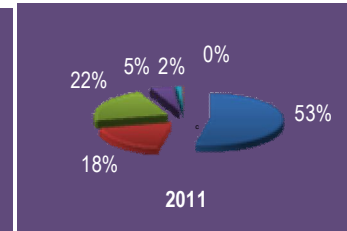
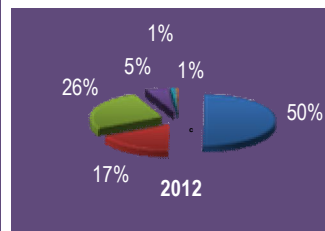
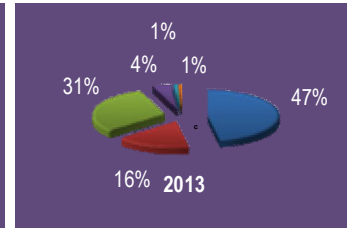
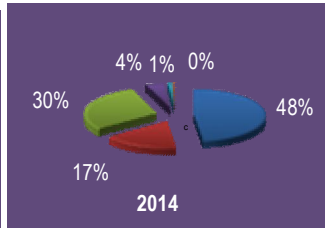
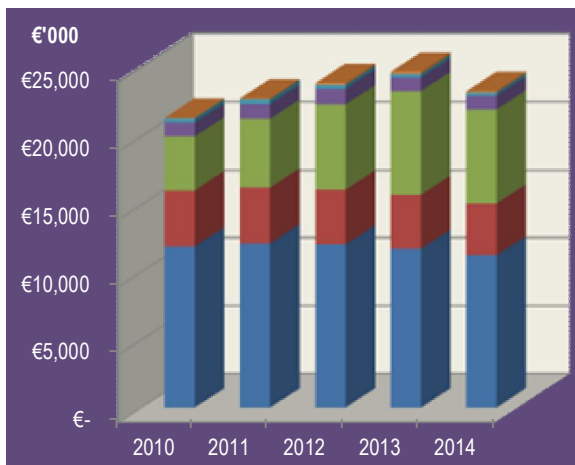




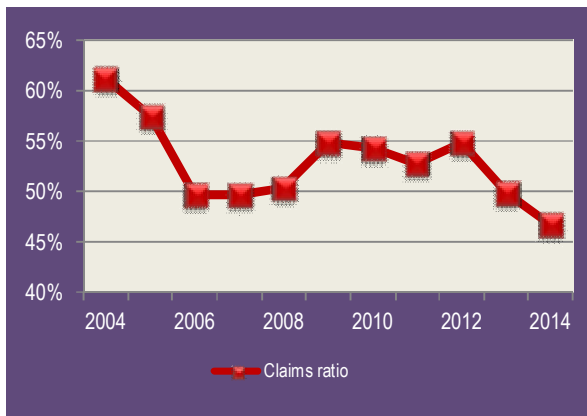
HISTORICAL FINANCIAL INFORMATION

Gross Written Premiums by Insurance class



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

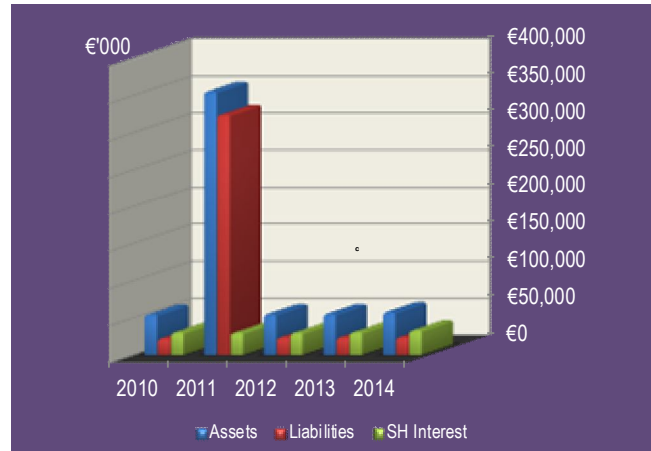
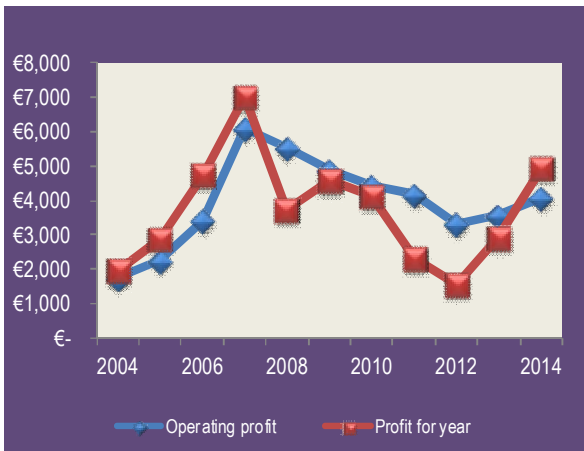
Claims Ratio



