



ZINAPAH®

NATIONAL FOUNDATION FOR
SERVICEMEN INSURANCE

UNITED FOR OUR SOLDIERS...

2024 Q3 Report



zinapah.am



DONATE

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Arpine Zargaryan
Social Projects
Coordinator



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Bookkeeper



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IT Project Manager



Mari Boyadjyan
Admin Assistant



Nare Atomyan
Admin Assistant



About ZINAPAH

ZINAPAH was founded in 2017 to provide stable, equitable compensation for the well-being of the families of fallen, missing servicemen and 1st and 2nd category disabled servicemen while defending the homeland and its borders for the peace and security of future generations.

In April 2023, the Foundation previously known as Insurance Foundation for Servicemen (IFS) was renamed ZINAPAH – National Foundation for Servicemen Insurance. ZINAPAH is a non-political institution that operates according to the [Law](#).

It is a unique foundation in the region, where every working citizen in Armenia is required to make mandatory contributions from their salaries. ZINAPAH represents a pan-Armenian effort to ensure financial well-being for those who have sacrificed their lives for the security of Armenia.

ZINAPAH funds are generated from:

- ✔ Mandatory monthly payments from 1,500 to 15,000 AMD per month (based on the amount of income) by taxpayers in Armenia
- ✔ Voluntary donations received from all over the world, including Armenia
- ✔ ZINAPAH asset management appreciation

ZINAPAH is governed by an independent [Board of Trustees](#) (BoT), consisting of highly-regarded professionals with stellar reputations and expertise in Finance & Banking, Business, Crisis Management, Fundraising, and Asset Management.

ZINAPAH is operated by a highly motivated and experienced Executive Team of young professionals. [ZINAPAH website](#) provides the possibility to monitor both total funds from mandatory payments and donations and the list of compensations. The CEO [Quarterly, Annual reports](#), as well as the [Annual Audit report](#) conducted by one of the top 10 worldwide known audit firm networks, are also regularly published on the ZINAPAH website.



MISSION

To unite the nation to stand by the servicemen and their families to ensure financial stability and a dignified life for them.



VISION

To be a socially responsible foundation for servicemen that incorporates mandatory and voluntary insurance components.



VALUES

TRANSPARENCY, ACCOUNTABILITY, INTEGRITY

Today, it is our duty to stand by the fallen, missing, and disabled soldiers and their families...



Karine Sarkissian
CEO ZINAPAH

Dear Friends of ZINAPAH Community,

As we close Quarter 3 of 2024, I am proud to share the progress and impact that ZINAPAH continues to make. ZINAPAH remains unwavering in its mission to ensure the financial security and well-being of the servicemen and their families who defend our homeland. In times of great uncertainty, the role of ZINAPAH is more critical than ever, providing not only financial compensation but also hope and stability to those who have sacrificed for the peace and security of our nation.

From 2017 to 2024 Q3 our financial compensation, which includes upfront lump-sum payments and ongoing monthly compensation support, has reached **102B AMD** for **5,469** servicemen since our inception in 2017. Approximately **173B AMD** of ZINAPAH assets was generated from mandatory stamp payments, **23B AMD** from asset management, and around **9.5B AMD** from donations.

This has been made possible through the collective effort of our citizens, whose mandatory contributions reflect a nation united behind its defenders, and through the generosity of donors in Armenia and worldwide. I extend my deepest gratitude to every supporter, volunteer, and partner who has contributed to this cause. Your solidarity fuels our ability to deliver real impact, ensuring that our heroes and their families are not left behind.

In this report, we have outlined key financial updates, the continued strengthening of our governance practices, and insights from our beneficiaries that remind us why we must carry this work forward. Transparency, accountability, and integrity remain the bedrock of ZINAPAH. We continue to publish detailed operations and audit reports to ensure every luma entrusted to us is used wisely and effectively.

As we look ahead, our mission remains steadfast. We are committed to adapting to new challenges of our servicemen and their families' social and moral integration and ensuring that the sacrifices of our servicemen are honored for years to come.

Thank you for your trust and continued support in making ZINAPAH a symbol of our national pride and unity.

With deep respect,
Karine Sarkissian
CEO ZINAPAH

united for our soldiers...

The financial structure of ZINAPAH is resilient, with its main revenue stream coming from stable and increasing mandatory payments, and a growing focus on asset management income. Asset management is becoming a key income stream and will likely remain a strategic focus moving forward. Compensation remains the largest expense, effectively channeling most of ZINAPAH resources toward its primary mission. Despite a rise in administrative and operational costs, they remain well-controlled, and capital expenditures are expected to drop significantly.

Mandatory payments are the largest contributor to total income, steadily increasing from 21.78B AMD in 2017-2019 to a projected 44.51B AMD in 2024. From 2023 to 2024, income from mandatory payments grew by 3%, contributing 83% of total income in 2024, a slight decline from 87% in 2023, indicating some diversification of income. Donations peaked in 2020 at 6.98B AMD but have since significantly declined, projected at 243M AMD in 2024, marking an 11% decrease from 2023. Its contribution to total income is expected to be negligible, only 0.45% in 2024. On the other hand, asset management has demonstrated steady growth, with an expected rise from 5.94B AMD in 2023 to 8.81B AMD in 2024, an increase of 48%. This growth will increase asset management contribution to total income from 12% in 2023 to 16% in 2024, indicating its importance as a future revenue source. Total income has grown from 24.63B AMD in 2017-2019 to a projected 53.69B AMD in 2024, showing an 8% growth between 2023 and 2024, maintaining an upward trajectory.

