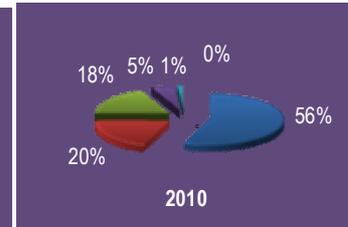
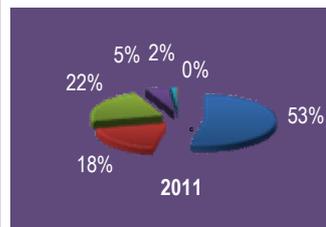
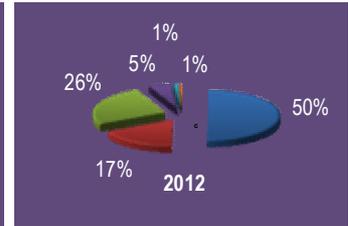
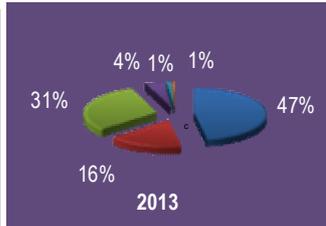
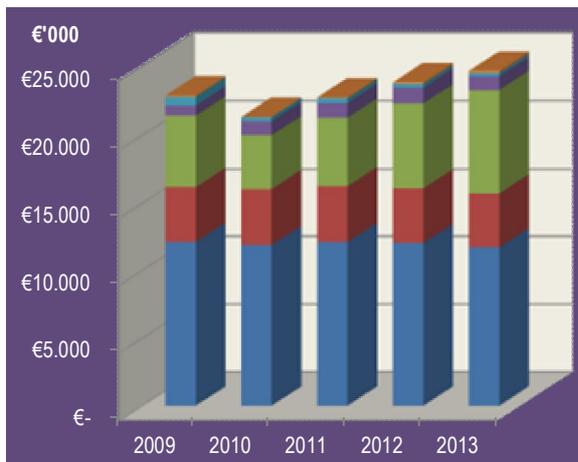




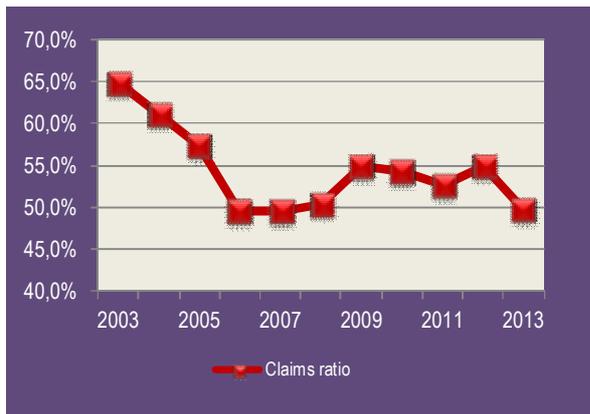
HISTORICAL FINANCIAL INFORMATION

Gross Written Premiums by Insurance class



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

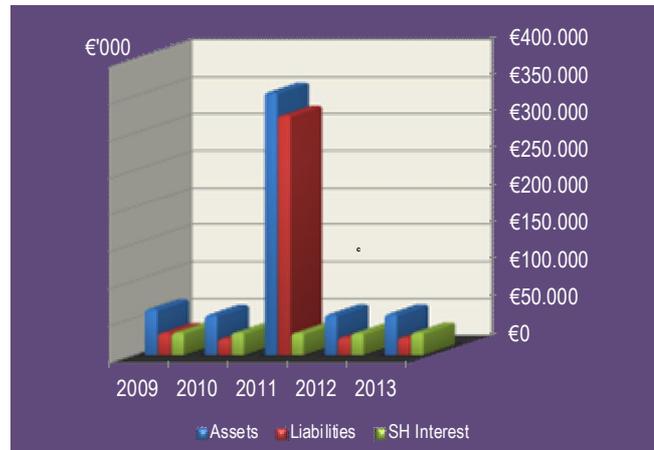
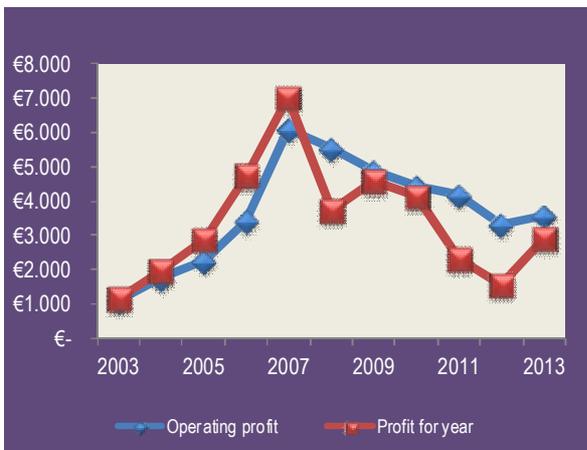
Claims Ratio



