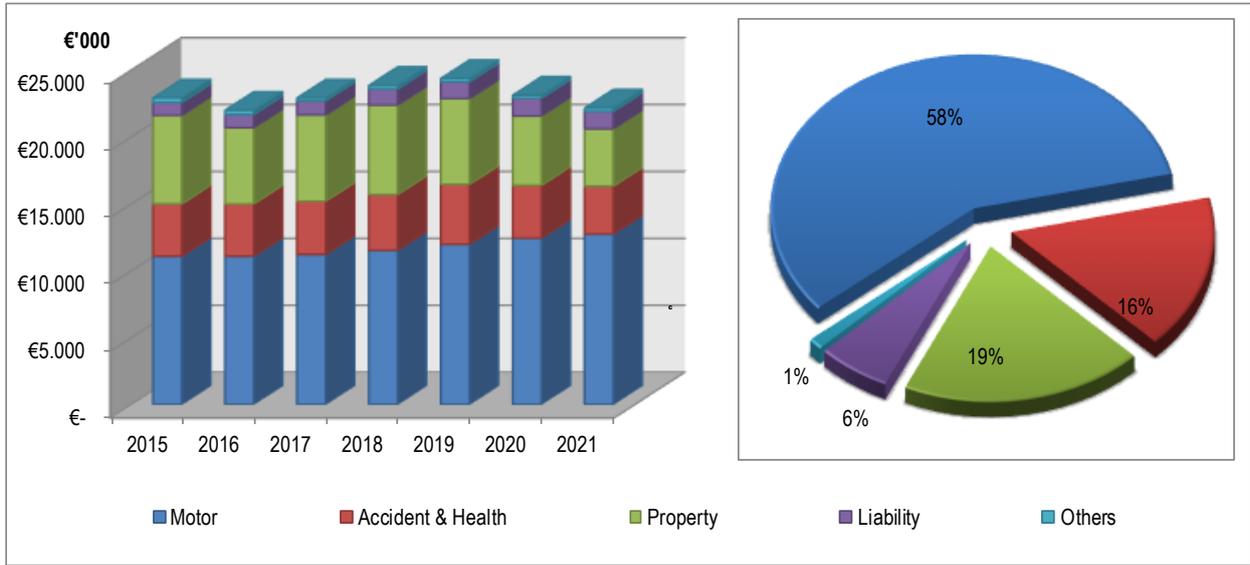


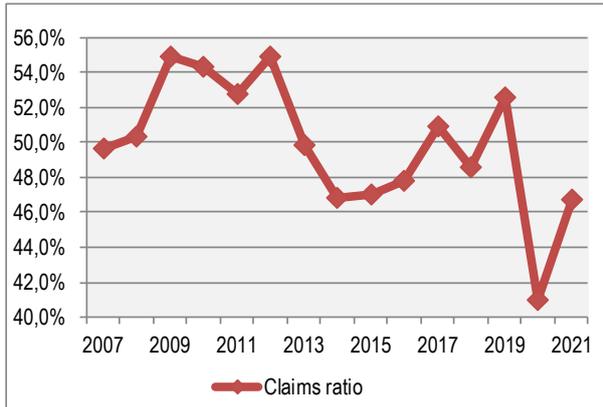


HISTORICAL FINANCIAL INFORMATION

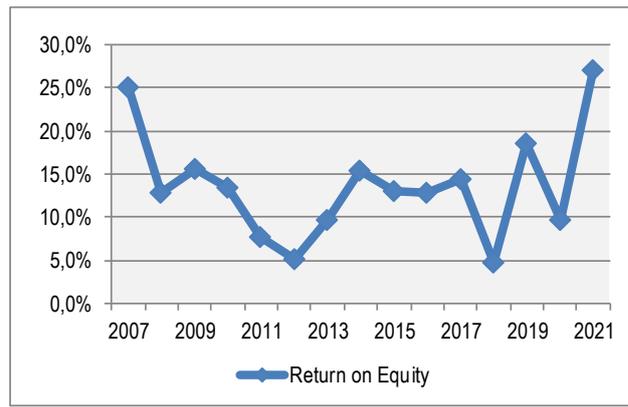
Gross Written Premiums by Insurance class



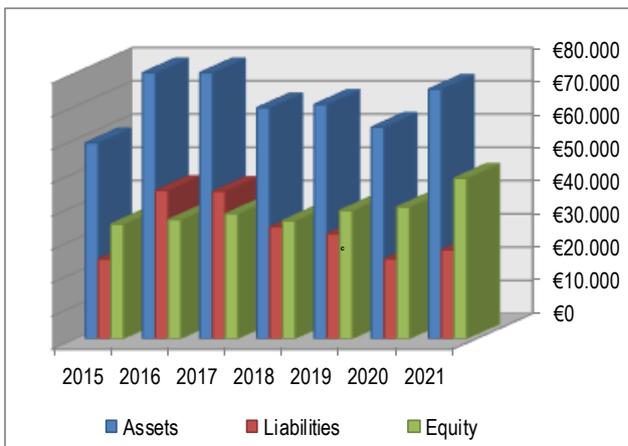
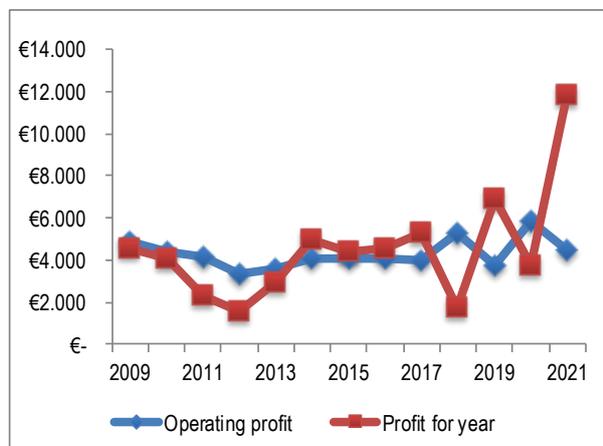
Claims Ratio



Return on Equity



Profits, Assets, Liabilities and Shareholders' Interest



CHAIRMAN'S STATEMENT

I have the privilege to present to you the results of Atlantic for the year ended 31 December 2021.

I am very pleased to inform you that in 2021 Atlantic achieved the highest level of profitability in its history. In particular, the Group's total profit increased by 214,7% to €11,79 million from €3,75 million in 2020. The increase was mainly attributable to the significant gains of the investment portfolio, which amounted to €7,06 million against a loss of €2,12 million in 2020. Earnings per share reached 30,27 cents versus 9,62 cents in 2020.

Profit from insurance operations amounted to €4,31 million compared to €5,85 million in 2020. The decrease was mainly due to an 11,9% increase in claims, a 9,0% increase in administrative expenses and the reduction in total income from operations by 1,6%. Operating profit margin fell to 24,0% from 31,9% in 2020.

Excluding the fronting policies, gross premiums increased by 0,2%. Motor premiums increased by 2,4% and property premiums by 2,9%. On the other hand, medical premiums fell by 10,8% and liability premiums by 2,0%. Net written premiums amounted to €17,99 million with a decrease of 0,9%.

Claims from policyholders amounted to €8,40 million compared to €7,51 million in 2020 recording an increase of 11,9% which is mainly attributable to the increase in the claims of the motor sector as a result of the covid-19 restrictive measures during the previous year. The net claims loss ratio increased to 46,7% from 40,9% in 2020.

The results of the subsidiary Atlantic Securities Ltd were very satisfactory as the company recorded profits of €210 thousand against a loss of €4 thousand in 2020. The improvement in profitability is mainly due to the increase of 30,8% in income from brokerage operations which amounted to €521 thousand compared to €398 thousand in 2020.

After the payment of dividends of €3,31 million, the Group's own funds grew by 21,8% to €48,29 million on 31 December 2021.

The Board of Directors at its meeting on April 6, 2022 decided to recommend for approval at the next Annual General Meeting of the Company the payment of dividend of 8,5 cent per share. Furthermore, due to the strong profitability of the investment portfolio, the Board decided to propose the payment of a special dividend of 3,5 cents and therefore the total dividend will amount to 12,0 cents per share.

The results of the Company's stress tests which were carried out using financial data as at December 31, 2021 and its high solvency ratio which at that date was 217,1%, confirm the strong capital adequacy of the Company and its resilience to adverse economic conditions.

The Board of Directors and me personally remain committed to the protection of the Company's capital base, the effective risk management, the broad diversification of the Group's investments and bank deposits and the careful development of its operations.

Although the Company's results have not at this stage been significantly affected by the crisis in Ukraine, Management closely monitors the developments in order to take all actions deemed necessary to limit as much as possible any negative effects that may arise. The full extent of the future impact will depend on the duration and intensity of the crisis and its impact on the Cyprus economy, which currently remains uncertain.

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 Pырishis
Chairman

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS 2021

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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
Nina Pyrishis
George Pyrishis
Charalambos Alexandrou
Menikos Messios
Triantafyllos Lysimachou
Loukis Ioannou
Marios Savvides (Appointed on April 2, 2021)
George Koutsos (Appointed on October 25, 2021)

Secretary

Andreas Pirishis

Registered office

15 Esperidon Street
Atlantic Building
CY-2001 Strovolos

Auditors

Ernst & Young Cyprus
Certified Public Accountants and Registered Auditors
Jean Nouvel Tower,
6 Stasinou Avenue,
Nicosia

Legal advisers

L. Papaphilippou & Co.

Bankers

AstroBank Ltd
Bank of Cyprus Public Limited
Hellenic Bank Public Limited
RCB Bank Ltd
BBAC Bank of Beirut and the Arab Countries

Credit Suisse AG
EFG Bank AG
Alpha Bank (Cyprus) Ltd
Eurobank Cyprus Ltd
Arab Jordan Investment Bank

Company registration number: HE20008

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

MANAGEMENT REPORT

The Board of Directors of Atlantic Insurance Company Public Limited (the "Company") submits its Annual Report, the audited financial statements of the Company and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2021.