Compensations as the biggest chunk of the expenses are set to increase by 41% from 2023 to 2024, accounting for 98% of total expenses, underscoring ZINAPAH commitment to its core mission of compensation payouts. Administrative expenses are projected to rise from 267M AMD in 2023 to 314M AMD in 2024, a 17% increase, but they will still represent a small portion (1%) of total expenses. Capital expenditures, after peaking at 105M AMD in 2021, are expected to drop significantly, reaching 12M AMD in 2024, a 74% decline from 2023, and will make up only 0.05% of total expenses, signaling reduced investments in infrastructure or assets.

| MLN, AMD | 2017-2019 | 2020 | 2021 | 2022 | 2023 | 2024 RE | 2017-2024 RE | 2024 vs. PY | Contr. to Mix 2023 | Contr. to Mix 2024 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|-------------|--------------------|--------------------|
| Mandatory Payments | 21,779 | 9,134 | 29,072 | 35,274 | 43,199 | 44,513 | 182,973 | 3% | 87% | 83% |
| Donations | 305 | 6,976 | 1,290 | 508 | 273 | 243 | 9,595 | -11% | 1% | 0.45% |
| Kamurj* | - | 1,000 | 1,510 | 239 | 237 | 126 | 3,112 | -47% | 0.5% | 0.2% |
| CBA** | - | - | 301 | - | - | - | 301 | 0% | 0% | 0% |
| Asset Management | 2,545 | 2,425 | 1,841 | 3,256 | 5,944 | 8,808 | 24,820 | 48% | 12% | 16% |
| Other Income | - | - | 0.24 | 0.19 | 0.26 | 0.75 | 1 | 183.8% | 0% | 0% |
| Total Income | 24,629 | 19,535 | 34,015 | 39,278 | 49,654 | 53,691 | 220,802 | 8% | 100% | 100% |
| Compensations | 1,635 | 8,030 | 44,484 | 16,878 | 14,747 | 20,859 | 106,632 | 41% | 98% | 98% |
| Admin Expenses | - | - | - | 246 | 267 | 314 | 827 | 17% | 2% | 1% |
| CapEx | - | - | 105 | 3 | 45 | 12 | 165 | -74% | 0.3% | 0.05% |
| OpEx | 0.32 | - | 149 | 21 | 25 | 39 | 236 | 55% | 0.2% | 0.2% |
| Other | - | - | - | - | - | - | - | | 0% | 0% |
| Total Expenses | 1,635 | 8,030 | 44,738 | 17,148 | 15,084 | 21,224 | 107,860 | 41% | 100% | 100% |

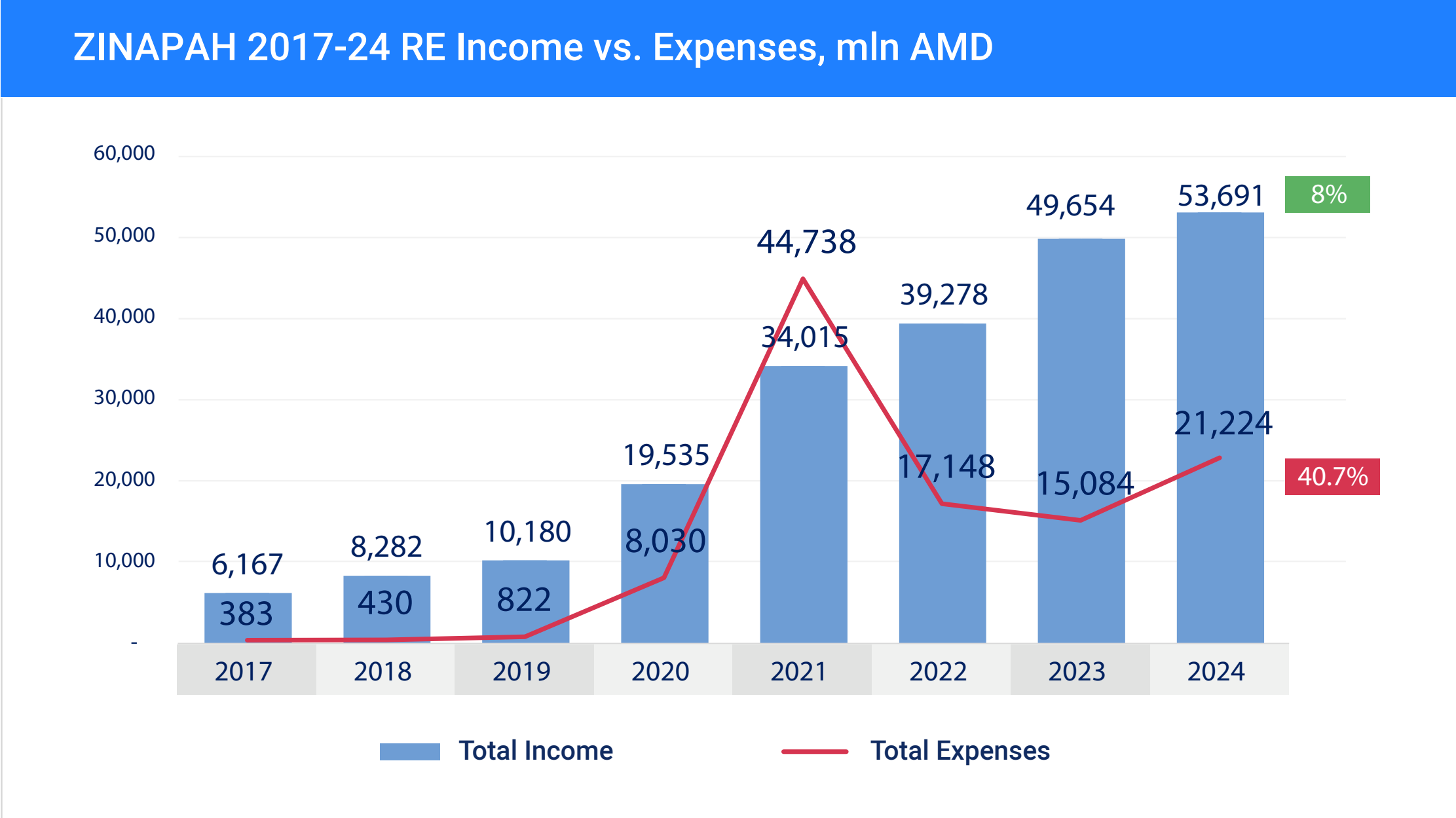
* **Kamurj** - A program financed by the RA Government to give compensation to servicemen who are severely injured or are missing in action before becoming ZINAPAH beneficiaries. For these servicemen, compensation is provided for 45 months in the amount of 300,000 AMD monthly payments to eligible beneficiaries and are reported in the compensation expenses.

** **Central Bank of Armenia Contribution (CBA)** - All the expenses made during 2021 were financed by the Central Bank of Armenia. The funding is regulated by law and has been previously approved by the CBA Board.



The graph illustrates ZINAPAH actual income and expenses from 2017 to 2024 Q3 results and the rest of the year RE, segmented by each year.

ZINAPAH experienced an 8% increase in total income vs the previous year, expected to reach 53,691B AMD. Simultaneously, total expenses are also expected to grow by 41% mainly due to the increase in liabilities, amounting to 21,224B AMD.