Return on Equity



Profits, Assets, Liabilities and Shareholders' Interest



ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS 2014

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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

Auditors

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

Bankers

Bank of Piraeus (Cyprus) Limited
Bank of Cyprus Public Limited
Hellenic Bank Public Limited
Russian Commercial Bank (Cyprus) Ltd
Eurobank EFG Cyprus
Cyprus Development Bank Plc

Registered office

15 Esperidon Street
Atlantic Building
CY-2001 Strovolos

Legal advisers

L. Papaphilippou & Co.

Co-operative Bank Allileggyis
Co-operative Bank Ledra
Co-operative Bank Makrasykas
Alpha Bank (Cyprus) Ltd
Barclays Bank Plc
USB Bank Plc

Company registration number: HE20008

CHAIRMAN'S STATEMENT

With great pleasure I communicate with you to inform you about the progress and present the results of the Group for the year ended 31 December 2014.

I am pleased to inform you that the final results exceeded our expectations. The Group's profit attributable to shareholders increased by 69.8% and reached €4,95 mln compared with €2,92 mln in 2013.

The Group's profit from operations showed an increase of 14,3% and amounted to €4,10 mln against €3,58 mln in 2013. Profit from insurance operations rose by 7,3% to €4,33 mln (2013: €4,04 mln) despite a reduction of 3,7% in net earned premiums. The increase is mainly attributable to the reduction in incurred claims by 9,5% and the decrease of operating expenses by 3,1%. Operating margin was 25,7% compared with 23,1% in 2013.

The reduction in net earned premiums is mainly due to the loss of a few loss making or problematic agent portfolios as well as the overall contraction of premium income in the market.

Claims from policyholders decreased by 9.5% and amounted to €7,90 mln (2013: €8,73 mln). As a result the claims loss ratio on net earned premiums fell to 46,8% from 49.9% in the previous year. The decrease is mainly attributable to the motor and liability insurance classes.

Administrative expenses fell by 4,8% to €5,00 mln. from €5,26 mln. in 2013 mainly due to the reduction in the provisions in bad debts from €1,08 mln. to €0,78 mln. The rest of the operating costs recorded a small increase of 1,2%.

The Company's investment portfolio showed a significant improvement in profitability which rose to €0,89 mln as opposed to €0,31 mln in 2013. The increase in investment profits is due to the positive returns in the international markets and also the significant recovery in the values of the local government and corporate bonds.

The results of the financial services sector showed an improvement as well. Operating losses fell to €0,24 mln. against losses of €0,45 mln. in 2013. The reduction is attributable to the 25,8% rise in income from operations and the decrease in the provisions for bad debts.

As a result of the significant increase in profitability the Group's own funds rose by 8,7% and reached €33,4 mln. from €30,7 mln. Indicative of the Group's strong financial position is the solvency margin coverage which stood at the end of 2014 at 692% compared to the minimum required limit of 125%.

The Board of Directors after taking into account the financial results for the year 2014, 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 7,5 cents per share (2013:6 cents).

The ongoing economic crisis will continue to affect adversely the operations of the Group, however the management by taking all the necessary measures acting with prudence and discipline believes that Atlantic will further enhance its successful presence in the local insurance market and will achieve satisfactory results in the current year as well.

