



Solvency and Financial Condition Report ('SFCR')

**Interim Submission for the year ended
31.12.2019**



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1. Interim submission

This report has been compiled and published as per the requirements of the Insurance Companies Control Service (“ICCS”) to present an interim Solvency and Financial Condition Report (“SFCR”) due to the Coronavirus COVID19 (“COVID19”) outbreak, at least two weeks after the original deadline which was set for the year ending 2019 the 7th of April 2020. The full report will be published by the 2nd of June 2020.

The figures presented in this report are in line with the supervisor’s reported Quantitative Reporting Templates. All amounts in this report are presented in thousands of euros (€000), being the functional currency of Atlantic Insurance.

2. Business and events after the reporting period

2.1. Business

2.1.1 Name and legal form

Atlantic Insurance Company Public Ltd (“the Company”; “Atlantic”) was incorporated in Cyprus in 1983. Atlantic is a public company and its shares are listed in the Cyprus Stock Exchange since October 2000.

The address of the registered office is:

15 Esperidon Street, Strovolos,
Nicosia
2001 Cyprus

This Solvency and Financial Condition Report (“SFCR”) covers Atlantic Insurance on a solo basis.

2.1.2 Name of the Supervisory Authority

The Supervisory Authority which is responsible for the financial supervision of the undertaking can be contacted at:

Superintendent of Insurance
Postal Address: P.O. Box 23364, 1682 Nicosia
Tel.: 22602990
Fax: 22302938
E-mail: insurance@mof.gov.cy

2.1.3 Name of external auditors

The independent auditors of the Company are:

Ernst & Young Cyprus Ltd
Jean Nouvel Tower
6 Stasinou Avenue
P.O. Box 21656
1511 Nicosia, Cyprus

2.1.4 Holders of qualifying holdings in the undertaking

The persons, to the knowledge of the Company, who were direct and indirect holders of qualifying holdings in the Company at any time during the reporting period and at the end of the financial year, were:

	%
Emilios Pyrishis ¹	33,90
Andreas Frangoullis ²	20,42
AstroBank Ltd	19,91
Maro Marathovouniotou ³	5,96

- (1) The holding of Emiliios Pyrishis includes his direct share of 22,25% and his indirect holding arising from the shares owned by his mother Nina Pyrishi (2,36%) and his brother George Pyrishis (9,29%).
- (2) The holding of Andreas Frangoullis includes his direct share (20,10%) and his indirect holding arising from the shares owned by his wife Elli Frangoulli (0,10%), his children Christos, Orthodoxos and Vasilis (0,14%), his mother Vasilou Frangoulli (0,03%) and his brother Filippos Frangoullis (0,05%).
- (3) The holding of Maro Marathovounioti includes her direct share (1,43%) and her indirect holding arising from the shares owned by her daughter Athena Nicolaidou (1,61%), her son Alexis Marathovouniotis (1,43%) and her son Andreas Marathovouniotis (1,49%).

2.1.5 Legal structure of the group

Atlantic Insurance does not belong to any insurance group and does not have any ultimate controlling parent company.

The Company has the following subsidiary companies which are all private limited liability companies registered in Cyprus:

Company	Principal activities	Share	NBV
		%	€'000
Lyssi Investments Ltd	Car hire	100,0	86
Lion Insurance Agency Ltd	General insurance agent	100,0	141
Atlantic Securities Limited	Brokerage and investment services	67,7	674
			901

2.1.6 Material lines of business and geographical areas

Material lines of business

The principal activity of the Company is the undertaking of general insurance business. For Solvency II ("SII") purposes, the Company's business includes insurance obligations that fall into the following defined Solvency II lines of business:

- Medical expense insurance
- Motor vehicle liability insurance
- Other motor insurance
- Marine, aviation and transport insurance
- Fire and other damage to property insurance
- General liability insurance
- Credit and suretyship insurance
- Assistance
- Miscellaneous financial loss

