



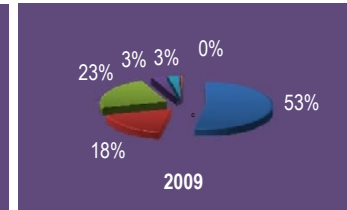
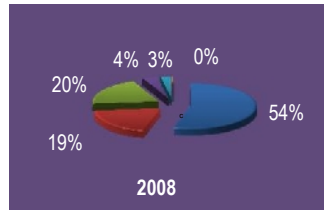
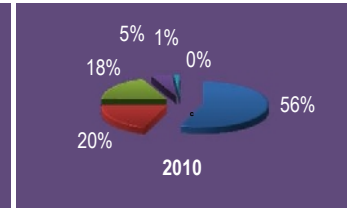
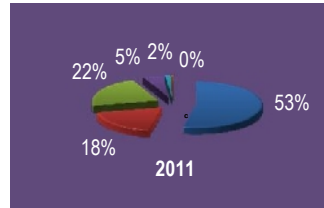
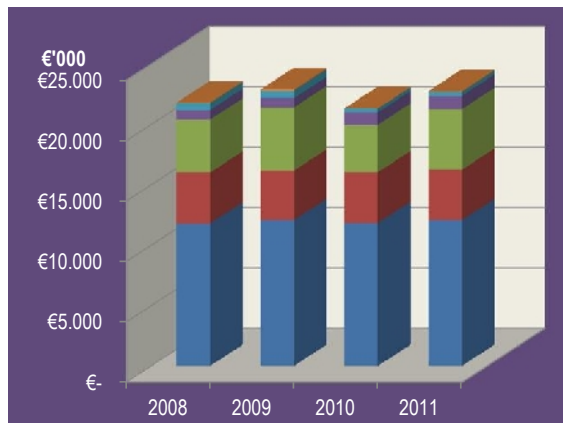
EXTRACT
FROM THE
2011
CONSOLIDATED
FINANCIAL
STATEMENTS





HISTORICAL FINANCIAL INFORMATION

Gross Written Premiums by Insurance class



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

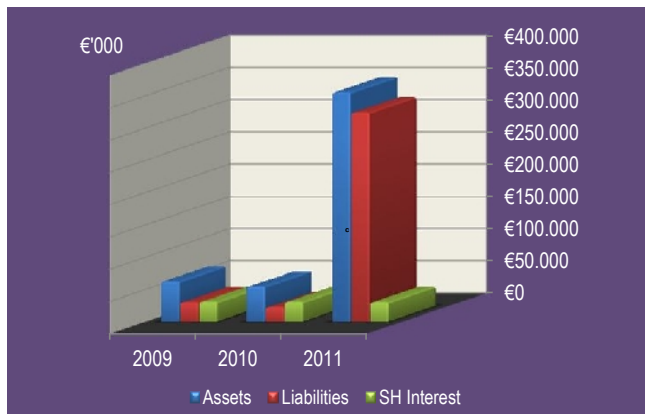
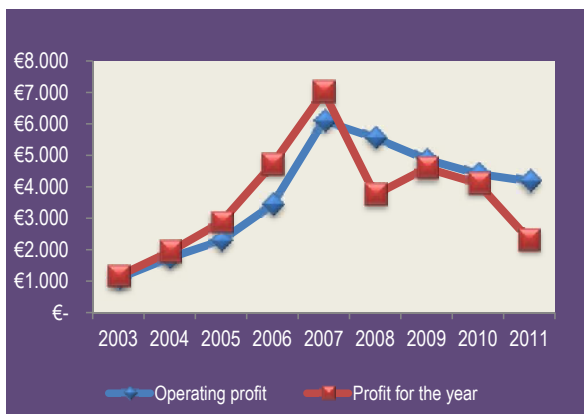
Claims Ratio



Return on Equity



Profits, Assets, Liabilities and Shareholders' Interest



ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS 2011

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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
Cyprus Popular Bank Public Limited
Hellenic Bank Public Limited
Russian Commercial Bank (Cyprus) Ltd
Barclays 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
Eurobank EFG Cyprus
USB Bank Plc

Company registration number: HE20008

CHAIRMAN'S STATEMENT

I am pleased to communicate with you again to inform you about the progress and activities of the Group for the year ended 31 December 2011.