The strategic objectives of the Group will remain committed to effective risk management, protection of its 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.



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 2014.

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 2014 rose by 69,8% to €4,95 mln against €2,92 mln in 2013.

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

- Increase in profit from insurance operations by 7,3%.
- Reduction of the operating losses of the subsidiary undertaking Atlantic Securities Ltd.
- Significant increase in profit from investments which amounted to €0,89 mln. as opposed to €0,31 mln. in 2013.
- Negative impact on the financial results of 2013 of the impairment in the value of bank deposits of €0,59 mln.

Profit from operations

Profit from operations showed an increase of 14,3% and amounted to €4,10 mln. against €3,58 mln. in 2013.

Insurance operations

Profit from insurance operations rose by 7.3% and amounted to €4.33 mln compared with €4.04 mln in 2013. The increase in profits was achieved despite the 3.7% reduction in net premiums and is mainly attributable to the 9,5% decrease of claims payable and the decrease of 3.1% in administrative expenses. The operating profit margin rose to 25.7% from 23.1% in 2013.

Financial services

The results of the financial services sector showed an improvement as well. Operating losses fell to €0,24 mln. against losses of €0,45 mln. in 2013. The reduction is attributable to the 25,8% rise in income from operations and the decrease in the provisions for bad debts.

Premiums

Net earned premiums amounted to €16,86 mln. versus €17,51 mln. during the previous year, recording a decrease of 3,7%. The reduction in net earned premiums is mainly due to the loss of a few loss making or problematic agent portfolios as well as the overall contraction of premium income in the market.

Other income

Other income from insurance operations amounted to €0,87 mln. compared to €1,04 mln. in 2013. The decrease is mainly due to the reduction in reinsurance commissions.

Claims

Claims from policyholders decreased by 9.5% and amounted to €7,90 mln (2013: €8,73 mln). As a result the claims loss ratio on net earned premiums fell to 46,8% from 49.9% in the previous year. The decrease is mainly attributable to the motor and liability insurance classes.

Administrative expenses

Administrative expenses fell by 4,8% to €5,00 mln. from €5,26 mln. in 2013 mainly due to the reduction in the provisions in bad debts from €1,08 mln. to €0,78 mln. The rest of the operating costs recorded a small increase of 1,2%.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

DIRECTORS' REPORT (continued)

Net finance income

Net finance income remained at similar levels as in 2013 and reached €0,58 mln.(2013: €0,57 mln.) since the reduction in deposit rates was offset by the increase in interest bearing balances and the increase in exchange gains from bank deposits in foreign currency.

Profit on investments

The Company's investment portfolio showed a significant improvement in profitability which rose to €0,89 mln as opposed to €0,31 mln in 2013. The increase in investment profits is due to the positive returns in the international markets and also the significant recovery in the values of the local government and corporate bonds.

The Group's 2013 financial results were adversely affected by loss from the impairment in the value of bank deposits in Bank of Cyprus and Cyprus Popular Bank which amounted to €0,59 mln.

During 2014 the Company recorded a loss on the revaluation of investment properties of €0,32 mln (2013:€0,76 mln). Additionally loss from the revaluation of fixed assets of €0,19 mln (2013: €0,53 mln) was recognised in the statement of changes in equity.

Earnings per share

As a result of the significant improvement in profitability earnings per share increased to 12,66 cents per share from 7,45 cents in 2013.

Own funds

The Group's own funds increased by 8,7% and reached €33,4 mln from €30,7 mln in 2013.

Financial results

As shown on page 8 of the extract from the consolidated financial statements, net profit attributable to shareholders reached €4,95 mln compared to €2,92 mln in 2013, recording an annual increase of 69,8%. Profit for the year is transferred to reserves. The reconciliation between the audited annual consolidated financial statements and the latest published preliminary results for the year 2014 is presented in note 37 of the Consolidated Financial Statements.

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 7,5 cents per share (2013: 6 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.

