0,34 per share	250.000	85.000	250.000	85.000
Issued and fully paid				
Ordinary shares €0,34 per share	39.109	13.297	39.109	13.297

During the year the Company did not acquire any own shares. The number of own shares held by the Company at 31 December 2016 was 165 241 and the total acquisition cost was €163 thousand.

There was no change in the Company's capital structure during the year.

Note 24: Deferred Taxation

	2016	2015
	€'000	€'000
Provision for property revaluation		
Balance 1 January	235	311
Deferred tax on property revaluation	(54)	(76)
Deferred tax on excess depreciation resulting from the revaluation of buildings	-	-
Balance 31 December	181	235
	2016	2015
	€'000	€'000
Provision for temporary differences between depreciation and capital allowances		
Balance 1 January	54	49
Deferred tax for the year	5	6
Deferred tax on excess depreciation	-	-
Balance 31 December	59	54
Total Balance 31 December	240	289

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Note 25: Outstanding claims and unearned premiums

	2016	2015
	€'000	€'000
Unearned premiums		
Gross unearned premiums	9.856	10.038
Reinsurers' share	(2.004)	(2.274)
Net unearned premiums	7.852	7.764
Outstanding claims		
Gross outstanding claims	31.691	10.924
Reinsurers' share	(22.328)	(1.521)
Net outstanding claims	9.363	9.403
Total technical reserves		
Gross technical reserves	41.547	20.962
Reinsurers' share	(24.332)	(3.795)
Net technical reserves	17.215	17.167

Outstanding claims include a provision for incurred but not reported claims (IBNR) as well as a provision for incurred but not enough reported claims (IBNER) using the claims development method.

Gross outstanding claims include a provision of €20mln regarding property damages on the EAC's facilities at the station of Vasilicos in November 2016. A corresponding provision for the reinsurer's share of €20mln is included under 'Debtors and other receivables' in note 21. The Company's financial results will not be affected because the Company has secured a 100% reinsurance support for this risk.

Note 26: Other Liabilities

	2016	2015
	€'000	€'000
Taxation	212	217
Reinsurers' balances	133	337
Creditors from insurance operations	139	76
Other liabilities from insurance operations	1.355	1.390
Dividends payable	562	483
Derivatives -Forward contracts	240	-
Other liabilities from financial services operations	179	205
	2.820	2.708

The derivatives relate to 2 forward contracts through AstroBank Ltd for the sale of USD on the expiry dates of February 17, 2017 and September 29, 2017 of \$2mln and \$1,9mln respectively. The contracts were entered for the purpose of hedging currency risks arising from the USD exposure of the Company's investments and bank balances.

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Note 28- Additional information provided in accordance with the provisions of the Companies Act (Amendment) (No.2) Law of 2003 [N.167(1)] and of the IFRS, in accordance with Directive 7 for the year ended 31 December 2016

		Accident & Health		Motor vehicle liability		Motor own damage		Marine and transport		Fire and other material damage		Liability		Credits and miscellaneous		Total	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Gross premiums written		3.880	3.876	7.899	7.862	2.605	2.646	197	209	5.607	6.525	962	939	114	133	21.265	22.190
Policy fees		29	28	424	426	140	143	3	3	88	89	21	20	-	1	705	709
Total written premiums	1	3.909	3.904	8.323	8.445	2.745	2.632	200	212	5.696	6.614	983	959	114	134	21.970	22.900
Reinsurers share of gross premiums	2	387	404	333	360	110	121	115	137	4.224	5.165	136	107	91	110	5.396	6.404
Gross earned premiums	3	3.839	3.862	7.867	7.782	2.620	2.709	198	231	5.834	6.373	975	976	113	112	21.447	22.044
Gross outstanding claim reserves	4	908	1.102	8.559	7.572	165	396	40	50	20.352	323	1.666	1.480	-	-	31.691	10.923
Gross claims incurred	5	2.268	2.656	4.535	3.925	1.458	1.581	(7)	17	20.266	437	317	(45)	1	457	28.837	9.029
Claims management costs	6	196	196	544	516	175	208	6	5	90	71	27	21	1	1	1.038	1.019
Administrative expenses	7	387	428	1.989	2.035	658	634	9	7	149	101	241	234	4	5	3.436	3.444
Reinsurance balances	8	(8)	(14)	(30)	163	-	51	(5)	(18)	101	778	(4)	-	(1)	(4)	54	956
Staff costs	9	249	275	1.303	1.254	427	456	25	25	411	375	123	111	3	3	2.541	2.499