Return on Equity



Profits, Assets, Liabilities and Shareholders' Interest



ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS 2013

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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 Lyssi
Alpha Bank (Cyprus) Ltd
Barclays Bank Plc
USB Bank Plc

Company registration number: HE20008

CHAIRMAN'S STATEMENT

I am pleased to communicate with you again to update you about the progress and activities of the Group for the year ended 31 December 2013.

The decisions of the Eurogroup in March 2013 were a severe blow to the financial system of Cyprus and led to an unprecedented economic crisis. However, the company sheltered by its traditional conservative strategy and its commitment in effective risk management, reacted immediately to the new adverse developments and took all necessary measures to ensure the maintenance of its strong capital base and healthy liquidity position.

I am pleased to inform you that the final results exceeded our expectations. The group's profit attributable to shareholders increased by 90.2% and reached €2,92 mln compared with €1,53 mln in 2012. It is worth mentioning that the significant increase in profitability was achieved despite the adverse impact of the impairment of the value of bank deposits of €0.59 mln and the fair value loss from the revaluation of investment properties of € 0,76 mln.

Profit from operations showed an increase of 8,0% and amounted to €3,59 mln against €3,32 mln in 2012. Profit from insurance operations rose by 18,5% to €4,04 mln (2012: €3,41 mln) mainly as a result of the reduction in claims, while profit from the financial operations showed increased losses of €0,45 mln (2012: €0,08 mln) due to revenue reduction and the increase in provision for bad debts.

Gross written premiums including policy fees increased by 3,5% reaching € 24,70 mln compared with €23,87 mln in 2012 while net earned premiums amounted to €17,51 mln versus €17,86 mln during the previous year, recording a decrease of 2,0%.

Claims from policyholders decreased by 11.0% and amounted to €8,73 mln (2012: €9,80 mln). As a result the claims loss ratio on net earned premiums fell to 49,86% from 54.90% in the previous year. The decrease is mainly due to the reduction in the number of claims in the motor insurance class and the final settlement of large outstanding claims of previous years at a lower cost.

Due to the severe weakening of the Cyprus economy the management considered it necessary to increase significantly the provisions for doubtful debtors which amounted to €1,08 mln (2012: € 0,40 mln). As a consequence, administrative expenses rose by 11,1% to € 5,26 mln. The rest of the administrative expenses were in fact reduced by 3,5% as a result of the management's efforts to contain operating costs in general.

The Company's investment portfolio showed a profit of €0,31 mln in comparison with a loss of €2,05 mln in the previous year. The profit resulted mainly from the company's foreign investment portfolios.

Despite the negative financial environment the Group managed to maintain its financial strength with own funds reaching €30,70 mln compared to €29,90 mln in 2012. Indicative of the Group's sound financial position is the solvency margin coverage which stood at the end of 2013 at 677% compared to the minimum required limit of 125%.

The Board of Directors after taking into account the financial results for the year 2013, the capital requirements and the profitability prospects of the Group for the coming year as well as the negative economic conditions, decided to propose for approval at the Annual General Meeting of the Company the payment of a dividend of 6 cents per share (2012:5 cents).

The management is also pleased that despite the deep economic crisis the company maintained all its employees without any reduction in their emoluments and benefits.

The contraction of the Cyprus economy is expected to continue in the current year which we believe will be just as difficult as the previous year. The management will continue to take all necessary measures and to react immediately to the new realities of the business and the general economic environment. The strategic objectives of the Group will remain committed to effective risk management, protection of the capital base, adequate diversification of bank deposits and investments and careful development of operations. With prudence, discipline and determination the management believes that Atlantic will fulfil its objectives and will further enhance its successful and creative presence in the Cyprus Insurance sector.

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.



Emilius 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 2013.