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 and through its agency network.

Review of the developments, position and results of activities

The Group's profits attributable to the shareholders for the year ended 31 December 2021 increased by 214,7% to €11,79 mln against €3,75 mln in 2020. The increase is mainly attributable to the significant gains of the Group's investment portfolio of €7,06 mln compared to losses of €2,12 mln in 2020.

Profit from operations

Profit from operations decreased by 24,0% and amounted to €4,46 mln against €5,86 mln in 2020. The decrease resulted mainly from the increase in claims payable by 11,9%.

Insurance operations

Profit from insurance operations decreased by 26,4% to €4,31 mln (2020: €5,85 mln). The decrease was mainly attributable to the increase in claims by 11,9%, the increase in administrative expenses by 9,0% and the reduction in total income from operations by 1,6%. Operating margin fell to 24,0% from 31,9% in 2020 as a result of the increase in net claims ratio to 46,7% from 40,9% and the increase in expense ratio to 27,9% from 25,1% in 2020.

Financial services

The results of the subsidiary Atlantic Securities Ltd were very satisfactory as the Company recorded profits of €210 thousand against a loss of €4 thousand in 2020. Operating income increased by 30,8% and amounted to €521 thousand compared to €398 thousand in 2020. Operating expenses decreased by 3,8% to €365 thousand (2020: €379 thousand). There was also an investment gain of €50 thousand compared to a loss of €21 thousand in 2020.

Premiums

Gross written premiums amounted to €21,39 mln compared to €22,35 mln in 2020 with a decrease of 4,3% mainly as a result of the fronting policy of EAC which has not been renewed. If fronting policies are excluded then gross premiums rose by 0,2% to €20,62 mln from €20,58 mln in 2020. Motor premiums increased by 2,4% and property premiums by 2,9%. On the other hand, medical premiums fell by 10,8% and liability premiums by 2,0%. Net premiums amounted to €17,99 mln with a decrease of 0,9%.

After the adjustment for unearned premiums of €23 thousand net earned premiums decreased by 1,9% to €17,97 mln.

Other income

Other income from insurance operations increased to €0,99 mln from €0,94 mln in 2020. Other income mainly includes commission receivable from reinsurers which amounted to €0,85 mln against €0,78 mln in 2020. The increase is attributable to the increased commission rates and profit commission following the changes in the property reinsurance treaties during the year. The share of profits from pool participations decreased to €0,11 mln from €0,13 mln in 2020.

Non-recurring income

The results of the previous year include non-recurring income of €0,20 mln relating to a reversal of a provision for potential future losses from natural disasters.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

MANAGEMENT REPORT (continued)

Claims

Claims from policyholders amounted to €8,40 mln compared to €7,51 mln in 2020 recording an increase of 11,9% which is mainly due to the increase in the claims of the motor sector by 17,2% as a result of the covid-19 restrictive measures during the previous year. The claims of the property and liability sectors also increased. On the other hand, the claims of the medical insurance class fell by 25,5% to €1,12 mln. The net claims loss ratio increased to 46,7% from 40,9% in 2020.

Administrative expenses

The administrative expenses of the Group rose by 7,3% to €5,29 mln from €4,92 mln in 2020. The increase is mainly attributable to the increase in staff costs by 3,7% and the increase in provision for bad debts by €145 thousand. There was also an increase in discounts, sales promotion, professional services, legal fees and investment expenses. On the other hand depreciation of intangibles, printing, telephone, transport and cleaning expenses recorded a decrease.

Net finance income

The net finance income of the Group amounted to €0,46 mln against €0,49 mln in 2020. Interest on bonds increased to €0,49 mln from €0,48 mln in 2020. On the other hand, interest from bank deposits decreased to €11 thousand from €35 thousand and other interest receivable to €10 thousand from €46 thousand mainly as a result of interest on tax refundable of €34 thousand in 2020. Bank charges and interest paid increased to €86 thousand from €76 in 2020 as a result of the increase in credit card charges and of the negative interest rates on bank deposits.

Income and gains from investments

Income from investments which mainly relates to dividends and rents increased to € 0,55 mln compared to €0,45 mln in 2020 due to the increase in dividends by €0,14 mln. The Group's investment portfolio recorded significant gains of €7,06 mln against losses of €2,12 mln in 2020. The overall investment return of the Group's investment portfolio (including income from interest and dividends) was +28,6%.

Revaluation of investment properties

During 2021 the Company recorded a loss on the revaluation of investment properties of €58 thousand (2020: Loss €283 thousand). There was also a gain on the revaluation of property used for own purposes of €138 thousand (2020: Loss €203 thousand) which was recognised directly in the consolidated statement of changes in equity.

Earnings per share

The earnings per share of the Group which is attributable to the shareholders increased to 30,27 cents per share from 9,62 cents in 2020. The earnings per share of the Company increased to 29,91 cents per share from 9,63 cents in 2020.

Own funds

After the payment of dividends of €3,31 mln on June 29, 2021 the Group's own funds grew by 21,8% to €48,29 mln on 31 December 2021 from €39,62 mln on 31 December 2020.

Solvency II

Based on the Solvency II calculations of the minimum solvency capital requirements, which were submitted to the superintendent of Insurance, the Solvency Ratio of the Company as at 31 December 2021 was 217,1% (2020: 234,8%) versus the minimum regulatory level of 100%. The Pillar 3 disclosures required under Solvency II are disclosed in the company's website at www.atlantic.com ('Solvency II-SFCR: Solvency and Financial Condition Report').

Financial results

As shown on page 9 of the extract from the consolidated financial statements, net profit attributable to shareholders reached €11,79 mln compared to €3,75 mln in 2020. The net profit of the Company amounted to €11,65 mln against €3,75 mln in 2020. Profit for the year is transferred to reserves.

Dividend

The Board of Directors at its meeting dated April 6, 2022 decided to recommend for approval at the next Annual General Meeting of the Company the payment of dividend of 8,5 cent per share. Furthermore, due to the strong profitability of the investment portfolio, the Board decided to propose the payment of a special dividend of 3,5 cents and therefore the total dividend will amount to 12,0 cents per share.

On May 26, 2021 the Annual General Meeting of the Company approved the proposal of the Board of Directors for the payment of a dividend of 8,5 cents per share. The dividend was paid to the shareholders on June 29, 2021.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

MANAGEMENT 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.

Risk Mitigation

As part of its effective risk management the Company whenever necessary uses derivatives for hedging purposes. The Company, as part of its hedging policy, bought 25 futures contracts for the sale of \$3,69 mln at an average agreed rate of \$1,1802: €1,00 and a maturity date of September 19, 2022. The contracts were entered for the purpose of hedging currency risks arising from the USD exposure of the Company's investments and bank balances.

Prospects

The Board of Directors considered the results of 2021 as very satisfactory given that profit for the year increased significantly to €11,65 mln from €3,75 mln.

Although the Company's results have not been significantly affected by the COVID-19 pandemic to date, the management believes that the risk remains and therefore the Company continues to take all necessary measures to ensure the smooth running of its operations and to limit the negative effects of the Coronavirus disease.

As regards the Ukraine crisis, the restrictive measures of the Council of the European Union and the other sanctions imposed against the Russian Federation, the Management of the Company believes that at this stage the Company's insurance operations have not been affected.

In terms of investments and asset positions, the Company's exposure to Russia and Belarus is limited to bonds of a managed investment portfolio representing less than 0,7% of the Company's total assets.

Any indirect impact will depend on the duration and intensity of the crisis and its overall effect on the Cyprus economy, which currently remains uncertain. It is therefore difficult at this stage to determine with reasonable accuracy the potential indirect economic impact on the Company's operating activities.

The Board of Directors of the Company closely monitors the developments in order to take all actions deemed necessary to limit as much as possible any negative effects that may arise.

Tangible Fixed Assets

Capital expenditure for tangible fixed assets amounted to €79 thousand (2020: €120 thousand) as shown in note 17 of the financial statements.

Research and technological advancement

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

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

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

The authorised share capital of the Holding Company amounts to €85mIn divided into 250mIn ordinary shares of a nominal value of €0,34 each. The issued share capital of the Company which amounts to €13.240.848 divided into 38.943.671 ordinary shares of a nominal value of €0,34 each. There was no change in the capital structure of the Company during the year.

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 May 26, 2021 approved the following Special Resolution:

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

The above resolution was proposed for the renewal of the Company’s buy-back program for the period from May 26, 2021 to May 25, 2022.

During the year the Company did not acquire any own shares. As at 31 December 2021 the Company did not hold any own sharers.

Investment in subsidiary companies

Investments in subsidiaries are disclosed in note 16. During the year there was no change in the Company’s investments in subsidiary undertakings.

The Company periodically assesses the recoverability of the investment in subsidiaries whenever there are indications of impairment. During the year the Company did not make any provision for impairment of the value of the investment in subsidiaries.

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 Astrobank Insurance Agency Ltd as an insurance agent of the Company 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.

Events after the reporting date

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

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

MANAGEMENT REPORT (continued)

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 9 to 20 of the consolidated financial statements and is available on the Company's website www.atlantic.com.cy.

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

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

The risk management process of the Group which covers the presentation of financial information aims at the recognition, analysis and management of the risks related to the preparation of the financial statements, the relevant announcements and other financial reporting so that they are in conformity with the relevant financial reporting standards, the laws and regulations, including the periodical reporting which is required by the Transparency Requirements (Securities Trading in Regulated Markets) Cyprus Laws of 2007 and 2020. 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 24 of the consolidated financial statements.

