

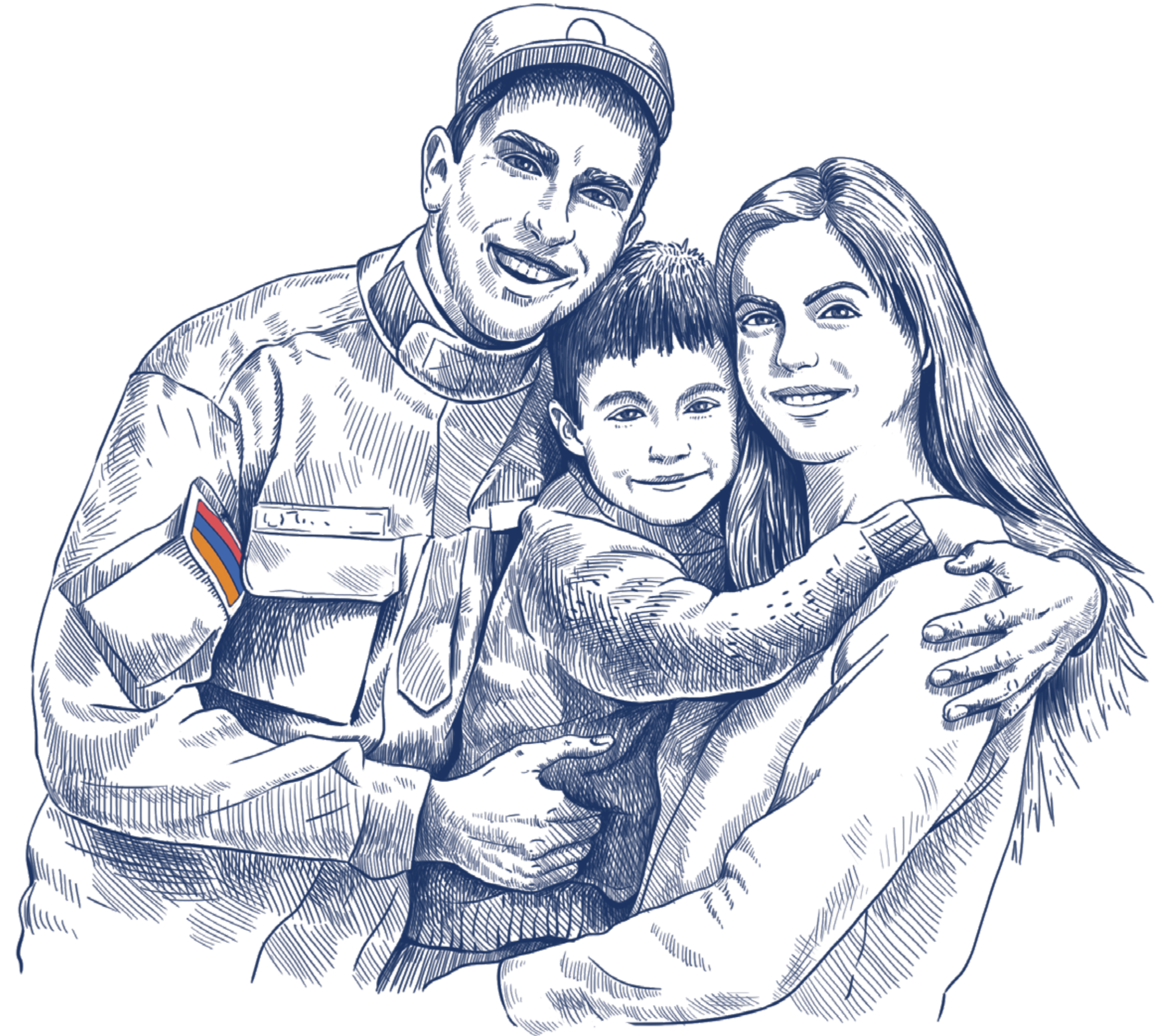


# ZINAPAH<sup>®</sup>

NATIONAL FOUNDATION FOR  
SERVICEMEN INSURANCE

## UNITED FOR OUR SOLDIERS...

## 2024 Q4 and Annual Report



DONATE

[zinapah.am](http://zinapah.am)

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## **2023 Auditor's Published Report**



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stamp payment  
return coordinator



**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-in-action servicemen as well as soldiers with severe and profound functional limitation levels (1st and 2nd category disability) who defended the borders of our Homeland 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](#), 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 experienced professionals.

[ZINAPAH's website](#) provides the possibility to monitor both total funds from mandatory payments and donations and the list of compensations. The [CEO Quarterly and 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 reflect on 2024, I present this year's annual report for ZINAPAH National Foundation for Servicemen Insurance with immense pride and gratitude. Our unwavering mission to support the servicemen who have selflessly served our nation has guided us through a year of significant progress and achievement.

The geopolitical security situation remains fraught with danger, placing our servicemen and their families at considerable risk in their efforts to maintain stability and security. At ZINAPAH, we remain steadfast in our commitment to our mission, and it is with profound gratitude that I acknowledge your continued support. Your contributions enable us to support our beneficiaries and pursue ambitious programs that ensure financial stability and social integration projects.

In 2024, ZINAPAH provided financial compensation to 284 new cases, many arising from the September 2023 escalation in Artsakh and 5,482 cases in total. Our funding sources included 45.4B AMD from mandatory payments, 9.3B AMD from asset management, and 171.3M AMD from donations. These funds are a testament to our respect and national gratitude towards those who have sacrificed their lives and health for our country.

Through prudent management and strategic planning, coupled with a year of border stability, ZINAPAH has maintained a robust financial position. This stability has enabled us to invest in expanding our support network and improving social integration initiatives for servicemen and their families. Our strengthened partnerships with governmental bodies, community organizations, and other stakeholders have been instrumental in creating a comprehensive support system.

A landmark decision by the ZINAPAH Board of Trustees in January 2024 increased monthly compensations and additional payments to beneficiaries by 26%, effective immediately. This adjustment, aimed at mitigating inflation since 2017, reflects our unwavering dedication to our servicemen and their families. Consequently, our annual liability increased by 4B AMD, demonstrating our commitment to financial sustainability while supporting those who need it most.

Collaborations with the Ministry of Labor and Social Affairs and the Ministry of Defense led to proposed legislative changes, ensuring that compensations for servicemen with functional limitations remain unchanged regardless of disability group changes—a significant financial and moral relief for many. Additionally, in partnership with the RA Ministry of Labor and Social Affairs, we initiated monthly financial support of 50K AMD to 60 families with children with disabilities, effective September 2024.