Prospects

The Board of Directors regards the significant improvement in the profitability of the Company and the improvement in the operating results of its subsidiary in the financial services sector as highly satisfactory, especially considering the negative economic climate which prevailed in the local market.

The management anticipates that the economic and business environment remain difficult and it will continue with the same commitment its effective risk management strategy, the disciplined expansion of its operations as well the maintenance of the strong capital base, liquidity and profitability of the Group.

Tangible Fixed Assets

Capital expenditure for tangible fixed assets amounted to €52 thousand as shown in note 16 of the financial statements.

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.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

DIRECTORS' REPORT (continued)

The Extraordinary General Meeting of the Company which took place on 4 June 2014 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 the Companies Act 2 /2000 (Revised). 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 4, 2014 to June 3 2015.

During the year the Company did not acquire any own shares. The total number of own shares at 31 December 2014 is 80 150 and the total acquisition cost amounts to €78 thousand.

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

Investment in subsidiary companies

There was no change in the investment in subsidiary companies during the year.

Major shareholders

The shareholders owning directly or indirectly more than 5% of the share capital of the Company on 31 December 2014 and 5 days before the date of approval of the financial statements are shown in note 30 of the financial statements.

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

As a result of the reorganisation measures and restructuring plans for Bank of Cyprus and Cyprus Popular Bank which were applied under the Restructuring of Credit and other Institutions Act of 2014, in 2013 the Group suffered a loss of €0,59 mln from the impairment in the value of its bank deposits.

Apart from the above, there were no other 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 17 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 profit for the year according to the audited consolidated financial statements of 2014 is lower by €19 thousand as compared with the preliminary results of 2014 which were announced on February 20, 2015 as explained in note 37 of the Consolidated Financial Statements.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

DIRECTORS' REPORT (continued)

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 2010. 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 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 2014 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 Directors' 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 Mrs Nina Pyrishi and Messrs George Pyrishis and Panayiotis Mallis 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.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED**DIRECTORS' REPORT (continued)****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,



Emilius Pyrishis
Chairman

Nicosia
30 April 2015

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2014

	Notes	2014 €'000	2013 €'000
Income from operations			
Gross written premiums		22.549	23.960
Policy fees		725	740
Reinsurers' share of premiums		(6.743)	(7.574)
Net premiums		16.531	17.126
Transfer to unearned premiums		332	382
Net earned premiums		16.863	17.508
Other operating income from insurance operations	6	871	1.044
Operating income from brokerage and financial services		430	342
		18.164	18.894
Expenses			
Claims payable	5	7.897	8.729
Commission payable for insurance operations		1.030	1.174
Commission payable for brokerage and financial services		130	145
Administrative expenses		5.008	5.261
		14.065	15.309
Profit from operations	9	4.099	3.585
Profit on sale and revaluation of investments	11	888	307
Loss on revaluation of investment properties		(317)	(763)
Impairment in value of Bank Deposits	12	-	(588)
Other investment income	6	215	87
Net finance income	10	579	574
Profit before taxation		5.464	3.202
Taxation	13	(603)	(490)
Profit after taxation		4.861	2.712
Minority interest		89	203
Profit attributable to the shareholders		4.950	2.915
Earnings per share (cent)	14	12,66	7,45

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2014

	2014	2013
	€'000	€'000
Profit for the year	4.950	2.915
Other recognised gains :		
Loss on revaluation of immovable property	(191)	(531)
Deferred tax on revaluation of immovable property	27	50
Tax on deemed distribution	-	(36)
Fair value gain on financial assets available for sale	250	222
Transfer to profit and loss for the year on disposal of financial assets available for sale	(27)	127
	59	(168)
Total comprehensive income for the year	5.009	2.747