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 2013 rose by 90,2% to €2,92 mln against €1,53 mln in 2012.

Gross written premiums including policy fees increased by 3,5% reaching € 24,70 mln compared with €23,87 mln in 2012 while net earned premiums amounted to €17,51 mln versus €17,86 mln during the previous year, recording a decrease of 2,0%.

Other income from insurance operations increased to €1,04 mln from €0,84 mln in 2012 mainly due to the surge of reinsurance commissions receivable as a result of the improvement in the profitability of the Property insurance class. There was also an increase in the profits from the Cyprus Hire Risk Pool.

Income from brokerage and financial services fell to €0,34 mln against €0,73 mln in 2012 as a result of the adverse financial conditions and the reduced trading activity in the Cyprus and Athens Stock Exchanges.

Claims from policyholders decreased by 11.0% and amounted to €8,73 mln. (2012: €9,80 mln). As a result the claims loss ratio fell to 49,86% from 54.90% in the previous year. The decrease is mainly due to the reduction in the number of claims in the motor insurance class and the final settlement of large outstanding claims of previous years at a lower cost.

Administrative expenses reached €5,26 mln compared to €4,74 mln in 2012 recording an annual increase of 11,1% which was mainly attributed to the increased provisions for bad and doubtful debts which rose to €1,08 mln(2012: €0,40 mln). The increase in the provisions was regarded necessary given the severe deterioration of the local economy. The rest of the administrative expenses were in fact reduced by 3,5% as a result of the management's efforts to contain the operating expenses.

Profit from operations showed an increase of 8,0% and amounted to €3,58 mln against €3,32 mln in 2012. Profit from insurance operations rose by 18,5% to €4,04 mln (2012: €3,40 mln) mainly as a result of the reduction in claims, while profit from the financial operations showed increased losses of €0,45 mln (2012: €0,08 mln) due to revenue reduction and the increase in provision for bad debts.

Net finance income fell by 22,9% to €0,57 mln from €0,74 mln in 2012 mainly due to the significant reduction in local bank deposit rates and the increase in cash held at current accounts to maintain the necessary liquidity in view of the restrictive measures on banking transactions which were imposed by the Central Bank of Cyprus.

The Company's investment portfolio showed a profit of €0,31 mln in comparison with a loss of €2,05 mln in the previous year. The profit resulted mainly from the company's foreign investment portfolios. On the other hand, a fair value loss of €0,77 mln arose from the revaluation of investment properties. An additional loss of €0,53 mln relating to the revaluation of tangible fixed assets was charged directly to the revaluation reserve.

The Group's results include a loss from the impairment in the value of bank deposits in Bank of Cyprus and Cyprus Popular Bank which was calculated at €0,59 mln. The ordinary shares of Bank of Cyprus which were received as part of the conversion of bank deposits are recorded in the financial statements with a nil value.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

DIRECTORS' REPORT (continued)

Equity attributable to shareholders amounted to €30,70 mln compared to €29,90 mln in 2012 with the return on equity in 2013 reaching 9,5%. Equity includes an amount of €0,08 mln which represents the cost of the Company's own shares.

Financial results

As shown on page 8 of the extract from the consolidated financial statements, net profit attributable to shareholders reached €2,92 mln compared to €1,53 mln in 2012, recording an annual increase of 90,2%. 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 2013 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 6 cents per share (2012: 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.

Prospects

The Board of Directors regards the significant improvement in the profitability of the Group as highly satisfactory, especially considering the unprecedented economic crisis in Cyprus. The Board anticipates that the current year will be as difficult as the previous year and therefore remains committed to the strategic objective of effective risk management and immediate reaction to new developments aiming towards the mitigation of the adverse effects of the crisis and the maintenance of the strong capital base, liquidity and profitability of the Group.

Tangible Fixed Assets

Capital expenditure for tangible fixed assets amounted to €41 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.

The Extraordinary General Meeting of the Company which took place on 12 June 2013 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 provisions 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 12, 2013 to June 11, 2013.

During the year the Company did not acquire any own shares. The total number of own shares at 31 December 2013 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.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED**DIRECTORS' REPORT (continued)****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 2013 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 2013, the Group suffered a loss of €0,59 mln from the impairment in the value of its bank deposits.