I extend my heartfelt gratitude to our dedicated team, whose unwavering commitment and tireless efforts are the foundation of our success. Their work ensures we fulfill our promise to those who have given so much for our nation.

As we look ahead to 2025, we are inspired by the resilience and courage of the servicemen and their families. We are committed to building on our achievements, providing exceptional support and services, and ensuring that the ZINAPAH National Foundation for Servicemen Insurance remains a pillar of support for our nation's heroes.

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

**ZINAPAH**  
On behalf of ZINAPAH Board of Trustees

# ZINAPAH Operations for 2017 – 2024



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 45.39B AMD in 2024. From 2023 to 2024, income from mandatory payments grew by 5%, contributing 83% of total income in 2024, a 4-point 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 171M AMD in 2024, marking a -37% decrease from 2023. Its contribution to total income is expected to be negligible, only 0.31% in 2024. On the other hand, asset management has demonstrated steady growth, with a rise from 5.94B AMD in 2023 to 9.34B AMD in 2024, an increase of 57%. This growth increased asset management contribution to total income from 12% in 2023 to 17% in 2024, indicating its importance as a future revenue source. Total income has grown from 24.63B AMD in 2017-2019 to 54.99B AMD in 2024, showing an 11% growth between 2023 and 2024, maintaining an upward trajectory.

Compensations as the biggest chunk of the expenses increased by 46% from 2023 to 2024, accounting for 98% of total costs, underscoring ZINAPAH's commitment to its core mission of compensation payouts to beneficiaries. Administrative expenses rose from 267M AMD in 2023 to 316M AMD in 2024, a 18% increase, but they still will represent a small portion (1%) of total expenses. Capital expenditures, after peaking at 105M AMD in 2021, dropped significantly, reaching 16M AMD in 2024, a 65% decline from 2023, and will make up only 0.07% of total expenses, signaling reduced investments in infrastructure or assets.

| MLN, AMD              | 2017-2019     | 2020          | 2021          | 2022          | 2023          | 2024          | 2024 vs. PY | Contr. to Mix 2023 | Contr. to Mix 2024 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|--------------------|--------------------|
| Mandatory Payments    | 21,779        | 9,134         | 29,072        | 35,274        | 43,199        | 45,393        | 5%          | 87%                | 83%                |
| Donations             | 305           | 6,976         | 1,290         | 508           | 273           | 171           | -37%        | 1%                 | 0.31%              |
| * Kamurj donations    | -             | 1,000         | 1,510         | 239           | 237           | 86            | -64%        | 0.5%               | 0.2%               |
| CBA**                 | -             | -             | 301           | -             | -             | -             | 0%          | 0%                 | 0%                 |
| Asset Management      | 2,545         | 2,425         | 1,841         | 3,256         | 5,944         | 9,339         | 57%         | 12%                | 17%                |
| Other Income          | -             | -             | 0.24          | 0.19          | 0.26          | 0.29          | 7.6%        | 0%                 | 0%                 |
| <b>Total Income</b>   | <b>24,629</b> | <b>19,535</b> | <b>34,015</b> | <b>39,278</b> | <b>49,654</b> | <b>54,990</b> | <b>11%</b>  | <b>100%</b>        | <b>100%</b>        |
| Compensations         | 1,635         | 8,030         | 44,484        | 16,878        | 14,747        | 21,489        | 46%         | 98%                | 98%                |
| Admin Expenses        | -             | -             | -             | 246           | 267           | 316           | 18%         | 2%                 | 1%                 |
| CapEx                 | -             | -             | 105           | 3             | 45            | 16            | -65%        | 0.3%               | 0.07%              |
| OpEx                  | 0.32          | -             | 149           | 21            | 25            | 39            | 53%         | 0.2%               | 0.2%               |
| Other                 | -             | -             | -             | -             | -             | -             |             | 0%                 | 0%                 |
| <b>Total Expenses</b> | <b>1,635</b>  | <b>8,030</b>  | <b>44,738</b> | <b>17,148</b> | <b>15,084</b> | <b>21,859</b> | <b>45%</b>  | <b>100%</b>        | <b>100%</b>        |

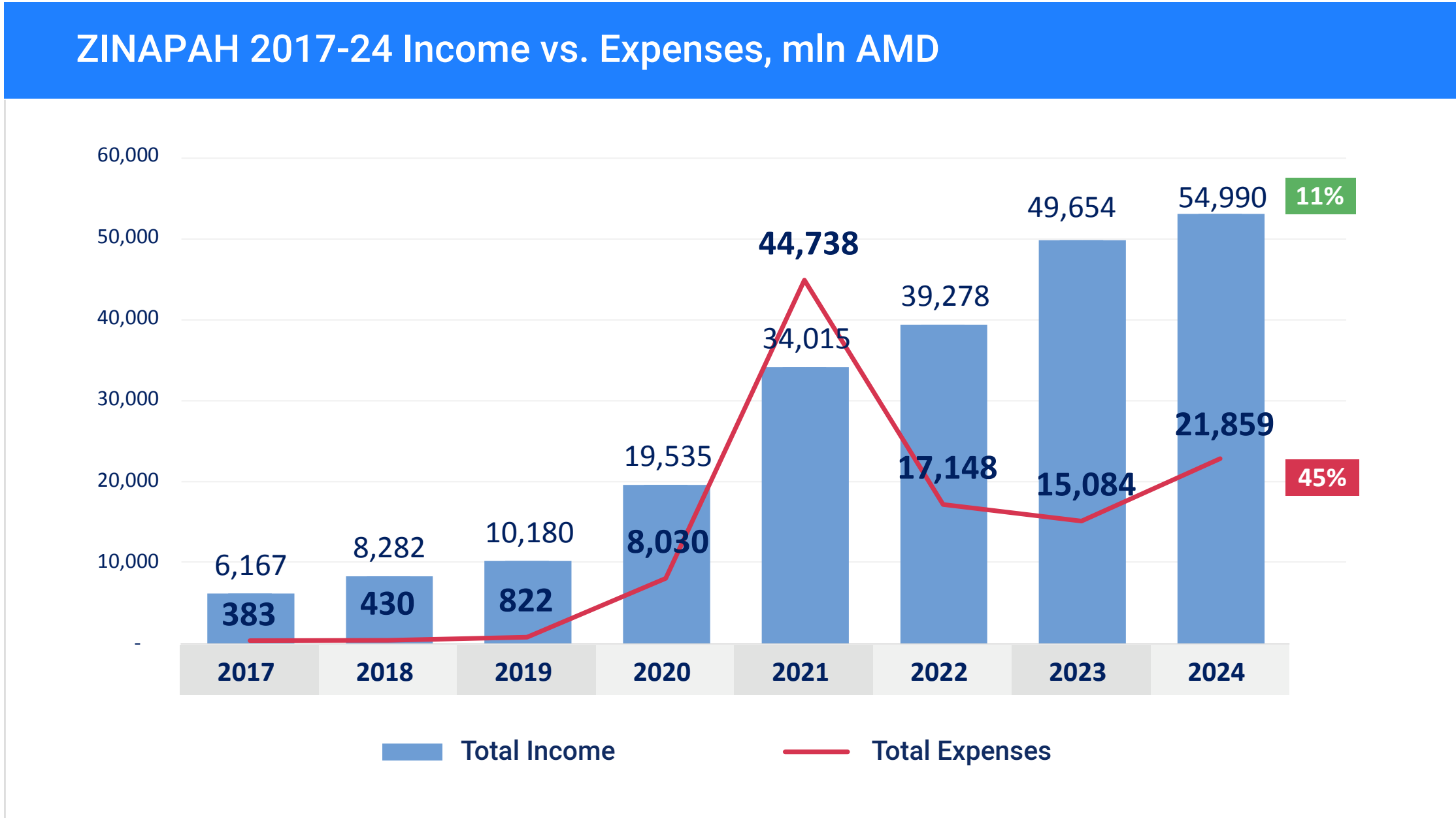
\* **Kamurj donations** - A program financed by the RA Government to give compensation to servicemen who are severely injured or are missing in action before becoming ZINAPAH beneficiaries. For these servicemen, compensation is provided for 45 months in the amount of 300,000 AMD monthly payments to eligible 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’s actual income and expenses from 2017 to 2024 results.