ZINAPAH Operations for 2017 – 2024 Q3 vs PY



Total income is projected to grow by 8% in 2024 compared to 2023 and the actual growth was by 13% in Q3 2024 vs. Q3 2023. The total expenses are estimated to increase by 41% year-over-year, with a 36% increase in Q3 2024 compared to the same quarter in 2023.

Mandatory payments are expected to increase by 3% in 2024 compared to 2023 and showed a 9% increase in Q3 2024 compared to Q3 2023 and they continue to be the largest contributor to the total income, with an 85% share in Q3 2024. Donations are projected to decrease by 11% in 2024 compared to 2023 and there's a significant drop of 72% in Q3 2024 compared to Q3 2023, showing a strong declining trend. Asset management is expected to record a strong growth, up by 48% both in the year-over-year comparison and in Q3 2024 vs. Q3 2023 and its contribution to total income has increased from 11% to 15% in Q3 2024.

As for the expenses, the compensations are estimated to record a significant increase of 41% in 2024 compared to 2023 and a 37% increase in Q3 2024 compared to Q3 2023, remaining the largest part of the total expenses, 98% share in Q3 2024. The admin expenses are expected to increase by 17% in 2024 compared to 2023, however, it showed a slight decrease of 7% in Q3 2024 compared to Q3 2023.

| MLN, AMD | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 RE | 2023 Q1-4 | 2024 Q1-4 | 2024 vs. 2023 | Q3'24 vs. Q3'23 | Contr. to Mix Q3'23 | Contr. to Mix Q3'24 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------------|---------------------|
| (AMD) | | | | | | | | | | |
| Mandatory Payments | 11,272 | 8,969 | 13,812 | 10,460 | 43,199 | 44,513 | 3% | 9% | 88% | 85% |
| Donations | 88 | 27 | 23 | 106 | 273 | 243 | -11% | -72% | 1% | 0% |
| Kamurj* | 15 | 15 | 28 | 68 | 237 | 126 | -47% | -16% | 0% | 0% |
| CBA** | - | - | - | - | - | - | - | - | 0% | 0% |
| Asset Management | 2,019 | 2,182 | 2,389 | 2,219 | 5,944 | 8,808 | 48% | 48% | 11% | 15% |
| Other Income | - | 0 | 1 | - | - | 1 | 148% | | 0% | 0% |
| Total Income | 13,394 | 11,193 | 16,252 | 12,852 | 49,654 | 53,691 | 8% | 13% | 100% | 100% |
| Compensations | 5,788 | 5,359 | 4,916 | 4,797 | 14,747 | 20,859 | 41% | 37% | 98% | 98% |
| Admin Expenses | 60 | 83 | 74 | 97 | 267 | 314 | 17% | -7% | 2% | 1% |
| CapEx | 1 | 5 | 1 | 5 | 45 | 12 | -74% | - | 0% | 0% |
| OpEx | 7 | 16 | 7 | 9 | 25 | 39 | 55% | -5% | 0% | 0% |
| Total Expenses | 5,856 | 5,463 | 4,997 | 4,908 | 15,084 | 21,224 | 41% | 36% | 100% | 100% |

* **Kamurj** – A program financed by the RA Government to give compensation to servicemen who are severely injured or are missing in action before becoming ZINAPAH beneficiaries. For these servicemen, compensation is provided for 45 months in the amount of 300,000 AMD monthly payments to eligible beneficiaries

** **Central Bank of Armenia Contribution (CBA)** – All the expenses made during 2021 were financed by the Central Bank of Armenia. The funding is regulated by law and has been previously approved by the CBA Board.