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	Note	2014 €'000	2013 €'000
Non-current assets			
Tangible fixed assets	16	6.947	7.292
Intangible assets	17	23	35
Investors' Compensation Fund	21	210	221
Investment properties	18	6.279	6.596
Financial assets available for sale	19	2.944	1.640
Total non-current assets		16.403	15.784
Current assets			
Debtors and other receivables	21	15.662	17.133
Financial assets held for trading	20	5.154	6.946
Cash and bank balances	22	20.628	15.452
Total current assets		41.444	39.531
Total assets		57.847	55.315
Equity			
Share capital	23	13.297	13.297
Reserves		20.141	17.478
Purchase of own shares		(78)	(78)
Equity attributable to shareholders		33.360	30.697
Minority interest		532	713
Total equity		33.892	31.410
Non-current liabilities			
Deferred taxation	24	360	436
		360	436
Current liabilities			
Outstanding claims and provision for unearned premiums	25	20.668	20.736
Other Liabilities	26	2.927	2.733
		23.595	23.469
Total equity and liabilities		57.847	55.315

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014

	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 2013	13.297	1.965	3.793	(270)	11.199	(78)	29.906	1.037	30.942
Deficit on revaluation of immovable property	-	-	(531)	-	-	-	(531)	-	(531)
Deferred tax on revaluation of immovable property	-	-	50	-	-	-	50	-	50
Transfer of excess depreciation on revaluation of buildings	-	-	(9)	-	9	-	-	-	-
Deferred tax on excess depreciation	-	-	1	-	(1)	-	-	-	-
Dividends received by minority	-	-	-	-	-	-	-	(113)	(113)
Reduction in minority due to sale of shares	-	-	-	-	-	-	-	(8)	(8)
Fair value gain on financial assets available for sale	-	-	-	222	-	-	222	-	222
Transfer to profit and loss for the year on disposal of financial assets available for sale	-	-	-	127	-	-	127	-	127
Tax on deemed distribution	-	-	-	-	(36)	-	(36)	-	(36)
Dividend paid	-	-	-	-	(1.956)	-	(1.956)	-	(1.956)
Profit for the year	-	-	-	-	2.915	-	2.915	(203)	2.712
Balance 31 December 2013	13.297	1.965	3.304	79	12.130	(78)	30.697	713	31.410
Balance 1 January 2014	13.297	1.965	3.304	79	12.130	(78)	30.697	713	31.410
Deficit on revaluation of immovable property	-	-	(191)	-	-	-	(191)	-	(191)
Deferred tax on revaluation of immovable property	-	-	27	-	-	-	27	-	27
Transfer of excess depreciation on revaluation of buildings	-	-	(5)	-	5	-	-	-	-
Deferred tax on excess depreciation	-	-	1	-	(1)	-	-	-	-
Dividends received by minority	-	-	-	-	-	-	-	(47)	(47)
Reduction in minority due to sale of shares	-	-	-	-	-	-	-	(45)	(45)
Fair value gain on financial assets available for sale	-	-	-	250	-	-	250	-	250
Transfer to profit and loss for the year on disposal of financial assets available for sale	-	-	-	(27)	-	-	(27)	-	(27)
Dividend paid	-	-	-	-	(2.346)	-	(2.346)	-	(2.346)
Profit for the year	-	-	-	-	4.950	-	4.950	(89)	4.861
Balance 31 December 2014	13.297	1.965	3.136	302	14.738	(78)	33.360	532	33.892