ZINAPAH experienced an 11% increase in total income vs the previous year reaching 54,990M AMD. Simultaneously, total expenses grew by 45% mainly due to the increase in liabilities, amounting to 21,859M AMD from 15,084M AMD in 2023.



Total income grew by 11% in 2024 compared to 2023 and the actual growth was by 15% in Q4 2024 vs. Q4 2023. The total expenses increased by 45% year-over-year, with a 50% increase in Q4 2024 compared to the same quarter in 2023.

Mandatory payments increased by 9% in Q4 2024 compared to Q4 2023 and they continue to be the largest contributor to the total income, with an 80% share in Q4 2024. Donations decreased significantly by 37% in 2024 compared to 2023 and there's even more drop down of 46% in Q4 2024 compared to PY same period, showing a strong declining trend. Asset management is expected to record strong growth, up by 57% and 50% in the year-over-year comparison and in Q4 2024 vs. Q4 2023 respectively and its contribution to total income has increased from 15% to 19% in Q4 2024.

As for the expenses, the compensations recorded a significant increase of 45% in 2024 compared to 2023 and a 50% increase in Q4 2024 compared to Q4 2023, remaining the largest part of the total expenses, 98% share in 2024. The admin expenses increased by 19% in 2024 compared to 2023, and they increased by 55% in Q4 2024 compared to Q4 2023.

| MLN, AMD              | Q1 2024       | Q2 2024       | Q3 2024       | Q4 2024       | 2024 Q1-4     | 2024 vs. 2023 | Q3'24 vs. PY | Contr. to Mix Q4'23 | Contr. to Mix Q4'24 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------------|---------------------|
| <b>(AMD)</b>          |               |               |               |               |               |               |              |                     |                     |
| Mandatory Payments    | 11,272        | 8,969         | 13,812        | 11,340        | 45,393        | 5%            | 9%           | 84%                 | 80%                 |
| Donations             | 88            | 27            | 23            | 34            | 171           | -37%          | -46%         | 1%                  | 0%                  |
| Kamurj donations*     | 15            | 15            | 28            | 28            | 86            | -64%          | -57%         | 1%                  | 0%                  |
| CBA**                 | -             | -             | -             | -             | -             | -             | -            | 0%                  | 0%                  |
| Asset Management      | 2,019         | 2,182         | 2,389         | 2,750         | 9,339         | 57%           | 50%          | 15%                 | 19%                 |
| Other Income          | -             | 0             | 1             | 0             | 0             | 8%            | 8%           | 0%                  | 0%                  |
| <b>Total Income</b>   | <b>13,394</b> | <b>11,193</b> | <b>16,252</b> | <b>14,152</b> | <b>54,990</b> | <b>11%</b>    | <b>15%</b>   | <b>100%</b>         | <b>100%</b>         |
| Compensations         | 5,788         | 5,359         | 4,916         | 5,425         | 21,489        | 46%           | 52%          | 97%                 | 98%                 |
| Admin Expenses        | 60            | 83            | 74            | 100           | 316           | 18%           | 53%          | 2%                  | 2%                  |
| CapEx                 | 1             | 5             | 1             | 9             | 16            | -65%          | -79%         | 1%                  | 0%                  |
| OpEx                  | 7             | 16            | 7             | 8             | 39            | 53%           | 144%         | 0%                  | 0%                  |
| <b>Total Expenses</b> | <b>5,856</b>  | <b>5,463</b>  | <b>4,997</b>  | <b>5,541</b>  | <b>21,859</b> | <b>45%</b>    | <b>50%</b>   | <b>100%</b>         | <b>100%</b>         |

**Kamurj donations\*** - 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 48 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.



- ✔ **25% of mandatory payments** account for 2024, while growing by vs PY.
- ✔ **Donations** remain a small portion, contributing only 2%.
- ✔ **37% of the asset management** accounts for 2024.
- ✔ **20% of Compensations** are paid in 2024.

