

Statement of profit or loss and other comprehensive income

In thousand Armenian drams

	Notes	2018	2017
Gross premiums written	21	10,153,610	9,261,066
Change in the gross provision for unearned premiums	21	114,535	(167,503)
Gross insurance premium revenue		10,268,145	9,093,563
Insurance premiums impairment charge	27	(38,188)	(44,494)
Gross insurance premium revenue, after impairment		10,229,957	9,049,069
Written premiums ceded to reinsurers	21	(2,540,870)	(2,271,542)
Reinsurers' share of change in the gross provision for unearned premiums	21	(110,230)	(7,583)
Ceded earned premiums		(2,651,100)	(2,279,125)
Net insurance premium revenue		7,578,857	6,769,944
Subrogation income		86,255	112,870
Subrogation impairment charge	27	(6,270)	(25,028)
Subrogation income, after impairment		79,985	87,842
Net reinsurance commission income	22	262,508	234,732
Net income from investments available-for-sale		145,021	240,358
Investment income	23	584,027	626,535
Other income		60,161	93,216
Total income		8,710,559	8,052,627
Gross claims incurred	24	(5,436,617)	(4,788,929)
Reinsurer's share of gross claims incurred	24	145,734	533,948
Net insurance claims incurred		(5,290,883)	(4,254,981)
Acquisition costs	25	(959,378)	(1,191,112)
Financial expenses	26	(89,425)	(88,823)
Impairment (charge)/reversal of other assets and receivables	27	(1,275)	671
Depreciation and amortization	6,7	(96,115)	(121,577)
Staff costs	28	(1,103,044)	(967,680)
Other operating and administrative expenses	29	(886,409)	(765,312)
Foreign currency translation net losses of non-trading assets and liabilities		5,568	(3,773)
Net losses from trading in foreign currency		(2,913)	(3,196)
Total expenses		(8,423,874)	(7,395,783)
Profit before income tax		286,685	656,844
Income tax expense	30	(81,092)	(155,773)
Profit for the year		205,593	501,071

Statement of profit or loss and other comprehensive income (continued)

In thousand Armenian drams

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of PPE	6	62,561	17,934
Income tax relating to items not reclassified	30	(12,512)	(3,587)
Net gains from items that will not be reclassified subsequently to profit or loss		<u>50,049</u>	<u>14,347</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		88,052	263,015
Net gains realized to profit or loss on disposal of available-for-sale instruments		(166,367)	(240,358)
Income tax relating to reclassified items	30	15,663	(4,531)
Net gains from items that will be reclassified subsequently to profit or loss		<u>(62,652)</u>	<u>18,126</u>
Other comprehensive income for the year, net of tax		<u>(12,603)</u>	<u>32,473</u>
Total comprehensive income for the year		<u><u>192,990</u></u>	<u><u>533,544</u></u>

The accompanying notes on pages 10 to 59 are an integral part of these financial statements.