The appropriate strategic planning and in particular the increased diligence in the risk evaluation and risk management process enabled Atlantic to attain its objectives and to achieve satisfactory results under the circumstances. In a difficult business environment, caused by the debt crisis in Greece and Europe in general but also the negative performance of the Cyprus economy, the Group by using each comparative advantage it possesses, managed to maintain its strong financial position and to achieve satisfactory operational profitability allowing it to propose this year as well, the payment of a very satisfactory dividend.

The Group's profits attributable to the shareholders for the year ended 31 December 2011 reached €2,31 million against €4,11 million in 2010. The results were adversely affected by the increased losses from investments amounting to € 2,36 million versus € 0.61 million in the previous year.

The profits from operations of the Group amounted to € 4,18 million compared to € 4,41 million in 2010 showing a decline of 5.3%. The operating profits of the insurance sector remained at similar levels to last year and reached € 4,03 million. On the other hand profits of the financial sector decreased from € 353 thousand to € 159 thousand mainly due to the reduction in the volume of brokerage transactions.

Gross written premiums increased by 6.7% reaching € 22,75 million compared with € 21,32 million in 2010 while net earned premiums amounted to € 17.59 million against € 17,31 million during the previous year, recording an increase of 1,6%.

The claims ratio on earned premiums showed an improvement since it fell from 54,17% in 2010 to 52,74%.

Gross claims for the year include a reserve amount of €300 million in respect of the damages caused to the plant and machinery of the Electricity Authority of Cyprus (E.A.C) by the explosion in the naval base in the Mari area on July, 11 2011. A corresponding reserve amount of €300 million is included in the reinsurers' share of gross claims. The Management does not anticipate that there will be any impact on the Company's financial results due to the fact that it has reinsured 100% of the insured risk. I am pleased to inform you that an amount of €12 million has already been paid while an additional substantial amount will be paid in the forthcoming weeks.

The loss from sale and revaluation of investments amounted to €2,36 million against €0,61 million in 2010. The current year loss includes an amount of €1,67 million which relates to a transfer from the fair value reserve due to permanent diminution in value of investments in shares and bonds available for sale.

Despite the negative financial environment the Group managed to maintain its financial strength with own funds amounting to € 30,02 million compared to €30,47 million in 2010.

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 cents per share. Based on the current market price of the Company's shares the resulting dividend yield is 9,1%.

The management believes that 2012 will be an equally difficult year for the Cyprus economy the main problems of which will be the low rate of economic growth, increasing unemployment and low credit expansion. The Board and the management of the Group monitor closely and evaluate carefully the developments and take the necessary measures to overcome the adverse conditions. The strategic objectives of the Group focus on securing adequate liquidity, achieving sufficient diversification of deposits and other financial assets, effective risk management and careful and rational development of operations which is always aimed at improving the quality of the portfolio, profitability and high dividend yield.

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 2011.

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 Larnaka, Limassol and Paphos.

Review of the developments, position and results of activities

There are no material differences between the results in the consolidated financial statements and the preliminary results which were announced on February, 24 2012.

During the year consolidated profits attributable to the shareholders amounted to €2,31 million compared to €4,11 million in 2010, recording an annual decline of 43,7%. The results were adversely affected by the increased investment losses which reached €2,36 million (2010: €0,61 million).

Gross written premiums and policy fees in 2011 grew by 6,7% to reach €22,75 million against €21,32 million during the previous year. After the deduction of reinsurance premiums and the change in unearned premium, net earned premiums recorded an annual increase of 1,6% from €17,31 million in 2011 to €17,59 million.

The net claims incurred amounted to €9,28 million (2010: €9,40 million) and the loss ratio fell to 52,74% as compared to 54,29% in 2010.

Gross claims in 2011 include an outstanding claims reserve of €300 million in respect of the damages in the EAC premises which were caused by the explosion in the naval base at Mari. A corresponding provision for the amount of €300 million is included in reinsurers' share under amounts recoverable. The management does not anticipate that this event will have an impact on the Company's future financial results since there is a reinsurance cover for 100% of the insured risk.

Profit from operations declined by 5,3% and amounted to €4,18 million compared to €4,41 million in the previous year. The profit from operations of the insurance sector remained at similar levels as in the previous year and reached €4,03 million (2010: €4,06 million). On the other hand operating profits from the financial sector showed a significant decline of 55,1% from €0,35 million to €0,16 million mainly due to the significant decrease in brokerage transactions.