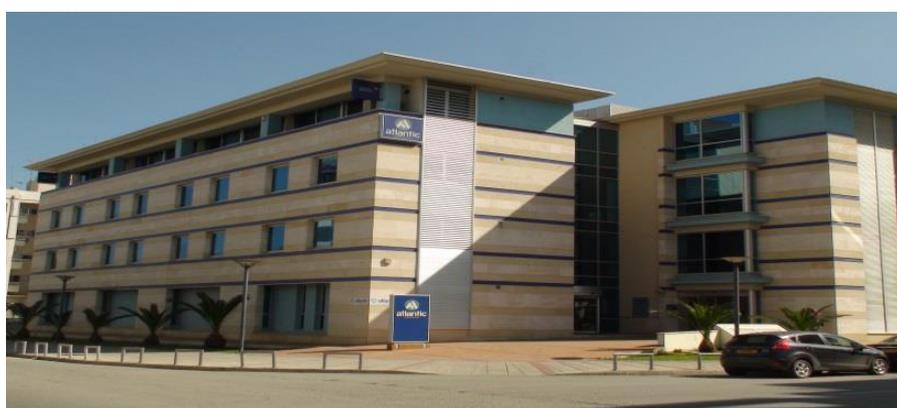
These SII lines of business are used when reporting the premium, claims, expenses and technical provisions in the SII QRTs.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS").

Geographical areas



The Company conducts its insurance business only in the Republic of Cyprus.



The Company operates through its headquarters that are located in Nicosia and its branches which are located in the cities of Larnaka, Limassol and Paphos.

2.2. Significant business events during the reporting period and up to the date of the report

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. The world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life.

Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including the Republic of Cyprus implemented restrictions on travelling as well as strict quarantine measures to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and “locking-down” cities or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

In Cyprus, on 15 March 2020, the Council of Ministers in an extraordinary meeting, announced that it considers that Cyprus is entering a state of emergency considering the uncertain situation as it unfolds daily, the growing spread of COVID-19 outbreak and the World Health Organization's data on the situation.

To this end, certain measures have been taken with a view to safeguarding public health and ensuring the economic survival of working people, businesses, vulnerable groups and the economy at large. New entry regulations have been announced with regard to protecting the population from a further spread of the disease which tightens the entry of individuals to the Republic of Cyprus. Additionally, it was decided that a considerable number of private businesses operating in various sectors of the economy would remain closed from Monday, 16th of March 2020 and for a period of four weeks. Furthermore, on 23rd of March 2020 lockdown measures were announced effective from 06:00 p.m. of the 24th of March and up to 06:00 a.m. of the 13th of April 2020. The objective of these public policy measures is to contain the spread of COVID-19 outbreak.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

The management of Atlantic is taking all necessary protective measures to prevent the spread of Covid-19, to safeguard public health and to protect its staff, customers and associates. As a result of the unprecedented conditions due to the spread of the COVID-19 epidemic, the management proceeded with the setting up of a COVID-19 crisis management team. The team, which is led by the Managing Director of Atlantic, monitors closely the latest developments and takes all necessary emergency measures to ensure the smooth running of the Company's operations and to mitigate the adverse impact of the crisis.

The Company immediately reinforced all safety and workplace hygiene measures and adjusted its routine operations to the requirements of the various Government decrees and recommendations relating to the health and safety of employees, agents and the public. As from March 16, 2020, the Company operates with reduced staff on a rotation basis, at its premises across the country. The entrance to the Company's offices and branches is closed to protect the health of the Company's staff and customers. All necessary arrangements have been made for the collection and delivery, of documents and receipts by agents and customers, outside the entrance of the buildings. The Company's staff, customers and agents were encouraged to make use of the online and electronic infrastructure for payments, renewals and customer support.

The management has considered the unique circumstances that could have a material impact on the business operations and the risk exposures of the Company.