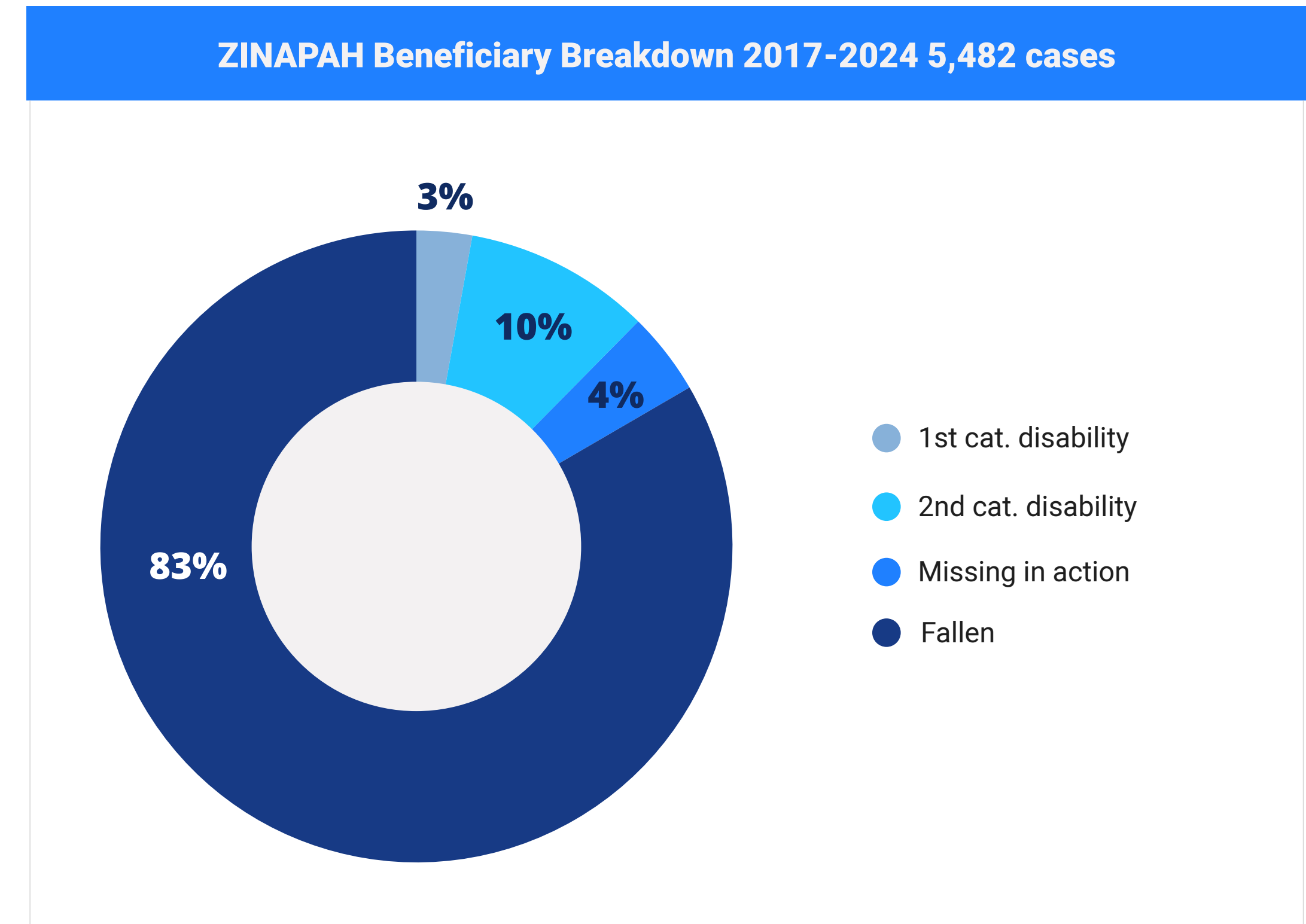
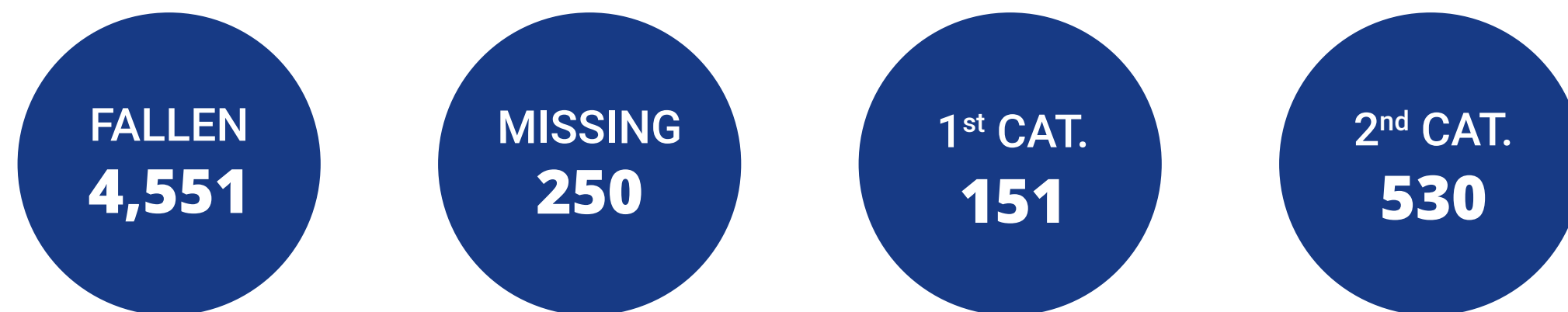
| mIn AMD            | 2023   | 2024   | 2017-2024 | % Contr. 2024 |
|--------------------|--------|--------|-----------|---------------|
| Mandatory Payments | 43,199 | 45,493 | 183,853   | 25%           |
| Donations          | 273    | 171    | 9,523     | 2%            |
| Asset Management   | 5,944  | 9,339  | 25,351    | 37%           |
| Compensations      | 14,747 | 21,489 | 107,262   | 20%           |

- ✔ From **2017-2024 Q4**, ZINAPAH provided compensation to **5,482** beneficiaries.
- ✔ In **2024 284** new cases were compensated and in **Q4 13** new cases vs **17** cases in 2023 Q4.
- ✔ In **Q4 2024**, **13** new cases were compensated categorized by case type as follows:

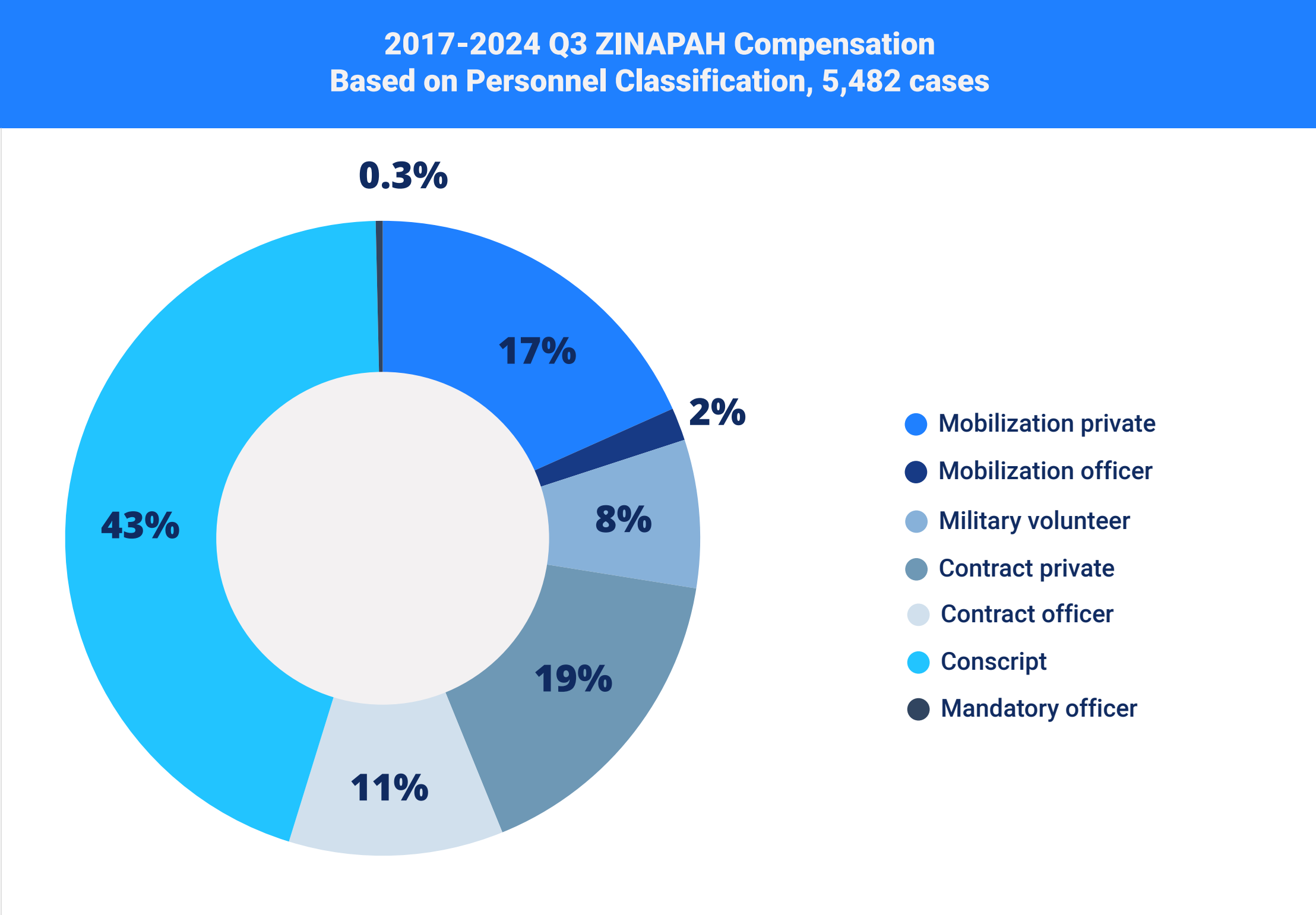
### Total Compensated Cases in 2024 Q4

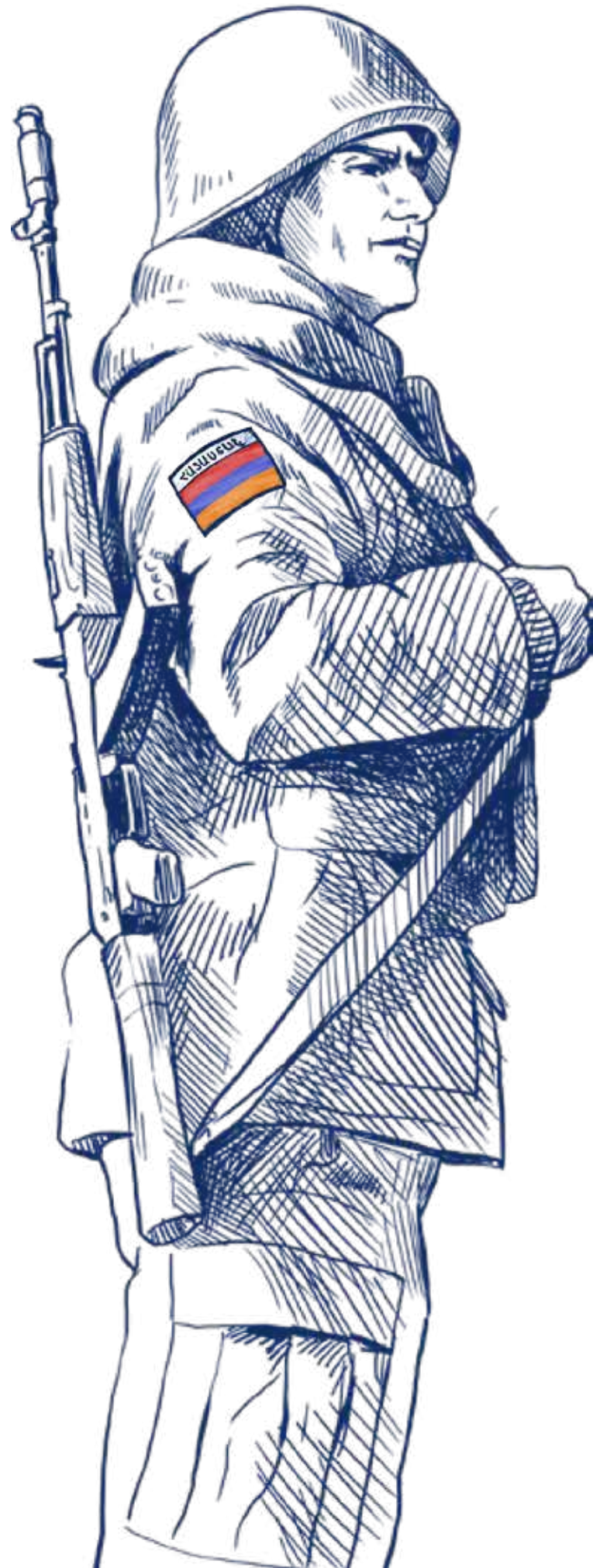


### Total Compensated Cases 2017-2024



The **5,482** beneficiaries from **2017-2024** 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 military volunteers.