The shareholders owning directly or indirectly more than 5% of the share capital of the Company on 31 December 2021 and 5 days before the date of approval of the financial statements are shown in note 30 of the 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 2021 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.

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

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

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

Board of Directors

The Board of Directors consists of the members shown on page 1. With the exception of Mr Marios Savvides who was appointed on April 2, 2021 and of Mr George Koutsos who was appointed on October 25, 2021 all the remaining directors served on the board for the whole year and until the date of this report. According to the Articles of the Company's Association Messrs Andreas Frangoullis, Triantafyllos Lysimachou and Charalambos Alexandrou retire from the Board, but being eligible offer themselves for re-election.

Mr George Koutsos who was appointed as a member of the Board on October 25, 2021, will also retire from the Board but being eligible offers himself for re-election. An election will take place for the filling in of the vacant positions.

Auditors

The Auditors of the Company Ernst & Young Cyprus Ltd have expressed their willingness to continue to provide their services. A resolution authorizing the Board of Directors to determine their remuneration will be submitted at the next Annual General Meeting.

By order of the Board of Directors,

Emilios Pyrishis
Chairman

Nicosia
6 April 2022

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2021

	Notes	2021 €'000	2020 €'000
Income from operations			
Gross written premiums		21.388	22.346
Policy fees		755	754
Reinsurers' share of premiums		(4.151)	(4.935)
Net premiums		17.992	18.165
Transfer to unearned premiums		(23)	161
Net earned premiums		17.969	18.326
Other operating income from insurance operations	7	985	936
Operating income from brokerage and financial services		516	394
		19.470	19.656
Expenses			
Claims payable	6	8.398	7.507
Commission payable for insurance operations		1.242	1.312
Commission payable for brokerage and financial services		88	47
Administrative expenses		5.286	4.925
		15.014	13.791
Profit from operations	11	4.456	5.865
Non-recurring income	8	-	200
(Loss) / gain on sale and revaluation of investments	13	7.061	(2.119)
Loss on revaluation of investment properties		(58)	(283)
Other investment income	9	554	448
Net finance income	12	456	499
Profit before taxation		12.469	4.610
Taxation	14	(614)	(865)
Profit after taxation		11.855	3.745
Minority interest		(68)	1
Profit attributable to the shareholders		11.787	3.746
Earnings per share (cent)	15	30,27	9,62

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	2021 €'000	2020 €'000
Profit for the year	11.855	3.745
Other recognised gains:		
Other comprehensive income which will be reclassified to the profit and loss account in subsequent periods		
Financial assets available for sale		
Fair value gain on financial assets available for sale	59	9
Transfer to profit and loss for the year on disposal of financial assets available for sale	-	6
Net other comprehensive income that will be reclassified to the profit and loss account in subsequent periods	59	15
Other comprehensive income which will not be reclassified to the profit and loss account in subsequent periods		
Gain / (Loss) on revaluation of immovable property	138	(203)
Deferred tax on revaluation of immovable property	(12)	27
Tax on deemed distribution of subsidiary	(8)	-
Net other recognised gains / (losses) which will not be reclassified to the profit and loss account in subsequent periods	118	(176)
Other recognised gains / (losses) after taxation	177	(161)
Total comprehensive income for the year	12.032	3.584
Comprehensive income attributable to the shareholders	11.966	3.585
Minority interest	66	(1)
Total comprehensive income for the year	12.032	3.584

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Notes	2021 €'000	2020 €'000
Assets			
Tangible fixed assets	17	6.282	6.271
Intangible assets	18	88	88
Pool participation		625	584
Investment properties	19	4.314	4.311
Financial assets available for sale	20	473	414
Debtors and other receivables	22	12.216	11.313
Financial assets held for trading	21	33.508	23.886
Fixed term bank deposits	23	5.222	5.265
Cash and bank balances	23	12.315	11.477
Total assets		75.043	63.609
Equity			
Share capital	24	13.241	13.241
Distributable profits	24	29.952	21.483
Reserves	24	5.086	4.899
Equity attributable to the shareholders		48.279	39.623
Minority interest		403	337
Total equity		48.682	39.960
Liabilities			
Deferred taxation	25	34	47
Outstanding claims and provision for unearned premiums	26	23.266	21.119
Bank overdrafts	23	14	3
Insurance and other Liabilities	28	3.047	2.480
		26.361	23.649
Total equity and liabilities		75.043	63.609

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Share Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Fair Value Reserve €'000	Profit and Loss account €'000	Total €'000	Minority Interest €'000	Total Equity €'000
Balance 1 January 2020	13.241	1.943	3.086	30	20.269	38.569	339	38.908
Profit for the year	-	-	-	-	3.746	3.746	(1)	3.745
Other recognised income	-	-	(174)	15	(2)	(161)	-	(161)
	-	-	(174)	15	3.744	3.585	(1)	3.584
Dividends	-	-	-	-	(2.530)	(2.530)	-	(2.530)
Balance 31 December 2020	13.241	1.943	2.912	45	21.483	39.623	337	39.960
Balance 1 January 2021	13.241	1.943	2.912	45	21.483	39.623	337	39.960
Profit for the year	-	-	-	-	11.787	11.787	68	11.855
Other recognised income	-	-	128	59	(8)	179	(2)	177
	-	-	128	59	11.779	11.966	66	12.032
Dividends	-	-	-	-	(3.310)	(3.310)	-	(3.310)
Balance 31 December 2021	13.241	1.943	3.040	104	29.952	48.279	403	48.682

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 2021

		2020 €'000	2020 €'000
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before taxation		12.469	4.610
<i>Adjustments for:</i>			
(Gain) / loss on sale and revaluation of investments	13	(7.061)	2.120
Loss on revaluation of investment properties		58	283
Depreciation of tangible and intangible fixed assets	17,18	295	346
Depreciation of right of use assets		-	6
Profit on sale of assets		-	(3)
Interest income	12	(541)	(528)
Dividend income	9	(496)	(358)
Interest expense and bank charges	12	86	29
(Increase) / decrease in debtors and other receivables		(983)	6.116
Increase / (decrease) in insurance and other liabilities		2.533	(7.790)
Cash flow from operations		6.360	4.831
Interest paid		(86)	(29)
Taxation paid		(517)	(1.020)
Net cash flow from operating activities		5.757	3.782
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of investments		(13.082)	(8.688)
Sale of investments		10.613	8.100
Acquisition of investment property		(61)	(58)
Purchase of tangible fixed assets	17	(79)	(120)
Purchase of intangible fixed assets	18	(91)	(49)
Receipts on disposal of tangible fixed assets		2	4
Decrease / (increase) in fixed term bank deposits		43	(750)
Increase in minority interest of subsidiary		(2)	-
Interest received		541	528
Dividends received		496	358
Net cash flow for investing activities		(1.620)	(675)
CASH FLOW FOR FINANCING ACTIVITIES			
Lease payments		-	(6)
Dividend paid		(3.310)	(2.531)
Net cash flow for financing activities		(3.310)	(2.537)
Net increase in cash and cash equivalents		827	570
Cash and cash equivalents at the beginning of the year	23	11.474	10.904
Cash and cash equivalents at the end of the year	23	12.301	11.474
Cash and cash equivalents consist of:			
Cash and bank balances	23	12.315	11.477
Bank overdrafts	23	(14)	(3)
		12.301	11.474

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5: 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 2021			
Premiums and other income	23.684	516	24.200
Profit from operations	4.305	152	4.456
Purchase of tangible fixed assets	79	-	79
Purchase of intangible fixed assets	91	-	91
Disposal of tangible fixed assets	62	32	30
Depreciation of tangible fixed assets	203	-	203
Depreciation of intangible fixed assets	92	-	92
Total Assets	73.012	2.031	75.043
Total Liabilities	26.231	130	26.361
Year ended 31 December 2020			
Premiums and other income	24.684	394	25.078
Profit from operations	6.050	15	6.065
Purchase of tangible fixed assets	120	-	120
Purchase of intangible fixed assets	49	-	49
Disposal of tangible fixed assets	24	-	24
Depreciation of tangible fixed assets	220	-	220
Depreciation of intangible fixed assets	126	-	126
Total Assets	61.702	1.908	63.609
Total Liabilities	23.521	128	23.649

Note 6: Claims payable

	2021				2020
	Gross €'000	Reinsurers' Share €'000	Recoveries €'000	Net €'000	Net €'000
Motor	7.228	(281)	(524)	6.423	5.502
Accident and health	1.116	14	-	1.130	1.509
Marine	117	(63)	-	54	2
Property	627	(268)	-	359	192
Liability	658	(278)	50	430	302
Other	1	-	-	1	-
	9.747	(876)	(474)	8.397	7.507
				2021 €'000	2020 €'000
Gross claim payments				7.575	14.504
Reinsurers' share of claims paid				(347)	(6.816)
Net change in outstanding claims				1.137	(211)
Net change in incurred but not enough reported claims (IBNER)				33	30
				8.398	7.507

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7: Other income from insurance operations

	2021	2020
	€'000	€'000
Commissions earned	854	781
Share of pool participation profits	108	134
Profit on sale of assets	-	3
Other income	23	18
	985	936

Note 8: Non-recurring income

Non-recurring income of €0,20mIn in the previous year relates to a reversal of a provision for possible future losses from natural disasters.

Note 9: Other income from investments

	2021	2020
	€'000	€'000
Dividend income	496	357
Rents receivable	58	91
	554	448

Note 10: Staff costs

	2021	2020
	€'000	€'000
Salaries	2.824	2.728
Social insurance contributions	203	197
Provident fund contributions	112	120
Other contributions	184	167
	3.323	3.212

The directors' emoluments which are included in the above amounts are analysed in note 32.

