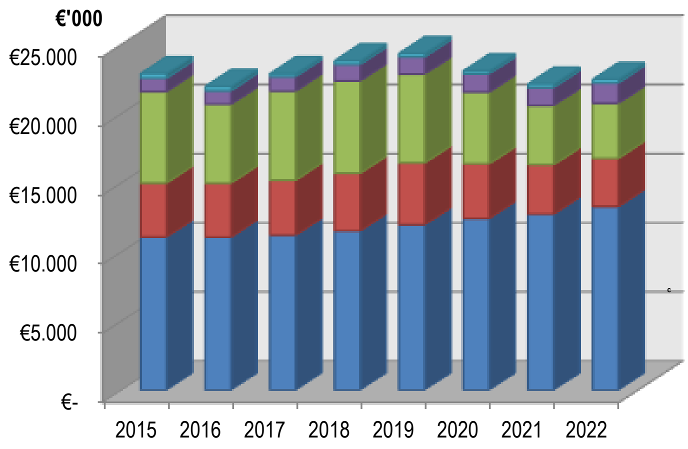
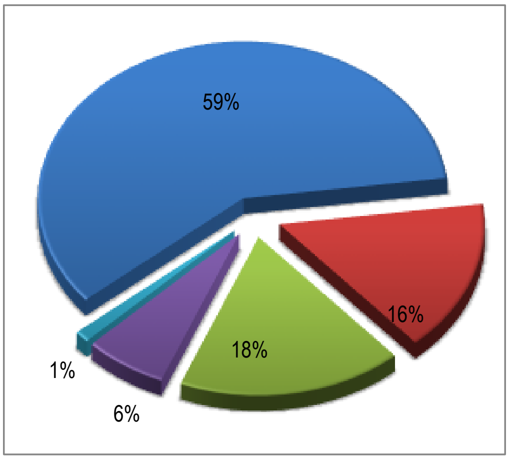
EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS 2022

HISTORICAL FINANCIAL INFORMATION

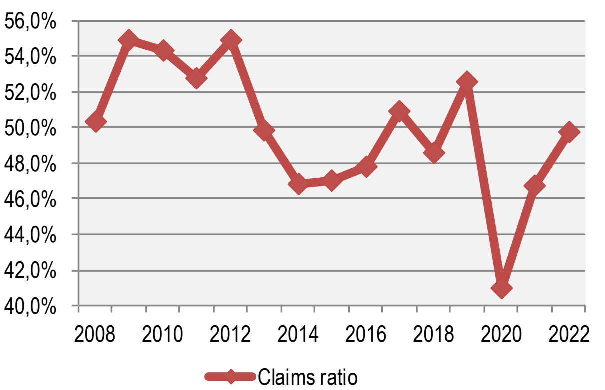
Gross Written Premiums by Insurance class



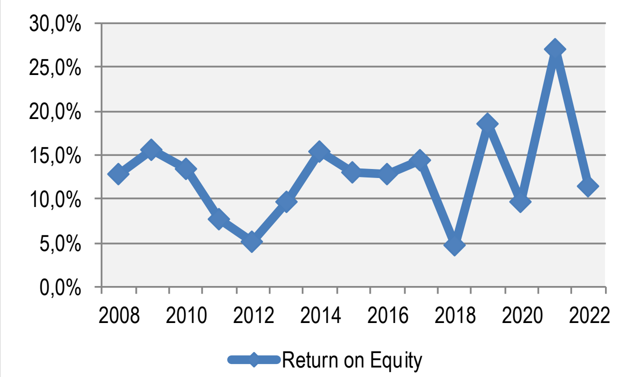


Motor · Accident & Health · Property · Liability · Others

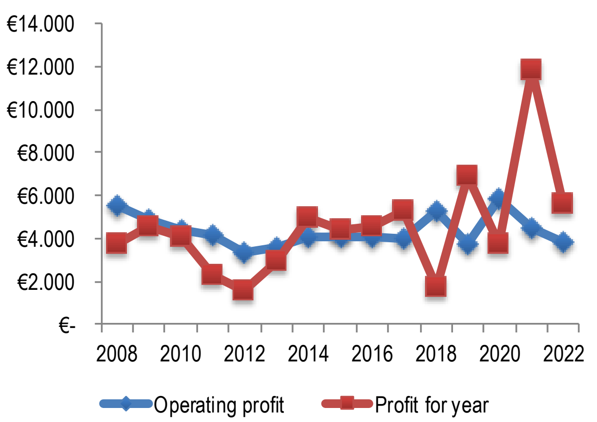
Claims Ratio

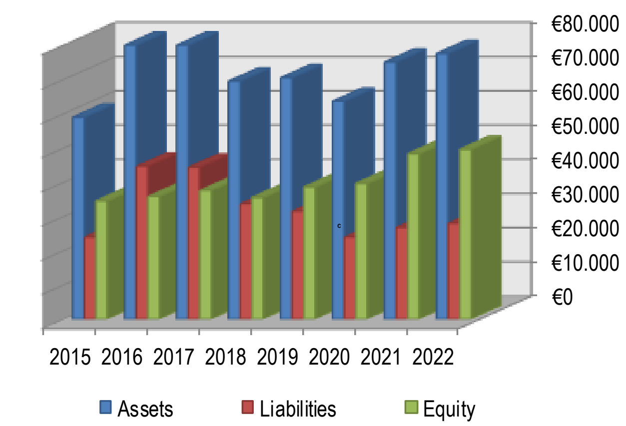


Return on Equity



Profits, Assets, Liabilities and Shareholders' Interest





CHAIRMAN'S STATEMENT

It is with great pleasure that I address you to present the financial performance and results of the Group for the year ended 31 December 2022.

2022 was a difficult year for the global economy as it was marked by the crisis in Ukraine and the strong inflationary pressures. Amidst this negative environment, ATLANTIC continued its progress based on solid foundations and managed to achieve satisfactory results under the circumstances. In particular, the Group's total profit attributable to shareholders amounted to €5,56 million compared to €11,79 million in 2021. The decrease is mainly due to the reduction in the profits of the Group's investment portfolio, which were €0,87 million compared to €7,06 million in 2021. Despite the decrease, the investment portfolio's total return of +6.5%, is deemed as highly satisfactory, considering the strongly negative performance of the international markets.

Profit from insurance operations decreased by 13,5% and amounted to €3,72 million compared to €4,31 million in 2021. The decrease was mainly due to the 7,7% increase in claims and to a lesser extent to the increase in administrative expenses by 2,8%. Operating profit margin fell to 20,5% from 24,0% in 2021 as a result of an increase in the claims ratio to 49,7% from 46,7% and an increase in the expense ratio to 28,3% from 27,.9% in 2021.

Excluding the fronting policies, gross premiums increased by 3,0% to €21,24 million compared to €20,62 million in 2021. Motor premiums increased by 4,9%, liability premiums by 6,3% and the premiums of the property sector by 2,2%. On the other hand, medical premiums fell by 4,2%. Net written premiums amounted to €18,46 million with an increase of 2,6%.

Net claims from policyholders recorded an increase of 7.7% to €9,04 million from €8,40 million in 2021, which is mainly attributable to a 16,2% increase in the claims of the motor sector. On the contrary, claims of the other insurance sectors recorded a decrease.

Our subsidiary Atlantic Securities Ltd recorded profits of €144 thousand compared to €156 thousand in 2021. Brokerage commission income increased by 1,8% to €525 thousand from €516 thousand in 2021.

The Board of Directors of the Company at its meeting dated April 7, 2023, after taking into account the financial results of the year, liquidity, capital requirements, solvency ratios and profitability prospects of the Company, decided to recommend for approval at the next Annual General Meeting of the Company the payment of a dividend of 12,0 cents per share.

Despite the payment of a dividend of €4,67 million on 27 June 2022, the Group's own funds grew by 2,8% to €50,02 million on 31 December 2022 from €48,68 million on 31 December 2021.

Indicative of the Company's strong capital adequacy is the high solvency ratio, which on 31 December 2022 stood at 260,6% against the minimum regulatory level of 100%.

The business environment in the local insurance market is expected to remain challenging in 2023 due to the intense competition and the inflationary pressures. The Board of Directors and the Management remain committed to the careful development of the Group's operations so that it remains competitive, while at the same time ensuring high profitability and a healthy financial position.

Management closely monitors and assesses the consequences of the crisis in Ukraine as well as the implications of the collapse of Silicon Valley Bank and 3 other banks in the United States and the rescue of the Swiss bank Credit Suisse, in order to take all actions deemed necessary to limit as much as possible any adverse effects that may arise.

Finally, I would like to express my sincere appreciation to our shareholders, customers and associates for the trust they have placed in the Company over the years and I would like to assure them that we will continue our progress with the same prudence and diligence that has characterized the Company throughout its 40 years of existence. I also thank and congratulate the management and staff of ATLANTIC for their dedication and contribution to the Company.