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 2014

		2014	2013
		€'000	€'000
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before taxation		5.464	3.203
<i>Adjustments for:</i>			
Gain on sale and revaluation of investments	11	(888)	(307)
Loss on revaluation of investment properties		317	763
Depreciation of tangible and intangible fixed assets	9	227	258
Profit on disposal of tangible fixed assets		-	(1)
Interest received	10	(657)	(663)
Dividends received	6	(175)	(46)
Interest paid	10	78	89
<hr/>			
Profit from operations before changes in working capital		4.366	3.296
Decrease /(increase) in debtors and other receivables		1.480	(1.467)
Increase in liabilities and provisions		138	2
<hr/>			
Cash flow from operations		5.984	1.831
Interest paid		(78)	(89)
Taxation paid		(682)	(465)
<hr/>			
Net cash flow from operating activities		5.224	1.277
<hr/>			
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of investments		(4.024)	(3.871)
Sale of investments		5.639	1.936
Purchase of tangible fixed assets		(52)	(41)
Purchase of intangible fixed assets		(9)	(43)
Receipts on disposal of tangible fixed assets		-	1
Increase in holding of subsidiary undertaking		(41)	(9)
Dividends paid to minority interest		(47)	(113)
Interest received		657	663
Dividends received		175	46
<hr/>			
Net cash flow from / (for) investing activities		2.298	(1.431)
<hr/>			
CASH FLOW FOR FINANCING ACTIVITIES			
Dividend paid		(2.346)	(1.956)
<hr/>			
Net cash flow for financing activities		(2.346)	(1.956)
<hr/>			
Net increase /(decrease) in cash and cash equivalents		5.176	(2.110)
Cash and cash equivalents at the beginning of the year	22	15.452	17.562
<hr/>			
Cash and cash equivalents at the end of the year	22	20.628	15.452
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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 €'000	Financial Services €'000	Total €'000
Year ended 31 December 2014			
Premiums and other income	24.360	430	24.790
Profit /(loss) from operations	4.331	(232)	4.099
Total Assets	54.654	3.193	57.847
Total Liabilities	23.587	368	23.955
Purchase of tangible fixed assets	52	-	52
Purchase of intangible fixed assets	9	-	9
Depreciation of tangible fixed assets	203	2	205
Depreciation of intangible fixed assets	21	-	21
Year ended 31 December 2013			
Premiums and other income	25.831	342	26.173
Profit / (loss) from operations	4.035	(450)	3.585
Total Assets	51.814	3.501	55.315
Total Liabilities	23.536	369	23.905
Purchase of tangible fixed assets	41	-	41
Purchase of intangible fixed assets	43	-	43
Disposal of tangible fixed assets	9	-	9
Depreciation of tangible fixed assets	219	2	221
Depreciation of intangible fixed assets	37	-	37

Note 5: Claims payable

	2014				2013
	Gross €'000	Reinsurers' Share €'000	Recoveries €'000	Net €'000	Net €'000
Motor	5.471	(114)	(279)	5.078	5.715
Accident and health	2.392	(19)	-	2.373	2.080
Marine	8	2	-	10	26
Property	416	(110)	(1)	305	207
Liability	136	(7)	-	129	701
Other	4	(2)	-	2	-
	8.427	(250)	(280)	7.897	8.729

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Note 6: Other Income**Other income from insurance operations**

	2014	2013
	€'000	€'000
Commissions earned	763	901
Share of Pool profits	102	132
Profit on disposal of tangible fixed assets	-	1
Other income	6	10
	871	1.044

Other income from investments

	2014	2013
	€'000	€'000
Dividends received	175	46
Rents received	40	41
	215	87

Note 8: Staff costs

	2014	2013
	€'000	€'000
Salaries	2.384	2.372
Social insurance and other contributions	265	243
Provident fund contributions	115	117
	2.764	2.732

Average number of employees

The average number of employees was as follows:

	2014	2013
Full-time employees	101	100

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: Net finance income

	2014	2013
	€'000	€'000
Interest received	594	692
Bank charges and interest paid	(78)	(89)
Exchange gains /(losses)	63	(29)
	579	574

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Note 11- Gains on sale and revaluation of investments

	2014	2013
	€'000	€'000
Loss on sale and revaluation of shares held for trading	(15)	(57)
Gain on sale and revaluation of foreign investments	809	355
Gain on sale and revaluation of bonds	94	9
	888	307

Note 12- Impairment in value of bank deposits

The results of the previous financial year were adversely affected by the diminution on the value of the Group's bank deposits of €0,59 mln. The impact of the reorganization measures and restructuring plans of the Bank of Cyprus and Cyprus Popular Bank was calculated as follows:

a) The value of the affected deposits in Bank of Cyprus was reduced by the final conversion rate of deposits to equity which was set at 47,5%.

b) The value of the affected deposits in Cyprus Popular Bank was reduced based on the assumption that the final percentage loss of these deposits will be 100%.

