## Statement of profit or loss and other comprehensive income

| Gross premiums written   21   8,647,769   8,141,484     Change in the gross provision for uneared premiums   21   (654,639)   (313,123)     Gross insurance premium impairment charge   27   (42,247)   (117,733)     Gross insurance premium revenue, after impairment   8,040,883   7,710,628     Written premiums ceded to reinsurers   21   (2,414,184)   (1,682,185)     Reinsurers' share of change in the gross provision for uneared premiums   1512,264   255,996     Uneared premiums   (1,901,930)   (1,426,689)   (1,426,689)     Net Insurance premium revenue   6,138,953   6,283,939   (2,634)     Subrogation income   20   216,631   199,300     Net reinsurance commission income   22   216,631   199,300     Net income/(loss) from investments available-for-sale   402,519   (68,555)   100,42     Income   7,432,157   7,246,798   64,602   269,952     Investment income   25   (1,205,286)   (1,243,175)   7,246,798     Gross claims incurred   25   (1,205,286)   (1,243,175)  | In thousand Armenian drams                                   | Notes | Year ended<br>31 December 2016 | Year ended<br>31 December 2015 |
|---|--|-------|--------------------------------|--------------------------------|
| Gross insurance premium revenue   8,083,130   7,828,361     Insurance premiums impairment charge   27   (42,247)   (117,733)     Gross insurance premium revenue, after impairment   8,040,883   7,710,628     Written premiums ceded to reinsurers   21   (2,414,184)   (1,682,185)     Reinsurers' share of change in the gross provision for unearned premiums   1512,254   255,496     Unearned premiums   (1,901,930)   (1,426,689)     Net insurance premium revenue   6,138,953   6,283,939     Subrogation income   100,142   234,286     Subrogation income   22   216,631   199,300     Net reinsurance commission income   22   216,631   199,300     Net reinsurance commission income   23   637,230   720,642     Other income   7,432,157   7,246,798   6,665     Total income   27   103,443,781)   (3,623,366)     Reinsurer's share of gross claims incurred   24   246,602   269,952     Net Insurance claims incurred   25   (1,243,175)   7,246,798     Gross claims incu  | Gross premiums written                                       | 21    | 8,647,769                      | 8,141,484                      |
| Insurance premiums impairment charge   27   (42,247)   (117,733)     Gross insurance premium revenue, after impairment   8,040,883   7,710,628     Written premiums ceded to reinsurers   21   (2,414,184)   (1,682,185)     Reinsurers' share of change in the gross provision for<br>unearned premiums   21   512,254   2255,496     Ceded earned premiums   (1,190,1930)   (1,1426,689)   (1,426,689)     Net insurance premium revenue   6,138,953   6,283,939     Subrogation income   100,142   234,286     Subrogation income, after impairment   31,809   126,347     Net reinsurance commission income   22   216,631   199,300     Net reinsurance commission income   23   637,230   720,642     Other income   23   637,230   720,642     Other income   7,432,157   7,246,798     Gross claims incurred   24   246,602   269,952     Net insurance claims incurred   24   (1,248,179)   (3,353,414)     Acquisition costs   25   (1,205,286)   (1,243,175)     Financ  | Change in the gross provision for unearned premiums          | 21    | (564,639)                      | (313,123)                      |
| Retrinsplantation premium revenue, after impairment   8,040,883   7,710,628     Written premiums ceded to reinsurers   21   (2,414,184)   (1,682,185)     Reinsurers' share of change in the gross provision for<br>unearned premiums   21   512,254   255,496     Ceded earned premiums   (1,901,930)   (1,426,689)   (1,426,689)     Net insurance premium revenue   6,138,953   6,283,939     Subrogation income   100,142   234,286     Subrogation income   22   216,631   199,300     Net reinsurance commission income   22   216,631   199,300     Net reinsurance commission income   23   637,230   720,642     Other income   5,015   6,165   6,165     Total income   7,432,157   7,246,798   (3,623,366)     Reinsurer's share of gross claims incurred   24   (3,494,781)   (3,623,366)     Reinsurer's share of gross claims incurred   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (3,79,873)   (3,353,414)     Acquisition costs   27 <t< td=""><td>Gross insurance premium revenue</td><td>-</td><td>8,083,130</td><td>7,828,361</td></t<> | Gross insurance premium revenue                              | -     | 8,083,130                      | 7,828,361                      |