Emilios Pyrishis
Chairman

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS 202

CONTENTS

	Page
Officers and Professional Advisers	1
Management Report	2 - 7
Consolidated Profit and Loss Account	8
Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Consolidated Cash Flow Statement	12
Extract from the notes to the consolidated financial statements	13-48

.

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	
George Koutsos	

Christos Frangoullis (Alternate director of Mr A. Fragnoullis)

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.

Internal Auditors
KPMG Ltd

Bankers

AstroBank Ltd
Bank of Cyprus Public Limited
Hellenic Bank Public Limited
Eurobank Cyprus Ltd
Credit Suisse AG
EFG Bank AG
Alpha Bank (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 2022.

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 2022 amounted to €5,56 mln against €11,79 mln in 2021. The decrease is mainly due to the reduction in the profits of the Group's investment portfolio, which were €0,87 million compared to €7,06 million in 2021.

Profit from operations
Profit from operations decreased by 13,4% and amounted to €3,86 mln against €4,46 mln in 2021. The decrease resulted mainly from the increase in incurred claims by 7,7%.

Insurance operations
Profit from insurance operations decreased by 13,5% to €3,72 mln from €4,31 mln in 2021. The decrease was mainly attributable to the increase in incurred claims by 7,7% and to a lesser extent the increase in administrative expenses by 2,8%. Operating margin fell to 20,5% from 24,0% in 2021 as a result of the increase in net claims ratio to 49,7% from 46,7% and the increase in expense ratio to 28,3% from 27,9% in 2021.

Financial services
The subsidiary Atlantic Securities Ltd recorded profits from operations of €144 thousand against €156 thousand in 2021. Brokerage commission income increased by 1,8% to €525 thousand from €516 thousand in 2021. Operating expenses increased by 5,9% to €387 thousand. The profits after tax for the year amounted to €151 thousand compared to €210 thousand in 2021.

Premiums
Gross written premiums amounted to €21,72 mln compared to €21,39 mln in 2021 with an increase of 1,5%. Excluding the fronting policies, gross premiums increased by 3,0% to €21,24 mln compared to €20,62 mln in 2021. Motor premiums increased by 4,9%, liability premiums by 6,3% and the premiums of the property sector by 2,2%. On the other hand, medical premiums fell by 4,2%. Net written premiums amounted to €18,46 mln *(2021: €17,99 mln).*

After the adjustment for unearned premiums of €268 thousand net earned premiums increased by 1,3% to €18,19 mln.

Other income
Other income from insurance operations increased to €0,94 mln from €0,98 mln in 2021. Other income mainly includes commission receivable from reinsurers which amounted to €0,86 mln against €0,85 mln in 2021. The share of profits from pool participations decreased to €0,05 mln from €0,11 mln in 2021.

Claims
Net incurred claims from policyholders amounted to €9,04 mln compared to €8,40 mln in 2021 recording an increase of 7,7% which is mainly due to the increase in the claims of the motor sector by 16,2%. On the contrary, claims of the other insurance sectors recorded a decrease. More specifically, claims of the medical insurance class amounted to €1,07 mln with a decrease of 4,9%, of the property sector €213 thousand with a decrease of 40.6% and of the liability sector €286 thousand with a decrease of 33.6%. The claims ratio increased to 49.7% from 46.7% in 2021.

Administrative expenses
The administrative expenses of the Group rose by 4,0% to €5,50 mln from €5,29 mln in 2021. Staff costs, which represent 62% of administrative expenses, increased by 2,8% to €3,42 mln. In addition, there was also an increase in professional services and audit fees due to the implementation of IFRS17, electricity, vehicle expenses, discounts and computer costs. On the other hand, depreciation, provisions for bad debts and legal fees recorded a decrease.

Net finance income
Net finance income increased to €0,61 mln from €0,46 mln in 2021. The increase is mainly attributable to interest on bonds which increased to €0,62 mln from €0,49 mln in 2021. Foreign exchange gains on bank deposits in US dollars amounted to €81 thousand compared to €28 thousand in 2021. Bank charges and interest payable rose to €109 thousand from €86 thousand in 2021 due to the increase in credit card charges as well as negative interest rates on bank deposits.

Income and gains from investments
Income from investments which mainly relates to dividends and rents increased to €0,72 mln compared to €0,55 mln in 2021 due to the increase in dividends by €0,14 mln and of rental income by €0,03 mln. The gains of the Company's investment portfolio amounted to €0,87 mln against €7,06 mln in 2021. Despite the decrease, the investment portfolio's total return of +6.5%, is deemed as highly satisfactory, considering the strongly negative performance of the international markets.

Revaluation of investment properties
During 2022 the Company recorded a gain on the revaluation of investment properties of €151 thousand (2021:Loss €58 thousand). There was also a gain on the revaluation of property used for own purposes of €261 thousand (2021: Gain €138 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 decreased to 14,28 cents per share from 30,27 cents in 2021. The earnings per share of the Company decreased to 14,02 cents per share from 29,91 cents in 2021.

Own funds
After the payment of dividends of €4,67 mln on June 27, 2022 the Group's own funds increased by 2,8% to €50,02 mln on 31 December 2022 from €48,68 mln on 31 December 2021.

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 2022 was 260,6% (2021: 217,0%) 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 8 of the extract from the consolidated financial statements, net profit attributable to shareholders reached €5,56 mln compared to €11,79 mln in 2021. The net profit of the Company amounted to €5,46 mln against €11,65 mln in 2021. Profit for the year is transferred to reserves.

Definitions and use of Alternative Performance Indicators
Profit from operations: The profit arising from the insurance and financial activities of the companies of the Group excluding net finance income, investment income and gain on sale and revaluation of investments and property.

Profit margin of insurance operations: The profit from insurance operations as a percentage of net earned premiums.

Claims ratio: Net insurance claims incurred as a percentage of net earned premiums.

Equity: Share capital and reserves attributable to shareholders.

Administration Expenses: All administrative and operating expenses of the companies of the Group excluding commissions payable, insurance claims and financing and investment expenses.

Other income from insurance operations: All income from insurance operations excluding premiums and policy fees.

The use of the above alternative performance indicators is made with the aim of providing an adequate explanation in the Management Report for the development of results during the period and the movements compared to the corresponding previous period.

Dividend
The Board of Directors at its meeting dated April 7, 2023 decided to recommend for approval at the next Annual General Meeting of the Company the payment of dividend of 12,0 cents per share. On May 25, 2022 the Annual General Meeting of the Company approved the proposal of the Board of Directors for the payment of a dividend of 12,0 cents per share. The dividend was paid to the shareholders on June 27, 2022.

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 40 futures contracts for the sale of $5,03 mln at an average agreed rate of $1,0066: €1,00 and a maturity date of September 18, 2023. 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 considers the results for the year to be satisfactory, taking into account the difficulties in the economic environment due to intense competition and inflationary pressures. The results of the investment portfolio were particularly satisfactory considering the strongly negative performance of the international markets during the year.

The Board of Directors and Management remain committed to the careful development of the Group's operations so that it remains competitive while ensuring high profitability and a healthy financial position.

A turning point in the global economy was the Russian invasion of Ukraine and the subsequent economic sanctions against Russia, which placed additional pressure on the prices of basic commodities, especially oil and food. The conflict has not yet had a material impact on the Company's operations and financial results. Management continues to assess the consequences of the crisis in order to take all actions deemed necessary to limit as much as possible any negative impact that may arise.

Management closely monitors the developments triggered by the collapse of Silicon Valley Bank, Silvergate Bank and Signature Bank in the United States and Switzerland's Credit Suisse rescue through the takeover by UBS in March 2023. The Group did not have any exposure to the three US banks. The Group did not have any exposure to shares or AT1 bonds of the Swiss bank Credit Suisse that were adversely affected by the terms of the bailout of the bank by UBS. The Company holds with Credit Suisse a short-term term bank deposit of €1,0 mln, balances in current and trading accounts of a total amount of €59 thousand and senior bonds with a nominal value of €800 thousand. None of the assets held by the Company with the Swiss bank Credit Suisse have been affected in any way by the recent crisis and the terms of the bailout of this bank.

Tangible Fixed Assets
Capital expenditure for tangible fixed assets amounted to €131 thousand (2021: €79 thousand) as shown in note 16 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

Environmental responsibility
The Group takes into account the energy challenges facing the country due to climate change, and recognises its responsibility to undertake defined actions that contribute to minimising its ecological footprint and conserving natural resources. It also recognises the importance of reducing the environmental impact of its activities.

The Group continued to implement the following environmental protection and energy saving measures:
- Reduction of the use of materials that are not recyclable or biodegradable.
- Use of collective waste collection, recovery and recycling systems and systematic recycling of specific materials such as batteries, light bulbs, pallets, packaging materials, paper, toner, electrical equipment, etc.
- Raising staff awareness on energy saving through educational events and other activities.
- Installation of photovoltaic systems at the Company's branches.
- Replacement of conventional lighting with LED technology and maintenance of intelligent lighting control systems.

Share Capital

The authorised share capital of the Holding Company amounts to €85 mln divided into 250 mln ordinary shares of a nominal value of €0,34 each. The issued share capital of the Company 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 25, 2022 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 27, 2022 to May 25, 2023.