From the conversion of the affected bank deposits in Bank of Cyprus, the Group received ordinary shares of Bank of Cyprus having a nominal value of €1 per share. No deduction was made, in the calculation of the impairment in the value of bank deposits, of any value in respect of the shares which resulted from the conversion. The value at 31 December 2014 of the shares of Bank of Cyprus which were received from the conversion of bank deposits amounted to €0,11 mln and are included as part of financial assets available for sale.

Note 13-Taxation

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

	2014	2013
	€'000	€'000
Corporation tax	628	595
Defence contribution	13	20
Foreign taxes deducted at source	11	3
Deferred Tax	(49)	(130)
Interest on taxes	-	2
	603	490

Note 14: Earnings per share

	2014	2013
	€'000	€'000
Net profit attributable to shareholders	4.950	2.915
Weighted average number of issued shares	39.109	39.109
Basic earnings per share (cents)	12,66	7,45

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

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Note 16: Tangible fixed assets

	Land and buildings	Furniture and fittings	Computer hardware and software	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost or revaluation					
Balance at 1 January 2013	7.811	789	464	679	9.743
Additions	-	21	12	8	41
Revaluation	(788)	-	-	-	(788)
Disposals	-	-	-	(9)	(9)
Balance at 1 January 2014	7.023	810	476	678	8.987
Additions	-	6	17	29	52
Revaluation	(306)	-	-	-	(306)
Balance at 31 December 2014	6.717	816	493	707	8.733
Depreciation					
Balance at 1 January 2013	129	557	434	621	1.741
Depreciation for the year	128	52	17	24	221
On revaluation	(257)	-	-	-	(257)
On disposals	-	-	-	(9)	(9)
Balance at 1 January 2014	-	609	451	636	1.696
Depreciation for the year	115	46	15	29	205
On revaluation	(115)	-	-	-	(115)
Balance at 31 December 2014	-	655	466	665	1.786
Net book value at					
31 December 2014	6.717	161	27	42	6.947
31 December 2013	7.023	201	25	42	7.292

Note 17-Intangible assets

	Goodwill on acquisition of agents portfolios	Computer software	Total
	€'000	€'000	€'000
Cost or revaluation			
Balance at 1 January 2013	49	388	437
Additions	31	12	43
Balance at 1 January 2014	80	400	480
Additions	-	9	9
Balance 31 December 2014	80	409	489
Amortisation			
Balance at 1 January 2013	30	378	408
Amortisation for the year	27	10	37
Balance at 1 January 2014	57	388	445
Amortisation for the year	10	11	22
Balance 31 December 2014	67	399	466
Net book value at			
31 December 2014	13	10	23
31 December 2013	23	12	35

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Note 18: Investment properties

	2014	2013
	€'000	€'000
Land and buildings		
Balance at 1 January	6.596	7.359
Fair value loss on revaluation	(317)	(763)
Balance at 31 December	6.279	6.596

Note 19: Financial assets available for sale

	2014	2013
	€'000	€'000
Equity investment in listed securities	195	85
Republic of Cyprus government bonds	1.652	428
Greek government bonds	174	259
Corporate bonds and capital securities	694	560
Foreign corporate bonds	229	308
	2.944	1.640

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 2014 amounted to €0,25 mln (2013: Loss €0,22 mln) and was recognized in the fair value reserve which is included as part of equity.

Note 20: Financial assets held for trading

	2014	2013
	€'000	€'000
Equity investment in listed securities	445	209
Foreign investments in mutual and managed funds	4.645	5.251
Bonds and capital securities	64	1.486
	5.154	6.946

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Note 21: Debtors and other receivables

Non-current assets	2014	2013
	€'000	€'000
Other receivables from financial services operations	210	221
<hr/>		
Current assets	2014	2013
	€'000	€'000
Trade receivables from insurance operations	6.048	6.742
Reinsurers' share of technical reserves (note 25)	3.317	3.212
Amounts prepaid to reinsurers	2.260	2.899
Share in pool assets	539	582
Deferred acquisition costs	464	519
Other receivables from insurance operations	543	334
Other receivables from financial services operations	2.472	2.845
Tax refundable	19	-
	15.662	17.133

Note 22: Cash and bank balances

	2014	2013
	€'000	€'000
Cash and bank balances	20.628	15.452
	20.628	15.452

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.