The loss on sale and revaluation of investments amounted to €1,03 million in comparison with €0,61 million in the previous year. There was also an additional loss of €1,67 million which relates to a transfer from the fair value reserve as a result of the permanent diminution in the value of shares and bonds available for sale. During 2011 the gain from revaluation of investment properties amounted to €0,34 million.

Net finance income rose by 5,5% to €0,94 million (2010: €0,89 million) mainly due to the increase in interest bearing deposit balances.

Equity attributable to shareholders amounted to €30,02 million compared to €30,47 million in 2010 with the return on equity in 2011 reaching 7,6%. Equity includes an amount of €77,7 thousand which represents the cost of the Company's own shares.

Financial results

As shown on page 7 of the extract from the consolidated financial statements, net profit attributable to shareholders reached €2,31 million compared to €4,11 million in 2010, showing an annual decrease of 43,7%. Profit for the year is transferred to reserves. The profit for the year does not differ significantly from any announced projection made by the Company.

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 cents per share (2010: 9 cents).

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

DIRECTORS' REPORT (continued)

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

After taking into consideration the progress of operations of the Company and its subsidiaries during the year and following a review of the prospects and financial information to date, the Board of Directors believes that the current year will be equally difficult as the previous year. However the Board hopes that the results of the Group for 2012 will, in the absence of any unforeseen events, be better than those of the previous year.

Tangible Fixed Assets

Capital expenditure for tangible fixed assets amounted to €71 thousand as shown in note 15 of the financial statements.

Investment in subsidiary undertakings

In December the subsidiary undertaking, Atlantic Consultancy Services Ltd, acquired 12 852 shares in Atlantic Securities Ltd for the amount of €30,8 thousand, thus increasing its equity holding to 82,26%. As a result the effective interest of Atlantic Insurance Company Public Ltd in Atlantic Securities Ltd rose to 61,8% from 60,9%. The negative goodwill of €4,0 thousand which resulted from the above purchase was credited to the profit and loss for the year and is included in other income.

Share Capital

The authorised share capital of the Holding Company amounts to €85,0 million divided into 250,0 million ordinary shares of a nominal value of €0,34 each. The issued share capital of the Company amounts to €13,30 million divided into 39,11 million 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 8 June 2011 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 /2002 (Revised) and the provisos of the Commission Regulation (EC) 2273/2003 of the European Committee. The shares may be acquired either in the market or through a private agreement."

During the year the Company purchased 44 699 own ordinary shares for the amount of €40.964. The total number of own shares at 31 December 2011 is 80.150 and the total acquisition cost amounts to €77.680

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

Major shareholders

The shareholders owning directly or indirectly more than 5% of the share capital of the Company on 31 December 2011 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

The impact on the Company's financial results of the explosion in the Evaggelos Florakis naval base in Mari on July, 11 2012 is described in note 35 of the financial statements.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

DIRECTORS' REPORT (continued)

Post balance events

There were no significant post balance events affecting the understanding 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 7 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.

There were no material differences between the audited results in the consolidated financial statements of 2011 and the most recently published preliminary results of the Group.

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 2011 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.

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

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. On June, 17 2011 Mr Marios Savvides resigned from the Board. On December, 29 2011 Mr Marios Savvides was appointed as alternate director of Mr Triantafyllos Lysimachou. All the other directors served on the board for the whole year. According to the Articles of the Company's Association Messrs Andreas Pirishis, Panayiotis Mallis and Mrs Nina Pyrishi retire from the Board, but being eligible offer themselves for re-election. An election will take place for the filling in of the vacant positions. There were no significant changes in the allocation of the responsibilities or the compensation of the Board of Directors.