Average number of employees

The average number of employees was as follows:

	2021	2020
Full-time employees	120	117

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.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11: Profit from operations

Profit from operations arises after the deduction of the following:

	2021	2020
	€'000	€'000
Depreciation of tangible fixed assets	203	220
Depreciation of right of use assets	-	6
Depreciation of intangible fixed assets	92	126
Provision for bad and doubtful debts	145	1
Audit Fees		
Audit fees	62	56
Fees for other verification services	11	11
Fees for non-audit services	6	6

Note 12: Net finance income

	2021	2020
	€'000	€'000
Interest from bank deposits	11	35
Interest from bonds	493	489
Interest from loans receivable	9	16
Bank charges and interest paid	(86)	(75)
Interest on tax refunds	-	34
Other interest	1	(4)
Exchange differences	28	4
	456	499

Note 13: Gain / (loss) on sale and revaluation of investments

	2021	2020
	€'000	€'000
Gain / (loss) on sale of investments	1.121	(207)
Gain / (loss) on revaluation of shares held for trading	800	(175)
Gain / (loss) on revaluation of bonds	151	(704)
Gain / (loss) on revaluation of foreign investments	4.989	(1.027)
Transfer from reserves on sale of investments	-	(6)
	7.061	(2.119)

Note 14: Taxation

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

	2021	2020
	€'000	€'000
Corporation tax	629	857
Defence tax contribution	1	12
Foreign taxes deducted at source	14	38
Deferred taxation	(25)	(43)
Prior year taxes	(5)	-
Tax Interest	-	1
	614	865

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 14: Taxation (continued)

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

	2021	2020
	€'000	€'000
Accounting profit	12.469	4.610
Tax based on current tax rates	1.559	576
Defense tax contribution	1	12
Foreign taxes deducted at source	14	38
Interest on overdue taxes	-	1
Prior year taxes	(5)	-
Deferred taxation	(25)	(43)
<i>Adjustments for:</i>		
Disallowed expenses	37	359
Income not taxed	(947)	(45)
Tax losses brought forward	(20)	(3)
	614	865

Note 15: Earnings per share

	2021	2020
	€'000	€'000
Net profit attributable to shareholders	11.787	3.746
Weighted average number of issued shares	38.944	38.944
Basic earnings per share (cents)	30,27	9,62

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

The fully diluted earnings per share is equal to the basic earnings per share since the Group has not issued any dilutive instruments.

Note 16: Group companies

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

Company	Principal activities	Share %	2021 €'000	2020 €'000
Lyssi Investments Ltd	Car hire	100,0	86	86
Lion Insurance Agency Ltd	General insurance agent	100,0	141	141
Atlantic Securities Limited ⁽¹⁾	Brokerage and investment services	67,7	674	674
			901	901

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

The Company periodically assesses the recoverability of the investment in subsidiaries whenever there are indications of impairment. Indications of impairment include factors such as the reduction in revenues, earnings or cash flows or other unfavourable changes that may indicate that the carrying amount of the assets may no longer be recoverable. During the year the Company did not make any provision for permanent diminution in the value of the investment in its subsidiary companies.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16: Group companies (continued)

There are no material restrictions on the ability to transfer funds from subsidiaries to the holding company beyond the regulatory limitations to which Atlantic Securities Limited is subject.

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

	2021	2020
	€'000	€'000
Premiums and other income	23.684	24.684
Profit from operations	4.309	6.053
Total assets	72.745	61.435
Total liabilities	26.219	23.512

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

	Lyssi Investments Ltd	Lion Insurance Agency Limited	Atlantic Securities Limited	2021	2020
	€'000	€'000	€'000	€'000	€'000
Premiums and other income	-	-	516	516	394
Profit / (loss) from operations	(2)	(2)	152	148	11
Total assets	112	156	2.031	2.299	2.175
Total liabilities	6	6	130	142	137

Note 17: Tangible fixed assets

	Land and buildings	Furniture and fittings	Computer hardware and software	Motor vehicles	Total
	€'000	€'000	€'000	€'000	€'000
Cost or revaluation					
Balance at 1 January 2020	6.220	711	324	672	7.927
Additions	-	32	27	60	119
Revaluation	(306)	-	-	-	(306)
Disposals	-	-	-	(24)	(24)
Balance at 1 January 2021	5.914	743	351	708	7.716
Additions	-	11	44	24	79
Revaluation	40	-	-	-	40
Disposals	-	-	-	(30)	(30)
Balance at 31 December 2021	5.954	754	395	702	7.805
Depreciation					
Balance at 1 January 2020	-	555	254	542	1.351
Depreciation for the year	103	28	28	61	220
On revaluation	(103)	-	-	-	(103)
On disposals	-	-	-	(23)	(23)
Balance at 1 January 2021	-	583	282	580	1.445
Depreciation for the year	98	27	28	50	203
On revaluation	(98)	-	-	-	(98)
On disposals	-	-	-	(27)	(27)
Balance at 31 December 2021	-	610	310	603	1.523
Net book value at					
31 December 2021	5.954	144	85	99	6.282
31 December 2020	5.914	160	69	128	6.271

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 17: Tangible fixed assets (continued)

Revaluation of tangible fixed assets and investment properties

The policy of the Group is to carry out revaluations of its property at the end of each year. Hence the immovable property of the Company was revalued at 31 December 2021 by the independent professional property valuers Roussos, Angelides & Finticlis using the open market value method. The valuers have the required professional qualifications as well as recent experience in the valuation of this type of properties and geographical areas. The market value was calculated based on current comparative data and after taking into account the physical and legal characteristics, prospects and advantages of the relevant properties as well as the general trends in the property market and the economy.

The relative market method is based on a comparison with properties having similar physical and legal characteristics both in the area under consideration and in other areas. This comparative data has been collected from the Land Registry's records and has been assessed taking into account factors such as the specific characteristics of the property, its location, urban planning data and any restrictions on use and the characteristics of the surrounding and wider area.

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

	2021	2020
	€'000	€'000
Land	1.149	1.149
Buildings	1.592	1.693
	2.741	2.842
	2.678	2.648
Revalued amount of land on which no depreciation is charged	2.678	2.648

Right of use assets

The implementation of IFRS 16 has led to the recognition of right of use assets and lease liabilities. Right of use assets and the related lease liability were discounted over the non-cancellable period of the lease agreement.

	Right of use land	Total
	€'000	€'000
Cost		
Balance at 1 January 2020	16	16
Additions	-	-
Balance at 1 January 2021	16	16
Additions	-	-
Balance at 31 December 2021	16	16
Depreciation		
Balance at 1 January 2020	10	10
Depreciation for the year	6	6
Balance at 31 December 2020	16	16
Depreciation for the year	-	-
Balance at 31 December 2021	16	16
Net book value		
31 December 2021	-	-
31 December 2020	-	-

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 17: Tangible fixed assets (continued)

The movement of lease liabilities is as follows:

	2021 €000	2020 €000
1 January	-	6
Additions	-	-
Interest	-	-
Payments in lieu of leases	-	(6)
31 December	-	-

Note 18: Intangible assets

	Goodwill on acquisition of agents' portfolios €'000	Computer software €'000	Total €'000
Cost or revaluation			
Balance at 1 January 2020	386	503	889
Additions	18	31	49
Balance at 1 January 2021	404	534	938
Additions	51	40	91
Balance 31 December 2021	455	574	1.029
Amortisation			
Balance at 1 January 2020	302	422	724
Amortisation for the year	75	51	126
Balance at 1 January 2021	377	473	850
Amortisation for the year	45	46	91
Balance 31 December 2021	422	519	941
Net book value at			
31 December 2021	33	55	88
31 December 2020	27	61	88

Note 19: Investment properties

Revaluation

The Group's policy regarding the revaluation of investment properties is the same as that presented in note 17 for the revaluation of fixed assets.

	2021 €'000	2020 €'000
Land and buildings		
Balance at 1 January	4.311	4.535
Additions	61	58
Fair value loss on revaluation	(58)	(282)
Balance at 31 December	4.314	4.311

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19: Investment properties (Continued)

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

	2021	2020
	€'000	€'000
Land	4.236	4.236
Buildings	2.350	2.231
	6.586	6.467

Note 20: Financial assets available for sale

	2021	2020
	€'000	€'000
Greek government bonds	-	1
Corporate bonds	473	413
	473	414

Financial assets available for sale include investments in securities listed in the Cyprus Stock Exchange and other international markets. These assets are valued at the end of the year using the mid-market price as at the reporting date. The fair value gain on financial assets available for sale for the year 2021 amounted to €59 thousand (2020: gain €9 thousand) and was recognized in the fair value reserve. During the year an amount of €- (2020: - € 6 thousand) was transferred to the profit and loss for the year as a result of the sale financial assets available for sale.

Note 21: Financial assets held for trading

	2021	2020
	€'000	€'000
Equity investment listed in CSE and ASE	4.537	3.569
Foreign equities and investments funds	10.810	5.277
Private equity investment funds	1.034	950
Hedge funds	3.298	2.315
International real estate funds	3.398	2.743
Cyprus corporate bonds	4.198	1.480
Foreign Corporate Bonds	4.645	6.062
Gold and commodities	1.588	1.490
	33.508	23.886

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

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Note 22: Debtors and other receivables

	2021	2020
	€'000	€'000
Receivables from insurance operations	4.910	4.640
Receivables from financial services operations	757	640
Reinsurers' share of technical reserves (note 26)	4.314	3.360
Receivables from reinsurers	33	-
Deferred acquisition costs	559	561
Loans receivable	28	316
Other receivables	735	1.032
Other receivables from financial services operations	880	684
Derivatives-Futures	-	80
	12.216	11.313
	2021	2020
	€'000	€'000
Customer and intermediaries' balances		
Receivables	9.103	9.167
Minus provision for bad and doubtful debtors	(3.436)	(3.887)
	5.667	5.280
Provision for bad and doubtful debtors		
Balance at 1 January	3.887	3.873
Write offs	(309)	(5)
Reversal of provision for bad and doubtful debtors (including interest suspended and amounts recovered)	(141)	19
Balance at 31 December	3.437	3.887

The loan receivable is fully secured by immovable property, bears interest of 5,0% per annum and is repayable by February 25, 2022.

