

COSMOS INSURANCE PUBLIC COMPANY LTD

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT for the year ended 31 December 2016

	2016 €	2015 €
Income		
Gross earned premiums	18,739,616	18,696,723
Reinsurers' share in earned premiums	(6,940,359)	(11,415,435)
Net earned premiums	11,799,257	7,281,288
Plus:		
Premium fees and other fees	1,433,537	1,420,401
Commission from reinsurers	2,560,762	4,632,737
Total other income	3,994,299	6,053,138
Total income	15,793,556	13,334,426
Expenses		
Compensations	(8,577,541)	(6,104,686)
Commissions payable and sales expenses	(4,293,780)	(4,249,744)
Other operating and administrative expenses from insurance operations	(2,837,118)	(2,833,092)
Total operating and administrative expenses from insurance operations	(15,708,439)	(13,187,522)
Change in the unexpired risk reserve	(54,800)	(27,160)
Technical insurance result	30,317	119,744
Income from investments	108,702	144,871
Insurance operating result	139,019	264,615
Investment portfolio results	21,619	14,230
Surplus from revaluation of investment property	532,000	-
Deficit from revaluation of investment property	(32,000)	(194,085)
	521,619	(179,855)
Other income	146,039	178,940
Profit share from insurers' joint venture	51,022	56,301
Other expenses	(362,150)	(566,620)
Finance costs	(41,797)	(64,346)
Administrative expenses of dependent company	(1,287)	(4,948)
Profit / (loss) before taxation	452,465	(315,913)
Taxation	(86,098)	4,043
Profit / (loss) for the year	366,367	(311,870)
Profit / (loss) for the year attributable to:		
Company owners	366,412	(312,055)
Minority interest	(45)	185
	366,367	(311,870)
Basic and fully diluted earnings / (loss) per share (cents)	2.04	(1.74)

COSMOS INSURANCE PUBLIC COMPANY LTD

**CONSOLIDATED STATEMENT OF TOTAL INCOME
for the year ended 31 December 2016**

	2016	2015
	€	€
Profit / (loss) for the year	366,412	(312,055)
Revaluation of immovable property	450,830	43,650
Deferred taxation at revaluation	(72,394)	(9,172)
Total income for the year	744,848	(277,577)

COSMOS INSURANCE PUBLIC COMPANY LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2016

	2016 €	2015 €
ASSETS		
Property, plant and equipment	5,036,466	4,717,006
Intangible assets	278,430	294,996
Investment property	3,429,000	2,929,000
Long-term debtors	682,000	670,000
Total non-current assets	9,425,896	8,611,002
Trade and other receivables	5,963,717	6,239,412
Investments at fair value through profit and loss	4,733,944	3,814,629
Taxation	100,724	61,854
Deferred acquisition costs	1,818,073	2,141,224
Reinsurers' share in technical reserves	5,568,593	9,937,192
Cash and cash equivalents	1,854,369	3,152,376
Total current assets	20,039,420	25,346,67
Total assets	29,465,316	33,957,689
EQUITY		
Share capital	5,575,350	5,575,350
Share premium reserve	163,984	163,984
Revaluation reserve	2,563,721	2,185,285
Profit and loss account reserve	(1,194,574)	(1,524,382)
Total equity	7,108,481	6,400,237
LIABILITIES		
Deferred taxation	555,400	418,144
Long-term insurance liabilities	1,755,735	4,069,092
Total non-current liabilities	2,311,135	4,487,236
Trade and other payables	853,979	611,869
Current instalments of long-term insurance liabilities	695,235	404,818
Pending claims and claims administrative expenses reserve	11,731,840	13,018,814
Unearned premiums	6,315,562	7,274,289
Unexpired risk reserve	81,960	27,160
Reinsurers' share in technical reserves	359,540	1,582,277
Current instalment loans	-	44,435
Bank overdraft	7,584	106,554
Total current liabilities	20,045,700	23,070,216
Total liabilities	22,356,835	27,557,452
Total equity and liabilities	29,465,316	33,957,689

COSMOS INSURANCE PUBLIC HOLDINGS PUBLIC LTD

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION for the year ended 31 December 2016