Auditors

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

By order of the Board of Directors,



Emilios Pyrishis
Chairman

Nicosia
26 April 2012

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2011

	Notes	2011 €'000	2010 €'000
Income from operations			
Gross written premiums		21.995	20.591
Policy fees		755	727
Reinsurers' share of premiums		(5.029)	(3.966)
Net premiums		17.721	17.352
Transfer to unearned premiums		(129)	(38)
Net earned premiums		17.592	17.314
Other operating income from insurance operations	6	1.037	1.007
Operating income from brokerage and financial services		1.088	1.606
		19.717	19.927
Expenses			
Claims payable	5	9.278	9.399
Commission payable for insurance operations		1.220	1.124
Commission payable for brokerage and financial services		430	782
Administrative expenses		4.612	4.210
		15.540	15.515
Profit from operations		4.177	4.412
Loss on sale and revaluation of investments	11	(2.362)	(615)
Other investment income	6	151	161
Net finance income	10	942	892
Profit before taxation		2.908	4.850
Taxation	12	(540)	(551)
Profit after taxation		2.368	4.299
Minority interest		(57)	(191)
Profit attributable to the shareholders		2.311	4.108
Earnings per share (cent)	13	5,91	10,5

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

	2011 €'000	2010 €'000
Profit for the year	2.311	4.108
Other recognised gains :		
Surplus on revaluation of immovable property	623	-
Deferred tax on surplus revaluation of immovable property	(109)	(17)
Tax on deemed distribution recovered	-	22
Fair value loss on financial assets available for sale	(1.565)	(817)
Transfer to profit and loss for the year due to permanent diminution in value of investments available for sale	1.667	-
Transfer to profit and loss for the year of realised loss on financial assets available for sale	185	124
	801	(688)
Total comprehensive income for the year	3.112	3.420

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Note	2011 €'000	2010 €'000
Non-current assets			
Tangible fixed assets	15	8.216	7.787
Intangible assets	17	40	28
Investment properties	18	6.224	5.894
Other recoverables	21	216	212
Financial assets available for sale	19	2.797	4.324
Total non-current assets		17.493	18.245
Current assets			
Debtors and other receivables	21	315.701	15.106
Financial assets held for trading	20	3.305	3.530
Cash and bank balances	22	18.780	17.507
Total current assets		337.786	36.143
Total assets		355.279	54.388
Equity			
Share capital		13.297	13.297
Reserves		16.805	17.214
Purchase of own shares		(78)	(37)
Equity attributable to shareholders		30.024	30.474
Minority interest		1.200	1.510
Total equity		31.224	31.984
Non-current liabilities			
Deferred taxation		640	531
		640	531
Current liabilities			
Outstanding claims and unearned premiums	25	320.569	19.086
Bank overdrafts and short-term loans	22	-	21
Other Liabilities	26	2.846	2.766
		323.415	21.873
Total equity and liabilities		355.279	54.388

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2011

	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 2010	13,297	1,898	67	3,314	(946)	12,947	-	30,577	1,627	32,204
Deferred tax on surplus revaluation of immovable property	-	-	-	17	-	-	-	17	-	17
Transfer of excess depreciation on revaluation of buildings	-	-	-	(18)	-	18	-	-	-	-
Deferred tax on excess depreciation	-	-	-	2	-	(2)	-	-	-	-
Dividends received by minority	-	-	-	-	-	-	-	-	(271)	(271)
Reduction of minority interest due to sale of shares	-	-	-	-	-	-	-	-	(37)	(37)
Recovery of tax on deemed distribution	-	-	-	-	-	22	-	22	-	22
Fair value loss on financial assets available for sale	-	-	-	-	(817)	-	-	(817)	-	(817)
Transfer to profit and loss for the year of realised loss on financial assets available for sale	-	-	-	-	124	-	-	124	-	124
Purchase of own shares	-	-	-	-	-	-	(37)	(37)	-	(37)
Dividend paid	-	-	-	-	-	(3,520)	-	(3,520)	-	(3,520)
Profit for the year	-	-	-	-	-	4,108	-	4,108	191	4,299
Balance 31 December 2011	13,297	1,898	67	3,315	(1,639)	13,573	(37)	30,474	1,510	31,984
Balance 1 January 2011	13,297	1,898	67	3,315	(1,639)	13,573	(37)	30,474	1,510	31,984
Surplus on revaluation of immovable property	-	-	-	623	-	-	-	623	-	623
Deferred tax on surplus revaluation of immovable property	-	-	-	(109)	-	-	-	(109)	-	(109)
Transfer of excess depreciation on revaluation of buildings	-	-	-	(18)	-	18	-	-	-	-
Deferred tax on excess depreciation	-	-	-	2	-	(2)	-	-	-	-
Dividends received by minority	-	-	-	-	-	-	-	-	(332)	(332)
Reduction of minority interest due to sale of shares	-	-	-	-	-	-	-	-	(35)	(35)
Fair value loss on financial assets available for sale	-	-	-	-	(1,565)	-	-	(1,565)	-	(1,565)
Transfer to profit and loss for the year of realised loss on financial assets available for sale	-	-	-	-	185	-	-	185	-	185
Transfer to profit and loss of permanent diminution in value of investments available for sale	-	-	-	-	1,667	-	-	1,667	-	1,667
Purchase of own shares	-	-	-	-	-	-	(41)	(41)	-	(41)
Dividend paid	-	-	-	-	-	(3,520)	-	(3,520)	-	(3,520)
Profit for the year	-	-	-	-	-	2,311	-	2,311	57	2,368
Balance 31 December 2011	13,297	1,898	67	3,812	(1,352)	12,380	(78)	30,024	1,200	31,224