The Central Bank also issued a Decree on March 28, 2013 which imposes restrictive capital controls with regard to transactions performed through the banking institutions operating in Cyprus. The activities of the Group and of the Company and their future financial performance could be negatively affected by the extent and duration of these restrictions, by the inability of the debtors to meet their obligations and by any potential reduction in the fair value of the investment properties of the Company. The management monitors closely the economic developments and considers that it takes all necessary measures to maintain the financial strength of the Group and of the company.

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 the audited consolidated financial statements of 2013 is lower by €37 thousand as compared with the preliminary results of 2013 which were announced on February 28, 2014. The reduction is attributable to adjustment in the tax charge for the year.

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.

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

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 2013 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 Messrs Emilius Pyrishis, Charalambos Alexandrou and Andreas Pirishis 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,



Emilios Pyrishis
Chairman

Nicosia
24 April 2014

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2013

	Notes	2013 €'000	2012 €'000
Income from operations			
Gross written premiums		23.960	23.106
Policy fees		740	761
Reinsurers' share of premiums		(7.574)	(6.012)
Net premiums		17.126	17.855
Transfer to unearned premiums		382	4
Net earned premiums		17.508	17.859
Other operating income from insurance operations	6	1.044	838
Operating income from brokerage and financial services		342	725
		18.894	19.422
Expenses			
Claims payable	5	8.729	9.805
Commission payable for insurance operations		1.174	1.275
Commission payable for brokerage and financial services		145	284
Administrative expenses		5.261	4.737
		15.309	16.101
Profit from operations	9	3.585	3.321
Loss on sale and revaluation of investments	11	307	(2.052)
Loss on revaluation of investment properties		(763)	(99)
Impairment in value of Bank Deposits	12	(588)	-
Other investment income	6	87	108
Net finance income	10	574	744
Profit before taxation		3.202	2.022
Taxation	13	(490)	(483)
Profit after taxation		2.712	1.539
Minority interest		203	(7)
Profit attributable to the shareholders		2.915	1.532
Earnings per share (cent)	14	7,45	3,92

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2013

	2013	2012
	€'000	€'000
Profit for the year	2.915	1.532
Other recognised gains :		
Loss on revaluation of immovable property	(531)	-
Deferred tax on surplus revaluation of immovable property	50	4
Tax on deemed distribution	(36)	-
Fair value gain /(loss) on financial assets available for sale	222	(652)
Transfer to profit and loss for the year of realised loss on financial assets available for sale	127	1.053
Transfer to profit and loss for the year due to permanent diminution in value of investments available for sale	-	681
	(168)	1.086
Total comprehensive income for the year	2.747	2.618

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

	Note	2013 €'000	2012 €'000
Non-current assets			
Tangible fixed assets	16	7.292	8.003
Intangible assets	17	35	29
Investors' Compensation Fund	21	221	216
Investment properties	18	6.596	7.359
Financial assets available for sale	19	1.640	2.141
Total non-current assets		15.784	17.748
Current assets			
Debtors and other receivables	21	17.133	15.676
Financial assets held for trading	20	6.946	3.853
Cash and bank balances	22	15.452	17.562
Total current assets		39.531	37.091
Total assets		55.315	54.839
Equity			
Share capital	23	13.297	13.297
Reserves		17.478	16.686
Purchase of own shares		(78)	(78)
Equity attributable to shareholders		30.697	29.905
Minority interest		713	1.037
Total equity		31.410	30.942
Non-current liabilities			
Deferred taxation	24	436	616
		436	616
Current liabilities			
Outstanding claims and provision for unearned premiums	25	20.736	20.683
Other Liabilities	26	2.733	2.598
		23.469	23.281
Total equity and liabilities		55.315	54.839