| Written premiums ceded to reinsurers   21   (2,414,184)   (1,682,185)     Reinsurers' share of change in the gross provision for<br>unearned premiums   21   512,254   225,496     Ceded earned premiums   (1,901,930)   (1,426,689)   (1,426,689)     Net insurance premium revenue   6,138,953   6,283,939     Subrogation income   100,142   234,286     Subrogation income, after impairment   31,809   126,347     Net insurance commission income   22   216,631   199,300     Net income/(loss) from investments available-for-sale   402,519   (48,505)     Investment income   23   637,230   720,642     Other income   5,015   6,165   6,165     Total income   7,432,157   7,246,798   (3,623,366)     Reinsurer's share of gross claims incurred   24   2,448,179)   (3,353,414)     Acquisition costs   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Unpairment (charge)/reversal of other assets and receivables   27   140   (555)  | Insurance premiums impairment charge                         | 27    | (42,247)                       | (117,733)                      |
| Reinsurers' share of change in the gross provision for<br>unearned premiums   21   512,254   255,496     Ceded earned premiums   (1,901,930)   (1,426,689)   (1,426,689)     Net insurance premium revenue   6,138,953   6,283,939   (1,426,689)     Subrogation income   100,142   234,286   (100,142   234,286     Subrogation income   100,142   234,286   (100,142   234,286     Subrogation income, after impairment   31,809   126,347   (19,309)   (100,142   234,286     Net reinsurance commission income   22   216,631   199,300   (19,505)     Net store (loss) from investments available-for-sale   402,519   (49,555)   (19,505)     Investment income   23   637,230   720,642   (26,952)     Other income   5,015   6,165   (16,652)   (1,243,175)     Total income   24   (3,494,781)   (3,623,366)   (3,248,179)   (3,353,414)     Acquisition costs   25   (1,205,286)   (1,243,175)   Financial expenses   (26   (123,617)   (379,873) <t< td=""><td>Gross insurance premium revenue, after impairment</td><td>-</td><td>8,040,883</td><td>7,710,628</td></t<>       | Gross insurance premium revenue, after impairment            | -     | 8,040,883                      | 7,710,628                      |
| unearned premiums   (1,901,930)   (1,426.689)     Net insurance premium revenue   6,138,953   6,283,939     Subrogation income   100,142   234,286     Subrogation income, after impairment   31,809   126,347     Net rissurance commission income   22   216,631   199,300     Net reissurance commission income   22   216,631   199,300     Net income/(loss) from investments available-for-sale   402,519   (89,955)     Investment income   23   637,230   720,642     Other income   5,015   6,165   6,165     Total income   7,432,157   7,246,798   269,952     Reinsurer's share of gross claims incurred   24   (3,494,781)   (3,623,366)     Reinsurer's share of gross claims incurred   24   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Impairment (charge/reversal of other assets and receivables   27   140   (535)     Depreciation and amortization   6,7   (126,353)   (144,643)     Staff costs   2  | Written premiums ceded to reinsurers                         | 21    | (2,414,184)                    | (1,682,185)                    |
| Net insurance premium revenue   6,138,953   6,283,939     Subrogation income   100,142   234,286     Subrogation impairment charge   27   (66,333)   (107,939)     Subrogation income, after impairment   31,809   126,347     Net reinsurance commission income   22   216,631   199,300     Net reinsurance commission income   22   216,631   199,300     Net income/(loss) from investments available-for-sale   402,519   (89,595)     Investment income   23   637,230   720,642     Other income   7,432,157   7,246,798     Gross claims incurred   24   (3,494,781)   (3,623,366)     Reinsurer's share of gross claims incurred   24   246,602   269,952     Net insurance claims incurred   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Impairment (charge)/reversal of other assets and receivables   27   140   (535)     Depreciation and amortization   6,7   (126,353)   (144,643)     Staff costs   |  | 21    | 512,254                        | 255,496                        |