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 2011

	Notes	2011 €'000	2010 €'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before taxation		2.908	4.850
<i>Adjustments for:</i>			
Loss on sale and revaluation of investments	11	2.362	615
Depreciation of tangible and intangible fixed assets		301	310
Profit on disposal of tangible fixed assets		-	(5)
Interest received	10	(1.015)	(963)
Dividends received	6	(80)	(100)
Interest paid	10	73	71
Profit from operations before changes in working capital		4.549	4.778
(Increase)/decrease in debtors and other receivables		(300.598)	1.061
Increase in liabilities and provisions		301.590	399
Cash flow from operations		5.541	6.238
Interest paid		(73)	(71)
Taxation paid		(572)	(598)
Net cash flow from operating activities		4.896	5.569
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of investments		(1.672)	(4.592)
Sale of investments		1.014	2.746
Purchase/(sale) of investment properties		5	(7)
Purchase of own shares		(41)	(37)
Purchase of tangible fixed assets		(71)	(170)
Purchase of intangible fixed assets		(48)	(18)
Receipts on disposal of tangible fixed assets		-	6
Increase in holding of subsidiary undertaking		(31)	(35)
Dividends paid to minority interest		(333)	(271)
Interest received		1.015	963
Dividends received		80	100
Net cash flow for investing activities		(82)	(1.315)
CASH FLOW FOR FINANCING ACTIVITIES			
Dividend paid		(3.520)	(3.520)
Net cash flow for financing activities		(3.520)	(3.520)
Net increase in cash and cash equivalents		1.294	734
Cash and cash equivalents at the beginning of the year		17.486	16.752
Cash and cash equivalents at the end of the year		18.780	17.486
Cash and cash equivalents consist of:			
Cash and bank balances	22	18.780	17.507
Bank overdrafts and short-term loans	22	-	(21)
		18.780	17.486

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 2011			
Premiums and other income	23.937	1.089	25.026
Profit from operations	4.018	159	4.177
Total Assets	351.082	4.197	355.279
Total Liabilities	323.786	269	324.055
Purchase of tangible fixed assets	71	-	71
Purchase of intangible fixed assets	48	-	48
Disposal of tangible fixed assets	-	5	5
Depreciation of tangible fixed assets	257	8	265
Amortisation of intangible fixed assets	35	1	36

Year ended 31 December 2010

Premiums and other income	22.486	1.606	24.092
Profit from operations	4.058	353	4.411
Total Assets	49.963	4.426	54.389
Total Liabilities	22.206	198	22.404
Purchase of tangible fixed assets	170	-	170
Purchase of intangible fixed assets	18	-	18
Disposal of tangible fixed assets	21	-	21
Depreciation of tangible fixed assets	260	14	274
Amortisation of intangible fixed assets	33	2	35

Note 5: Claims payable

	2011 €'000	2010 €'000
Gross claims paid	9.046	8.771
Reinsurers' share of gross claims	(477)	(231)
Net change in outstanding claims	609	761
Net change in incurred but not reported claims	100	98
Net incurred claims	9.278	9.399

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6: Other Income

Other income from insurance operations

	2011	2010
	€'000	€'000
Commissions earned	839	826
Share of Pool profits	135	173
Profit on disposal of tangible fixed assets	-	5
Other income	63	3
	1.037	1.007

Other income from investments

	2011	2010
	€'000	€'000
Dividends received	80	100
Rents received	71	61
	151	161

Note 8: Staff costs

	2011	2010
	€'000	€'000
Salaries	2.426	2.255
Social insurance and other contributions	240	221
Provident fund contributions	115	104
	2.781	2.580