As of this date the Company's turnover has not been affected by the COVID-19 virus outbreak since the Company's operations continue as normal. Any prolonged and exacerbated spread of the epidemic that will affect the wider local economy will have a negative impact on the Company's turnover. At this stage it is not possible to determine the likelihood and/or extent of this impact. However, even in the event of an adverse effect on the Company's turnover, the management does not expect a significant negative impact on the Company's profitability due to the anticipated significant reduction in claims payable, particularly in the motor insurance class as a result of reduced traffic.

On the contrary, the management has concluded that the event will result in increased volatility in the value of the financial instruments held by the Company and in significant losses on its investment portfolio as a result of the sharp fall in international markets. Based on the most recent valuation of the Company's investments, total investment losses amount to €6,4 million.

The results of the Company's stress tests which were carried out using financial data as at December 31, 2019 and its high solvency ratio which at that date was 211,19% confirm that the capital adequacy of the Company can withstand the negative effects of the pandemic.

The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2019.

Appendix: Quantitative Reporting Templates

General information

Undertaking name	ATLANTIC INSURANCE COMPANY PUBLIC LTD
Undertaking identification code	213800ZUWYFW5BADU685
Type of code of undertaking	LEI
Type of undertaking	Non-life undertakings
Country of authorisation	CY
Language of reporting	en
Reporting reference date	31 December 2019
Currency used for reporting	EUR
Accounting standards	IFRS
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

S.02.01.02 - Balance sheet

S.23.01.01 - Own Funds

S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
R0030	Intangible assets	0
R0040	Deferred tax assets	38
R0050	Pension benefit surplus	0
R0060	Property, plant & equipment held for own use	6.582
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	38.776
R0080	<i>Property (other than for own use)</i>	4.535
R0090	<i>Holdings in related undertakings, including participations</i>	947
R0100	<i>Equities</i>	11.557
R0110	<i>Equities - listed</i>	10.081
R0120	<i>Equities - unlisted</i>	1.476
R0130	<i>Bonds</i>	5.044
R0140	<i>Government Bonds</i>	54
R0150	<i>Corporate Bonds</i>	4.807
R0160	<i>Structured notes</i>	182
R0170	<i>Collateralised securities</i>	0
R0180	<i>Collective Investments Undertakings</i>	9.707
R0190	<i>Derivatives</i>	23
R0200	<i>Deposits other than cash equivalents</i>	6.962
R0210	<i>Other investments</i>	0
R0220	Assets held for index-linked and unit-linked contracts	0
R0230	Loans and mortgages	829
R0240	<i>Loans on policies</i>	0
R0250	<i>Loans and mortgages to individuals</i>	0
R0260	<i>Other loans and mortgages</i>	829
R0270	Reinsurance recoverables from:	10.798
R0280	<i>Non-life and health similar to non-life</i>	10.798
R0290	<i>Non-life excluding health</i>	10.626
R0300	<i>Health similar to non-life</i>	172
R0310	<i>Life and health similar to life, excluding index-linked and unit-linked</i>	0
R0320	<i>Health similar to life</i>	0
R0330	<i>Life excluding health and index-linked and unit-linked</i>	0
R0340	<i>Life index-linked and unit-linked</i>	0
R0350	Deposits to cedants	0
R0360	Insurance and intermediaries receivables	4.672
R0370	Reinsurance receivables	0
R0380	Receivables (trade, not insurance)	26
R0390	Own shares (held directly)	0
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410	Cash and cash equivalents	7.782
R0420	Any other assets, not elsewhere shown	144
R0500	Total assets	69.647