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2013

	Share Capital	Share Premium	Difference on conversion of share capital	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	€'000
Balance 1 January 2012	13.297	1.898	67	3.812	(1.352)	12.380	(78)	30.024	1.200	31.224
Deferred tax on surplus revaluation of immovable property	-	-	-	4	-	-	-	4	-	4
Transfer of excess depreciation on revaluation of buildings	-	-	-	(23)	-	23	-	-	-	-
Dividends received by minority	-	-	-	-	-	-	-	-	(170)	(170)
Fair value loss on financial assets available for sale	-	-	-	-	(652)	-	-	(652)	-	(652)
Transfer to profit and loss for the year of realised loss on financial assets available for sale	-	-	-	-	1.053	-	-	1.053	-	1.053
Transfer to profit and loss for the year due to permanent diminution in the value of financial assets available for sale	-	-	-	-	681	-	-	681	-	681
Dividend paid	-	-	-	-	-	(2.737)	-	(2.737)	-	(2.737)
Profit for the year	-	-	-	-	-	1.532	-	1.532	7	1.539
Balance 31 December 2012	13.297	1.898	67	3.793	(270)	11.198	(78)	29.905	1.037	30.942
Balance 1 January 2013	13.297	1.898	67	3.793	(270)	11.198	(78)	29.905	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 loss on financial assets available for sale	-	-	-	-	222	-	-	222	-	222
Transfer to profit and loss for the year of realised loss on 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	1.898	67	3.304	79	12.130	(78)	30.697	713	31.410

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 2013

		2013	2012
		€'000	€'000
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before taxation		3.203	2.022
<i>Adjustments for:</i>			
(Gain)/loss on sale and revaluation of investments	11	(307)	2.052
Loss on revaluation of investment properties		763	99
Depreciation of tangible and intangible fixed assets	9	258	288
Profit on disposal of tangible fixed assets		(1)	(3)
Interest received	10	(663)	(823)
Dividends received	6	(46)	(17)
Interest paid	10	89	79
Profit from operations before changes in working capital		3.296	3.697
(Increase)/decrease in debtors and other receivables		(1.467)	132.527
Increase / (decrease) in liabilities and provisions		2	(132.589)
Cash flow from operations		1.831	3.635
Interest paid		(89)	(79)
Taxation paid		(465)	(550)
Net cash flow from operating activities		1.277	3.006
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of investments		(3.871)	(3.495)
Sale of investments		1.936	2.631
Acquisition of investment properties		-	(1.233)
Purchase of tangible fixed assets		(41)	(47)
Purchase of intangible fixed assets		(43)	(19)
Receipts on disposal of tangible fixed assets		1	5
Increase in holding of subsidiary undertaking		(9)	-
Dividends paid to minority interest		(113)	(170)
Interest received		663	824
Dividends received		46	17
Net cash flow for investing activities		(1.431)	(1.487)
CASH FLOW FOR FINANCING ACTIVITIES			
Dividend paid		(1.956)	(2.737)
Net cash flow for financing activities		(1.956)	(2.737)
Net decrease in cash and cash equivalents		(2.110)	(1.218)
Cash and cash equivalents at the beginning of the year	22	17.562	18.780
Cash and cash equivalents at the end of the year	22	15.452	17.562

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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 2013			
Premiums and other income	25.831	342	26.173
Profit 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
Acquisition of investment property	219	2	221
Depreciation of tangible fixed assets	37	-	37
Depreciation of intangible fixed assets			
Year ended 31 December 2012			
Premiums and other income	24.813	725	25.538
Profit from operations	3.403	-82	3.321
Total Assets	50.719	4.120	54.839
Total Liabilities	23.537	360	23.897
Purchase of tangible fixed assets	47	-	47
Purchase of intangible fixed assets	19	-	19
Acquisition of investment property	1.233	-	1.233
Disposal of tangible fixed assets	10	-	10
Depreciation of tangible fixed assets	253	5	258
Depreciation of intangible fixed assets	30	-	30

Note 5: Claims payable

	2013			2012	
	Gross	Reinsurers' Share	Recoveries	Net	Net
	€'000	€'000	€'000	€'000	€'000
Motor	6.128	(119)	(294)	5.715	6.412
Accident and health	2.088	(8)	-	2.080	2.510
Marine	46	(20)	-	26	31
Property	223	-16	-	207	393
Liability	756	-	-55	701	453
Other	-	-	-	-	6
	9.241	(163)	(349)	8.729	9.805

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Note 6: Other Income

Other income from insurance operations

	2013	2012
	€'000	€'000
Commissions earned	901	726
Share of Pool profits	132	57
Profit on disposal of tangible fixed assets	1	3
Other income	10	52
	1.044	838

Other income from investments

	2013	2012
	€'000	€'000
Dividends received	46	17
Rents received	41	91
	87	108

Note 8: Staff costs

	2013	2012
	€'000	€'000
Salaries	2.372	2.450
Social insurance and other contributions	243	249
Provident fund contributions	117	118
	2.732	2.817

Average number of employees

The average number of employees was as follows:

	2013	2012
Full-time employees	100	101

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

	2013	2012
	€'000	€'000
Interest received	692	841
Bank charges and interest paid	(89)	(79)
Exchange losses	(29)	(18)
	574	744

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Note 11- Gains / (losses) on sale and revaluation of investments

	2013	2012
	€'000	€'000
Loss on sale and revaluation of shares held for trading	(57)	(387)
Gains on sale and revaluation of foreign investments	355	249
Gain / (loss) on sale and revaluation of bonds	9	(857)
Permanent diminution in the value of investments available for sale	-	(1.058)
	307	(2.052)

Note 12- Impairment in value of bank deposits

The impact of the reorganization measures and restructuring plans of the Bank of Cyprus and Cyprus Popular Bank, on the value of the company's bank deposits was calculated at €0,59 mln for the Group and €0,53 mln for the Company 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.

Note 13-Taxation

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

	2013	2012
	€'000	€'000
Corporation tax	595	435
Defence contribution	20	20
Foreign taxes deducted at source	3	1
Deferred Tax	(130)	(20)
Previous years taxes	-	45
Interest on taxes	2	2
	490	483

Note 14: Earnings per share

	2013	2012
	€'000	€'000
Net profit attributable to shareholders	2.915	1.532
Weighted average number of issued shares	39.109	39.109
Basic earnings per share (cents)	7,45	3,92

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 €'000	Furniture and fittings €'000	Computer hardware and software €'000	Motor vehicles €'000	Total €'000
Cost or revaluation					
Balance at 1 January 2012	7.811	774	456	665	9.706
Additions	-	15	8	24	47
Disposals	-	-	-	(10)	(10)
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 31 December 2013	7.023	810	476	678	8.987
Depreciation					
Balance at 1 January 2012	-	490	416	584	1.490
Depreciation for the year	128	67	18	45	258
On disposals	-	-	-	(8)	(8)
Balance at 1 January 2013	128	557	434	621	1.740
Depreciation for the year	128	52	17	24	221
On revaluation	(256)	-	-	-	(256)
On disposals	-	-	-	(9)	(9)
Balance at 31 December 2013	-	609	451	636	1.695
Net book value at					
31 December 2013	7.023	201	25	42	7.292
31 December 2012	7.683	232	30	58	8.003

Note 17-Intangible assets

	Goodwill on acquisition of agents' portfolios €'000	Computer software €'000	Total €'000
Cost or revaluation			
Balance at 1 January 2012	42	376	418
Additions	7	12	19
Balance at 1 January 2013	49	388	437
Additions	31	12	43
Balance 31 December 2013	80	400	480
Amortisation			
Balance at 1 January 2012	14	364	378
Amortisation for the year	16	14	30
Balance at 1 January 2013	30	378	408
Amortisation for the year	27	10	37
Balance 31 December 2013	57	388	445
Net book value at			
31 December 2013	23	12	35
31 December 2012	19	10	29

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Note 18: Investment properties

	2013	2012
	€'000	€'000
Land and buildings		
Balance at 1 January	7.359	6.224
Additions	-	1.233
Fair value loss on revaluation	(763)	(98)
Balance at 31 December	6.596	7.359

Note 19: Financial assets available for sale

	2013	2012
	€'000	€'000
Equity investment in listed securities	85	90
Republic of Cyprus government bonds	428	1.280
Greek government bonds	259	282
Corporate bonds and capital securities	560	489
Foreign corporate bonds	308	-
	2.141	2.141

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 2013 amounted to €0,22 mln (2012: Loss €0,65 mln) and was recognized in the fair value reserve which is included as part of equity.

Note 20: Financial assets held for trading

	2013	2012
	€'000	€'000
Equity investment in listed securities	209	182
Foreign investments in mutual and managed funds	5.251	3.465
Bonds and capital securities	1.486	206
	6.946	3.853

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Note 21: Debtors and other receivables

Non-current assets	2013	2012
	€'000	€'000
Other receivables from financial services operations	221	216
<hr/>		
Current assets	2013	2012
	€'000	€'000
Trade receivables from insurance operations	6.742	7.530
Reinsurers' share of technical reserves (note 25)	3.212	3.545
Amounts prepaid to reinsurers'	2.899	-
Share in pool assets	582	625
Deferred acquisition costs	519	592
Other receivables from insurance operations	334	360
Other receivables from financial services operations	2.845	3.020
Tax refundable	-	4
	<hr/> 17.133 <hr/>	15.676

Note 22: Cash and bank balances

	2013	2012
	€'000	€'000
Cash and bank balances	15.452	17.562
	<hr/> 15.452 <hr/>	17.562

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.