During the year the Company did not acquire any own shares. As at 31 December 2022 the Company did not hold any own sharers.

Investment in subsidiary companies

Investments in subsidiaries are disclosed in note 15. 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.

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 2022 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 2022 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. All the 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 Emilios Pyrishis and Loukis Ioannou and Mrs Nina Pyrishi retire from the Board, but being eligible offer themselves for re-election.

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
7 April 2023

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2022

	Notes	2022 €'000	2021 €'000
Income from operations			
Gross written premiums	27	**21.717**	21.388
Policy fees	27	**758**	755
Reinsurers' share of premiums	27	**(4.012)**	(4.151)
Net premiums		**18.463**	17.992
Transfer to unearned premiums		**(268)**	(23)
Net earned premiums		**18.195**	17.969
Other operating income from insurance operations	7	**940**	985
Operating income from brokerage and financial services		**523**	516
		19.658	19.470
Expenses			
Claims incurred	6	**9.043**	8.398
Commission payable for insurance operations		**1.220**	1.242
Commission payable for brokerage and financial services		**37**	88
Administrative expenses	10	**5.500**	5.286
		15.800	15.014
Profit from operations	5	**3.858**	4.456
Gain on sale and revaluation of investments	12	**871**	7.061
Gain / (loss) on revaluation of investment properties		**151**	(58)
Other investment income	8	**724**	554
Net finance income	11	**607**	456
Profit before taxation		**6.211**	12.469
Taxation	13	**(601)**	(614)
Profit after taxation		**5.610**	11.855
Minority interest		**(49)**	(68)
Profit attributable to the shareholders		**5.561**	11.787
Earnings per share (cent)	14	**14,28**	30,27

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

	2022	2021
	€'000	€'000
Profit for the year	**5.610**	11.855
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	**164**	59
Net other comprehensive income that will be reclassified to the profit and loss account in subsequent periods	**164**	59
Other comprehensive income which will not be reclassified to the profit and loss account in subsequent periods		
Gain on revaluation of immovable property	**261**	138
Deferred tax on revaluation of immovable property	**(14)**	(12)
Tax on deemed distribution of subsidiary	**(4)**	(8)
Net other recognised gains which will not be reclassified to the profit and loss account in subsequent periods	**243**	118
Other recognised gains after taxation	**407**	177
Total comprehensive income for the year	**6.017**	12.032

Comprehensive income attributable to the shareholders	**5.969**	11.966
Minority interest	**48**	66
Total comprehensive income for the year	**6.017**	12.032

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

	Notes	**2022 €'000**	2021 €'000
Assets			
Tangible fixed assets	16	**6.478**	6.282
Intangible assets	17	**143**	88
Pool participation		**560**	625
Investment properties	18	**4.552**	4.314
Financial assets available for sale	19	**1.842**	473
Debtors and other receivables	22	**12.578**	12.216
Financial assets held for trading	20	**33.789**	33.508
Short-term government treasury bills	21	**3.267**	-
Fixed term bank deposits	23	**5.689**	5.222
Cash and bank balances	23	**8.656**	12.315
Total assets		**77.554**	75.043
Equity			
Share capital	24	**13.241**	13.241
Distributable profits		**30.838**	29.952
Reserves		**5.496**	5.086
Equity attributable to the shareholders		**49.575**	48.279
Minority interest		**451**	403
Total equity		**50.026**	48.682
Liabilities			
Deferred taxation	25	**31**	34
Outstanding claims and provision for unearned premiums	26	**24.580**	23.266
Bank overdrafts	23	**5**	14
Insurance and other Liabilities	28	**2.912**	3.047
		27.528	26.361
Total equity and liabilities		**77.554**	75.043

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Share Capital	Share Premium	Revaluation Reserve	Fair Value Reserve	Profit and Loss account	Total	Minority Interest	Total Equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
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**
Balance 1 January 2022	13.241	1.943	3.040	104	29.952	**48.279**	403	**48.682**
Profit for the year	-	-	-	-	5.561	**5.561**	49	**5.610**
Other recognised income	-	-	246	163	(2)	**408**	(1)	**407**
	-	-	246	163	5.559	**5.969**	48	**6.017**
Dividends	-	-	-	-	(4.672)	**(4.672)**	-	**(4.672)**
Balance 31 December 2022	**13.241**	**1.943**	**3.286**	**267**	**30.838**	**49.575**	**451**	**50.026**

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 2022

	Note	2022 €'000	2021 €'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before taxation		**6.211**	12.469
Adjustments for:			
Gain on sale and revaluation of investments	12	**(871)**	(7.061)
Gain / (loss) on revaluation of investment properties		**(151)**	58
Depreciation of tangible and intangible fixed assets	16-17	**283**	295
Profit on sale of assets		**(3)**	-
Interest income	11	**(716)**	(541)
Dividend income	8	**(634)**	(496)
Interest expense and bank charges	11	**109**	86
Decrease / (increase) in debtors and other receivables		**11**	(983)
Increase in insurance and other liabilities		**1.415**	2.533
Cash flow from operations		**5.654**	6.360
Interest paid		**(109)**	(86)
Taxation paid		**(699)**	(517)
Net cash flow from operating activities		**4.846**	5.757
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for investments		**(9.289)**	(13.082)
Proceeds from sale of investments		**8.207**	10.613
Payments for investment property	18	**(87)**	(61)
Payments for tangible fixed assets	16	**(131)**	(79)
Payments for intangible fixed assets	17	**(142)**	(91)
Receipts on disposal of tangible fixed assets		**3**	2
Increase in short-term government treasury bills	21	**(3.267)**	-
(Increase) / decrease in fixed term bank deposits		**(467)**	43
Increase in minority interest of subsidiary		**(1)**	(2)
Interest received		**716**	541
Dividends received		**634**	496
Net cash flow for investing activities		**(3.824)**	(1.620)
CASH FLOW FOR FINANCING ACTIVITIES			
Dividend paid		**(4.672)**	(3.310)
Net cash flow for financing activities		**(4.672)**	(3.310)
Net (decrease) / increase in cash and cash equivalents		**(3.650)**	827
Cash and cash equivalents at the beginning of the year	23	**12.301**	11.474
Cash and cash equivalents at the end of the year	23	**8.651**	12.301
Cash and cash equivalents consist of:			
Cash and bank balances	23	**8.656**	12.315
Bank overdrafts	23	**(5)**	(14)
		8.651	12.301

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Incorporation and main activity

The Company was incorporated in Cyprus on 19 July 1983 as a private limited liability company, under the Companies Law, Cap. 113. The Company became a public company on 14 January 2000 and listed its securities on the Cyprus Stock Exchange on 23 October 2000. On 21 January 2003, the Company's securities were registered with the Central Registry and Central Depository maintained by the Cyprus Stock Exchange.

Following a resolution proposed by the Board of Directors at the Extraordinary General Meeting on 25 May 2005, it was decided to change the name from Atlantic Insurance Company Limited to Atlantic Insurance Company Public Limited.

The registered office of the Company is at 15 Esperidon Street, Atlantic Building, 2001 Strovolos.

The principal activity of the Company is the conduct of general insurance business.

The Company is 100% owner of Lyssi Investments Limited and Lion Insurance Agency Limited and holder of 67,73% of Atlantic Securities Limited.

The principal activity of Lyssi Investments Limited is car rental, an activity which commenced in February 1998.

Lion Insurance Agency Limited acts as a general insurance agent for the holding company Atlantic Insurance Company Public Limited.

Atlantic Securities Limited (CIF, member of the Cyprus Stock Exchange) is engaged in the provision of financial, advisory and brokerage services.

All of the Group's activities are conducted in Cyprus and remained the same as in the previous year.

Note 2: Basis of preparation

(a) Basis of calculation

The consolidated and separate financial statements have been prepared under the historical cost convention, except for property for own use and investment property, available-for-sale investments, derivative financial instruments and financial assets at fair value through profit or loss, which are measured at fair value. The methods used to determine fair values are explained in detail in note 3.

(b) Presentation of the consolidated and separate financial statements

The consolidated and separate financial statements of the Company are expressed in Euro (the reporting currency) which is the currency that best reflects the economic substance of the underlying events and circumstances of the Company (the main currency used).

All amounts are rounded to the nearest thousand unless otherwise stated. A full stop is used to separate thousands and a comma is used to separate decimals.

The consolidated and separate statements of financial position are generally presented in order of liquidity. An analysis of the expected collection or settlement of financial assets and liabilities in less than twelve months from the date of the financial position is presented in Note 33.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2: Basis of preparation (continued)

New standards, amendments and interpretations not yet effective for financial periods ending 31 December 2022 that have been adopted by the European Union ("EU")

1. International Financial Reporting Standards (IFRS) issued but not yet effective.

The company will apply IFRS 17 for the first time on 1 January 2023. The standard will bring significant changes to the accounting for insurance and reinsurance contracts and is expected to have a material impact on the Group's financial statements in the period of initial application.