| Subrogation income   100,142   234,286     Subrogation impairment charge   27   (68,333)   (107,939)     Subrogation income , after impairment   31,809   126,347     Net reinsurance commission income   22   216,631   199,300     Net reinsurance commission income   22   216,631   199,300     Net income/(loss) from investments available-for-sale   402,519   (89,595)     Investment income   23   637,230   720,642     Other income   5,015   6,165   6,165     Total income   7,432,157   7,246,798   269,952     Reinsurer's share of gross claims incurred   24   246,602   269,952     Net insurance claims incurred   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Impairment (charge)/reversal of other assets and receivables   27   140   (635)     Depreciation and amortization   6,7   (126,353)   (144,643)     Staff costs   28   (946,080)   (979,461)     Other operating and   | Ceded earned premiums  | -     | (1,901,930)                    | (1,426,689)                    |
| Subrogation impairment charge   27   (68,333)   (107,939)     Subrogation income , after impairment   31,809   126,347     Net reinsurance commission income   22   216,631   199,300     Net income/(loss) from investments available-for-sale   402,519   (89,595)     Investment income   23   637,230   720,642     Other income   5,015   6,165     Total income   7,432,157   7,246,798     Gross claims incurred   24   (3,494,781)   (3,623,366)     Reinsurer's share of gross claims incurred   24   246,602   269,952     Net insurance claims incurred   24   (3,248,179)   (3,353,414)     Acquisition costs   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Impairment (charge)/reversal of other assets and receivables   27   140   (535)     Depreciation and amortization   6,7   (126,353)   (144,643)     Staff costs   28   (946,080)   (979,461)     Other operating and administrative expenses<  | Net insurance premium revenue                                | -     | 6,138,953                      | 6,283,939                      |
| Subrogation income , after impairment   11   11   11     Subrogation income , after impairment   31,809   126,347     Net reinsurance commission income   22   216,631   199,300     Net income/(loss) from investments available-for-sale   402,519   (89,595)     Investment income   23   637,230   720,642     Other income   5,015   6,165     Total income   7,432,157   7,246,798     Gross claims incurred   24   (3,494,781)   (3,623,366)     Reinsurer's share of gross claims incurred   24   246,602   269,952     Net insurance claims incurred   (3,248,179)   (3,353,414)   (3,353,414)     Acquisition costs   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Impairment (charge)/reversal of other assets and receivables   27   140   (535)     Depreciation and amortization   6,7   (126,353)   (144,643)     Staff costs   28   (946,080)   (979,461)     Other operating and administrative expen  | Subrogation income   |       | 100,142                        | 234,286                        |
| Net reinsurance commission income   22   216,631   199,300     Net reinsurance commission income   402,519   (89,595)     Investment income   23   637,230   720,642     Other income   5,015   6,165     Total income   7,432,157   7,246,798     Gross claims incurred   24   (3,494,781)   (3,623,366)     Reinsurance claims incurred   24   246,602   269,952     Net insurance claims incurred   24   246,602   269,952     Net insurance claims incurred   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Impairment (charge)/reversal of other assets and receivables   27   140   (535)     Depreciation and amortization   6,7   (126,353)   (144,643)     Staff costs   28   (946,080)   (979,461)     Other operating and administrative expenses   29   (564,358)   (524,202)     Foreign currency translation net gains/(losses) of non-trading assets and liabilities   816   816     Net losses from tra  | Subrogation impairment charge                                | 27    | (68,333)                       | (107,939)                      |