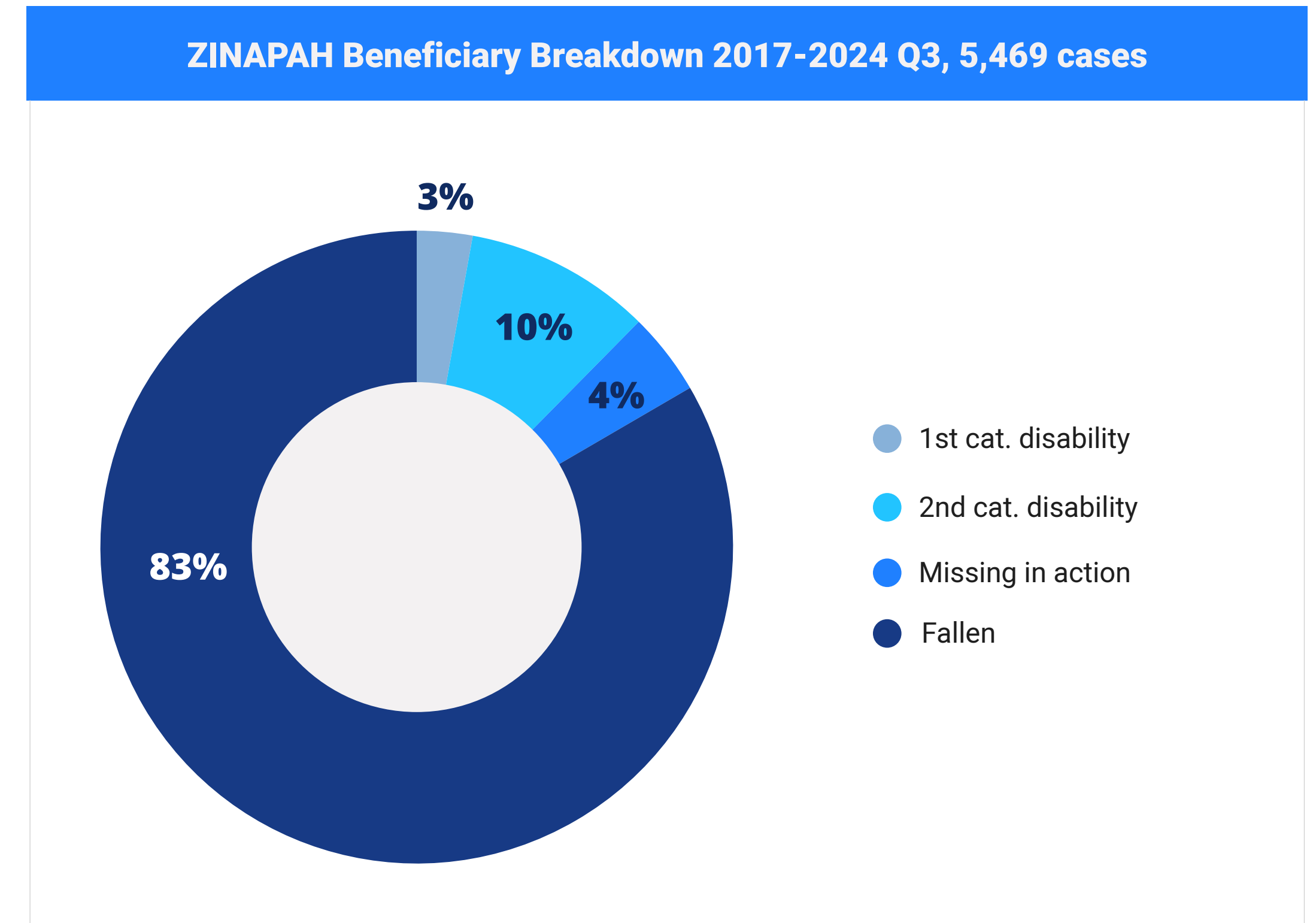


- ✔ **24% of mandatory payments** are estimated to be made in **2024**.
- ✔ **3% of donations** are expected to be made in **2024**.
- ✔ **35% of the asset management** income is projected to be contributed in **2024**.
- ✔ **20% of Compensations** are expected to be paid in 2024.

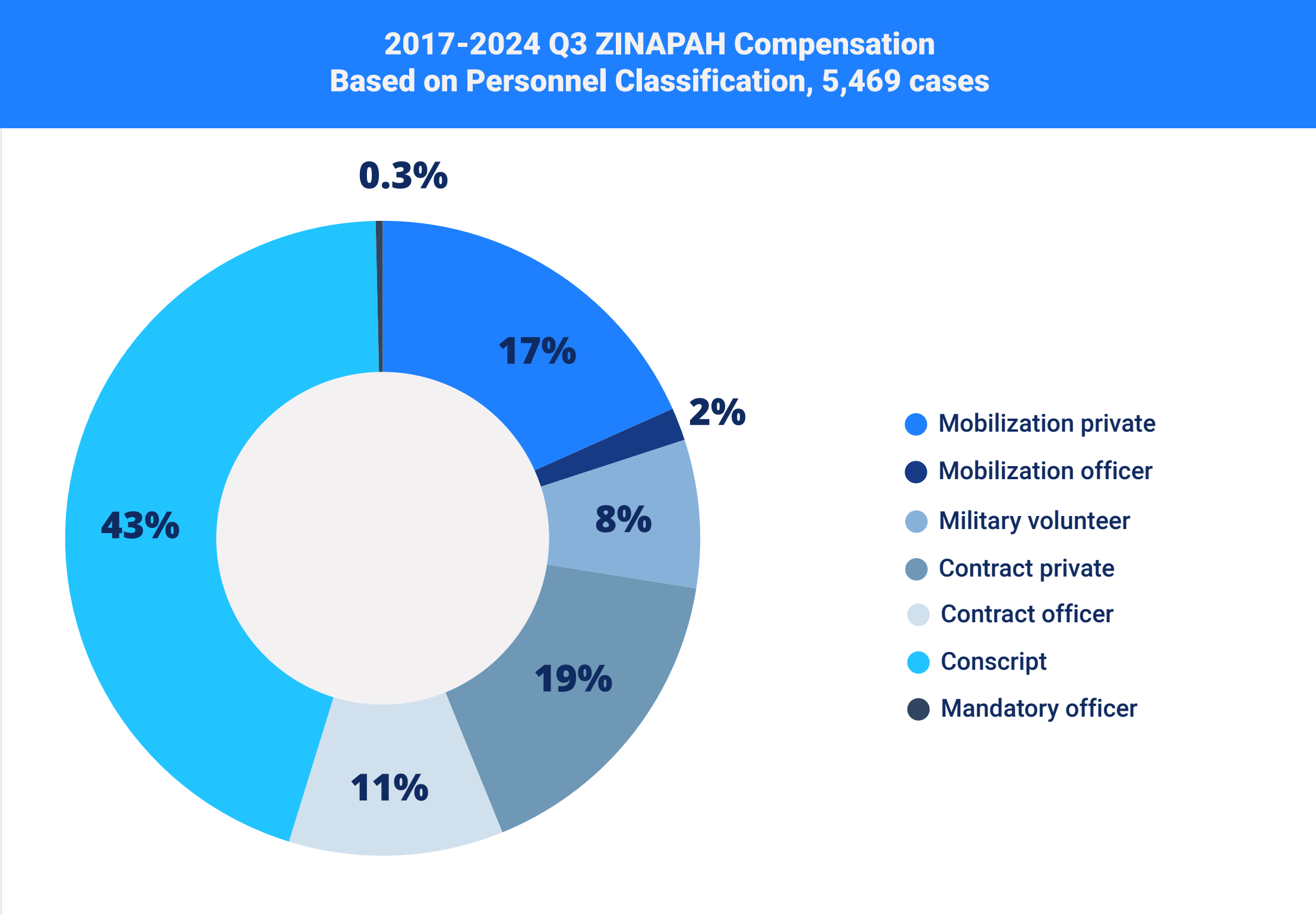
| mIn AMD | 2023 | 2024 | 2017-2024 | % Contr. 2024 |
|--------------------|--------|--------|-----------|---------------|
| Mandatory Payments | 43,199 | 44,513 | 182,973 | 24% |
| Donations | 273 | 243 | 9,595 | 3% |
| Asset Management | 5,944 | 8,808 | 24,820 | 35% |
| Compensations | 14,747 | 20,859 | 106,630 | 20% |