Receivables of the subsidiary undertaking Atlantic Securities Ltd include specific customer balances amounting to €174 thousand (2020: €212 thousand) net of provisions, whose credit facility agreements for trading in financial assets were terminated. With the specific customers, written and oral agreements have been made for the repayment of their obligations to the company on a long-term basis or satisfactory collaterals are held in equity titles which can be liquidated by the Company at its absolute discretion.

Part of the customer balances of Atlantic Securities Ltd are secured by collaterals held by the company against financial assets of the customers, the value of which at 31 December 2021 was €588 thousand (2020: €432 thousand)

Deferred acquisition costs relate to expenses which are directly related to insurance contracts entered during the financial year but which relate to periods of insurance after the reporting date. The calculation of deferred acquisition costs is based on the same methodology which is used for the calculation of unearned premiums.

The derivatives relate to 25 futures contracts totaling \$3,69 mln at an agreed average rate of \$1,1802: €1,00 and maturity date September 19, 2022. The contracts were entered for the purpose of hedging currency risks arising from the exposure of the Company's investments and bank balances in USD.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

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Note 23: Cash and bank balances

	2021	2020
	€'000	€'000
Cash and bank balances	10.320	8.982
Bank Overdraft and short term loans	(14)	(3)
Fixed term bank deposits maturing between 1 and 3 months	1.996	2.495
	12.302	11.474

	Interest (Annual)		2021	2020
	2021	2020	€'000	€'000
Fixed term deposits between 4 and 12 months	-0,20%-0,85%	0,0%-0,85%	5.222	5.265
			5.222	5.265

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. Bank deposits of the Company amounting to €0,25 mln are pledged towards letters of guarantee and other bank facilities.

Note 24: Share Capital

	2021		2020	
	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	38.944	13.241	39.109	13.241

The authorized share capital of the Company is €85mln and consists of 250.000.000 ordinary shares with a nominal value of €0,34 each. The issued share capital of the Company is €13.240.848 consisting of 38.943.671 ordinary shares with a nominal value of €0,34 each. There was no change in the capital structure of the Company during the year.

The Extraordinary General Meeting of the Company which took place on May 26, 2021 approved the following resolution:

Special resolution

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

The above resolution was proposed for the renewal of the Company's Repurchase Program of own shares for the period from May 26, 2021 to May 25, 2022. During the year the Company did not acquire any own shares. At 31 December 2021 the company did not hold any own shares.

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Note 24: Share Capital (Continued)

Nature and scope of reserves:

Share premium reserve

The share premium reserve consists of the difference between the issue price of the share capital and the nominal value.

Revaluation reserve

The revaluation reserve consists of the surplus or deficit resulting from the revaluation of land and buildings included in tangible fixed assets and are measured at fair value.

Fair value reserve

The fair value reserve includes changes in the fair value of financial assets available for sale. When these financial assets are disposed of or impaired, the accumulated fair value adjustments recognised in equity are transferred to the income statement for the year.

Accumulated retained earnings

The retained earnings comprise total comprehensive income that has not been distributed to the shareholders.

Note 25: Deferred Taxation

	2021	2020
	€'000	€'000
Provision for property revaluation		
Balance 1 January	(37)	38
Deferred tax on revaluation of immovable property	(20)	(75)
Balance 31 December	(57)	(37)
	2021	2020
	€'000	€'000
Provision for temporary differences between depreciation and capital allowances		
Balance 1 January	84	78
Deferred tax for the year	7	6
Balance 31 December	91	84
Total Balance 31 December	34	47

Note 26: Outstanding claims and unearned premiums

	2021	2020
	€'000	€'000
Unearned premiums		
Gross unearned premiums	10.518	10.070
Reinsurers' share	(2.178)	(1.753)
Net unearned premiums	8.340	8.317
Outstanding claims		
Gross outstanding claims	12.748	11.050
Reinsurers' share	(2.136)	(1.607)
Net outstanding claims	10.612	9.443
Total technical reserves		
Gross technical reserves	23.266	21.119
Reinsurers' share	(4.314)	(3.360)
Net technical reserves	18.952	17.759

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

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Note 26: Outstanding claims and unearned premiums (continued)

The movement of liabilities for insurance contracts and of the reinsurance assets during the year is shown below:

Unearned premiums	2021		2020	
	Gross €'000	Reinsurers' Share €'000	Gross €'000	Reinsurers' Share €'000
1 January	10.070	(1.753)	11.169	(2.691)
Written premiums	22.144	(4.151)	23.100	(4.935)
Earned premiums	(21.696)	3.726	(24.199)	5.873
31 December	10.518	(2.178)	10.070	(1.753)
Outstanding claims				
1 January	11.050	(1.607)	17.409	(7.785)
Claim payments	(7.575)	347	(14.504)	6.816
Change in outstanding claims	9.274	(876)	8.145	(638)
31 December	12.749	(2.136)	11.050	(1.607)

The provision for unearned premiums and reinsurance premiums represents the amount of premium for insurance contracts which have not expired at the reporting date. No unexpired risk reserve was recognised due to the adequacy of the premium provisions.

Outstanding claims include a provision for incurred but not reported claims (IBNR) as well as provisions for incurred but not enough reported claims (IBNER).

	2021 €'000	2020 €'000
Provision for incurred but not enough reported claims (IBNER)	2.221	2.185
Provisions for incurred but not reported claims (IBNR)	158	176
	2.379	2.361
Reinsurers' share	(2)	(17)
	2.377	2.344

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Note 27- Additional information provided in accordance with the provisions of the Companies Act (Amendment) (No.2) Law of 2003 [N.167(1)] and of the IFRS, in accordance with Directive 7 for the year ended 31 December 2021

		Accident & Health		Motor vehicle liability		Motor own damage		Marine and transport		Fire and other material damage		Liability		Credits and miscellaneous		Total	
		2021 €'000	2020 €'000	2021 €'000	2020 €'000	2021 €'000	2020 €'000	2021 €'000	2020 €'000	2021 €'000	2020 €'000	2021 €'000	2020 €'000	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Gross premiums written		3.553	3.918	8.716	8.533	3.402	3.284	220	195	4.194	5.097	1.270	1.288	33	33	21.388	22.348
Policy fees		16	25	443	440	173	169	3	3	93	90	27	26	-	-	755	754
Total written premiums	1	3.569	3.943	9.159	8.973	3.575	3.453	223	198	4.287	5.187	1.297	1.314	33	33	22.143	23.102
Reinsurers share of gross premiums	2	475	408	350	325	185	152	153	131	2.791	3.714	184	195	13	12	4.151	4.936
Gross earned premiums	3	3.656	4.299	8.610	8.457	3.338	3.134	201	202	3.858	6.059	1.243	1.260	33	33	20.941	23.446
Gross outstanding claim reserves	4	609	839	8.112	7.014	762	605	280	215	537	460	2.448	1.917	1	-	12.749	11.050
Gross claims incurred	5	1.116	1.606	4.487	3.871	2.218	2.006	117	1	627	369	708	292	1	-	9.274	8.145
Claims management costs	6	221	214	694	652	299	295	6	5	87	92	32	36	1	1	1.340	1.295
Administrative expenses	7	401	518	2.443	2.212	852	760	(3)	-	5	23	307	289	-	(1)	4.005	3.801
Reinsurance balances	8	(24)	(3)	(47)	(63)	-	-	(11)	(9)	(808)	(547)	(3)	(6)	(1)	-	(892)	(628)
Staff costs	9	234	259	1.647	1.553	662	629	25	23	395	386	147	150	2	2	3.112	3.002

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

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Note 28: Other Liabilities

	2021	2020
	€'000	€'000
Taxation	227	106
Reinsurers' balances	926	628
Creditors from insurance operations	735	764
Other liabilities from insurance operations	592	526
Dividends payable	347	331
Derivatives-Futures	93	-
Other liabilities from financial services operations	127	125
	3.047	2.480

Note 29: Transactions between group companies and other related persons

Transactions and balances with subsidiary undertakings

Nature of transaction	Transaction value		Debit / (Credit) balance	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Lyssi Investments Limited				
Other income	4	5		
Dividends received	1	1		
Balance			9	10
Lion Insurance Agency Limited				
Commissions paid	16	18		
Dividends received	-	-		
Balance			14	13
Atlantic Securities Limited				
Brokerage commissions	5	4		
Interest receivable	2	4		
Balance			652	734
Client brokerage account balance			2.445	1.884

The amount receivable from Atlantic Securities Ltd carries interest of 0,25% per annum (2020: 0,50% per annum) and is not secured.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 29: Transactions between group companies and other related persons (continued)

Transactions with related parties

a) AstroBank Ltd

AstroBank Ltd owns more than 5% of the issued share capital of the Company. The transactions which are mentioned below arose from normal banking and financial services offered by the bank to the Company and its subsidiaries as well as insurance agent services offered by its subsidiary company Astrobank Insurance Agency Ltd.