| Net income/(loss) from investments available-for-sale   402,519   (89,595)     Investment income   23   637,230   720,642     Other income   5,015   6,165     Total income   7,432,157   7,246,798     Gross claims incurred   24   (3,494,781)   (3,623,366)     Reinsurer's share of gross claims incurred   24   246,602   269,952     Net insurance claims incurred   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Impairment (charge)/reversal of other assets and receivables   27   140   (535)     Depreciation and amortization   6,7   (126,353)   (144,643)     Staff costs   28   (946,080)   (979,461)     Other operating and administrative expenses   29   (564,358)   (524,202)     Foreign currency translation net gains/(losses) of non-trading assets and liabilities   816   816     Net losses from trading in foreign currency   (4,819)   (5,556)     Total expenses   (6,236,417)   (6,630,043)     Profit before income   | Subrogation income , after impairment                        | -     | 31,809                         | 126,347                        |
| Investment income   23   637,230   720,642     Other income   5,015   6,165     Total income   7,432,157   7,246,798     Gross claims incurred   24   (3,494,781)   (3,623,366)     Reinsurer's share of gross claims incurred   24   246,602   269,952     Net insurance claims incurred   (3,248,179)   (3,353,414)   (3,353,414)     Acquisition costs   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Impairment (charge)/reversal of other assets and receivables   27   140   (535)     Depreciation and amortization   6,7   (126,353)   (144,643)     Staff costs   28   (946,080)   (979,461)     Other operating and administrative expenses   29   (564,358)   (524,202)     Foreign currency translation net gains/(losses) of non-trading assets and liabilities   (4,819)   (5,556)     Net losses from trading in foreign currency   (4,819)   (5,556)   (6,630,043)     Profit before income tax   1,195,740   616,755 <td< td=""><td>Net reinsurance commission income</td><td>22</td><td>216,631</td><td>199,300</td></td<>    | Net reinsurance commission income                            | 22    | 216,631                        | 199,300                        |
| International module   5,015   6,165     Other income   7,432,157   7,246,798     Gross claims incurred   24   (3,494,781)   (3,623,366)     Reinsurer's share of gross claims incurred   24   246,602   269,952     Net insurance claims incurred   (3,248,179)   (3,353,414)   (3,623,366)     Acquisition costs   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Impairment (charge)/reversal of other assets and receivables   27   140   (535)     Depreciation and amortization   6,7   (126,353)   (144,643)     Staff costs   28   (946,080)   (979,461)     Other operating and administrative expenses   29   (564,358)   (524,202)     Foreign currency translation net gains/(losses) of non-trading assets and liabilities   816   816     Net losses from trading in foreign currency   (4,819)   (5,556)   (6,630,043)     Profit before income tax   1,195,740   616,755   (131,693)  | Net income/(loss) from investments available-for-sale        |       | 402,519                        | (89,595)                       |
| Total income   7,432,157   7,246,798     Gross claims incurred   24   (3,494,781)   (3,623,366)     Reinsurer's share of gross claims incurred   24   246,602   269,952     Net insurance claims incurred   (3,248,179)   (3,353,414)   (3,263,376)     Acquisition costs   25   (1,205,286)   (1,243,175)     Financial expenses   26   (123,617)   (379,873)     Impairment (charge)/reversal of other assets and receivables   27   140   (535)     Depreciation and amortization   6,7   (126,353)   (144,643)     Staff costs   28   (946,080)   (979,461)     Other operating and administrative expenses   29   (564,358)   (524,202)     Foreign currency translation net gains/(losses) of non-trading assets and liabilities   816   816     Net losses from trading in foreign currency   (4,819)   (5,556)   7556)     Total expenses   (6,236,417)   (6,630,043)   616,755     Income tax expense   30   (256,275)   (131,693)   | Investment income  | 23    | 637,230                        | 720,642                        |
| Gross claims incurred 24 (3,494,781) (3,623,366)   Reinsurer's share of gross claims incurred 24 246,602 269,952   Net insurance claims incurred (3,248,179) (3,353,414)   Acquisition costs 25 (1,205,286) (1,243,175)   Financial expenses 26 (123,617) (379,873)   Impairment (charge)/reversal of other assets and receivables 27 140 (535)   Depreciation and amortization 6,7 (126,353) (144,643)   Staff costs 28 (946,080) (979,461)   Other operating and administrative expenses 29 (564,358) (524,202)   Foreign currency translation net gains/(losses) of non-trading assets and liabilities (17,865) 816   Net losses from trading in foreign currency (4,819) (5,556) (6,630,043)   Profit before income tax 1,195,740 616,755 (131,693)   | Other income   |       | 5,015                          | 6,165                          |