A. Estimated impact of the adoption of IFRS 17

The Group has assessed the estimated impact that the initial application of IFRS 17 will have on its financial statements. Based on assessments undertaken to date, the total adjustment (after tax) to the balance of the Group's total equity is estimated to be in the range of €80 to €174 thousand on 1 January 2022, as summarised below.

In Thousand Euro (€)	**Note**	**1 January 2022**
Estimated increase / (reduction) in the Group's total equity		
Adjustment due to adoption of IFRS 17		(92) – 199
Deferred tax impacts		12 – (25)
Estimated impact of adoption of IFRS 17, after tax		**(80) – 174**

The assessment above is preliminary because not all of the transition work has been finalised. The actual impact of adopting IFRS 17 on 1 January 2022 may change because:

- the Group is continuing to refine the new accounting processes and internal controls required for applying IFRS 17,
- the new systems and associated controls in place have not been operational for a more extended period,
- the Group has not finalised the testing and assessment of controls over its new IT systems and changes to its governance framework; and
- the new accounting policies, assumptions, judgements and estimation techniques employed are subject to change until the Group finalises its first financial statements that include the date of initial application.

B. IFRS 17 "Insurance Contracts"

IFRS 17 replaces IFRS 4 "Insurance contracts" and is effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

i. Determination and classification of insurance and reinsurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts.

Contracts issued by the Company will be classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, the Company will consider all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company shall use judgment to assess whether a contract transfers significant insurance risk, by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance. The Company issues contracts under which it accepts significant insurance risk from its policyholders, which will be classified as insurance contracts. The Company does not expect significant changes on the classification of contracts to insurance or investment contracts arising from the application of these requirements.

Note 2: Basis of preparation (continued)

In addition to issuing insurance contracts, the Company holds reinsurance contracts to mitigate certain risk exposures. A reinsurance contract is an insurance contract issued by a reinsurer to compensate the Company for claims arising from one or more insurance contracts issued by the Company. Reinsurance policies held by the Company are still considered to transfer significant insurance risk if they transfer substantially all of the insurance risk associated with the reinsured portions of the underlying insurance policies to the reinsurer. The Company does not expect any impact on the classification of the reinsurance contracts held arising from the application of these requirements.

ii. Separation of the components of insurance and reinsurance contracts

When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

iii. Degree of concentration of insurance policies

Under IFRS 17, insurance contracts are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort into three groups:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

An annual cohort will include contracts issued within 12 months.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added.

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred, against losses on groups of onerous contracts, which are recognised immediately. Compared with the level at which the liability adequacy test is performed under IFRS 4, the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognised sooner.

Reinsurance contracts held will be assessed separately from the insurance contracts issued. The Company will divide the portfolios of reinsurance contracts held by applying the above principles, except for references to onerous contracts which will correspond to contracts with a net profit on initial recognition.

iv. Recognition

Groups of insurance contracts issued will be recognized from the earliest of the following dates:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; and
- when the Company determines that a group of contracts becomes onerous.

Groups of reinsurance contracts held will be recognized:

- If the reinsurance contracts provide proportionate coverage, the date the Company initially recognizes any underlying insurance contracts (onerous or not);
- In all other cases, at the beginning of the coverage period of the group of reinsurance contracts. However, if the Company recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts will be recognised on that earlier date.
- The Company does not expect any significant changes arising from the application of these requirements.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2: Basis of preparation (continued)

v. Contract boundaries

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Group expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17.

Insurance contracts

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services).

A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The Company's non-life insurance contracts are short-term and are renewable each year. The Company does not expect any significant changes arising from the application of these requirements.

Reinsurance contracts

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks, or
- has a substantive right to terminate coverage.

Some of the Company's proportional reinsurance contracts on risk attaching basis provide coverage for a two-year term and currently the measurement of these reinsurance contracts is generally aligned with that of the underlying contracts.

The Company does not expect any significant changes arising from the application of these requirements.

vi. Measurement – (overview)

IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM).

The Premium Allocation Approach (PAA) is an optional simplified measurement model in IFRS 17 that is available to insurance policies that meet the eligibility criteria.

The Group expects that it will apply the Premium Allocation Approach to all contracts in the non-life segment because the following criteria are expected to be met at inception:

- The coverage period of each contract in the group is one year or less.

- The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

vii. Measurement – Non-life contracts

Insurance contracts

On initial recognition of each group of non-life insurance contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition, less any insurance acquisition cash flows on that date. The amount is adjusted according to any contracts that expire during the period.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2: Basis of preparation (continued)

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. The Group expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

The measurement of the liability of incurred claims is not expected to be significantly affected by the application of the requirements of IFRS 17. In accordance with IFRS 17, the liability for incurred claims will be calculated based on the future cash flows of settlement for the realized claims. Estimates of future cash flows are based on information that is readily available without undue cost or effort regarding the amount, timing and degree of uncertainty of such future cash flows. The Company will discount future cash flows in order to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognise a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flow that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows will be discounted (at current rates) if the liability for incurred claims is also discounted.

Reinsurance contracts
The Company will apply the PAA to measure a group of reinsurance contracts using the same accounting policies to the insurance contracts, as adapted where necessary to reflect the features of reinsurance contracts. The Company will apply the PAA to reinsurance contracts that it holds, as follows:

- To proportional and excess of loss reinsurance contracts on loss occurring basis that provide coverage on the insurance contracts originated for claims incurred during an accident year.
- To proportional reinsurance contracts on risk attaching basis, that provide coverage for short-term underlying insurance contracts over an effective period of two years, and the Company will elect to apply the PAA since at inception it expects it will provide an asset for remaining coverage that would not differ materially from the general model.

Under the PAA, the initial measurement of the asset for remaining coverage would equal the reinsurance premium paid. On initial recognition of each group of reinsurance contracts held, the Company expects that the time between receiving each part of the services and the related reinsurance premium due date is no more than a year. Accordingly, the Company will not adjust the asset for remaining coverage to reflect the time value of money and the effect of financial risk. Subsequently, the Company will measure the amount associated with the remaining coverage by allocating the amount of expected reinsurance premium payments over the coverage period of service receipt.

The measurement of the asset for incurred claims is expected to be significantly affected by the application of the requirements of IFRS 17. The Company will measure the present value estimates of future cash flows using assumptions consistent with those used to measure the present value estimates of future cash flows for the underlying insurance policies, adjusted for any risk of non -performance by the reinsurer.

The presentation of the non-financial risk adjustment as an amount of risk that is transferred from the Company to the reinsurer.

Insurance acquisition cash flows
Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belong. Insurance acquisition cash flows directly attributable to a group of contracts are allocated to the relevant group.

According to IFRS 17, insurance acquisition cash flows arising before the recognition of the related group of contracts will be recognised as an asset.

IFRS 17 requires the Group to assess at each reporting date, if facts and circumstances indicate that an asset for the acquisition of insurance cash flows may be impaired. If impaired, then the Group will recognize the loss in the income statement so that the present value of the assets does not exceed the expected net cash inflow of the particular group of contracts. The Group will reverse any impairment losses in the income statement and increase the present value of the asset to the extent that the impairment conditions have improved.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2: Basis of preparation (continued)

Impact assessment

Although the PAA is similar to the Group's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for Non-life contracts:

- Under IFRS 17, the Group will discount future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. This is expected to contribute to a small increase in equity during the transition to IFRS 17.
- IFRS 17 requires the fulfilment cash flows to include a risk adjustment for non-financial risk. This is expected to reduce equity during the transition to IFRS 17.

viii. Measurement – significant judgments and estimates
The significant judgments and estimates that the Company is expected to apply as a result of IFRS 17 are the following:

Estimation of future cash flows
In estimating future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The measurement of a group of insurance policies will include all future cash flows arising within the limits of a policy. In determining the cash flows that fall within the limits of a contract, the Group will consider the material rights and obligations arising from the terms of the contract, as well as applicable laws and regulations. Cash flows will be considered to be outside the contract limits if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks and if the pricing of the contract for coverage up to the date of the reassessment takes into account only risks up to on the next revaluation date.

- Expenses

Assessment of directly attributable cash flows
The Company will apply judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to either the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. The Company will also consider as attributable cash flows fixed and variable overheads directly attributable to the fulfilment of insurance contracts.

Expense basis for cashflow projections
The Company will perform a detailed expense investigation, at least on an annual basis, to determine the expense assumptions used in the cashflow projections. The expense basis will be set in accordance with the budgeted attributable expenses and the projected volumes of business. The Company will also determine an assumption for the future expense inflation.

- Discount rates

Insurance contract liabilities will be calculated by discounting the expected future cash flows. The Group will use the bottom-up approach in determining the discount rates and hence will use a volatility adjusted risk-free rate, plus an illiquidity premium. Risk-free rates will be determined by reference to the European Insurance and Occupational Pensions Authority (EIOPA) yields and the illiquidity premium will be determined based on the Company's portfolio data, which makes the approach entity specific by reflecting the characteristics of the Company's portfolio.

- Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk. It measures the degree of variability of expected future cash flows and the Group specific price for bearing that risk and reflects the degree of the Group's risk aversion.

The IFRS 17 does not specify the estimation techniques used to determine the non-financial risk adjustment. The Company shall determine the risk adjustment for non-financial risk at the entity level and then shall allocate it to all the groups of insurance contracts. The Company will estimate the risk adjustment using a value at risk (VaR) approach which is closely linked to the Solvency II standard formula.

The risk adjustment is determined subject to 70% and 80% confidence level.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2: Basis of preparation (continued)

ix. Modification and de-recognition of insurance contracts

The Company will derecognise insurance contracts when:
- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); or
- The contract is modified such that the modification results in the contract being outside the scope of IFRS 17, a different insurance contract due to separating components from the host contract, a substantially different contract boundary or the contract being included in a different group.

If any of the modification criteria described above are met, the Company will derecognise the initial contract and recognise the modified contract as a new contract.

If the contract modification does not meet the above conditions the Company shall treat the effect of the modification as changes in the estimates of fulfilment cash flows.

x. Presentation and notes
IFRS 17 will significantly change how insurance contracts and reinsurance contracts are presented and disclosed in the Group's consolidated financial statements.

Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.

Under IFRS 17, amounts recognised in the statement of profit or loss are disaggregated into:
- an insurance service result, comprising insurance revenue and insurance service expenses, and
- insurance finance income or expenses.

Amounts from reinsurance contracts will be presented separately.

Insurance service result
For contracts measured using the PAA, insurance revenue is recognised based on an allocation of expected premium receipts to each period of coverage, which is based on the expected timing of incurred insurance service expenses for certain property contracts and the passage of time for other contracts. The requirements in IFRS 17 to recognise insurance revenue over the coverage period will result in slower revenue recognition compared with the Group's current practice of recognising revenue when the related premiums are written.

Expenses that relate directly to the fulfilment of contracts will be recognised in the statement of financial position. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.

Amounts recovered from reinsurers and reinsurance expenses will no longer be presented separately in profit or loss, because the Group will present them on a net basis as 'net expenses from reinsurance contracts' in the insurance service result, but information about these will be included in the disclosures.

The Company will present separately in the statement of profit and loss and other comprehensive income, the amounts expected to be recovered from the reinsurers and the distribution of reinsurance premiums paid.

The Group will choose not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognised in profit or loss will be included in the insurance service result.

Income and expenses of insurance financing
Under IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2: Basis of preparation (continued)

The Group has the choice to separate the insurance financing income and expenses for the period between profit or loss and other comprehensive income. This choice is given at the portfolio level of insurance contracts and reinsurance contracts held. The Group will not allocate the financial income or expenses between profit or loss and the other comprehensive income and thus they will be recognized in their entirety in profit or loss.

Notes to the financial statements
IFRS 17 requires extensive new disclosures about amounts recognised in the financial statements,
including detailed reconciliations of contracts, effects of newly recognised contracts and information on the expected CSM emergence pattern, as well as disclosures about significant judgements made when applying IFRS 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts and reinsurance contracts held. Disclosures will generally be made at a more granular level than under IFRS 4, providing more transparent information for assessing the effects of contracts on the financial statements.

xi. Transition
Changes in accounting policies resulting from the adoption of IFRS 17 will be applied using the full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Group will:

- Identify, recognise and measure each group of insurance contracts and reinsurance contracts held as if IFRS 17 had always been applied,
- Identify, recognise and measure any assets for insurance acquisition cash flows as if IFRS 17 had always been applied,
- Derecognise previously reported balances that would not have existed if IFRS 17 had always been applied, and
- Recognise any resulting net difference in equity.

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 2022			
Premiums and other income	24.139	523	24.662
Profit from operations	3.722	136	3.858
Purchase of tangible fixed assets	131	-	131
Purchase of intangible fixed assets	142	-	142
Disposal of tangible fixed assets	12	-	12
Depreciation of tangible fixed assets	196	-	196
Depreciation of intangible fixed assets	87	-	87
Total Assets	75.434	2.120	77.554
Total Liabilities	27.397	132	27.529
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

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6: Claims payable

	2022				2021
	Gross	**Reinsurers' Share**	**Recoveries**	**Net**	Net
	€'000	€'000	€'000	**€'000**	€'000
Motor	8.268	(123)	(679)	**7.466**	6.423
Accident and health	1.119	(11)	(33)	**1.075**	1.130
Marine	56	(63)	(4)	**(11)**	54
Property	874	(661)	-	**213**	359
Liability	66	220	-	**286**	430
Other	46	(32)	-	**14**	1
	10.429	**(670)**	**(716)**	**9.043**	8.397

	2022	2021
	€'000	€'000
Gross claim payments	**8.633**	7.575
Reinsurers' share of claims paid	**(590)**	(347)
Net change in outstanding claims	**619**	1.137
Net change in incurred but not enough reported claims (IBNER)	**381**	33
Net incurred claims	**9.043**	8.398

Note 7: Other income from insurance operations

	2022	2021
	€'000	€'000
Commissions earned	**862**	854
Share of pool participation profits	**49**	108
Profit on sale of assets	**3**	-
Other income	**26**	23
	940	985

Note 8: Other income from investments

	2022	2021
	€'000	€'000
Dividend income	**634**	496
Rents receivable	**90**	58
	724	554

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9: Staff costs

	2022	2021
	€'000	€'000
Salaries	2.892	2.824
Social insurance contributions	216	203
Provident fund contributions	120	112
Other contributions	188	184
	3.416	3.323

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:

	2022	2021
Full-time employees	119	120

The Company and its subsidiary Atlantic Securities Ltd operate defined contribution provident fund schemes. The funds are separately financed and prepare their own financial statements. In accordance with the Funds' memorandum the members are entitled to the payment of certain benefits on their retirement or early termination of their employment.

Note 10: Administrative expenses

	2022	2021
	€000	€000
Staff costs	3.415	3.323
Discounts allowed	434	413
Depreciation of tangible fixed assets	196	203
Provision for bad and doubtful debts	(29)	145
Motor expenses and traveling	188	145
Professional services	152	84
Printing and stationery	135	134
Audit fees	115	68
Advertising and promotion	100	91
Computer expenses	93	86
Electricity and water	96	55
Depreciation of intangible fixed assets	87	92
Stock exchange fees	83	59
Investment fees	63	53
Telephone	54	48
Legal fees	38	45
Other expenses	279	243
	5.499	5.286

Audit fees include the following:

	2022	2021
	€'000	€'000
Audit fees	73	62
Fees for the audit of the implementation of IFRS17	36	-
Fees for other verification services	11	11
Fees for non-audit services	6	6

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11: Net finance income

	2022	2021
	€'000	€'000
Interest from bank deposits	**13**	11
Interest from bonds	**622**	493
Interest from loans receivable	**-**	9
Bank charges and interest paid	**(109)**	(86)
Other interest	**-**	1
Exchange differences	**81**	28
	607	456

Note 12: Gain on sale and revaluation of investments

	2022	2021
	€'000	€'000
Gain on sale of investments	**1.997**	1.121
Gain on revaluation of shares held for trading	**633**	800
(Loss) / gain on revaluation of bonds	**(1.246)**	151
(Loss) / gain on revaluation of foreign investments	**(512)**	4.989
	871	7.061

Note 13: Taxation

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

	2022	2021
	€'000	€'000
Corporation tax	**573**	629
Defence tax contribution	**2**	1
Foreign taxes deducted at source	**46**	14
Deferred taxation	**(17)**	(25)
Prior year taxes	**(2)**	(5)
	601	614

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:

	2022	2021
	€'000	€'000
Accounting profit	**6.211**	12.469
Tax based on current tax rates	**776**	1.559
Defense tax contribution	**2**	1
Foreign taxes deducted at source	**46**	14
Prior year taxes	**(2)**	(5)
Deferred taxation	**(17)**	(25)
Adjustments for:		
Disallowed expenses	**11**	37
Income not taxed	**(201)**	(947)
Tax losses brought forward	**(14)**	(20)
	601	614

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 14: Earnings per share

	2022	2021
	€'000	€'000
Net profit attributable to shareholders	**5.561**	11.787
Weighted average number of issued shares	**38.944**	38.944
Basic earnings per share (cents)	**14,28**	30,27

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 15: Group companies

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

Company	Principal activities	Share %	2022 €'000	2021 €'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.