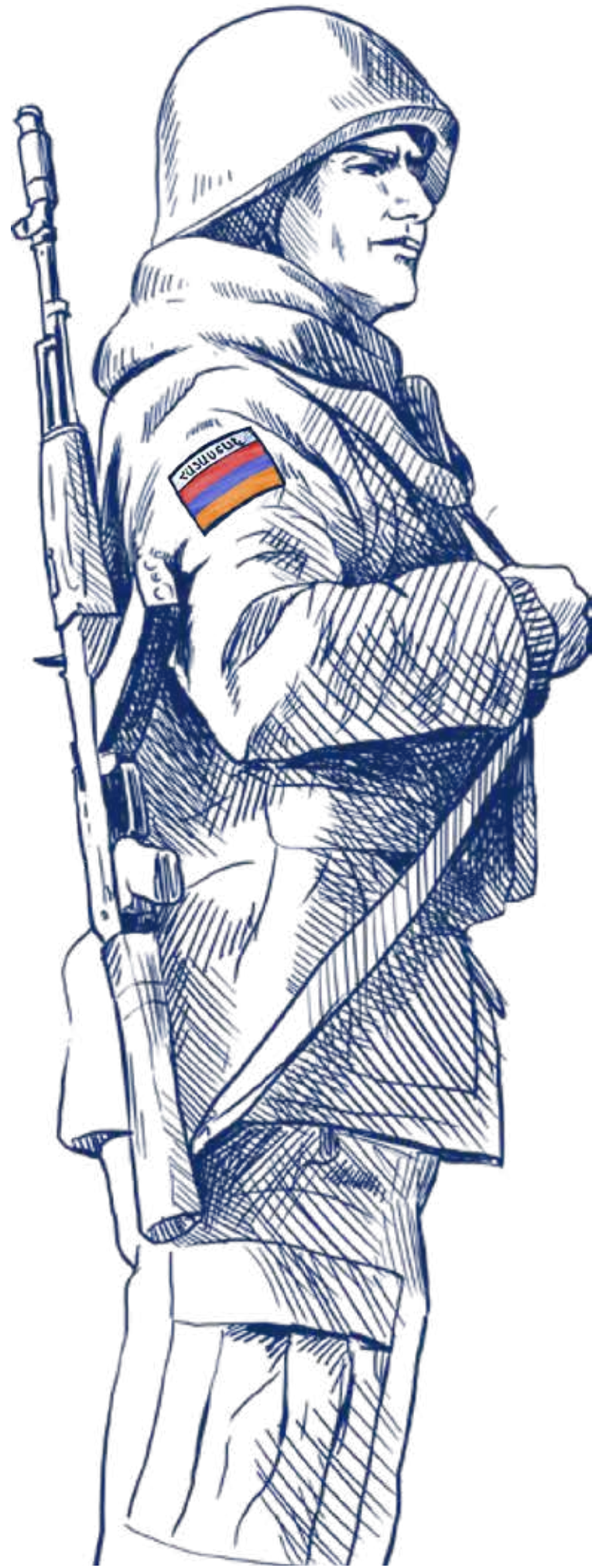


- ✔ From **2017-2024 Q3**, ZINAPAH provided compensation to **5,469** beneficiaries.
- ✔ In **2024 Q3** there were **35** new cases vs **17** cases in 2023 Q3.
- ✔ In **Q3 2024**, **35 new cases** were compensated categorized by case type as follows:



The **5,469** beneficiaries from **2017-2024 Q3** are broken down by personnel classification in the pie chart. Notably, **43%** are conscripts, **30%** are mobilized recruits and officers, **19%** are contract privates and **8%** are volunteers.





2017-2024 Q3 IN SUMMARY

35

Beneficiary NEW cases in 2024 Q3, and
5,469 cases from 2017-2024 Q3

4.9B AMD

compensation in 2024 Q3

102B AMD

since 2017-2024 Q3 to those fallen, missing,
or eligible for disability insurance

9%

Mandatory payment growth
as of Q3 2024 compared to 2023 Q3

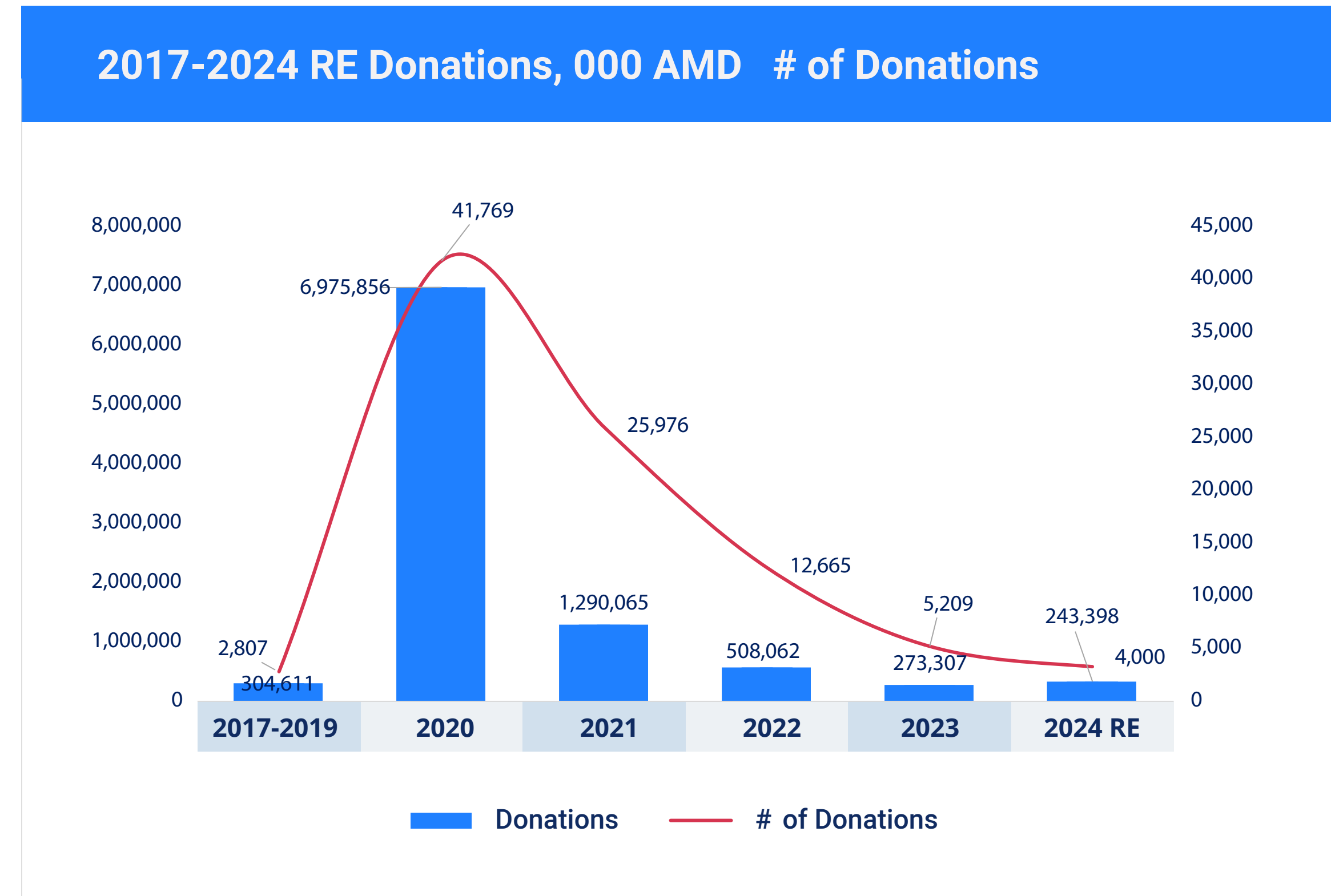


Donations to ZINAPAH, 2017-2024 Q3

ZINAPAH received donations totaling around 9.5B AMD. As of Q3 2024, the total count of donations reached nearly 93.5K with an average donation size of 101,000 AMD. Most donations are made during periods of escalations.