	Share capital €	Share premium reserve €	Revaluation reserve €	Profit and loss account reserve €	Total €
Balance as at 1 January 2015	5,575,350	163,984	2,150,807	(1,156,711)	6,733,430
Total comprehensive expenses	-	-	34,478	(312,055)	(277,577)
Payment of defence in deemed dividend distribution	-	-	-	(55,616)	(55,616)
Balance as at 31 December 2015	5,575,350	163,984	2,185,285	(1,524,382)	6,400,237
Balance as at 1 January 2016	5,575,350	163,984	2,185,285	(1,524,382)	6,400,237
Total comprehensive income	-	-	378,436	366,412	744,848
Payment of defence in deemed dividend distribution	-	-	-	(36,604)	(36,604)
Balance as at 31 December 2016	5,575,350	163,984	2,563,721	1,194,574	7,108,481

Notes:

- Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for Defence Law of the Republic, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividends. Special contribution for defence at 20% for the years 2012 and 2013 and 17% for 2014 onwards will be payable on such deemed dividends to the extent that the shareholders (individuals and companies), at the end of the period of two years following the end of the relevant tax year, are Cyprus tax residents and are deemed to be domiciled in Cyprus. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.
- The share premium reserve and the revaluation reserve are not available for distribution.
- A total special defence contribution of €634,066 regarding payments of deemed dividend distribution for the years 2003 €78,493, 2004 €72,381, 2005 €49,141, 2006 €111,676, 2007 €69,543, 2009 €66,312, 2010 €49,278, 2011 €23,128, 2012 €21,894, 2013 €55,616 and 2014 €36,604 is credited to the holding company and may be recovered for future dividend distributions.

COSMOS INSURANCE PUBLIC COMPANY LTD**CONSOLIDATED STATEMENT OF CASH FLOWS****for the year ended 31 December 2016**

	2016	2015
	€	€
Cash flow from operating activities		
Profit / (loss) for the year	366,367	(311,870)
Adjustments for:		
Depreciation	332,424	323,244
Write-off of goodwill	36,286	36,286
Gain on revaluation of shares and securities	(50,266)	(31,887)
Gain on revaluation of investment property	(532,000)	-
Loss on revaluation of investment property	32,000	194,085
Dividends received	(59)	-
Write-off of not recognised minority interest	45	(185)
Gain on sale of shares and securities	(7,110)	(17,097)
Loss / (gain) on sale of property, plant and equipment	1,850	(1,600)
Loss on sale of shares and securities	8,585	2,508
Loss on revaluation of shares and securities	10,149	9,564
Interest payable	41,797	64,346
Interest receivable	(108,643)	(144,871)
Taxation	86,098	(4,043)
Decrease in unearned premiums	(958,727)	(211,904)
Loss for operations before changes in working capital	(741,204)	(93,424)
Decrease in trade and other receivables	275,694	1,251,407
(Increase) / decrease in long-term debtors	(12,000)	65,000
Decrease / (decrease) in trade and other liabilities	242,110	(31,245)
Decrease in deferred acquisition costs	323,151	66,680
Decrease in reinsurers' share in claims and technical reserves	3,145,862	1,375,887
Decrease in the pending claims and claims administrative expenses reserve	(1,286,974)	(594,789)
Unexpired risk reserve	54,800	27,160
Cash flow from operations	2,001,439	2,066,676
Tax paid	(60,105)	(105,155)
Payment of defence in deemed dividend distribution	(36,604)	(55,616)
Net cash flow from operating activities	1,904,730	1,905,905
Cash flow from investing activities		
Purchase of property, plant and equipment	(73,089)	(63,876)
Purchase of software programmes	(148,985)	(119,897)
Purchase of shares and other securities	(3,048,738)	(2,182,162)
Proceeds from sales of shares	2,164,365	1,052,022
Proceeds from sale of property, plant and equipment	3,150	1,600
Purchase of investment property	-	(341,085)
Dividends received	59	-
Interest received	108,643	144,871
Net cash flow for investing activities	(994,595)	(1,508,527)
Cash flow from financing activities		
Insurance liability loans	(2,022,940)	(719,832)
Interest paid	(41,797)	(64,346)
Payments for loans	(44,435)	(45,898)
Net cash flow for financing activities	(2,109,172)	(830,076)
Net decrease in cash and cash equivalents	(1,199,037)	(432,698)
Cash and cash equivalents at beginning of year	3,045,822	3,478,520
Cash and cash equivalents at end of year	1,846,785	3,045,822