| Reinsurer's share of gross claims incurred 24 246,602 269,952   Net insurance claims incurred (3,248,179) (3,353,414)   Acquisition costs 25 (1,205,286) (1,243,175)   Financial expenses 26 (123,617) (379,873)   Impairment (charge)/reversal of other assets and receivables 27 140 (535)   Depreciation and amortization 6,7 (126,353) (144,643)   Staff costs 28 (946,080) (979,461)   Other operating and administrative expenses 29 (564,358) (524,202)   Foreign currency translation net gains/(losses) of non-trading assets and liabilities (17,865) 816   Net losses from trading in foreign currency (4,819) (5,556)   Total expenses 30 (256,275) (131,693)   | Total income   | -     | 7,432,157                      | 7,246,798                      |
| Net insurance claims incurred(3,248,179)(3,353,414)Acquisition costs25(1,205,286)(1,243,175)Financial expenses26(123,617)(379,873)Impairment (charge)/reversal of other assets and receivables27140(535)Depreciation and amortization6,7(126,353)(144,643)Staff costs28(946,080)(979,461)Other operating and administrative expenses29(564,358)(524,202)Foreign currency translation net gains/(losses) of non-trading assets and liabilities(17,865)816Net losses from trading in foreign currency(4,819)(5,556)Total expenses30(256,275)(131,693)   | Gross claims incurred  | 24    | (3,494,781)                    | (3,623,366)                    |
| Acquisition costs25(1,205,286)(1,243,175)Financial expenses26(123,617)(379,873)Impairment (charge)/reversal of other assets and receivables27140(535)Depreciation and amortization6,7(126,353)(144,643)Staff costs28(946,080)(979,461)Other operating and administrative expenses29(564,358)(524,202)Foreign currency translation net gains/(losses) of non-trading assets and liabilities(17,865)816Net losses from trading in foreign currency(4,819)(5,556)Total expenses0(236,417)(66,630,043)Profit before income tax1,195,740616,755Income tax expense30(256,275)(131,693)  | Reinsurer's share of gross claims incurred                   | 24    | 246,602                        | 269,952                        |
| Financial expenses26(123,617)(379,873)Impairment (charge)/reversal of other assets and receivables27140(535)Depreciation and amortization6,7(126,353)(144,643)Staff costs28(946,080)(979,461)Other operating and administrative expenses29(564,358)(524,202)Foreign currency translation net gains/(losses) of non-trading assets and liabilities(17,865)816Net losses from trading in foreign currency(4,819)(5,556)Total expenses0(256,275)(131,693)  | Net insurance claims incurred                                | -     | (3,248,179)                    | (3,353,414)                    |
| Immediation or protect1140(535)Impairment (charge)/reversal of other assets and receivables27140(535)Depreciation and amortization6,7(126,353)(144,643)Staff costs28(946,080)(979,461)Other operating and administrative expenses29(564,358)(524,202)Foreign currency translation net gains/(losses) of non-trading assets and liabilities(17,865)816Net losses from trading in foreign currency(4,819)(5,556)Total expenses(6,236,417)(6,630,043)Profit before income tax1,195,740616,755Income tax expense30(256,275)(131,693)  | Acquisition costs  | 25    | (1,205,286)                    | (1,243,175)                    |
| Depreciation and amortization 6,7 (126,353) (144,643)   Staff costs 28 (946,080) (979,461)   Other operating and administrative expenses 29 (564,358) (524,202)   Foreign currency translation net gains/(losses) of non-trading assets and liabilities (17,865) 816   Net losses from trading in foreign currency (4,819) (5,556)   Total expenses (6,236,417) (6,630,043)   Profit before income tax 1,195,740 616,755   Income tax expense 30 (256,275) (131,693)  | Financial expenses   | 26    | (123,617)                      | (379,873)                      |
| Staff costs28(946,080)(979,461)Other operating and administrative expenses29(564,358)(524,202)Foreign currency translation net gains/(losses) of non-trading<br>assets and liabilities(17,865)816Net losses from trading in foreign currency(4,819)(5,556)Total expenses(6,236,417)(6,630,043)Profit before income tax1,195,740616,755Income tax expense30(256,275)(131,693)  | Impairment (charge)/reversal of other assets and receivables | 27    | 140                            | (535)                          |