In Q1-3 2024, compared to the previous year, the total donation value in AMD declined by -35%. There was -17% decline in the number of donations and the average donation size decreased by -1%. This trend is attributed to the post-war syndrome, with donations typically surging during wartime, as evidenced by the results in 2020. The most significant decline was observed in Russian Rubles from Russia, attributed to sanctions against the country and challenges in money transfer systems. The donations were made via bank transfers as well as via ZINAPAH website www.zinapah.am.

| 2017-2024 Q1-3 Donations by Currency | | | | | | | | | |
|---|-----------|-----------|-----------|---------|---------|-----------|-----------|--------------|--------------------|
| Currency' 000 | 2017-2019 | 2020 | 2021 | 2022 | 2023 | 2023 Q1-3 | 2024 Q1-3 | 2017-2024 Q3 | Q3 2024 vs Q3 2023 |
| AMD | 296,495 | 4,380,043 | 739,093 | 301,333 | 173,750 | 138,650 | 65,542 | 5,956,256 | -53% |
| USD | 7 | 4.826 | 879 | 492 | 233 | 166 | 180 | 6,617 | 8% |
| RR | 162 | 114,908 | 6,517 | 455 | 1 | 1 | 2 | 122,045 | 123% |
| EUR | 1 | 797 | 122 | 34 | 20 | 15 | 13 | 988 | -12% |
| 2017-2024 Q1-3 Donations Converted to AMD | | | | | | | | | |
| | 304,611 | 6,975,856 | 1,290,065 | 508,062 | 273,307 | 210,673 | 137,320 | 9,489,221 | -35% |
| # of Donations | 2,807 | 41,769 | 25,976 | 12,665 | 5,209 | 4,025 | 3,348 | 93,503 | -17% |
| Average donation amount | 390 | 167 | 50 | 40 | 52 | 52 | 41 | 101 | -22% |



ZINAPAH continues to collaborate with various foundations, non-governmental, and charitable organizations, aiming to unite them around the mission of supporting servicemen and their families, ensuring their social, physical, and psychological well-being.

ZINAPAH team has taken steps to further improve its beneficiary well-being and personal enhancement through launching social integration and development programs. To that end, the blueprint for the concept of social programs has been developed and the plan and priorities of social programs for 2025 are under development. Several meetings have been held with governmental, non-governmental organizations, and foundations to discuss partnerships and coordinate activities in education, economic integration, business promotion, housing support, and more.

Cooperation with Armenian General Benevolent Union Nairi Summer Camp

For the fourth year in a row, the AGBU-run Nairi summer camp has welcomed children who have experienced and survived the war. Like previous years, the camp was held in Hanqavan, hosting about 620 children in three shifts. Children aged 7 to 13, including those of fallen, missing, and servicemen with disabilities, as well as displaced children from Artsakh, were given the opportunity to attend the Summer Camp.

At the Nairi Camp, children enjoy their summer vacations while learning national songs and dances, developing creativity, participating in sports and games, and receiving psychological support to cope with personal challenges.

Thanks to the collaboration between AGBU, ZINAPAH beneficiaries were also able to participate in the camp.



Cooperation with Hayordi Charity Foundation HAYORDI Camp

This year, the HAYORDI Charity Foundation in cooperation with ZINAPAH has organized the HAYORDI Camp for ZINAPAH beneficiaries which was named in honor of Lieutenant Colonel Hayk Kirakosyan, a National Hero of Artsakh. It was held in Hanqavan from July 29 to August 25. The camp hosted 300 children aged 6 to 14, including those of fallen and missing servicemen from 2016 to 2023. Children affected by the gas container violent explosion in Artsakh were also given the opportunity to attend.

As in previous years, the camp instructors and staff were wives, mothers, and sisters of fallen, missing, and disabled servicemen.

The camp offered a range of activities, including films, trips, art therapies, psychological exercises, national songs and dances, and concerts featuring popular bands and singers. During the concert days mothers had the opportunity to join, which was a wonderful experience for them. HAYORDI and ZINAPAH will continue their partnership in the future which will allow ZINAPAH beneficiaries to participate in their camps.





Cooperation with AEAE - Association of the European and Armenian Experts

AEAE launched the Information Technology Training Program for wounded and disabled servicemen and volunteers to enhance their education and help them secure high-paying jobs after being disabled in the 44-day war.

The program covered subjects like mathematics, advanced math, programming, machine learning, artificial intelligence, web development, and quality assurance, along with auxiliary courses in English, statistics, and analysis. Through a partnership between ZINAPAH and AEAE, ZINAPAH beneficiary kids were enrolled in the program.

Cooperation with Ayrudzi Children's Club

ZINAPAH continued its cooperation with the Ayrudzi Children's Club to involve ZINAPAH child beneficiaries in Ayrudzi's annual summer camp. The club once again launched its "Therapies for Children Affected by War" program.

The children of fallen and missing servicemen attended the camp, where they had the chance to connect with nature and animals, helping them relieve post-war stress. The program included activities like interacting with animals, pool games, pottery classes, and evening entertainment with guitar and songs. Over the six-day camp, the children also had the opportunity to develop their horse-riding skills.





Cooperation with 8 18 Special Edition Consulting

In partnership with AGBU, in the frames of Learn to Earn Artsakh (LEAP) program, 818 Special Edition Consulting launched a project to support ZINAPAH beneficiaries displaced from Artsakh. The program will enable our beneficiaries from Artsakh to acquire and develop the required soft and networking skills for employment opportunities in Armenia. To inform about the launch of the program and involve the beneficiaries, an announcement was posted on zinhub.am webpage and the official Facebook page of ZINAPAH. There was a big number of interested people which would then go through an interview process for the selection.



Cooperation with IMPACT HUB

Impact HUB has launched a social entrepreneurship support program focused on capacity building, knowledge exchange, and digitalization. The program is designed for displaced individuals from Artsakh who aim to rebuild their businesses in Armenia. The program announcement was posted on the zinhub.am website and shared with beneficiaries via SMS.