	2021	2020
	€'000	€'000
Interest income from bank deposits	1	6
Premiums	162	205
Commissions payable for insurance operations	(174)	(198)
Investment management and custody fees	(4)	(4)
Bank balances and bank deposits	3.767	2.846
Clients' bank accounts of subsidiary undertaking	1.770	1.396
Receivables from insurance operations	49	73
Financial assets held for trading	400	100

b) Eurautoparts Ltd

The Company's directors Andreas Frangoullis and Nina Pyrishi are directors and shareholders of Eurautoparts Ltd. The transactions with the company during the year and the balances as at 31 December were:

Nature of transaction	Transactions value		Debit /(Credit) balance	
	2021	2020	2021	2020
	€000	€000	€000	€000
Insurance premiums	2	2		
Spare parts purchases	-	5	52	52

c) BetonAlpha Ltd

The Company's directors Emilius Pyrishis and George Pyrishis are shareholders of BetonAlpha Ltd. The transactions with the company during the year and the balances as at 31 December were:

Nature of transaction	Transactions value		Debit /(Credit) balance	
	2021	2020	2021	2020
	€000	€000	€000	€000
Insurance premiums	17	19	-	15

d) Lyssi Insurance Agents Ltd

The Company's directors Emilius Pyrishis, George Pyrishis and Andreas Frangoullis are directors and shareholders of Lyssi Insurance Agents Ltd. There were no transactions with the company during the year. The balances as at 31 December were:

Nature of transaction	Transaction value		Debit /(Credit) balance	
	2021	2020	2021	2020
	€000	€000	€000	€000
Lyssi Insurance Agents Limited				
Balance	-	-	(4)	(4)

All transactions with related parties were made at arm's length with standard business terms and conditions.

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 2021 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2021	31 March 2022
	%	%
Emilios Pyrishis ¹	34,64	34,64
AstroBank Public Company Ltd	10,00	10,00
Piraeus Bank SA	10,00	10,00
Andreas Frangoullis ²	21,20	21,20
Maro Marathovouniotou ³	5,98	5,98

- (1) The holding of Emilios Pyrishis includes his direct share of 22,98% and his indirect holding arising from the shares owned by his mother Nina Pyrishis (2,37%) 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 (0,82%), 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%).

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 2021 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2021		31 March 2022	
	Number of Shares	%	Number of Shares	%
Emilios Pyrishis	8.950.000	22,98	8.950.000	22,98
Andreas Pirishis	20.000	0,05	20.000	0,05
Andreas Frangoullis ¹	8.255.755	21,20	8.255.755	21,20
George Pyrishis	3.618.271	9,29	3.618.271	9,29
Nina Pyrishis	922.641	2,37	922.641	2,37
Menicos Messios	-	0,00	-	0,00
Charalambos Alexandrou ²	86.224	0,22	86.224	0,22
Triantafyllos Lysimachou	-	0,00	-	0,00
Loukis Ioannou ³	2.510	0,01	2.510	0,01
Marios Savvides ⁴	165.135	0,42	165.135	0,42
George Koutsos	-	0,00	-	0,00

- (1) 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 (0,82%), his mother Vasilou Frangoulli (0,03%) and his brother Filippos Frangoullis (0,05%).
- (2) The holding of Charalambos Alexandrou includes his direct share (0,21%) and his indirect holding arising from the shares owned by his brother Emilios Alexandrou (0,01%).
- (3) The holding of Loukis Ioannou includes his indirect holding arising from the shares owned by his father Christakis Ioannou (0,003%) and his mother Eleni Ioannou (0,004%).
- (4) The holding of Marios Savvides includes his direct share (0,06%) and his indirect holding arising from the shares owned by his wife Jane Savvides (0,36%).

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 32: Transactions with Directors and related persons

There was no other material contract in force at the end of the financial year or at the date of approval of the financial statements in which shareholders holding directly or indirectly more than 5% of the Company's share capital and members of the Board of Directors, their spouse or minor children have or had directly or indirectly a material interest, except for the agreements listed below.

Triantafyllos Lysimachou is a Director of Piraeus Insurance & Reinsurance Brokers and Piraeus Agency S.A. which are subsidiaries of Piraeus Bank S.A. He is also a Director of Astrobank Insurance Agencies Ltd. The transactions of the Company with AstroBank Public Company Ltd are disclosed in note 29.

The total remuneration of the Directors for the year 2021 is shown in the table below:

	Salaries, expenses and contributions	Fees	Social Insurance and other contributions	Provident fund contributions	2021 Total	2020 Total
	€000	€000	€000	€000	€000	€000
Executive directors						
Emilios Pyrishis	100	1	11	5	117	114
Andreas Frangoullis	100	1	6	-	107	109
Nina Pyrish	78	1	5	-	84	82
Loukis Ioannou	68	1	9	3	81	80
Non-executive directors						
George Pyrishis	-	1	-	-	1	1
Andreas Pirishis	-	1	-	-	1	1
Charalambos Alexandrou	-	1	-	-	1	1
Menicos Messios	-	6	-	-	6	2
Triantafyllos Lysimachou	-	1	-	-	1	1
Marios Savvides	-	1	-	-	1	-
George Koutsos	-	-	-	-	-	-
	346	15	30	8	400	391

The directors' remuneration is analysed as follows:

	2021	2020
	€000	€000
Executive capacity	385	381
As directors	15	10
	400	391

The remuneration of executive directors includes fixed income such as salaries and other short-term benefits, contributions (social insurance, provident fund) and entertainment expenses. These amounts do not include variable income such as bonuses, shares, warrants, etc.

Part of the total remuneration of the Directors relates to the payment of the 14th salary which, as for all other staff of the Company, is calculated at fixed rates which vary in accordance with the net profit of the previous financial year.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 33: Financial instruments and management of financial and insurance risks

1. Risk management

Insurance risk

The table below shows the sensitivity of the results to changes in assumptions that materially affect them. The analysis is performed for a reasonable range of changes in the main assumptions, with other assumptions remaining constant and shows their impact on profit before tax and equity:

31 December 2021	<i>Change in assumption</i>	<i>Impact on profits before tax</i>	<i>Impact on equity</i>
	%	€'000	€'000
Net Loss Ratio (after deduction of the reinsurers' share of claims)			
- Increase	3%	-539	-539
- Increase	5%	-898	-898
- Decrease	-3%	539	539
- Decrease	-5%	898	898
31 December 2020	<i>Change in assumption</i>	<i>Impact on profits before tax</i>	<i>Impact on equity</i>
	%	€'000	€'000
Net Loss Ratio (after deduction of the reinsurers' share of claims)			
- Increase	3%	-550	-550
- Increase	5%	-916	-916
- Decrease	-3%	550	550
- Decrease	-5%	916	916

The 10-year development of the total claim payments for all insurance classes for accident years between 2006 and 2021 is shown below:

Accident year	0	1	2	3	4	5	6	7	8	9	10 +	Total
2006	4.875	1.306	51	208	143	319	197	8	22	63	46	7.238
2007	5.373	1.339	189	21	87	95	245	9	27	-2	3	7.386
2008	6.151	1.340	206	-1	132	189	38	1	15	3	36	8.110
2009	6.436	1.417	140	629	18	13	162	187	15	101	7	9.125
2010	6.661	1.457	208	312	703	349	12	114	33	33	32	9.914
2011	6.637	134.357	281	77	35	45	28	156	19	176	226	142.037
2012	6.767	1.649	175	58	11	29	817	92	71	3		9.672
2013	5.527	1.443	379	129	131	31	89	51	-			7.780
2014	5.207	1.366	220	1.353	65	117	74	52				8.454
2015	6.193	2.145	355	98	2	27	16					8.836
2016	5.047	2.067	6.349	69	6.631	111						20.275
2017	5.310	1.843	78	208	58							7.497
2018	5.916	1.925	289	449								8.579
2019	6.389	1.883	145									8.417
2020	4.998	1.297										6.295
2021	5.208											5.208
<hr/>												
274.823												

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 33: Financial instruments and management of financial and insurance risks (continued)

The table below shows the 10-year development of total incurred claims for all insurance classes for accident years between 2006 and 2021. The table also shows cumulative claim payments for each accident year, so as to distinguish clearly the part of incurred claims which has been settled and the part which remains outstanding at the reporting date.

The percentage difference represents the percentage of the difference between the initial claim reserve at the year of accident and the cumulative claim reserve at the reporting date.

Accident Year	0	1	2	3	4	5	6	7	8	9	10	Cumulative claim reserves	Cumulative claim payments	Outstanding claims	% Difference
														-25	
2006	6.378	909	135	111	-113	-143	47	7	-10	-61	-27	7.233	7.238	-6	11,8%
2007	6.487	986	105	-33	-33	107	53	-1	-81	-2	-12	7.576	7.386	190	14,4%
2008	7.508	849	53	-174	6	-98	-32	-2	4	-31	8	8.091	8.110	-19	7,2%
2009	8.850	776	-182	-143	18	-1	72	-11	-45	5	-1	9.338	9.125	214	5,2%
2010	8.842	1.023	659	100	-349	-250	-65	-14	1	9	33	9.989	9.914	76	11,5%
2011	309.326	-167.027	28	52	123	-58	-11	-132	14	162	32	142.509	142.037	471	0,5%*
2012	9.432	117	-56	-212	750	-65	-178	-5	-3	62	-	9.842	9.672	170	4,2%
2013	7.893	185	-73	29	-7	-55	-120	-17	35			7.870	7.780	90	-0,3%
2014	7.707	1.104	5	52	-22	488	-52	-16				9.266	8.454	812	16,8%
2015	8.056	934	177	7	-9	54	116					9.335	8.836	499	13,7%
2016	27.302	783	-3.976	-3.508	-7	27						20.621	20.275	346	4,0%*
2017	8.051	212	50	96	-19							8.390	7.497	893	4,0%
2018	8.637	406	238	535								9.816	8.579	1.236	12,0%
2019	9.328	-221	-8									9.099	8.417	682	-2,5%
2020	7.853	234										8.087	6.295	1.793	2,9%
2021	8.156											8.156	5.208	2.948	0,0%
												285.218	274.823	10.370	7,4%

*The EAC claim with total payments of €132,5mln and initial claim reserve of €300mln was excluded from the calculation of the percentage difference

**The EAC claim with initial claim reserve of €20mln and revision of -€7,5mln was excluded from the calculation of the percentage difference

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 33: Financial instruments and management of financial and insurance risks (continued)

Currency risk

Currency risk is the risk that the value of financial instruments and financial assets and liabilities will fluctuate as a result of changes in exchange rates. The Group and the Company are subject to foreign exchange risk on bank deposits and financial assets held for trading in foreign currencies.