		Solvency II value
		C0010
Liabilities		
R0510	Technical provisions - non-life	28.525
R0520	<i>Technical provisions - non-life (excluding health)</i>	25.623
R0530	<i>TP calculated as a whole</i>	0
R0540	<i>Best Estimate</i>	24.996
R0550	<i>Risk margin</i>	626
R0560	<i>Technical provisions - health (similar to non-life)</i>	2.902
R0570	<i>TP calculated as a whole</i>	0
R0580	<i>Best Estimate</i>	2.826
R0590	<i>Risk margin</i>	77
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	<i>Technical provisions - health (similar to life)</i>	0
R0620	<i>TP calculated as a whole</i>	0
R0630	<i>Best Estimate</i>	0
R0640	<i>Risk margin</i>	0
R0650	<i>Technical provisions - life (excluding health and index-linked and unit-linked)</i>	0
R0660	<i>TP calculated as a whole</i>	0
R0670	<i>Best Estimate</i>	0
R0680	<i>Risk margin</i>	0
R0690	Technical provisions - index-linked and unit-linked	0
R0700	<i>TP calculated as a whole</i>	0
R0710	<i>Best Estimate</i>	0
R0720	<i>Risk margin</i>	0
R0740	Contingent liabilities	0
R0750	Provisions other than technical provisions	200
R0760	Pension benefit obligations	26
R0770	Deposits from reinsurers	0
R0780	Deferred tax liabilities	116
R0790	Derivatives	0
R0800	Debts owed to credit institutions	0
R0810	Financial liabilities other than debts owed to credit institutions	0
R0820	Insurance & intermediaries payables	0
R0830	Reinsurance payables	563
R0840	Payables (trade, not insurance)	858
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in BOF</i>	0
R0870	<i>Subordinated liabilities in BOF</i>	0
R0880	Any other liabilities, not elsewhere shown	1.095
R0900	Total liabilities	31.383
R1000	Excess of assets over liabilities	38.264

R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0370	Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
R0390	Other ancillary own funds
R0400	Total ancillary own funds

0			
0			
0			
0		0	0

Available and eligible own funds

R0500	Total available own funds to meet the SCR
R0510	Total available own funds to meet the MCR
R0540	Total eligible own funds to meet the SCR
R0550	Total eligible own funds to meet the MCR

34.548	34.511	0	0	38
34.511	34.511	0	0	
34.548	34.511	0	0	38
34.511	34.511	0	0	

R0580	SCR
R0600	MCR
R0620	Ratio of Eligible own funds to SCR
R0640	Ratio of Eligible own funds to MCR

16.359
4.090
211,19%
843,86%

Reconciliation reserve

R0700	Excess of assets over liabilities
R0710	Own shares (held directly and indirectly)
R0720	Foreseeable dividends, distributions and charges
R0730	Other basic own fund items
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
R0760	Reconciliation reserve

C0060
38.264
0
3.715
15.222
0
19.327

Expected profits

R0770	Expected profits included in future premiums (EPIFP) - Life business
R0780	Expected profits included in future premiums (EPIFP) - Non- life business
R0790	Total Expected profits included in future premiums (EPIFP)

0

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
R0010	Market risk	12.384		
R0020	Counterparty default risk	3.990		
R0030	Life underwriting risk	0		
R0040	Health underwriting risk	713	2	
R0050	Non-life underwriting risk	6.088	6	
R0060	Diversification	-5.872		
R0070	Intangible asset risk	0		
R0100	Basic Solvency Capital Requirement	17.303		
Calculation of Solvency Capital Requirement		C0100		
R0130	Operational risk	835		
R0140	Loss-absorbing capacity of technical provisions	0		
R0150	Loss-absorbing capacity of deferred taxes	-1.779		
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	0		
R0200	Solvency Capital Requirement excluding capital add-on	16.359		
R0210	Capital add-ons already set	0		
R0220	Solvency capital requirement	16.359		
Other information on SCR				
R0400	Capital requirement for duration-based equity risk sub-module	0		
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	0		
R0420	Total amount of Notional Solvency Capital Requirements for ring fenced funds	0		
R0430	Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	0		
R0440	Diversification effects due to RFF nSCR aggregation for article 304	0		