## 2017-2024 Q4 IN SUMMARY

**13**

beneficiary **NEW** cases in 2024 Q4  
and **5,482** cases from 2017-2024

**5.5B AMD**

compensation in 2024 Q4

**107B AMD**

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

**5%**

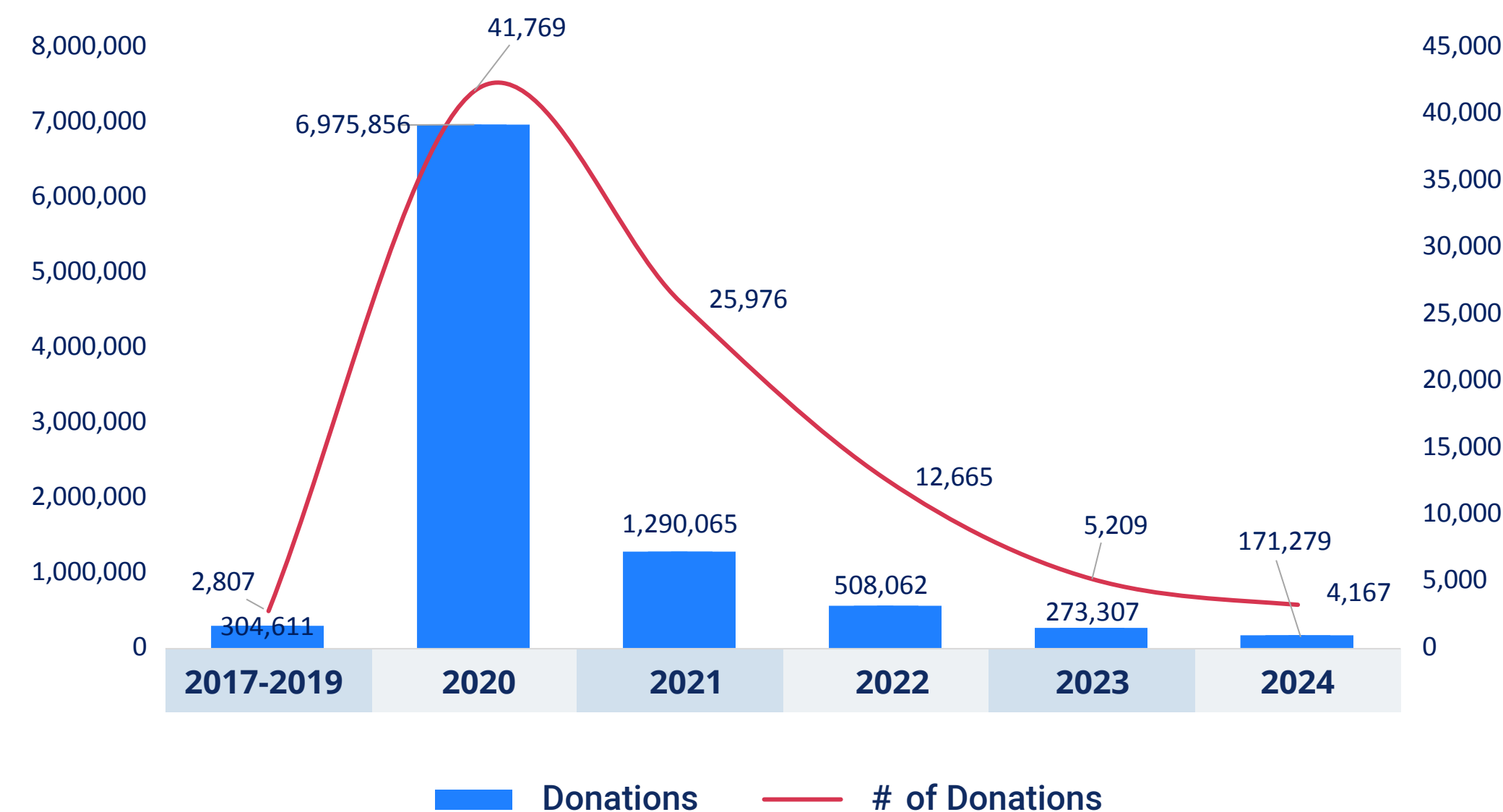
Mandatory payment growth  
as of 2024 compared to 2023

From 2017-2024 ZINAPAH received donations totaling around 9.5B AMD. As of Q4 2024, the total count of donations reached nearly 94 3K with an average donation size of 101,000 AMD. Most donations are made during periods of escalations.

In 2024, compared to the previous year, the total donation value in AMD declined by -37%. There was -20% decline in the number of donations and the average donation size decreased by -22%. 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](http://www.zinapah.am).

| 2017-2024 Donations by Currency      |           |           |           |         |         |         |           |              |
|--------------------------------------|-----------|-----------|-----------|---------|---------|---------|-----------|--------------|
| Currency' 000                        | 2017-2019 | 2020      | 2021      | 2022    | 2023    | 2024    | 2017-2024 | 2024 vs 2023 |
| AMD                                  | 296,495   | 4,380,043 | 739,093   | 301,333 | 173,750 | 87,650  | 5,978,278 | -50%         |
| USD                                  | 7         | 4.826     | 879       | 492     | 233     | 191     | 6,628     | -18%         |
| RR                                   | 162       | 114,908   | 6,517     | 455     | 1       | 2       | 122,045   | 123%         |
| EUR                                  | 1         | 797       | 122       | 34      | 20      | 31      | 1,006     | 56%          |
| 2017-2024 Donations Converted to AMD |           |           |           |         |         |         |           |              |
|                                      | 304,611   | 6,975,856 | 1,290,065 | 508,062 | 273,307 | 171,279 | 9,489,221 | -37%         |
| # of Donations                       | 2,807     | 41,769    | 25,976    | 12,665  | 5,209   | 4,167   | 94,322    | -20%         |
| Average donation amount              | 390       | 167       | 50        | 40      | 52      | 41      | 101       | -22%         |

### 2017-2024 Donations Value, # of Donations



**ZINAPAH** fully or partially refunds the mandatory stamp payments to a parent, spouse, and/or child of a serviceman in compulsory military service, a parent, spouse, and/or child of a deceased serviceman. The mandatory stamp payment refund process is implemented through the Stamp Duty Refund Subsystem, which allows the automatic record of the submitted applications via the ZINAPAH website and process the payment.

In 2024, some 6,676 returns were made which is 4% lower vs 2023. The total value of returns is 303 mln AMD, which is a decrease of 10% from 2023 and that is explained by the decrease of the applicants from Artsakh.

| Stamp Return 2024                       |                     |                     |              |
|-----------------------------------------|---------------------|---------------------|--------------|
|                                         | Fallen              | Conscript           | TOTAL        |
| <b>Number of Returns</b><br>Contr.      | <b>1,907</b><br>29% | <b>4,769</b><br>71% | <b>6,676</b> |
| <b>Total Amount</b> (mln AMD)<br>Contr. | <b>82</b><br>27%    | <b>221</b><br>73%   | <b>303</b>   |

| 2024 vs 2023             |             |            |             |
|--------------------------|-------------|------------|-------------|
|                          | Fallen      | Conscript  | TOTAL       |
| <b>Number of Returns</b> | <b>-26%</b> | <b>9%</b>  | <b>-4%</b>  |
| <b>Value AMD</b>         | <b>-41%</b> | <b>10%</b> | <b>-10%</b> |

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.