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:

	2022	2021
	€'000	€'000
Premiums and other income	**24.138**	23.684
Profit from operations	**3.726**	4.309
Total assets	**75.172**	72.745
Total liabilities	**27.386**	26.219

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

	Atlantic Securities Limited	Lyssi Investments Ltd	Lion Insurance Agency Limited	2022	2021
	€'000	€'000	€'000	**€'000**	€'000
Premiums and other income	523	-	-	**523**	516
Profit / (loss) from operations	136	(2)	(2)	**132**	148
Total assets	2.120	111	151	**2.382**	2.299
Total liabilities	132	5	5	**142**	142

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16: Tangible fixed assets

	Land and buildings	Furniture and fittings	Computer hardware and software	Motor vehicles	Total
Cost or revaluation	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
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 1 January 2022	5.954	754	395	702	**7.805**
Additions	-	14	40	77	**131**
Revaluation	162	-	-	-	**162**
Disposals	-	-	-	(12)	**(12)**
Balance at 31 December 2022	**6.116**	**768**	**436**	**767**	**8.087**
Depreciation					
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 1 January 2022	-	610	310	603	**1.523**
Depreciation for the year	98	27	34	37	**196**
On revaluation	(98)	-	-	-	**(98)**
On disposals	-	-	-	(12)	**(12)**
Balance at 31 December 2022	**-**	**637**	**344**	**628**	**1.609**
Net book value at					
31 December 2022	**6.116**	**131**	**92**	**139**	**6.478**
31 December 2021	5.954	144	85	99	6.282

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 2022 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 market value was calculated based on the relative market value method which 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 the use and the characteristics of the surrounding and wider area.

Property Category	**Method of valuation**	**Non-observable data**	**Range of data variation**	**2022**	2021
				€'000	€'000
Land & buildings	Relative market value	Fair value per sq. m	€1350-€1425 / sq. m	**415**	408
Land & buildings	Relative market value	Fair value per sq. m	€2700-€2850 / sq. m	**3.770**	3.705
Land & buildings	Relative market value	Fair value per sq. m	€950-€1100 / sq. m	**635**	570
Land & buildings	Relative market value	Fair value per sq. m	€1050-€1150 / sq. m	**785**	760
Land & buildings	Relative market value	Fair value per sq. m	€1300-€1350 / sq. m	**510**	510

Note 16: Tangible fixed assets (continued)

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:

	2022	2021
	€'000	€'000
Land	**1.149**	1.149
Buildings	**1.491**	1.592
	2.640	2.741
Revalued amount of land on which no depreciation is charged	**2.743**	2.678

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 2021	16	**16**
Balance at 1 January 2022	16	**16**
Balance at 31 December 2022	16	**16**
Depreciation		
Balance at 1 January 2021	16	**16**
Balance at 1 January 2022	16	**16**
Balance at 31 December 2022	16	**16**
Net book value		
31 December 2022	-	**-**
31 December 2021	-	-

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 17: Intangible assets

	Goodwill on acquisition of agents' portfolios	Computer software	Total
	€'000	€'000	€'000
Cost or revaluation			
Balance at 1 January 2021	404	534	**938**
Additions	51	40	**91**
Balance at 1 January 2022	455	574	**1.029**
Additions	115	27	**142**
Balance 31 December 2022	**570**	**601**	**1.171**
Amortisation			
Balance at 1 January 2021	377	473	**850**
Amortisation for the year	45	46	**91**
Balance at 1 January 2022	422	519	**941**
Amortisation for the year	58	29	**87**
Balance 31 December 2022	**480**	**548**	**1.028**
Net book value at			
31 December 2022	**90**	**53**	**143**
31 December 2021	33	55	88

Note 18: 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.

	2022	2021
Land and buildings	**€'000**	€'000
Balance at 1 January	**4.314**	4.311
Additions	**87**	61
Fair value loss on revaluation	**151**	(58)
Balance at 31 December	**4.552**	4.314

Information on the valuation of the main properties of the Group is provided below:

Property Category	Method of valuation	Non-observable data	Range of data variation	2022	2021
				€000	€000
Land & buildings	Relative market value	Fair value per sq. m	€1225-€1250 / sq. m	**235**	232
Land & buildings	Relative market value	Fair value per sq. m	€2700-€2850 / sq. m	**1.195**	1.178
Land & buildings	Relative market value	Fair value per sq. m	€950-€1100 / sq. m	**420**	375
Land	Relative market value	Fair value per sq. m	€90-€110 / sq. m	**1.700**	1.465
Land & buildings	Relative market value	Fair value per sq. m	€1300-€1350 / sq. m	**975**	975

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18: 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:

	2022	2021
	€'000	€'000
Land	4.352	4.236
Buildings	2.322	2.350
	6.674	6.586

Note 19: Financial assets available for sale

	2022	2021
	€'000	€'000
Cyprus government bonds	997	-
Corporate bonds	845	473
	1.842	473

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 2022 amounted to €164 thousand (2021: gain €59 thousand) and was recognized in the fair value reserve. During the year no amounts were transferred to the profit and loss for the year as a result of the sale financial assets available for sale.

Note 20: Financial assets held for trading

	2022	2021
	€'000	€'000
Equity investment listed in CSE and ASE	5.263	4.537
Foreign equities and investments funds	12.030	10.810
Private equity investment funds	937	1.034
Hedge funds	2.583	3.298
International real estate funds	1.904	3.398
Cyprus corporate bonds	3.346	4.198
Foreign corporate bonds	6.195	4.645
G old and commodities	1.531	1.588
	33.789	33.508

Note 21: Short-term Government Treasury Bills

	2022	2021
	€'000	€'000
Germany	1.484	-
European Union	1.596	-
USA	187	-
	3.267	-

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22: Debtors and other receivables

	2022	2021
	€'000	€'000
Receivables from insurance operations	4.939	4.910
Receivables from financial services operations	479	757
Reinsurers' share of technical reserves (note 26)	4.360	4.314
Receivables from reinsurers	-	33
Deferred acquisition costs	573	559
Loans receivable	-	28
Other receivables	890	735
Other receivables from financial services operations	964	880
Derivatives-Futures	373	-
	12.578	12.216

	2022	2021
Customer and intermediaries' balances	€'000	€'000
Receivables	8.801	9.103
Less provision for bad and doubtful debtors	(3.380)	(3.436)
	5.421	5.667

Provision for bad and doubtful debtors		
Balance at 1 January	3.436	3.887
Write offs	(8)	(309)
Reversal of provision for bad and doubtful debtors (including interest suspended and amounts recovered)	(48)	(141)
Balance at 31 December	3.380	3.437

The loan receivable was fully secured by immovable property and carried interest of 5,0% per annum. The loan was repaid on February 25, 2022.

Receivables of the subsidiary undertaking Atlantic Securities Ltd include specific customer balances amounting to €132 thousand (2021: €174 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 2022 was €350 thousand (2021: €588 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 40 futures contracts totaling $5,03 mln at an agreed average rate of $1,0066: €1,00 and maturity date September 18, 2023.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

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23: Cash and bank balances

	2022	2021
	€'000	€'000
Cash and bank balances	**7.662**	10.320
Bank Overdraft and short-term loans	**(5)**	(14)
Fixed term bank deposits maturing between 1 and 3 months	**994**	1.996
	8.651	12.302

	Interest (Annual)			
	2022	2021	**2022**	2021
			€'000	€'000
Fixed term deposits between 4 and 12 months	**-0,20%-2,30%**	-0,2%-0,85%	**4.489**	5.222
Fixed term deposits over 1 year	**0,35%**	-	**1.200**	-
			5.689	5.222

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 €0,23 mln are pledged towards letters of guarantee and other bank facilities.

Note 24: Share Capital

	2022		2021	
	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**	38.944	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 25, 2022 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 27, 2022 to May 25, 2023. During the year the Company did not acquire any own shares. At 31 December 2022 the company did not hold any own shares.

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2022	2021
Provision for property revaluation	**€'000**	€'000
Balance 1 January	**(57)**	(37)
Deferred tax on revaluation of immovable property	**(7)**	(20)
Balance 31 December	**(64)**	(57)

	2022	2021
Provision for temporary differences between depreciation and capital allowances	**€'000**	€'000
Balance 1 January	**91**	84
Deferred tax for the year	**4**	7
Balance 31 December	**95**	91
Total Balance 31 December	**31**	34

Note 26: Outstanding claims and unearned premiums

	2022	2021
Unearned premiums	**€'000**	€'000
Gross unearned premiums	**10.752**	10.518
Reinsurers' share	**(2.144)**	(2.178)
Net unearned premiums	**8.608**	8.340
Outstanding claims		
Gross outstanding claims	**13.828**	12.748
Reinsurers' share	**(2.216)**	(2.136)
Net outstanding claims	**11.612**	10.612
Total technical reserves		
Gross technical reserves	**24.580**	23.266
Reinsurers' share	**(4.360)**	(4.314)
Net technical reserves	**20.220**	18.952

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

	2022		2021	
Unearned premiums	**Gross**	**Reinsurers' Share**	Gross	Reinsurers' Share
	€'000	**€'000**	€'000	€'000
1 January	**10.518**	**(2.178)**	10.070	(1.753)
Written premiums	**22.475**	**(4.012)**	22.144	(4.151)
Earned premiums	**(22.241)**	**4.046**	(21.696)	3.726
31 December	**10.752**	**(2.144)**	10.518	(2.178)
Outstanding claims				
1 January	**12.748**	**(2.136)**	11.050	(1.607)
Claim payments	**(8.633)**	**590**	(7.575)	347
Change in outstanding claims	**9.713**	**(670)**	9.274	(876)
31 December	**13.828**	**(2.216)**	12.749	(2.136)

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).