Average number of employees

The average number of employees was as follows:

	2011	2010
Full-time employees	102	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

	2011	2010
	€'000	€'000
Interest received	995	953
Bank charges and interest paid	(73)	(71)
Exchange gains	20	10
	942	892

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Note 11- Losses on sale and revaluation of investments

	2011 €'000	2010 €'000
Loss on sale of shares held for trading	(242)	(92)
Loss on revaluation of shares	(486)	(611)
(Losses) / gains on sale and revaluation of foreign investments	(138)	182
Loss on sale and revaluation of bonds	(164)	(94)
Permanent diminution in the value of investments available for sale	(1.667)	-
Gain on revaluation of investment properties	335	-
	(2.362)	(615)

Note 12-Taxation

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

	2011 €'000	2010 €'000
Corporation tax	521	524
Defence contribution	18	34
Foreign taxes deducted at source	1	2
Previous years taxes	-	(9)
	540	551

Note 13: Earnings per share

	2011 €'000	2010 €'000
Net profit attributable to shareholders	2.311	4.108
Weighted average number of issued shares	39.109	39.109
Basic earnings per share (cents)	5,91	10,5

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

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EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15: Tangible fixed assets

	Land and buildings €'000	Furniture and fittings €'000	Computer hardware €'000	Motor vehicles €'000	Total €'000
Cost or revaluation					
Balance at 1 January 2010	7.399	681	415	621	9.116
Additions	37	61	27	45	170
Disposals	-	-	-	(21)	(21)
Balance at 1 January 2011	7.436	742	442	645	9.265
Additions	-	32	14	25	71
Revaluation	375	-	-	-	375
Disposals	-	-	-	(5)	(5)
Balance 31 December 2011	7.811	774	456	665	9.706
Depreciation					
Balance at 1 January 2010	-	351	349	523	1.223
Depreciation for the year	124	69	38	43	274
On disposals	-	-	-	(19)	(19)
Balance at 1 January 2011	124	420	387	547	1.478
Depreciation for the year	124	70	29	42	265
On revaluation	(248)	-	-	-	(248)
On disposals	-	-	-	(5)	(5)
Balance 31 December 2011	-	490	416	584	1.490
Net book value					
31 December 2011	7.811	284	40	81	8.216
31 December 2010	7.312	322	55	98	7.787

Note 17-Intangible assets

	Goodwill on acquisition of agents portfolios €000	Computer software €000	Total €000
Cost or revaluation			
Balance at 1 January 2010	-	352	352
Additions	-	18	18
Balance at 1 January 2011	-	370	370
Additions	42	6	48
Balance 31 December 2011	42	376	418
Amortisation			
Balance at 1 January 2010	-	307	307
Amortisation for the year	-	35	35
Balance at 1 January 2011	-	342	342
Amortisation for the year	14	22	36
Balance 31 December 2011	14	364	378
Net book value			
31 December 2011	28	12	40

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EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18: Investment properties

	2011 €'000	2010 €'000
Land and buildings		
Balance at 1 January	5.894	5.887
Additions	(5)	7
Fair value gains on revaluation	335	-
Balance at 31 December	6.224	5.894

Note 19: Financial assets available for sale

	2011 €'000	2010 €'000
Equity investment in listed securities	99	440
Republic of Cyprus government bonds	89	133
Greek government bonds	203	578
Corporate bonds and capital securities	2.406	3.173
	2.797	4.324

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 loss on financial assets available for sale for the year 2011 amounted to €1,56 million (2010: Loss €0,82 million) and was recognized in the fair value reserve which is included as part of equity.

Note 20: Financial assets held for trading

	2011 €'000	2010 €'000
Equity investment in listed securities	186	544
Foreign investments in mutual and managed funds	2.898	2.595
Bonds and capital securities	221	391
	3.305	3.530

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Note 21: Debtors and other receivables

Non-current assets

	2011 €'000	2010 €'000
Other receivables from financial services operations	216	212

Current assets

	2011 €'000	2010 €'000
Trade receivables from insurance operations	7.636	7.371
Reinsurers' share of technical reserves (note 25)	303.465	2.821
Share in pool assets	568	647
Deferred acquisition costs	611	570
Other receivables from insurance operations	288	900
Other receivables from financial services operations	3.133	2.797
	315.701	15.106

Note 22: Cash and bank balances

	2011 €'000	2010 €'000
Cash and bank balances	18.780	17.507
Bank overdrafts and short-term loans	-	(21)
	18.780	17.486

The bank facilities of the subsidiary company Atlantic Securities Ltd, which are mentioned in note 34, are secured by corporate guarantees of the Company amounting to €132 thousand in favour of Bank of Cyprus Public Company Ltd and €600 thousand in favour of Cyprus Popular Bank Public Company Ltd.