The ZINAPAH team has taken significant steps to enhance the well-being and personal development of its beneficiaries by launching social integration and development programs. To this end, a blueprint for the social programs has been developed, and the plan and priorities of social programs for 2025 are currently in the process of development. Several meetings have been held with governmental, non-governmental organizations, and foundations to discuss partnerships and coordinate efforts in areas such as education, economic integration, business promotion, housing support, and more.

In line with this mission, with the support and mediation of ZINAPAH, a series of initiatives have been implemented in collaboration with partners, focused on providing support, and information and fostering integration.

## **Cooperation with AccessToCare Charitable Dental Clinic**

In cooperation with ZINAPAH, AccessToCare Charitable Dental Clinic provided free dental services to 30 beneficiaries.

**AccessToCare** is a charitable public organization dedicated to providing free dental care to the relatives of soldiers deceased and missing-in-action in the Four-Day and 44-Day Wars, as well as to the disabled servicemen.

## **Cooperation with TUMO**

In cooperation with TUMO center, ZINAPAH beneficiaries had an opportunity to enroll their children free of charge in the newly opened TUMO branch in Kapan, Syunik region. In the Center children will take part in different training sessions and skill development excercises.





**AGBU WE**  
women entrepreneurs

ՀԲԸՄ «Կին ձեռներեցիներ»

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## Cooperation with the Armenian General Benevolent Union (AGBU) in the framework of the Women Entrepreneurs program

As part of its collaboration with AGBU, 34 female beneficiaries of ZINAPAH—wives, mothers, and daughters of deceased and missing servicemen—participated in the Women Entrepreneurs program organized by AGBU. The program is designed to empower and encourage female business owners by helping them develop essential business skills and knowledge. It covers areas such as market research, strategy development, business and financial management, and understanding the competitive market landscape. In addition to developing soft skills, beneficiaries who demonstrated strong potential and achieved high scores in the courses had the opportunity to present their business projects and apply for grants.

Additionally, ZINAPAH beneficiaries were informed about the opportunity to participate in the "New Opportunities and Perspectives in Career" exhibition, held in Yerevan and various regions of Armenia by AGBU.





## Cooperation with the Hayordi Charitable Foundation in the framework of the Mayreniq program

On November 17, a summary meeting was held with the beneficiaries of the Mayreniq program, implemented by the Hayordi Charitable Foundation. The program supports widows of deceased servicemen whose children were born after their fathers' death, and these beneficiaries participated in the meeting. ZINAPAH was also present at the event to introduce its mission and activities, and to address the questions of participants on ZINAPAH activities. Every effort was put to ensure it was engaging and uplifting for the children who participated in art therapy, drawing, and carpentry activities. As a final note, the kids were gifted with a copy of Elli Rabbit, a book co-authored and initiated by a ZINAPAH beneficiary.

## Meetings with Beneficiaries

ZINAPAH continues to hold meetings with its beneficiaries both in the regions and in Yerevan. During the reporting Q4 period, meetings were held in Kotayk, Shirak, and Ararat regions, involving approximately 105 beneficiaries, bringing the total number of meetings in 2024 to five. These meetings serve as an important platform to introduce and reinforce the mission of ZINAPAH, as well as to inform beneficiaries about new initiatives and opportunities. The Q&A section provides a valuable opportunity to address issues of interest within the framework of ZINAPAH's mission.





## Cooperation with Central bank of Armenia

The Central Bank of Armenia initiated a New Year event for ZINAPAH beneficiaries. Some children wrote wish letters addressed to Santa Claus. All the children received the presents they had wished for which were prepared by the Central Bank staff. The event took place at the Central Bank premises and featured Christmas carols and a theatrical performance with the participation of Elves and Santa Claus.



## Cooperation with Hayordi Charitable Foundation

New Year celebration events were held in Vardenis, Gegharkunik region, and Vayq, Vayots Dzor region for the children of deceased and missing-in-action servicemen. The events were brimming with joy and excitement. The eyes of the kids lit with joy and happiness as they opened their presents and discovered delightful surprises.

Another cheerful event was organized by the Hayordi Khokha Center, a free development center for children of deceased and missing servicemen aged 3-6. Held in Yerevan Place, the celebration was a vibrant display of joy and wonder. The room was filled with their gleeful cheers as they received gifts from Santa Claus.



## Cooperation with Idram

In cooperation with Idram, around 600 ZINAPAH beneficiaries had the opportunity to attend the New Year musical performance "No New Year without Teddy" at the Yerevan State Puppet Theatre. The performances captivated the children leaving smiles that lingered long after the event ended.



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

Following discussions 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, an official agreement was reached to proceed with the functional integration of the platform. ZINAPAH has since held discussions and planned the necessary solutions for the integration. The integration process is expected to be finalized in 2025, which will provide ZINAPAH beneficiaries with access to employment opportunities and ensure the traceability of their success.

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 ZINAPAH core competencies as a financial institution and social programs
- Performance development and evaluation implementation with the Teamflect digital Platform