The impact of the recent restructuring measures of Bank of Cyprus and Cyprus Popular Bank on the value of the Group's bank deposits is mentioned in notes 12 and 35.

Note 23: Share Capital

	2013		2012	
	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 2013 was 80 150 and the total acquisition cost was €7.680. 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

	2013	2012
	€'000	€'000
Provision for property revaluation		
Balance 1 January	604	608
Deferred tax on property revaluation	(214)	(4)
Deferred tax on excess depreciation resulting from the revaluation of buildings	(1)	-
Balance 31 December	<u>389</u>	<u>604</u>
	2013	2012
	€'000	€'000
Provision for temporary differences between depreciation and capital allowances		
Balance 1 January	12	32
Deferred tax for the year	35	(20)
Deferred tax on excess depreciation resulting from the revaluation of buildings	1	-
Balance 31 December	<u>47</u>	<u>12</u>
Total Balance 31 December	<u>436</u>	<u>616</u>

Note 25: Outstanding claims and unearned premiums

	2013	2012
	€'000	€'000
Unearned premiums		
Gross unearned premiums	10.149	10.398
Reinsurers' share	(2.094)	(1.961)
Net unearned premiums	<u>8.055</u>	<u>8.437</u>
Outstanding claims		
Gross outstanding claims	10.587	10.285
Reinsurers' share	(1.118)	(1.583)
Net outstanding claims	<u>9.469</u>	<u>8.702</u>
Total technical reserves		
Gross technical reserves	20.736	20.683
Reinsurers' share	(3.212)	(3.545)
Net technical reserves	<u>17.524</u>	<u>17.138</u>

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

	2013	2012
	€'000	€'000
Taxation	225	75
Tax on deemed distribution	36	-
Reinsurers' balances	204	188
Creditors from insurance operations	162	101
Other liabilities from insurance operations	1.424	1.463
Dividends payable	319	410
Other liabilities from financial services operations	363	361
	<u>2.733</u>	<u>2.598</u>

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED
EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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 2013 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2013 %	19 April 2014 %
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 19,32% on 31 December 2013 and 20,34% on 19 April 2014 and his indirect holding arising from the shares owned by his mother Nina Pyrishi (2,36%) and his brother George Pyrishis which was 12,04% on 31 December 2013 and 11,02% on 19 April 2014..
- (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 2013 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2013		19 April 2014	
	Number of Shares	%	Number of Shares	%
Emilios Pyrishis	7.556.514	19,32	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	4.709.071	12,04	4.309.071	11,02
Nina Pyrishi	922.641	2,36	922.641	2,36
Panayiotis Mallis	61.347	0,16	61.935	0,16
Charalambos Alexandrou ²	86.224	0,22	86.224	0,22
Triantafyllos Lysimachou	-	-	-	-
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 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 36. Post balance sheet events and capital commitments

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 2013, the Group suffered a loss of €0,59 mln from the impairment in the value of its bank deposits.

The Central Bank also issued a Decree on March 28, 2013 which imposes restrictive capital controls with regard to transactions performed through the banking institutions operating in Cyprus. The activities of the Group and of the Company and their future financial performance could be negatively affected by the extent and duration of these restrictions, by the inability of the debtors to meet their obligations and by any potential reduction in the fair value of the investment properties of the Company. The management monitors closely the economic developments and considers that it takes all necessary measures to maintain the financial strength of the Group and of the company.

Apart from the above, there were no other events which occurred after the end of the reporting period that have a significant impact on the financial statements at 31 December 2013.

On 31 December 2013 the Company had the following future capital commitments in respect of foreign investments:

	€'000
Morgan Stanley Real Estate Fund VII Offshore Investors Global	166
Morgan Stanley Private Asia III	409
	<hr/> 575 <hr/>

Note 37. Reconciliation between the annual audited consolidated financial statements and the most recent published preliminary results for the year 2013.

	2013 €'000
Consolidated profit attributable to shareholders according to the preliminary results dated February 28, 2014.	2.952
Taxation adjustments	(37)
	<hr/> 2.915 <hr/>