During the reporting period, 50 beneficiaries registered. Graduates of the program will also have the opportunity to join Impact HUB Yerevan's special graduate membership, allowing them to build long-term connections and benefit from the HUB's partnership network and additional offers.

Financial literacy

Initiated by ZINAPAH in partnership with AGBU, the Aren Mehrabyan Charity Foundation organized an online financial literacy course for beneficiaries displaced from Artsakh as part of the "Learn to Earn Artsakh" (LEAP) program. The course aimed to improve financial literacy and introduce methods for managing personal and family finances.

During the course, Arpine Zargaryan, coordinator of ZINAPAH's social programs, also provided information about special accounts and partner banks that ZINAPAH collaborates with.



Since February 2024, the ZINHUB online platform has registered 32 partner organizations offering a variety of free programs for a wide range of beneficiaries. These include courses, job postings, psychological and medical services, medical deliveries, dentistry, and announcements for various clubs and camps.

The platform has seen 2,178 direct visitors via browser, 702 from social media, and 123 through search engines. Efforts are ongoing to increase partner participation, enabling more announcements and reaching a larger number of beneficiaries.

The ZINHUB allows users to easily access the platform, learn about job opportunities, and register for training courses and services. Discussions have been held with the Ministry of Labour and Social Affairs and the Norq Information Technology Center regarding the integration of ZINHUB with the state e-work system, which would help ZINAPAH beneficiaries access employment opportunities and ensure the traceability of their success. Integration solutions between e-work.am and zinhub.am are currently being studied to finalize and implement the functionality.

During the reporting period, three new partners joined the platform: IRIS Business Incubator Foundation, Impact HUB, and

8 18 Special Edition Consulting, offering business promotion opportunities for beneficiaries.

At its founding in 2017, ZINAPAH was managed by the Central Bank of Armenia (CBA) on a pro bono basis. Since 2021, ZINAPAH began migrating from the CBA to become an independent legal entity with its own infrastructure.



TEAM

- The Governing Body with 5 Board Members
- Executive Team with a staff of 14 people
- Restructuring to focus on the ZINAPAH's core competencies as a financial institution and social programs
- Performance development and evaluation implementation with the Teamflect digital Platform



OPERATIONS & OUTSOURCING

- Procurement guidelines revision adoption
- ZINAPAH rebranding communication campaign re-launch
- ZINHUB unified platform for beneficiary's implementation
- Audit 2023 finalization and publishing

OUTSOURCING MANAGEMENT

- HR management
- Accounting services new partner selection in 2024
- Customer call center
- IT security
- Legal counsel



MIGRATION AND INFRASTRUCTURE

- Website and infrastructure development project in process
- Mandatory stamp return process in-house management and automation
- Financial infrastructure development on the compensation system base
- IT security vulnerability assessment and penetration test project implementation

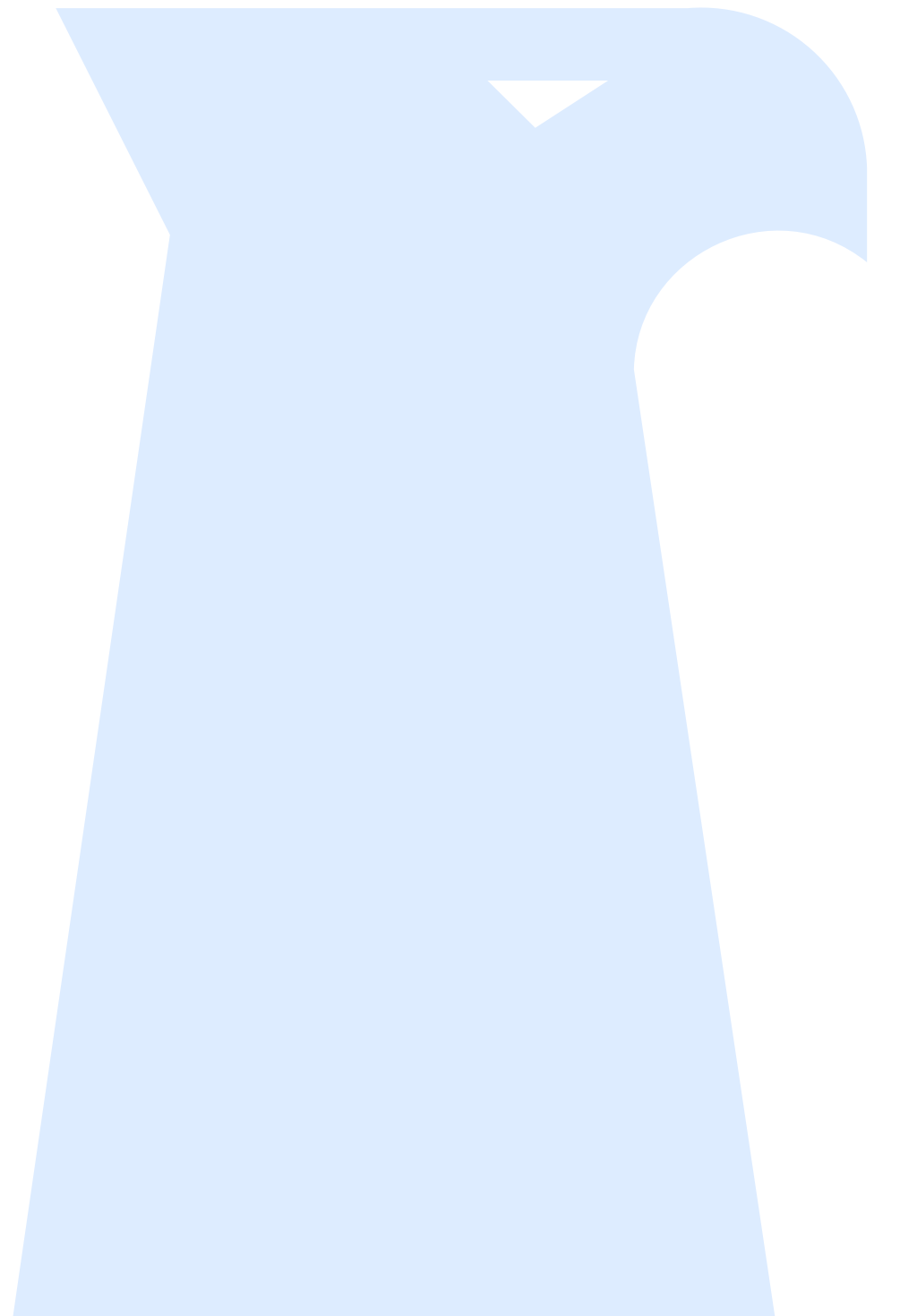


LEGISLATIVE AMENDMENTS

- Law change to support the disability status change
- Social project implementation position paper development
- Beneficiary Disabled child support project within the social programs
- 2008-2017 ZINAPAH compensation support unification in the ZINAPAH system