Note 23: Share Capital

	2014		2013	
	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

The number of own shares held by the Company at 31 December 2014 was 80 150 and the total acquisition cost was €77.680. During the year the Company did not buy back any of its own shares.

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

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Note 24: Deferred Taxation

	2014	2013
	€'000	€'000
Provision for property revaluation		
Balance 1 January	389	604
Deferred tax on property revaluation	(77)	(214)
Deferred tax on excess depreciation resulting from the revaluation of buildings	(1)	(1)
Balance 31 December	311	389
	2014	2013
	€'000	€'000
Provision for temporary differences between depreciation and capital allowances		
Balance 1 January	47	11
Deferred tax for the year	1	35
Deferred tax on excess depreciation resulting from the revaluation of buildings	1	1
Balance 31 December	49	47
Total Balance 31 December	360	436

Note 25: Outstanding claims and unearned premiums

	2014	2013
	€'000	€'000
Unearned premiums		
Gross unearned premiums	9.891	10.149
Reinsurers' share	(2.168)	(2.094)
Net unearned premiums	7.723	8.055
Outstanding claims		
Gross outstanding claims	10.777	10.587
Reinsurers' share	(1.149)	(1.118)
Net outstanding claims	9.628	9.469
Total technical reserves		
Gross technical reserves	20.668	20.736
Reinsurers' share	(3.317)	(3.212)
Net technical reserves	17.351	17.524

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.

Note 26: Other Liabilities

	2014	2013
	€'000	€'000
Taxation	248	261
Reinsurers' balances	378	204
Creditors from insurance operations	166	162
Other liabilities from insurance operations	1.357	1.424
Dividends payable	410	319
Other liabilities from financial services operations	368	363
	2.927	2.733

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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 2014 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2014	23 April 2015
	%	%
Emilios Pyrishis ¹	33,72	33,72
Piraeus Bank (Cyprus) Ltd	19,91	19,91
Andreas Frangoullis ²	20,19	20,19
Maro Marathovouniotou ³	5,96	5,96

- (1) The holding of Emilios Pyrishis includes his direct share of 20,34% and his indirect holding arising from the shares owned by his mother Nina Pyrishi (2,36%) and his brother George Pyrishis (11,02%).
- (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 mother Vasilou Frangoulli (0,03%) and his brother Filippou 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 2014 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2014		23 April 2015	
	Number of Shares	%	Number of Shares	%
Emilios Pyrishis	7.956.514	20,34	7.956.514	20,34
Andreas Pirishis	20.000	0,05	20.000	0,05
Andreas Frangoullis ¹	7.897.532	20,19	7.897.532	20,19
George Pyrishis	4.309.071	11,02	4.309.071	11,02
Nina Pyrishi	922.641	2,36	922.641	2,36
Panayiotis Mallis	65.000	0,17	65.000	0,17
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 mother Vasilou Frangoulli (0,03%) and his brother Filippou 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 35. Significant events

There were no significant events which had a material impact on the financial statements at 31 December 2014.

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 2014.

On 31 December 2014 the Company had the following future capital commitments in respect of foreign investments:

	€'000
Morgan Stanley Real Estate Fund VII Offshore Investors Global	131
Morgan Stanley Private Asia III	326
	<hr/> 457 <hr/>

Note 37. Reconciliation between the annual audited consolidated financial statements and the most recent published preliminary results for the year 2014.

	2014 €'000
Consolidated profit attributable to shareholders according to the preliminary results dated February 20, 2015.	4.969
Payroll adjustment	(19)
Adjustment of profit on revaluation of investments	(5)
Adjustment of finance income	2
Tax adjustments	3
	<hr/> 4.950 <hr/>