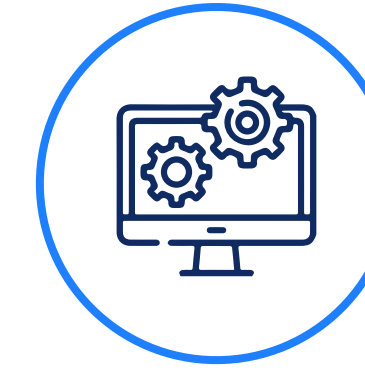


## OPERATIONS & OUTSOURCING

- 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

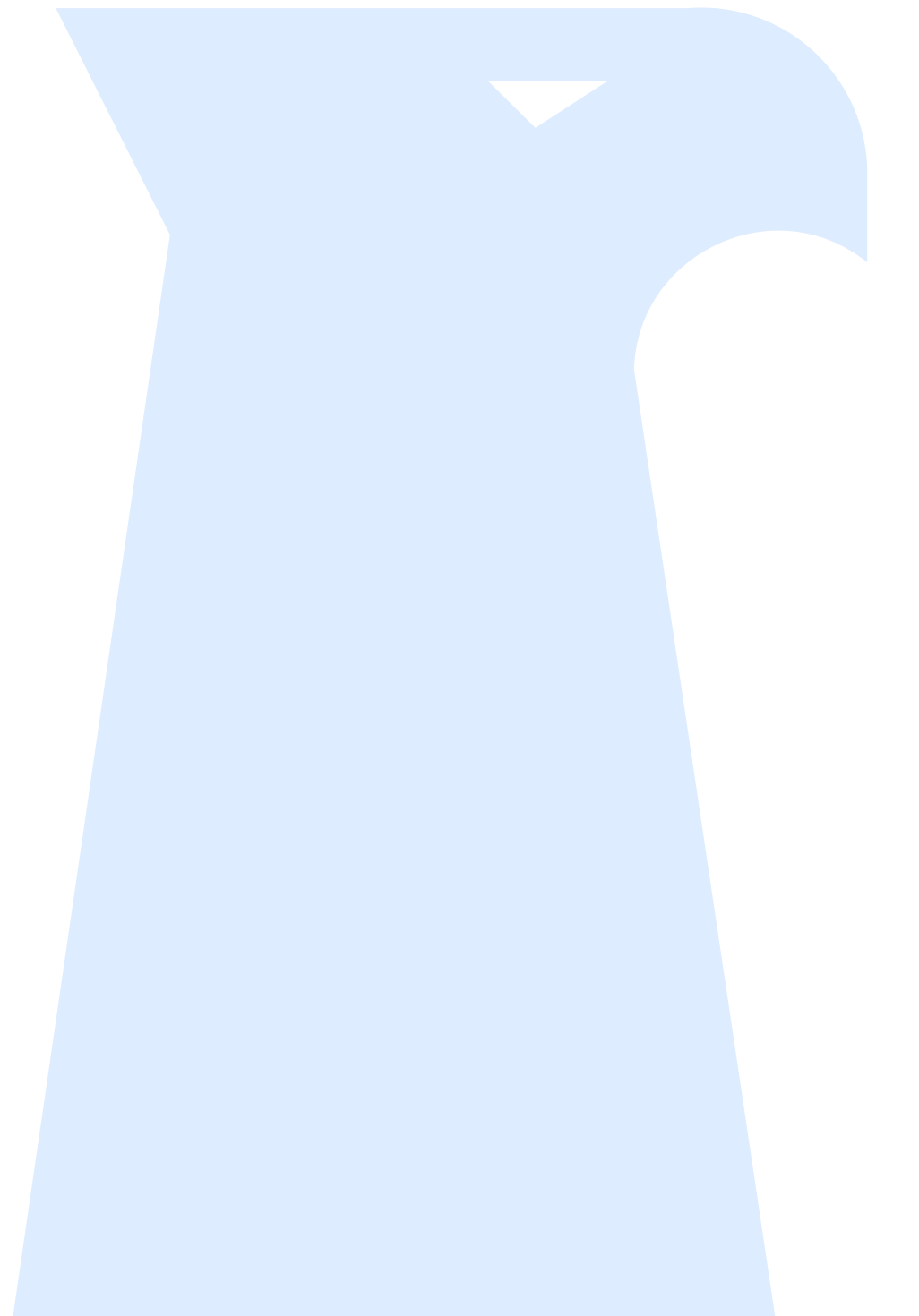
- Website launch is completed  
Infrastructure development project in process
- Mandatory stamp return process in-house management and automation
- Financial infrastructure development on the compensation system base
- IT security vulnerability assessment and penetration test project implementation competed



## LEGISLATIVE AMENDMENTS

- Legal change to support the disability status change is completed and payments were made
- Social project implementation position paper development is completed
- Beneficiary Disabled child support project within the social programs is in process

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 |
|---------------------------------------------------------------------------------------------|------|------------------------|------------------------|
| <b>Assets</b>                                                                               |      |                        |                        |
| <b>Non-current assets</b>                                                                   |      |                        |                        |
| 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              |
|                                                                                             |      | <b>30,062,360</b>      | <b>9,441,798</b>       |
| <b>Current assets</b>                                                                       |      |                        |                        |
| 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              |
|                                                                                             |      | <b>50,301,675</b>      | <b>36,486,740</b>      |
| <b>Total assets</b>                                                                         |      | <b>80,364,035</b>      | <b>45,928,538</b>      |
| <b>Liabilities</b>                                                                          |      |                        |                        |
| <b>Non-current liabilities</b>                                                              |      |                        |                        |
| Liabilities on compensations                                                                | 7    | 103,724,845            | 107,762,538            |
| Lease liabilities                                                                           |      | 19,861                 | 32,130                 |
|                                                                                             |      | <b>103,744,706</b>     | <b>107,794,668</b>     |
| <b>Current liabilities</b>                                                                  |      |                        |                        |
| Liabilities on compensations                                                                | 7    | 13,101,671             | 13,314,038             |
| Lease liabilities                                                                           |      | 23,561                 | 27,415                 |
| Accounts payables                                                                           |      | 14,948                 | 14,536                 |
|                                                                                             |      | <b>13,140,180</b>      | <b>13,355,989</b>      |
| <b>Net assets</b>                                                                           |      |                        |                        |
| 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)           |
|                                                                                             |      | <b>(36,520,851)</b>    | <b>(75,222,119)</b>    |
| <b>Total liabilities and net assets</b>                                                     |      | <b>80,364,035</b>      | <b>45,928,538</b>      |

## Statement of Comprehensive Income

| In thousand drams                                                                                                      | Note | Year ended 31 December 2023 | Year ended 31 December 2022 |
|------------------------------------------------------------------------------------------------------------------------|------|-----------------------------|-----------------------------|
| <b>Income</b>                                                                                                          |      |                             |                             |
| 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                         |
|                                                                                                                        |      | <b>49,662,073</b>           | <b>39,277,738</b>           |
| <b>Expenses</b>                                                                                                        |      |                             |                             |
| 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)                     |
|                                                                                                                        |      | <b>(10,991,207)</b>         | <b>(23,025,237)</b>         |
|                                                                                                                        |      | <b>38,671,039</b>           | <b>16,252,502</b>           |
| <b>Result for the year</b>                                                                                             |      |                             |                             |
| 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)                    |
| <b>Total comprehensive loss for the year</b>                                                                           |      | <b>38,701,268</b>           | <b>16,224,895</b>           |



## Statement of Changes in Net Assets

| In thousand drams                     | Revaluation reserve on securities measured at fair value through other comprehensive income | Accumulated loss    | Total               |
|---------------------------------------|---------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>As of 1 January 2022</b>           | <b>29,979</b>                                                                               | <b>91,417,035</b>   | <b>91,447,014</b>   |
| 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)        |
| <b>As of 31 December 2022</b>         | <b>(57,586)</b>                                                                             | <b>(75,164,533)</b> | <b>(75,222,119)</b> |
| 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          |
| <b>As of 31 December 2023</b>         | <b>(27,357)</b>                                                                             | <b>(36,493,494)</b> | <b>(36,520,851)</b> |

## Statement of Cash Flows

| In thousand drams                                                             | Year ended 31 December 2023 | Year ended 31 December 2022 |
|-------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                                   |                             |                             |
| 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                  |
| <b>Cash flows from investing activities</b>                                   |                             |                             |
| 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.

**united for our soldiers...**





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