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

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EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 25: Outstanding claims and unearned premiums

	2011	2010
	€'000	€'000
Unearned premiums		
Gross unearned premiums	10.777	10.367
Reinsurers' share	(2.336)	(2.055)
Net unearned premiums	8.441	8.312
Outstanding claims		
Gross outstanding claims	309.792	8.719
Reinsurers' share	(301.129)	(766)
Net outstanding claims	8.663	7.953
Total technical reserves		
Gross technical reserves	320.569	19.086
Reinsurers' share	(303.465)	(2.821)
Net technical reserves	17.104	16.265

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.

The amount of gross outstanding claims as at 31 December 2011 includes a claim reserve amount of €300 million in respect of the damages caused to the plant and machinery of the Electricity Authority of Cyprus (E.A.C) by the explosion in the naval base in the Mari area. A corresponding reserve amount of €300 million is included in the reinsurers' share of claims which is disclosed under debtors and other receivables (Note 21). The Management does not anticipate that there will be an impact on the Company's financial results due to the fact that it has reinsured 100% of the insured risk.

Note 26: Other Liabilities

	2011	2010
	€'000	€'000
Taxation	119	152
Reinsurers' balances	556	394
Creditors from insurance operations	139	249
Other liabilities from insurance operations	1.434	1.466
Dividends payable	334	315
Other liabilities from financial services operations	264	190
	2.846	2.766

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 2011 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2011 %	21 April 2012 %
Emilios Pyrisihis ¹	33,49	33,50
Piraeus Bank (Cyprus) Ltd	19,91	19,91
Andreas Frangoullis ²	20,03	20,05
Administrator of the will of the deceased Nicos Marathovouniotis ³	5,96	-
Maro Marathovouniotou ⁴	-	5,96

- (1) The holding of Emilios Pyrisihis includes his direct share (18,98%) and his indirect holding arising from the shares owned by his father Zenios Pyrisihis (0,09%), his mother Nina Pyrisihis (2,36%) and his brother George Pyrisihis (12,06%).
- (2) The holding of Andreas Frangoullis includes his direct share (19,85%) 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 at 31 December 2011 of the Administrator of the will of the deceased Nicos Marathovouniotis includes his direct share (4,65%) and his indirect holding arising from the shares owned by his daughter Athena Nicolaidou (0,46%), his son Andreas Marathovouniotis (0,47%) and his son Alexis Marathovouniotis (0,38%).
- (4) The holding at 21 April 2012 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 Andreas Marathovouniotis (1,49%) and her son Alexis Marathovouniotis (1,43%).

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 2011 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	Number of Shares	31 December 2011 %	Number of Shares	21 April 2012 %
Emilios Pyrisihis ¹	7.456.963	19,07	7.461.963	19,08
Andreas Pirishis	20.000	0,05	20.000	0,05
Andreas Frangoullis ²	7.831.607	20,03	7.843.136	20,05
George Pyrisihis ³	4.717.971	12,06	4.717.971	12,06
Nina Pyrisihis	922.641	2,36	922.641	2,36
Panayiotis Mallis	45.549	0,12	45.549	0,12
Charalambos Alexandrou ⁴	5.000	0,01	5.000	0,01
Triantafyllos Lysimachou	-	-	-	-
Marios Savvides	165.074	0,42	165.074	0,42

- (1) The holding of Emilios Pyrisihis includes his direct share (18,98%) and his indirect holding arising from the shares owned by his father Zenios Pyrisihis (0,09%).
- (2) The holding of Andreas Frangoullis includes his direct share (19,85%) 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 George Pyrisihis includes his direct share (11,99%) and his indirect holding arising from the shares owned by his wife Maria Pyrisihis (0,07%).
- (4) The holding of Charalambos Alexandrou includes his indirect holding arising from the shares owned by his father Loizos Alexandrou (0,01%).

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