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Note 30- Shareholders holding more than 5% of the issued share capital

In accordance with article 60 (4) of the Cyprus Stock Exchange Law and Regulations the shareholders owning directly or indirectly more than 5% of the issued share capital of the Company at 31 December 2016 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2016	8 April 2017
	%	%
Emilios Pyrishis ¹	33,77	33,77
AstroBank Ltd	19,91	19,91
Andreas Frangoullis ²	20,28	20,28
Maro Marathovouniotou ³	5,96	5,96

- (1) The holding of Emilios Pyrishis includes his direct share of 20,37% and his indirect holding arising from the shares owned by his mother Nina Pyrishi (2,36%) and his brother George Pyrishis (11,04%).
- (2) The holding of Andreas Frangoullis includes his direct share (20,01%) and his indirect holding arising from the shares owned by his wife Elli Frangoulli (0,10%), his children Christos, Orthodoxos and Vasilis (0,09%), his mother Vasilou Frangoulli (0,03%) and his brother Filippos Frangoullis (0,05%).
- (3) The holding of Maro Marathovounioti includes her direct share (1,44%) and her indirect holding arising from the shares owned by her daughter Athena Nicolaidou (1,60%), her son Alexis Marathovouniotis (1,43%) and her son Andreas Marathovouniotis (1,49%).

Note 31. Directors' holding in the share capital of the Company

The number of shares and the percentage holding in the share capital of the Company owned directly or indirectly by the members of the Board, their spouses or minor children and companies in which they hold directly or indirectly more than 20% of the voting shares, in accordance with Article 60 (4) of the Cyprus Stock Exchange Law and Regulations, on 31 December 2016 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2016		8 April 2017	
	Number of Shares	%	Number of Shares	%
Emilios Pyrishis	7.965.714	20,37	7.965.714	20,37
Andreas Pirishis	20.000	0,05	20.000	0,05
Andreas Frangoullis ¹	7.932.822	20,28	7.932.822	20,28
George Pyrishis	4.318.271	11,04	4.318.271	11,04
Nina Pyrishi	922.641	2,36	922.641	2,36
Panayiotis Mallis	155.000	0,40	155.000	0,40
Charalambos Alexandrou ²	86.224	0,22	86.224	0,22
Triantafyllos Lysimachou	-	0,00	-	0,00
Marios Savvides	165.074	0,42	165.074	0,42

- (1) The holding of Andreas Frangoullis includes his direct share (20,01%) and his indirect holding arising from the shares owned by his wife Elli Frangoulli (0,10%), his children Christos, Orthodoxos and Vasilis (0,09%), his mother Vasilou Frangoulli (0,03%) and his brother Filippos Frangoullis (0,05%).
- (2) The holding of Charalambos Alexandrou includes his direct share (0,21%) and his indirect holding arising from the shares owned by his father Loizos Alexandrou (0,01%).

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Note 34. Contingent liabilities

There were not significant contingent liabilities for which no provision was made in the financial statements.

Tax obligations

In accordance with the Cyprus tax legislation the companies submit their tax returns and pay taxes on the basis of taxable income as per their tax computation. The interpretation of the tax legislation by the tax authorities that apply to the transactions and the activities of the Company may not coincide with that of the management of the Company. As a result, certain transactions may be challenged by the tax authorities and the company may be liable to pay additional taxes, penalties and interest that may be significant. Periods remain open in relation to tax liabilities for six years.

Note 35. Significant events

There were no significant events which had a material impact on the financial statements at 31 December 2016.

Note 36. Post balance sheet events and capital commitments

There were no events which occurred after the end of the reporting period that had a significant impact on the financial statements at 31 December 2016.

On 31 December 2016 the Company had the following future capital commitments in respect of foreign investments:

	€'000
North Haven Real Estate Fund VII Offshore Investors Global	151
North Haven Private Equity Asia III	228
	379