

## Statement of profit or loss and other comprehensive income

"30" September 2019

"INGO ARMENIA" insurance closed joint stock company

| In thousand Armenian drams  | Notes  | July - September 2019 | January- September 2019 | July - September 2018 | January- September 2018 |
|---|--------|-----------------------|-------------------------|-----------------------|-------------------------|
| Gross premiums written  | 21     | 2,612,668             | 10,569,019              | 1,908,498             | 7,154,569               |
| Change in the gross provision for unearned premiums   | 21     | 702,427               | (1,200,411)             | 659,686               | 542,283                 |
| <b>Gross insurance premium revenue</b>  |        | <b>3,315,095</b>      | <b>9,368,608</b>        | <b>2,568,184</b>      | <b>7,696,852</b>        |
| Impairment charge of premiums   | 21, 27 | 2,476                 | 4,505                   | (15,666)              | (30,440)                |
| <b>Gross insurance premium revenue, after impairment charge</b>                                 |        | <b>3,317,572</b>      | <b>9,373,113</b>        | <b>2,552,518</b>      | <b>7,666,412</b>        |
| Written premiums ceded to reinsurers  | 21     | (746,545)             | (2,931,593)             | (455,983)             | (1,337,097)             |
| Reinsurers' share of change in the gross provision for unearned premiums                        | 21     | (146,312)             | 310,977                 | (186,218)             | (663,745)               |
| <b>Ceded earned premiums</b>  |        | <b>(892,857)</b>      | <b>(2,620,616)</b>      | <b>(642,201)</b>      | <b>(2,000,842)</b>      |
| <b>Net insurance premium revenue</b>  |        | <b>2,424,714</b>      | <b>6,752,497</b>        | <b>1,910,317</b>      | <b>5,665,570</b>        |
| Subrogation income  |        | 39,865                | 131,828                 | 19,703                | 65,944                  |
| Impairment charge of subrogation  | 27     | (4,536)               | (52,755)                | (3,798)               | (2,491)                 |
| <b>Subrogation income, after impairment charge</b>  |        | <b>35,329</b>         | <b>79,073</b>           | <b>15,905</b>         | <b>63,453</b>           |
| Net reinsurance commission income   | 22     | 60,816                | 186,304                 | 63,613                | 200,057                 |
| Net income from investments available-for-sale  |        | 43,061                | 97,013                  | 49,001                | 129,616                 |
| Investment income   | 23     | 163,098               | 506,134                 | 148,524               | 426,876                 |
| Other income  |        | 1,287                 | 19,383                  | 2,781                 | 6,737                   |
| <b>Total income</b>   |        | <b>2,728,305</b>      | <b>7,640,404</b>        | <b>2,190,143</b>      | <b>6,492,309</b>        |
| Gross claims incurred   | 24     | (1,714,979)           | (4,844,213)             | (1,313,975)           | (3,763,816)             |
| Reinsurer's share of gross claims incurred  | 24     | 93,873                | 289,926                 | 12,768                | 5,540                   |
| <b>Net insurance claims incurred</b>  |        | <b>(1,621,106)</b>    | <b>(4,554,287)</b>      | <b>(1,301,207)</b>    | <b>(3,758,276)</b>      |
| Acquisition costs   | 25     | (370,171)             | (982,762)               | (232,667)             | (741,471)               |
| Financial expenses  | 26     | (16,293)              | (72,254)                | (25,146)              | (59,464)                |
| Impairment charge   | 27     | 1,615                 | 65                      | (80)                  | (60)                    |
| Depreciation and amortization   | 6, 7   | (28,367)              | (77,482)                | (21,933)              | (71,144)                |
| Staff costs   | 28     | (311,325)             | (983,336)               | (278,312)             | (845,730)               |
| Other operating and administrative expenses   | 29     | (270,044)             | (566,767)               | (197,396)             | (683,039)               |
| Foreign currency translation net losses of non-trading assets and liabilities                   |        | 1,027                 | 16,098                  | 155                   | 4,917                   |
| Net losses from trading in foreign currency   |        | (610)                 | (3,364)                 | (475)                 | (2,269)                 |
| <b>Total expenses</b>   |        | <b>(2,615,273)</b>    | <b>(7,224,088)</b>      | <b>(2,057,062)</b>    | <b>(6,156,536)</b>      |
| <b>Profit/(loss) before income tax</b>  |        | <b>113,032</b>        | <b>416,316</b>          | <b>133,081</b>        | <b>335,773</b>          |
| Income tax expense  | 30     | 5,026                 | (88,796)                | (40,048)              | (106,190)               |
| <b>Profit/(loss) for the year</b>   |        | <b>118,058</b>        | <b>327,520</b>          | <b>93,033</b>         | <b>229,583</b>          |
| <b>Other comprehensive income:</b>  |        |                       |                         |                       |                         |
| <i>Items that will not be reclassified subsequently to profit or loss</i>                       |        |                       |                         |                       |                         |
| Revaluation of PPE  |        |                       |                         |                       |                         |
| Income tax relating to items not reclassified   |        |                       |                         |                       |                         |
| <b>Net income from items that will not be reclassified subsequently to profit or loss</b>       |        | <b>-</b>              | <b>-</b>                | <b>-</b>              | <b>-</b>                |
| <i>Items that will be reclassified subsequently to profit or loss</i>                           |        |                       |                         |                       |                         |
| Net unrealized gains/(losses) from changes in fair value of available-for-sale financial assets |        | 86,974                | 141,439                 | 19,075                | 51,256                  |
| Net gains realized to net profit or loss on disposal of available-for-sale instruments          |        | (43,061)              | (97,013)                | (49,001)              | (129,616)               |
| Income tax relating to reclassified items   |        | (8,783)               | (8,885)                 | 5,985                 | 15,672                  |
| <b>Net gains/(losses) from items that will be reclassified subsequently to profit or loss</b>   |        | <b>35,131</b>         | <b>35,541</b>           | <b>(23,942)</b>       | <b>(62,688)</b>         |
| <b>Other comprehensive income for the year, net of tax</b>                                      |        | <b>35,131</b>         | <b>35,541</b>           | <b>(23,942)</b>       | <b>(62,688)</b>         |
| <b>Total comprehensive income for the year</b>  |        | <b>153,189</b>        | <b>363,061</b>          | <b>69,091</b>         | <b>166,895</b>          |