	2022	2021
	€'000	€'000
Provision for incurred but not enough reported claims (IBNER)	**2.614**	2.221
Provisions for incurred but not reported claims (IBNR)	**144**	158
	2.758	2.379
Reinsurers' share	**-**	(2)
	2.758	2.377

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2022

		Accident & Health		Motor vehicle liability		Motor own damage		Marine and transport		Fire and other material damage		Liability		Credits and miscellaneous		Total	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	**2022**	2021
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	**€'000**	€'000
Gross premiums written		3.479	3.553	9.005	8.716	3.650	3.402	226	220	3.881	4.194	1.442	1.270	34	33	**21.717**	21.388
Policy fees		15	16	440	443	178	173	3	3	96	93	26	27	-	-	**758**	755
Total written premiums	**1**	3.494	3.569	9.445	9.159	3.828	3.575	229	223	3.977	4.287	1.468	1.297	34	33	**22.475**	22.143
Reinsurers share of gross premiums	**2**	471	475	428	350	207	185	149	153	2.459	2.791	285	184	13	13	**4.012**	4.151
Gross earned premiums	**3**	3.505	3.656	8.823	8.610	3.511	3.338	235	201	4.009	3.858	1.367	1.243	34	33	**21.483**	20.941
Gross outstanding claim reserves	**4**	630	609	9.183	8.112	849	762	218	280	751	537	2.198	2.448	-	1	**13.828**	12.749
Gross claims incurred	**5**	1.087	1.116	5.385	4.487	2.203	2.218	52	117	874	627	66	708	46	1	**9.713**	9.274
Claims management costs	**6**	163	221	796	694	280	299	5	6	76	87	32	32	-	1	**1.353**	1.340
Administrative expenses	**7**	411	401	2.465	2.443	896	852	6	(3)	(14)	5	324	307	-	-	**4.090**	4.005
Reinsurance balances	**8**	(21)	(24)	(56)	(47)	-	-	39	(11)	(763)	(808)	(7)	(3)	(1)	(1)	**(809)**	(892)
Staff costs	**9**	229	234	1.732	1.647	672	662	24	25	377	395	155	147	2	2	**3.192**	3.112

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 28: Other Liabilities

	2022	2021
	€'000	€'000
Taxation	**146**	227
Reinsurers' balances	**809**	926
Creditors from insurance operations	**750**	735
Other liabilities from insurance operations	**690**	592
Dividends payable	**386**	347
Derivatives-Futures	**-**	93
Other liabilities from financial services operations	**131**	127
	2.912	3.047

Note 29: Transactions between group companies and other related persons

Transactions and balances with subsidiary undertakings

		Transaction value		**Debit / (Credit) balance**	
		2022	2021	**2022**	2021
	Nature of transaction	**€'000**	€'000	**€'000**	€'000
Lyssi Investments Limited					
	Other income	**2**	4		
	Dividends received	**2**	1		
	Balance			**12**	9
Lion Insurance Agency Limited					
	Commissions paid	**14**	16		
	Dividends received	**-**	-		
	Balance			**12**	14
Atlantic Securities Limited					
	Brokerage commissions	**8**	5		
	Interest receivable	**2**	2		
	Balance			**590**	652
	Clients' brokerage account balance			**1.180**	2.445

The amount receivable from Atlantic Securities Ltd carries interest of 0,25% per annum (2021: 0,25% 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.

	2022	2021
	€'000	€'000
Interest income from bank deposits	**-**	1
Interest income from bonds	**15**	8
Premiums	**17**	162
Commissions payable for insurance operations	**(163)**	(174)
Investment management and custody fees	**(6)**	(4)
Bank balances and bank deposits	**3.856**	3.767
Clients' bank accounts of subsidiary undertaking	**737**	1.770
Receivables from insurance operations	**10**	49
Financial assets held for trading	**80**	400

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:

	Transactions value		**Debit /(Credit) balance**	
Nature of transaction	**2022 €000**	2021 €000	**2022 €000**	2021 €000
Insurance premiums	**1**	2	**49**	52

c) BetonAlpha Ltd

The Company's directors Emilios 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:

	Transactions value		**Debit /(Credit) balance**	
Nature of transaction	**2022 €000**	2021 €000	**2022 €000**	2021 €000
Insurance premiums	**20**	17	**16**	-

d) Lyssi Insurance Agents Ltd

The Company's directors Emilios 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:

		Transaction value		**Debit /(Credit) balance**	
	Nature of transaction	**2022** €000	2021 €000	**2022** €000	2021 €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 2022 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2022	31 March 2023
	%	%
Emilios Pyrisihis[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 Pyrishi (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 2022 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2022		31 March 2023	
	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 Pyrishi	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 2022 is shown in the table below:

	Salaries, expenses and contributions	Fees	Social Insurance and other contributions	Provident fund contributions	**2022 Total**	2021 Total
Executive directors	€000	€000	€000	€000	€000	€000
Emilios Pyrishis	103	1	11	5	**120**	117
Andreas Frangoullis	103	1	6	-	**110**	107
Loukis Ioannou	74	1	9	4	**88**	81
Non-executive directors						
Nina Pyrish	-	1	-	-	**1**	84
George Pyrishis	-	1	-	-	**1**	1
Andeas Pirishis	-	1	-	-	**1**	1
Charalambos Alexandrou	-	1	-	-	**1**	1
Menicos Messios	-	8	-	-	**8**	6
Triantafyllos Lysimachou	-	1	-	-	**1**	1
Marios Savvides	-	15	-	-	**15**	1
George Koutsos	-	1	-	-	**1**	-
	280	**32**	**26**	**9**	**347**	400

The directors' remuneration is analysed as follows:

	2022	2021
	€000	€000
Executive capacity	**343**	413
As directors	**32**	15
	375	428

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 2022	*Change in assumption*	*Impact on profits before tax*	*Impact on equity*
	%	*€'000*	€'000
Net Loss Ratio (after deduction of the reinsurers' share of claims)			
- Increase	3%	-546	-546
- Increase	5%	-910	-910
- Decrease	-3%	546	546
- Decrease	-5%	910	910

31 December 2021	*Change in assumption*	*Impact on profits before tax*	*Impact on equity*
	%	*€'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

The 10-year development of the total claim payments for all insurance classes for accident years between 2007 and 2022 is shown below:

Accident year	0	1	2	3	4	5	6	7	8	9	10 +	**Total**
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	27	**9.145**
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	267	**142.078**
2012	6.767	1.649	175	58	11	29	817	92	71	3	149	**9.821**
2013	5.527	1.443	379	129	131	31	89	51	-	36		**7.816**
2014	5.207	1.366	220	1.353	65	117	74	52	2			**8.456**
2015	6.193	2.145	355	98	2	27	16	76				**8.912**
2016	5.047	2.067	6.349	69	6.631	111	31					**20.305**
2017	5.310	1.843	78	208	58	-3						**7.494**
2018	5.916	1.925	289	449	77							**8.656**
2019	6.389	1.883	145	38								**8.455**
2020	4.815	1.462	276									**6.553**
2021	4.948	1.966										**6.914**
2022	5.847											**5.847**
												275.862

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 2007 and 2022. 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.

	0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Cumulative claim reserves**	**Cumulative claim payments**	**Outstanding claims**	**% Difference**
Accident Year														**-25**	
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	19	**9.359**	9.145	**214**	5,4%
2010	8.842	1.023	659	100	-349	-250	-65	-14	1	9	30	**9.986**	9.914	**73**	11,5%
2011	309.326	-167.027	28	52	123	-58	-11	-132	14	162	125	**142.602**	142.078	**524**	0,5%*
2012	9.389	117	-57	-212	750	-65	-178	-5	-3	62	54	**9.852**	9.821	**31**	4,7%
2013	7.893	185	-73	29	-7	-55	-120	-17	35	22		**7.892**	7.816	**76**	0,0%
2014	7.707	1.104	5	52	-22	488	-52	-16	-20			**9.246**	8.456	**790**	16,6%
2015	8.056	934	177	7	-9	54	116	-10				**9.325**	8.912	**413**	13,6%
2016	27.302	783	-3.976	-3.508	-7	27	-18					**20.603**	20.305	**298**	4,0%**
2017	8.051	212	50	96	-19	-215						**8.175**	7.494	**681**	9,4%
2018	8.637	406	238	535	123							**9.939**	8.656	**1.283**	13,1%
2019	9.314	-206	-10	-60								**9.038**	8.455	**583**	-3,1%
2020	7.654	418	-278									**7.794**	6.553	**1.240**	1,8%
2021	7.943	366										**8.309**	6.914	**1.395**	4,4%
2022	9.176											**9.176**	5.847	**3.329**	0,0%
												286.964	**275.862**	**11.070**	**6,8%**

