

COSMOS INSURANCE PUBLIC COMPANY LTD

SECOND INTERIM MANAGEMENT STATEMENT OF 2015

The Company presents to investors the Second Interim Management Statement of 2015, pursuant to Article 11 of Law 190(I) of 2007.

Main activities of the Group

Throughout the current period from 1 January 2015 to the present day, the Group's main activities remained the same as in 2014 and consist in insurance operations in the General Branch.

Non-recurring or extraordinary activities

There have been no non-recurring or extraordinary activities during the period under review.

General description of the Group's financial situation

Results until 30 September 2015

The Group has registered profits compared to losses in the corresponding period of 2014.

The profit attributable to the shareholders for the period until 30 September 2015 was €562.972 compared to a loss of €111.458 in the corresponding period of 2014.

The profit is mainly attributed to:

- The improvement in the risk acceptance procedure
- The decrease in insurance claims, especially in the medical care branch, and
- The containment of operating and administrative expenses.

The total gross earned premiums for the period under review decreased by 7% and stood at €14.10m compared to €15.12m in the corresponding period of 2014. The decrease is the result of the continuing economic recession of the Cyprus economy as well as the termination by the Company of unprofitable portfolios and group medical insurance policies.

The total net insurance income for the period under review stood at €9.45m compared to €9.80m (decrease of 3%) while the total net insurance costs stood at €8.45m compared to €9.50m in the corresponding period of 2014 (decrease of 11%).

Provisions for both bad debts and a decrease in the current value of investment property continue to apply in 2015.

Other material events

In the period under review there have been no other material events and transactions beyond the Group's ordinary business with an impact on the Group's financial situation.

Main risks

The main risks faced by the Group are as described in the Annual Report for 2014.

Prospects for the remainder of 2015

In the current circumstances, the Group expects that the results from insurance operations will continue to improve in the coming months.

The Group continues to focus on increasing its clientele based on quality assessment of risk acceptance, on the further containment of costs and the provision of better service to its clients and associates.

Nicosia, 3 November 2015

Andreas Tyllis

Managing Director