The Management uses methods of calculation of foreign exchange risk exposures and appropriate limit structures to control and reduce foreign exchange risk and also considers hedging alternatives. In managing foreign exchange risk, the Risk Management Committee has approved maximum acceptable limits for the aggregate open foreign exchange position as well as maximum exposure limits for each currency.

The Company's current exposure to foreign exchange risk against specified tolerance limits is monitored by the Risk Management Function which submits a quarterly monitoring report to the Risk Management Committee of the Board.

The Group's exposure to currency risk at 31 December 2021 is shown below:

	Euro	British Pound	US Dollar	Australian Dollar	Total
	€'000	€'000	€'000	€'000	€'000
Assets					
Debtors and other receivables	12.216	-	-	-	12.216
Financial assets held for trading	26.289	46	6.208	965	33.508
Fixed term bank deposits	5.222	-	-	-	5.222
Cash and bank balances	11.985	-	330	-	12.315
Other assets	11.782	-	-	-	11.782
Total assets	67.494	46	6.538	965	75.043
Liabilities					
Liabilities	26.361	-	-	-	26.361
Net assets	41.133	46	6.538	965	48.682
	84,5%	0,1%	13,4%	2,0%	100,0%
Hedging derivatives	3.125	-	(3.125)	-	-
	44.258	46	3.413	965	48.682
	90,9%	0,1%	7,0%	2,0%	100,0%

A potential strengthening of the euro by 5% against the other main currencies in which the Group had exposure as at 31 December 2021 would result in a reduction in the fair value of the total assets and the recognition of exchange losses of €0,22m in which amounts to 0,5% of the Group's own funds and 1,9% of the profit attributable to the shareholders. Correspondingly, any weakening of the Euro against the above currencies by 5% would have an equal but opposite effect, provided that all other parameters remain constant.

The table below presents a sensitivity analysis to currency risk arising from the financial instruments held by the group.

	Exchange rate movement	Impact in profits after tax
	%	€'000
USA dollar	-5%	-171
British pound	-5%	-2
Australian dollar	-5%	-48

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 33: Financial instruments and management of financial and insurance risks (continued)

Credit risk

Credit risk is the risk arising from the non-fulfilment of the obligations of the respective parties to the transactions and arises mainly from the customer and intermediaries' balances of the Group and the Company.

The Group and the Company adopt appropriate credit control principles and ensure the adherence of the relevant procedures for monitoring and controlling of credit risk exposures. Additionally, the Group and the Company reduce the concentration of credit risk by undertaking their operations with a large number of clients and insurance agents. The Company has set maximum tolerance credit risk limits and quarterly risk monitoring procedures against these limits. The risk monitoring report is prepared by the Risk Management Function and is submitted for approval to the Risk Management Committee of the Board of Directors.

The tables below show the maximum credit risk exposure of various assets according to their long-term credit ratings as determined by Moody's:

31 December 2021	Aa1-A3	Baa1-B3	Caa1-Caa3	Unrated	Total
	€'000	€'000	€'000	€'000	€'000
Policyholders and intermediaries	-	-	-	4.910	4.910
Other debtors and prepayments	-	-	-	2.931	2.931
Loans receivables	-	-	-	28	28
Receivables from reinsurers	33	-	-	-	33
Reinsurers' share of technical reserves	4.248	-	-	66	4.314
Fixed term bank deposits	-	2.777	505	1.940	5.222
Cash and bank balances	1.314	3.955	1.826	5.220	12.315
Total	5.595	6.732	2.331	15.095	29.753

31 December 2020	Aa1-A3	Baa1-B3	Caa1-Caa3	Unrated	Total
	€'000	€'000	€'000	€'000	€'000
Policyholders and intermediaries	-	-	-	4.640	4.640
Other debtors and prepayments	-	-	-	2.997	2.997
Loans receivables	-	-	-	316	316
Reinsurers' share of technical reserves	3.321	-	-	39	3.360
Fixed term bank deposits	1.500	2.016	505	1.244	5.265
Cash and bank balances	433	2.014	4.601	4.429	11.477
Total	5.254	4.030	5.106	13.665	28.055

The Company carries out transactions with a large number of clients, agents and brokers and hence a satisfactory level of credit risk diversification is achieved. Credit risk is also reduced because debtors are systematically monitored and, where appropriate, provision is made for doubtful debts. During 2021 there was a net provision for doubtful debts of €145 thousand compared to a provision of €1 thousand in 2020.

The Group estimates that the fair value of trade and other receivables does not differ significantly from the carrying amounts in the consolidated financial statements.

Interest rate risk

The interest rate risk arises from the fluctuation in the value of financial instruments and of net financing income of the Group and the Company due to changes in market interest rates. The Group is exposed to interest rate risk with respect to the bonds and capital securities it holds, bank deposits and bank overdrafts and short-term loans. Income and cash flows from operations are affected by changes in market interest rates since the Group has significant interest-bearing assets. The management monitors interest rate fluctuations on a continuous basis and acts accordingly.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 33: Financial instruments and management of financial and insurance risks (continued)

The financial instruments held by the Group which are closely related to market interest rates are analyzed below:

	€'000
Financial instruments bearing fixed interest rates	
Bonds and capital securities	9.316
Loan receivable	28
	9.344
Financial instruments bearing variable interest rates	
Bonds and capital securities	-
Fixed term deposits and notice accounts	7.218
Short term deposits	10.319
	17.537
	26.881

A possible reduction of interest rates by one percentage point (1,0%) compared to the average interest rates of the year would result in a decrease in net finance income of about €36 thousand. For the purposes of this analysis, we assume that all other variables remain constant.

A possible increase in interest rates by the same percentage would have an equal but opposite effect on the profit before tax.

Liquidity risk

Liquidity risk is the risk of insufficient available cash to meet the Group's liabilities as and when they fall due. Liquidity risk arises when the maturity of assets and liabilities does not coincide. When maturities do not coincide, profitability may increase but at the same time the risk of suffering losses may also increase.

The above risk is monitored and controlled through a well-developed liquidity management structure, consisting of various types of procedures and risk limits to ensure adherence with defined internal tolerance levels as well as with the minimum requirement of the competent supervisory authorities. The Management monitors the rolling cash flow forecasts of the Group (including unutilized cash and cash equivalents bank facilities) on the basis of expected cash flows.

The Risk Management Committee has established a minimum liquidity level to cover the Company's short-term liquidity needs (up to 90 days) plus a buffer to cover unexpected needs.

The Minimum Liquidity comprises only of the following assets:

- Cash, current and other instant access bank accounts
- Money Market funds
- Fixed term bank deposits that expire within 90 days and provide the right of termination
- Bonds maturing within 90 days

The Risk Management Committee has also set minimum acceptable limits for liquidity ratios. Additionally, the Risk Management Committee has approved a contingency liquidity plan which includes specific funding options to cover emergency liquidity requirements. The contingency plan is triggered if the Company's liquidity levels fall below the specified tolerance limits.

Compliance with the liquidity ratios is monitored on an ongoing basis by the Group's Chief Financial Officer. In addition, the Risk Management Function prepares a quarterly monitoring report of liquidity ratios against the minimum tolerance risk limits which is submitted for approval to the Risk Management Committee of the Board of Directors. Any limit violations are assessed and appropriate measures are taken to reduce current exposures within the approved risk limits.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 33: Financial instruments and management of financial and insurance risks (continued)

Analysis of financial assets and liabilities based on their remaining maturity:

Financial assets	2021			2020		
	Within 1 year €'000	Over 1 year €'000	Total €'000	Within 1 year	Over 1 year €'000	Total €'000
Financial assets available for sale	-	473	473	-	414	414
Financial assets held for trading	30.216	3.292	33.508	21.562	2.324	23.886
Premium receivables	4.910	-	4.910	4.640	-	4.640
Reinsurers' share of technical reserves	4.314	-	4.314	3.360	-	3.360
Loan receivable	28	-	28	316	-	316
Pool participation assets	108	518	626	80	504	584
Other receivables	2.709	255	2.964	2.706	290	2.996
Fixed term deposits	5.222	-	5.222	4.356	909	5.265
Cash and bank balances	12.315	-	12.315	11.477	-	11.477
Total financial assets	59.822	4.538	64.360	48.497	4.441	52.938
Financial liabilities						
Outstanding claims and unearned premiums	23.266	-	23.266	21.119	-	21.119
Bank overdrafts	14	-	14	3	-	3
Reinsurer's balances	926	-	926	628	-	628
Taxation	227	34	261	105	47	152
Other financial liabilities	1.895	-	1.895	1.746	-	1.746
Total financial liabilities	26.328	34	26.362	23.601	47	23.648

Market risk

The risk arises in relation to the Group's investments in equities, bonds and other investment securities and results from any adverse changes in the market prices of these securities.

This risk is managed by limiting the investment exposure of the Group based on defined limits, the assignment of investment management to professional managers, the wide diversification of the investment portfolio, the proper selection of investments and their timely liquidation whenever deemed necessary. The Executive Management and the Investment Committee set the investment strategy which is reviewed frequently taking into account the economic environment and the macroeconomic conditions as well as the Company's solvency situation and the underlying risks to which the Company is exposed. In addition, they monitor the developments in the financial markets and in co-operation with the professional investment advisors they change accordingly the investment positions of the Company.