**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 2022 is shown below:

	Euro	British Pound	US Dollar	Australian Dollar	Total
	€'000	€'000	€'000	€'000	**€'000**
Assets					
Debtors and other receivables	12.578	-	-	**12.578**	12.578
Financial assets held for trading	25.744	30	8.015	**33.789**	25.744
Fixed term bank deposits	5.689	-	0	**5.689**	5.689
Cash and bank balances	8.080	-	576	**8.656**	8.080
Other assets	16.843	-	-	**16.843**	16.843
Total assets	**68.933**	**30**	**8.591**	**77.554**	**68.933**
Liabilities					
Liabilities	27.528	-	-	**27.528**	27.528
Net assets	**41.405**	**30**	**8.591**	**50.026**	**41.405**
Percentage of net assets	82,8%	0,1%	17,2%	**100, 0%**	82,8%
Hedging derivatives	5.000	-	(5.000)	**-**	5.000
	46.405	**30**	**3.591**	**50.026**	**46.405**
Percentage of net assets	92,8%	0,1%	7,2%	**100,0%**	92,8%

A potential strengthening of the euro by 5% against the other main currencies in which the Group had exposure as at 31 December 2022 would result in a reduction in the fair value of the total assets and the recognition of exchange losses of €181 thousand which amounts to 0,4% of the Group's own funds and 3,3% 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%	-180
British pound	-5%	-2
Australian dollar	-5%	-

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 2022	***Aa1-A3***	***Baa1-B3***	***Caα1-Caa3***	***Unrated***	***Total***
	€'000	*€'000*	*€'000*	*€'000*	***€'000***
Policyholders and intermediaries	-	-	-	4.939	**4.939**
Other debtors and prepayments	-	-	-	3.280	**3.280**
Reinsurers' share of technical reserves	4.243	-	-	117	**4.360**
Fixed term bank deposits	2.200	2.070	-	1.419	**5.689**
Cash and bank balances	1.803	2.129	481	4.243	**8.656**
Total	8.246	4.199	481	13.998	**26.924**

31 December 2021	***Aa1-A3***	***Baa1-B3***	***Caα1-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**
	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**

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 2022 there was a net reversal of provision for doubtful debts of €29 thousand compared to a provision of €145 thousand in 2021.

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	14.649
	14.649
Financial instruments bearing variable interest rates	
Fixed term deposits and notice accounts	6.533
Current and trading accounts and cash	7.812
	14.345
	28.994

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 €28 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 revel 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:

	2022			2021		
Financial assets	**Within 1 year**	**Over 1 year**	**Total**	**Within 1 year**	**Over 1 year**	**Total**
	€'000	€'000	**€'000**		€'000	**€'000**
Financial assets available for sale	-	1.842	**1.842**	-	473	**473**
Financial assets held for trading	31.396	2.393	**33.789**	30.216	3.292	**33.508**
Premium receivables	4.939	-	**4.939**	4.910	-	**4.910**
Reinsurers' share of technical reserves	4.360	-	**4.360**	4.314	-	**4.314**
Loan receivable	-	-	**-**	28	-	**28**
Pool participation assets	68	492	**560**	108	518	**626**
Other receivables	3.098	181	**3.279**	2.709	255	**2.964**
Fixed term deposits	4.489	1.200	**5.689**	5.222	-	**5.222**
Cash and bank balances	8.656	-	**8.656**	12.315	-	**12.315**
Total financial assets	57.006	6.108	**63.114**	59.822	4.538	**64.360**
Financial liabilities						
Outstanding claims and unearned premiums	24.580	-	**24.580**	23.266	-	**23.266**
Bank overdrafts	5	-	**5**	14	-	**14**
Reinsurer's balances	809	-	**809**	926	-	**926**
Taxation	146	31	**177**	227	34	**261**
Other financial liabilities	1.958	-	**1.958**	1.895	-	**1.895**
Total financial liabilities	27.497	31	**27.528**	26.328	34	**26.362**

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 2022 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 2022:

Financial assets available for sale	**Fair value as at 31.12.2022**	**Impact on fair value reserve**
	€'000	€'000
Bonds and capital securities	1.842	92
	1.842	**92**

Financial assets held for trading	**Fair value as at 31.12.2022**	**Impact on profits for the year**
	€'000	€'000
Equities listed in CSE and ASE	5.263	263
Foreign equities, equity funds and hedge funds	15.550	777
Corporate bonds	9.541	477
International real estate funds	1.904	95
Investments in gold and commodities	1.531	77
	33.789	**1.689**

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%	607	-
Athens stock exchange	20%	243	-
International equity markets	10%	1.203	-
International real estate funds	10%	191	-
Alternative investments	5%	129	-
International private equity funds	10%	94	-
Government bonds	5%	-	50
Corporate bonds	10%	954	84
Gold and commodities	10%	153	-
		3.574	**134**

2. Capital management

Solvency II Ratio II-€000	**2022**	**2021**	**%**
Available eligible capital	**45.579**	43.857	**3,9%**
Solvency II capital required	**17.493**	20.207	**-13,4%**
Minimum capital required	**4.373**	5.052	**-13,4%**

Solvency II ratio (SCR Ratio)	**260,6%**	217,0%	
Minimum capital required ratio (MCR Ratio)	**1042,3%**	868,2%	

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)

3. 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:

2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial instruments	€'000	€'000	€'000	**€'000**
Financial assets available for sale	1.842	-	-	**1.842**
Financial assets held for trading	31.502	1.254	1.033	**33.789**
Derivatives	373	-	-	**373**
Short-term government treasury bills	3.267	-	-	**3.267**
Fixed term deposits	5.689	-	-	**5.689**
Cash and bank balances	8.656	-	-	**8.656**
Bank overdrafts and short-term loans	(5)	-	-	**(5)**
	51.324	**1.254**	**1.033**	**53.611**
Non-financial instruments which are measured on a fair value basis				
Investment properties	-	-	4.553	**4.553**
Immovable property for own use	-	-	6.115	**6.115**
	-	**-**	**10.668**	**10.668**
Total	**51.324**	**1.254**	**11.701**	**64.279**

2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial instruments	€'000	€'000	€'000	**€'000**
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**

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

	2022	2021
	€'000	€'000
1 January	**2.503**	1.253
Additions	**-**	700
Disposals	**(1.450)**	**-**
Unrealised (losses) / gains in the profit and loss account	**(20)**	550
31 December	**1.033**	**2.503**

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

During the years 2021 and 2022 there were no major transfers between Level 1 and Levels 2 and 3.

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 2023.

The following tables present the fair value as at 31 December 2022 and the changes in fair values for the year ended 31 December 2022 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 2022 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	14.345	-	-	-
Short-term government treasury bills	3.267	-	-	-
Premium receivables	4.939	-	-	-
Debtors and other receivables	7.638	-	-	-
Bonds	1.842	164	9.541	(1.246)
Equities	-	-	9.297	(389)
International equity funds	-	-	12.367	560
Hedge Funds	-	-	2.583	(50)
	32.031	**164**	**33.788**	**(1.125)**

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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	14.345	14.345
Short-term government treasury bills	3.267	3.267
Premium receivables	4.939	4.939
Debtors and other receivables	7.639	7.639
Bonds	11.383	11.383
Equities	9.297	9.297
International equity funds	12.367	12.367
Hedge Funds	2.583	2.583
	65.820	**65.820**

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:

			Credit rating		
Financial assets	*Total*	Aa1-A3	Baa1-B3	*Caa1-Caa3*	*Unrated*
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
Cash, bank balances and bank deposits	14.345	4.003	4.198	481	5.662
Short-term government treasury bills	3.267	3.267	-	-	-
Premium receivables	4.939	-	-	-	4.939
Debtors and other receivables	7.639	4.242	-	-	3.397
Bonds	11.383	1.895	7.843	1.565	80
Equities	9.297	1.719	3.121	-	4.457
International equity funds	12.367	3.732	-	-	8.636
Hedge Funds	2.583	-	-	-	2.583
	65.820	**18.858**	**15.162**	**2.046**	**29.754**

Note 35: Future capital commitments

On 31 December 2022 the Company had the following future capital commitments in respect of foreign investments:

	€'000
North Haven Real Estate Fund VII Offshore Investors Global	148
North Haven Private Equity Asia III	55
	203

ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 36: Events after the reporting date

The Group is closely monitoring the developments triggered by the collapse of Silicon Valley Bank, Silvergate Bank and Signature Bank in the United States and Switzerland's Credit Suisse rescue through the takeover by UBS in March 2023. The Group did not have any exposure to the three US banks.

The Group did not have any exposure to shares or AT1 bonds of the Swiss bank Credit Suisse that were adversely affected by the terms of the bailout of the bank by UBS.

The Company holds with Credit Suisse a short-term term bank deposit of €1,0 mln, balances in current and trading accounts of a total amount of €59 thousand and senior bonds with a nominal value of €800 thousand. None of the assets held by the Company with the Swiss bank Credit Suisse have been affected in any way by the recent crisis and the terms of the bailout of this bank.

There were no other events subsequent to the reporting date that have materially affected the financial statements as at 31 December 2022.