

# Statement of profit or loss and other comprehensive income

In thousand Armenian drams

	Notes	Year ended 31 December 2017	Year ended 31 December 2016
Gross premiums written	21	9,261,066	8,647,769
Change in the gross provision for unearned premiums	21	(167,503)	(564,639)
Gross insurance premium revenue		9,093,563	8,083,130
Insurance premiums impairment charge	27	(44,494)	(42,247)
Gross insurance premium revenue, after impairment		9,049,069	8,040,883
Written premiums ceded to reinsurers	21	(2,271,542)	(2,414,184)
Reinsurers' share of change in the gross provision for unearned premiums	21	(7,583)	512,254
Ceded earned premiums		(2,279,125)	(1,901,930)
Net insurance premium revenue		6,769,944	6,138,953
Subrogation income		112,870	100,142
Subrogation impairment charge	27	(25,028)	(68,333)
Subrogation income, after impairment		87,842	31,809
Net reinsurance commission income	22	234,732	216,631
Net income from investments available-for-sale		240,358	402,519
Investment income	23	626,535	637,230
Other income		93,216	5,015
Total income		8,052,627	7,432,157
Gross claims incurred	24	(4,788,929)	(3,494,781)
Reinsurer's share of gross claims incurred	24	533,948	246,602
Net insurance claims incurred		(4,254,981)	(3,248,179)
Acquisition costs	25	(1,191,112)	(1,205,286)
Financial expenses	26	(88,823)	(123,617)
Impairment reversal of other assets and receivables	27	671	140
Depreciation and amortization	6,7	(121,577)	(126,353)
Staff costs	28	(967,680)	(946,080)
Other operating and administrative expenses	29	(765,312)	(564,358)
Foreign currency translation net losses of non-trading assets and liabilities		(3,773)	(17,865)
Net losses from trading in foreign currency		(3,196)	(4,819)
Total expenses		(7,395,783)	(6,236,417)

In thousand Armenian drams	Notes	Year ended 31 December 2017	Year ended 31 December 2016
Profit before income tax		656,844	1,195,740
Income tax expense	30	(155,773)	(256,275)
Profit for the year		<u>501,071</u>	<u>939,465</u>
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of PPE	6	17,934	19,574
Income tax relating to items not reclassified	30	(3,587)	(3,915)
Net gains from items that will not be reclassified subsequently to profit or loss		<u>14,347</u>	<u>15,659</u>
<i>Items that will be reclassified subsequently to profit or loss</i>			
Net gains from changes in fair value of available-for-sale financial assets		263,015	794,992
Net gains realized to profit or loss on disposal of available-for-sale instruments		(240,358)	(402,519)
Income tax relating to reclassified items	30	(4,531)	(78,495)
Net gains from items that will be reclassified subsequently to profit or loss		<u>18,126</u>	<u>313,978</u>
Other comprehensive income for the year, net of tax		<u>32,473</u>	<u>329,637</u>
Total comprehensive income for the year		<u>533,544</u>	<u>1,269,102</u>

The accompanying notes on pages 10 to 58 are an integral part of these financial statements.