| Other operating and administrative expenses29(564,358)(524,202)Foreign currency translation net gains/(losses) of non-trading<br>assets and liabilities(17,865)816Net losses from trading in foreign currency(4,819)(5,556)Total expenses(6,236,417)(6,630,043)Profit before income tax1,195,740616,755Income tax expense30(256,275)(131,693)   | Depreciation and amortization                                | 6,7   | (126,353)                      | (144,643)                      |
| Control operating and duminatative expensesControl operating and duminatative expensesControl operating and duminatative expensesForeign currency translation net gains/(losses) of non-trading assets and liabilities(17,865)816Net losses from trading in foreign currency(4,819)(5,556)Total expenses(6,236,417)(6,630,043)Profit before income tax1,195,740616,755Income tax expense30(256,275)(131,693)  | Staff costs  | 28    | (946,080)                      | (979,461)                      |
| assets and liabilities(4,819)(5,556)Net losses from trading in foreign currency(4,819)(5,556)Total expenses(6,236,417)(6,630,043)Profit before income tax1,195,740616,755Income tax expense30(256,275)(131,693)   | Other operating and administrative expenses                  | 29    | (564,358)                      | (524,202)                      |
| Total expenses   (6,236,417)   (6,630,043)     Profit before income tax   1,195,740   616,755     Income tax expense   30   (256,275)   (131,693)   |  |       | (17,865)                       | 816                            |
| Profit before income tax   1,195,740   616,755     Income tax expense   30   (256,275)   (131,693)  | Net losses from trading in foreign currency                  | -     | (4,819)                        | (5,556)                        |
| Income tax expense 30 (256,275) (131,693)   | Total expenses   |       | (6,236,417)                    | (6,630,043)                    |
|   | Profit before income tax                                     | -     | 1,195,740                      | 616,755                        |
| Profit for the year 939,465 485,062   | Income tax expense   | 30    | (256,275)                      | (131,693)                      |
|   | Profit for the year  | -     | 939,465                        | 485,062                        |

| In thousand Armenian drams   | Notes | Year ended<br>31 December 2016 | Year ended<br>31 December 2015 |
|--|-------|--------------------------------|--------------------------------|
| Other comprehensive income:  |       |                                |                                |
| Items that will not be reclassified subsequently to profit or loss                             | ;     |                                |                                |
| Revaluation of PPE   |       | 19,574                         | 16,938                         |
| Income tax relating to items not reclassified  |       | (3,915)                        | (3,388)                        |
| Net gains from items that will not be reclassified<br>subsequently to profit or loss           |       | 15,659                         | 13,550                         |
| Items that will be reclassified subsequently to profit or loss                                 |       |                                |                                |
| Net gains/(losses) from changes in fair value of available-for-<br>sale financial assets       |       | 794,992                        | (1,870)                        |
| Net (gains)/losses realized to profit or loss on disposal of<br>available-for-sale instruments |       | (402,519)                      | 89,595                         |
| Income tax relating to reclassified items  |       | (78,495)                       | (17,545)                       |
| Net gains from items that will be reclassified subsequently to profit or loss                  |       | 313,978                        | 70,180                         |
| Other comprehensive income for the year, net of tax  |       | 329,637                        | 83,730                         |
| Total comprehensive income for the year  | -     | 1,269,102                      | 568,792                        |