ZINAPAH Audit 2023 was carried out by **Grant Thornton CJSC**, and the financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). They have been prepared under the assumption that the foundation operates on a going-concern basis. Please find the full report below:



Statement of Financial Position

| In thousand drams | Note | As of 31 December 2023 | As of 31 December 2022 |
|---|------|---------------------------|---------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property and equipment | | 94,691 | 126,849 |
| Intangible assets | | 14,885 | 12,742 |
| Investments in government debt securities | 4 | 2,573,923 | 620,521 |
| Funds placed in banks | 5 | 27,378,861 | 8,681,686 |
| | | 30,062,360 | 9,441,798 |
| Current assets | | | |
| Accounts receivables | | 28,617 | 7,459 |
| Investments in government debt securities | 4 | 42,579 | 1,215,099 |
| Funds placed in banks | 5 | 44,710,738 | 32,674,544 |
| Cash and cash equivalents | 6 | 5,519,741 | 2,389,638 |
| | | 50,301,675 | 36,486,740 |
| Total assets | | 80,364,035 | 45,928,538 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Liabilities on compensations | 7 | 103,724,845 | 107,762,538 |
| Lease liabilities | | 19,861 | 32,130 |
| | | 103,744,706 | 107,794,668 |
| Current liabilities | | | |
| Liabilities on compensations | 7 | 13,101,671 | 13,314,038 |
| Lease liabilities | | 23,561 | 27,415 |
| Accounts payables | | 14,948 | 14,536 |
| | | 13,140,180 | 13,355,989 |
| Net assets | | | |
| Revaluation reserve on securities measured at fair value through other comprehensive income | 8 | (27,357) | (57,586) |
| (Accumulated loss)/retained earnings | | (36,493,494) | (75,164,533) |
| | | (36,520,851) | (75,222,119) |
| Total liabilities and net assets | | 80,364,035 | 45,928,538 |

Statement of Comprehensive Income

| In thousand drams | Note | Year ended 31 December 2023 | Year ended 31 December 2022 |
|--|------|--------------------------------|--------------------------------|
| Income | | | |
| Income from mandatory payments and donations | 9 | 43,709,476 | 36,021,512 |
| Finance income | 10 | 5,952,073 | 3,256,038 |
| Other income | | 697 | 188 |
| | | 49,662,073 | 39,277,738 |
| Expenses | | | |
| Compensation expenses | | (3,436,956) | (12,983,465) |
| Employee benefits | | (132,110) | (118,480) |
| Depreciation and amortization | | (34,600) | (33,625) |
| Gain/(loss) from remeasurement of allowance on expected credit losses | 11 | (228,394) | 84,462 |
| Finance cost | 12 | (7,064,627) | (9,888,750) |
| Other expenses | | (94,772) | (83,551) |
| Net loss from exchange differences | | 252 | (1,827) |
| | | (10,991,207) | (23,025,237) |
| | | 38,671,039 | 16,252,502 |
| Result for the year | | | |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss | | | |
| Net loss from changes in fair value of securities measured at fair value through other comprehensive income | | 32,521 | (20,961) |
| Changes in allowance on expected credit losses of securities measured at fair value through other comprehensive income | | (2,292) | (6,646) |
| Other comprehensive loss for the year | | 30,229 | (27,607) |
| Total comprehensive loss for the year | | 38,701,268 | 16,224,895 |



Statement of Changes in Net Assets

| In thousand drams | Revaluation reserve on securities measured at fair value through other comprehensive income | Accumulated loss | Total |
|---------------------------------------|---|---------------------|---------------------|
| As of 1 January 2022 | 29,979 | 91,417,035 | 91,447,014 |
| Result for the year | - | (16,252,502) | (16,252,502) |
| Other comprehensive loss for the year | (27,607) | - | (27,607) |
| Total comprehensive loss for the year | (27,607) | (16,252,502) | (16,224,895) |
| As of 31 December 2022 | (57,586) | (75,164,533) | (75,222,119) |
| Result for the year | - | 38,671,039 | 38,671,039 |
| Other comprehensive loss for the year | 30,229 | - | 30,229 |
| Total comprehensive loss for the year | 30,229 | 38,671,039 | 38,701,268 |
| As of 31 December 2023 | (27,357) | (36,493,494) | (36,520,851) |

Statement of Cash Flows

| In thousand drams | Year ended 31 December 2023 | Year ended 31 December 2022 |
|---|-----------------------------|-----------------------------|
| Cash flows from operating activities | | |
| Received mandatory payments and donations | 43,709,476 | 36,021,512 |
| Provided compensations | (14,746,687) | (16,877,925) |
| Labor expenses | (99,729) | (82,302) |
| Other income | 340,809 | 56 |
| Other expenses | (513,676) | (147,024) |
| Net cash from/(used in) operating activities | 28,690,193 | 18,914,317 |
| Cash flows from investing activities | | |
| Acquisition of property and equipment | - | (2,530) |
| Funds placed in banks | (59,908,431) | (25,975,000) |
| | (1,997,423) | |
| Repayment of funds placed in banks | 30,000,000 | 4,370,000 |
| Proceeds from redemption of investments in government debt securities. | 1,267,377 | 1,400,000 |
| Interest received from funds placed in banks and other financial institutions | 4,944,405 | 991,721 |
| Interest received from investments in government debt securities | 134,123 | 222,500 |
| Net cash from investing activities | (25,559,949) | (18,993,309) |
| Net increase/(decrease) in cash and cash equivalents | 3,130,244 | (78,992) |
| Foreign exchange effect on cash | (141) | (1,668) |
| Cash and cash equivalents at the beginning of the year | 2,389,638 | 2,470,295 |
| Cash and cash equivalents at the end of the year | 5,519,741 | 2,389,638 |





We would like to express our heartfelt thanks and gratitude to all the individuals and organizations/communities from Armenia and all over the world, who made their mandatory stamp payments and individual donations.

It is thanks to your support that ZINAPAH can fulfill its mission to take care of the servicemen and their families who sacrificed their lives and health for the security of Armenia and its borders.

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