The framework for the approval, control, management, monitoring and reporting of investment activities and related risks is set out in the Investment Risk Management Manual. The Board of Directors through the Risk Management Committee has set maximum risk exposure limits for each main class of investments as well as for each subcategory and issuer, ineligible investments, minimum issuer credit ratings for bonds, geographical risk limits and maximum exposure limits in foreign currency. The main objective of the above limits and restrictions is to ensure the wide diversification of the portfolio and to limit investment risk exposures to acceptable levels which are in line with the Company's overall risk appetite as determined by the Board.

The Risk Management Function prepares a quarterly monitoring report of the current investment risk exposures against the maximum risk tolerance limits which is submitted for approval to the Risk Management Committee of the Board of Directors. Any risk limit violations are assessed and appropriate measures are taken to limit the current exposure within the acceptable risk limits.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 33: Financial instruments and management of financial and insurance risks (continued)

The table below shows the Group's exposure to market risk as at 31 December 2021 and the impact on the fair value reserve and the profit for the year of a possible reduction in market values by 5% compared to the corresponding values as at 31 December 2021:

<i>Financial assets available for sale</i>	Fair value as at 31.12.2021	Impact on fair value reserve
	€'000	€'000
Bonds and capital securities	473	24
	473	24

<i>Financial assets held for trading</i>	Fair value as at 31.12.2021	Impact on profits for the year
	€'000	€'000
Equities listed in CSE and ASE	4.537	227
Foreign equities, equity funds and hedge funds	15.142	757
Corporate bonds	8.843	442
International real estate funds	3.398	170
Investments in gold and commodities	1.588	79
	33.508	1.675

The below table shows the impact on the profits for the year and on the Group's own funds from changes in the market values of the investments held by the Group as a result of logical negative changes in the relevant stock market indices, bond prices and commodity prices.

	Index / price change	Impact on profits for the year	Impact on own funds
	%	€'000	€'000
Cyprus stock exchange	15%	487	
Athens stock exchange	20%	257	
International equity markets	10%	1.081	
International real estate funds	10%	340	
Alternative investments	5%	165	
International private equity funds	10%	103	
Government bonds	5%	-	
Corporate bonds	10%	884	47
Gold and commodities	10%	159	
		3.476	47

2. Fair Values

Fair value represents the amount at which an asset may be exchanged or an obligation may be repaid in the course of an ordinary business transaction. The Group uses the following hierarchy to determine and disclose fair value:

- Level 1: investments quoted based on stock market prices in active markets.
- Level 2: investments measured using valuation models in which all items that significantly affect fair value are based on observable market data.
- Level 3: Investments measured using valuation models in which items that significantly affect fair value are not based on observable market data.

For assets and liabilities recognized in the Consolidated Financial Statements at fair value, the Group determines whether transfers have been made between the levels in the hierarchy by reassessing the classification at the end of each period. The fair value level hierarchy analysis of financial instruments and of non-financial instruments which are measured on a fair value basis is presented below:

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Note 33: Financial instruments and management of financial and insurance risks (continued)

2021	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000
Financial instruments				
Financial assets available for sale	473	-	-	473
Financial assets held for trading	29.657	1.348	2.503	33.508
Derivatives	(93)	-	-	(93)
Fixed term deposits	5.222	-	-	5.222
Cash and bank balances	12.315	-	-	12.315
Bank overdrafts and short term loans	(14)	-	-	(14)
	47.560	1.348	2.503	51.411
Non-financial instruments which are measured on a fair value basis				
Investment properties	-	-	4.314	4.314
Immovable property for own use	-	-	5.953	5.953
	-	-	10.267	10.267
Total	47.560	1.348	12.770	61.678
2020	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000
Financial instruments				
Financial assets available for sale	414	-	-	414
Financial assets held for trading	21.633	1.000	1.253	23.886
Derivatives	80	-	-	80
Fixed term bank deposits	5.265	-	-	5.265
Cash and bank balances	11.477	-	-	11.477
Bank overdrafts and short term loans	(3)	-	-	(3)
	38.866	1.000	1.253	41.119
Non-financial instruments which are measured on a fair value basis				
Investment properties	-	-	4.311	4.311
Immovable property for own use	-	-	5.913	5.913
	-	-	10.224	10.224
Total	38.866	1.000	11.477	51.343

The movement of the Group's financial instruments which are categorized at Level 3 is presented below:

	2021	2020
	€'000	€'000
1 January	1.253	902
Additions	700	1
Unrealised gains in the profit and loss account	550	350
31 December	2.503	1.253

The movement of non-financial instruments which are measured on a fair value basis is shown on notes 17 and 19.

During the years 2020 and 2021 there were no major transfers between Level 1 and Levels 2 and 3.

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Note 34: Postponement of adoption of IFRS 9 'Financial Instruments'

The Group and the Company meet the provisions set out in the amendments to IFRS 4 'Insurance Contracts' as regards the adoption of IFRS 9 'Financial Instruments' and decided to postpone the application of IFRS 9 until the date that the Group and the Company will adopt for the first time the IFRS 17 'Insurance Contracts' (the "deferral option"), which is currently expected to be the consolidated financial statements for the year ending 31 December 2024.

The following tables present the fair value as at 31 December 2020 and the changes in fair values for the year ended 31 December 2021 of the financial assets separately for the following categories:

- Financial assets that meet the criteria of the SPPI of IFRS 9, excluding financial assets held for trading or managed and valued at fair value; and
- All other financial assets, including those that do not meet the criteria of the SPPI of IFRS 9 and those that are "held for trading" or which are managed and valued at fair value.

Financial assets that meet the criteria of the SPPI of IFRS 9 are those whose contractual cash flows represent only capital and interest payments (SPPI).

The fair values of financial instruments at 31 December 2021 that were analyzed between those that meet and those that do not meet the SPPI criteria are presented in the table below:

Financial assets	Financial assets that meet SPPI criteria		Other financial assets	
	Fair value	Change in fair value	Fair value	Change in fair value
	€'000	€'000	€'000	€'000
Cash, bank balances and bank deposits	17.537	-	-	-
Premium receivables	4.910	-	-	-
Debtors and other receivables	7.278	-	-	-
Loan receivable	28	-	-	-
Bonds	473	59	8.843	151
Equities	-	-	10.455	1.913
International equity funds	-	-	10.913	3.459
Hedge Funds	-	-	3.298	416
	30.226	59	33.508	5.940

The following table provides information about the fair value and the carrying amount in accordance with IAS 39 for the financial assets of SPPI that the Group has determined that they do not have low credit risk. The book value is measured in accordance with IAS 39, although it is presented before any impairment for those that are measured at amortized cost.

Financial assets	Fair value	Book value
	€'000	€'000
Cash, bank balances and bank deposits	17.537	17.537
Premium receivables	4.910	4.910
Debtors and other receivables	7.278	7.278
Loan receivable	28	28
Bonds	9.316	9.316
Equities	10.455	10.455
International equity funds	10.913	10.913
Hedge Funds	3.298	3.298
	63.735	63.735

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Note 33: Postponement of adoption of IFRS 9 'Financial Instruments' (continued)

For financial assets that meet the SPPI criteria, the current accounting values measured in accordance with IAS 39 are analyzed in the following table by their credit rating:

Financial assets	Total	Credit rating			
		Aa1-A3	Baa1-B3	Caa1-Caa3	Unrated
	€'000	€'000	€'000	€'000	€'000
Cash, bank balances and bank deposits	17.537	1.314	6.732	2.331	7.160
Premium receivables	4.910	-	-	-	4.910
Debtors and other receivables	7.278	4.281	-	-	2.997
Loan receivable	28	-	-	-	28
Bonds	9.316	1.401	5.777	1.307	831
Equities	10.455	1.277	2.478	65	6.634
International equity funds	10.913	4.036	-	-	6.877
Hedge Funds	3.298	1.043	-	-	2.255
	63.735	13.352	14.987	3.703	31.692

Note 35: Future capital commitments

On 31 December 2021 the Company had the following future capital commitments in respect of foreign investments:

	€'000
North Haven Real Estate Fund VII Offshore Investors Global	140
North Haven Private Equity Asia III	52
	192

Note 36: Events after the reporting date

On 24 February 2022, Russia launched a military intervention in Ukraine which continues to this day. In response to the war in Ukraine, the Council of the European Union imposed severe restrictive measures and sanctions against the Russian Federation.

The management of the Company believes that in light of the developments to date in relation to the war in Ukraine, the restrictive measures of the Council of the European Union and other sanctions imposed against the Russian Federation, at this stage the Company's insurance operations have not been affected.

In terms of investments and asset positions, the Company's exposure to Russia and Belarus is limited to bonds of a managed investment portfolio representing less than 0.7% of the Company's total assets. Despite the significant losses in the value of these bonds and notwithstanding the general decline in international markets, the Company's investment portfolio as a whole remains profitable in the current financial year as a result of the broad diversification of the portfolio and its increased exposure to the energy, commodities and raw materials sectors.

Any indirect impact will depend on the duration and intensity of the crisis and its overall effect on the Cyprus economy, which currently remains uncertain. It is therefore difficult at this stage to determine with reasonable accuracy the potential indirect economic impact on the Company's operating activities.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED**EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 36: Events after the reporting date (Continued)**

On 24 March 2022, RCB Bank, announced an agreement with the ECB's Banking Supervision Authority, and has ceased to enter into new customer relationships for both deposits and loans. The Bank will follow a specific timetable and process to complete existing client relationships. Upon full repayment of all claims and term deposits, RCB plans to become an asset management company, which will continue to manage its substantial loan portfolio and specialise in the provision of other services. As at 31 December 2021, the Company had fixed term deposits with RCB Bank amounting to €760,000. These amounts were transferred in March 2022 to the Company's bank accounts with other banks.

There were no other events subsequent to the reporting date that have materially affected the financial statements as at 31 December 2021.