



ZINAPAH[®]

NATIONAL FOUNDATION FOR
SERVICEMEN INSURANCE

UNITED FOR OUR SOLDIERS...

2023 Q3 Report



DONATE

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Governing Body and Management Team

Board of Trustees



Irina Seylanyan
Board Chairman



Adam Kablanian
Board Member



Joseph Simonian
Board Member



Anahit Adamyan
Board Member



David Akopyan
Board Member

Team



Karine Sarkissian
CEO



Karen Sahakyan
Internal Audit



Tatevik Yaghjyan
Deputy CEO,
Director of Operations



Lusine Zurabyan
Director of Finance



Smbat Saiyan
Director of
Compensation



Narine Galstyan
Director of PR
and Communications



Isabella Manasarian
Donor Relations and
Fundraising Manager



**Mnatsakan
Avetisyan**
Compensation
Coordinator



Arpine Zargaryan
Social Projects
Coordinator



Feliks Chilingaryan
Portfolio Manager



Lilit Ghabuzyan
Bookkeeper



Vazgen Martirosyan
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 fallen, missing, and 1st- and 2nd-category disabled soldiers and the families of these servicemen 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 and Artsakh 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 and Artsakh
- ✔ 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's website](#) provides the possibility to monitor both total funds from mandatory payments and donations, as well as 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 firms, 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 the ZINAPAH Community,

We at ZINAPAH National Foundation for Servicemen Insurance are profoundly grateful for your attention and continuous support. Your backing enables us to pursue financial support and social integration programs for our servicemen and their families.

After the 2020 War, 2021 was a year of operational and structural crisis management for **ZINAPAH National Foundation for Servicemen Insurance**. 2022-2023 was a period for recovery in terms of buffering, managing assets, and making monthly regular compensations while restructuring and institutionalizing ZINAPAH to focus on its core function as a financial organization.

Unfortunately, the needs for support among the ZINAPAH community of servicemen continue to be crucial due to the September 19-20, 2023 escalation in Artsakh, as a result of which about 100,632 people were forcibly displaced to Armenia from Artsakh, including a total of 1,044 servicemen or around 3,000 ZINAPAH beneficiaries who are the family members of servicemen.

The pain of relocation, leaving the homeland, adaptation to a new life, and emotional/psychological issues continue to be the most significant areas of support. That was the reason that the ZINAPAH Board of Trustees unanimously decided to allocate funds within its social programs, giving extra financial compensation in the amount of 250,000 per beneficiary family as a relocation and resettlement support. The timing of the payment will be defined after the identification of the beneficiary lists and will be announced in advance.

Providing moral and social support to ZINAPAH beneficiaries is crucial for their smooth reintegration into civilian life. Equally important is ensuring that our servicemen and their families experience a sense of significance and belonging within our society. In accordance with the new legal regulations, we are eligible to

initiate social integration projects for ZINAPAH beneficiaries. Hence, ZINAPAH will be working to run special social projects aimed at supporting them and advancing our mission in various areas, including but not limited to: healthcare – both physical and mental health and reintegration, education – providing educational and skill development courses, and employment – addressing job-related challenges, among others.

Since 2017 to Q3 2023, ZINAPAH provided compensation to 5,181 individuals, amounting to 82.1 billion AMD. ZINAPAH anticipates contributions of approximately 41 billion AMD from mandatory payments, 5 billion AMD from asset management, and around 331 mln AMD from donations.

2023 continues to be a year of organizational sustainable development and institutionalization, serving in the most challenging environment of complexity and uncertainty. ZINAPAH will remain dedicated to addressing the challenges our beneficiaries face using every resource at our disposal to make a positive impact. We will be working with our Government and other stakeholders, such as donors and partners, to develop further and strengthen the organization, and make a positive change in the ZINAPAH community.

None of our achievements would have been possible without the tireless efforts of our dedicated team, partners, and donors. We extend our heartfelt thanks to each of you for being an indispensable part of our journey. Your contributions, whether big or small, impact the lives of our nation's servicemen and their families who deserve more.

Let us stand united, bound by a shared purpose and vision of empowering ZINAPAH beneficiaries and their families.

Sincerely,
Karine Sarkissian
CEO ZINAPAH



ZINAPAH Operations for 2017 – 2023 Rolling Estimate (RE)



As per Year-to-Date (YTD) Q3 2023 actuals and the rolling estimate for the rest of the year, it is forecasted that ZINAPAH will record growth in income by approximately 19% in 2023 vs the previous year (PY), by about 46,806 mln AMD due to the strong increase in mandatory payments by 17%, asset management income growth by 54% and despite the decline in donations by 39%, which is an organic slowdown given that no investments were made to support the donor base, as well as the post-war declining trend mentioned in the previous reports.

Total expenses are expected to decline by 9% to 15,543 mln AMD. Compensations are anticipated to decline by 10% due to the low number of new cases. As a matter of fact, monthly payments are a big chunk of the compensation.

In 2023, the portion of ZINAPAH income attributable to mandatory payments is estimated to be at 88% vs. 90% in 2022. Asset management income is estimated to grow by about 3 percentage points from 8% in 2022 to 11% in 2023, and the income attributable to donations is estimated to go down by 0.6 points from 1.3% in 2022 to 0.7% in 2023.

ZINAPAH expenses are anticipated to decline by 9% vs PY and the compensation decline is expected by 10%, which is explained by the low level of estimated cases (i.e. lump-sum payments) if all remain the same. The administrative expense growth is expected to be 18% and it is lower than the projected budget of 33%. This is mainly explained by the increase in the outsourced service fees, staff headcount cut-related payments in Q1 2023, adjustments to bring salaries to the market average and related to the in-house transfer of the stamp payment return service, as well as the ZINAPAH website development prepayment which was financed by CBA and was counted as income in 2022.

MLN, AMD	2017	2018	2019	2020	2021	2022	2023 RE	2017-2023 RE	2023 vs. PY	Contr. to Mix 2022	Contr. to Mix 2023
Mandatory Payments	5,919	7,390	8,470	9,134	29,072	35,274	41,240	136,500	17%	90%	88%
Donations	94	95	115	6,976	1,290	508	331	9,390	-39%	1.3%	0.7%
Kamurj*	-	-	-	1,000	1,510	239	226	2,975	-5%	0.6%	0.5%
CBA**	-	-	-	-	301	-	-	301		0%	0%
Asset Management	153	797	1,595	2,425	1,841	3,256	5,029	15,096	54%	8%	11%
Other Income	-	-	-	-	-	-	-	0.0	-100%	0%	0%
Total Income	6,167	8,282	10,180	19,535	34,015	39,278	46,806	164,263	19%	100%	100%
Compensations	383	429	822	8,030	44,484	16,878	15,220	86,246	-10%	98%	98%
Admin Expenses	-	-	-	-	-	246	292	538	18%	1.4%	1.9%
CapEx	-	-	-	-	105	3	3	111	-6%	0.02%	0.02%
OpEx	-	-	-	-	149	21	28	199	32%	0.1%	0.2%
Other	-	0	0	-	-	-	-	0		0%	0%
Total Expenses	383	430	822	8,030	44,738	17,148	15,543	87,094	-9%	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 33 months in the amount of 300,000 AMD monthly payments to eligible beneficiaries.

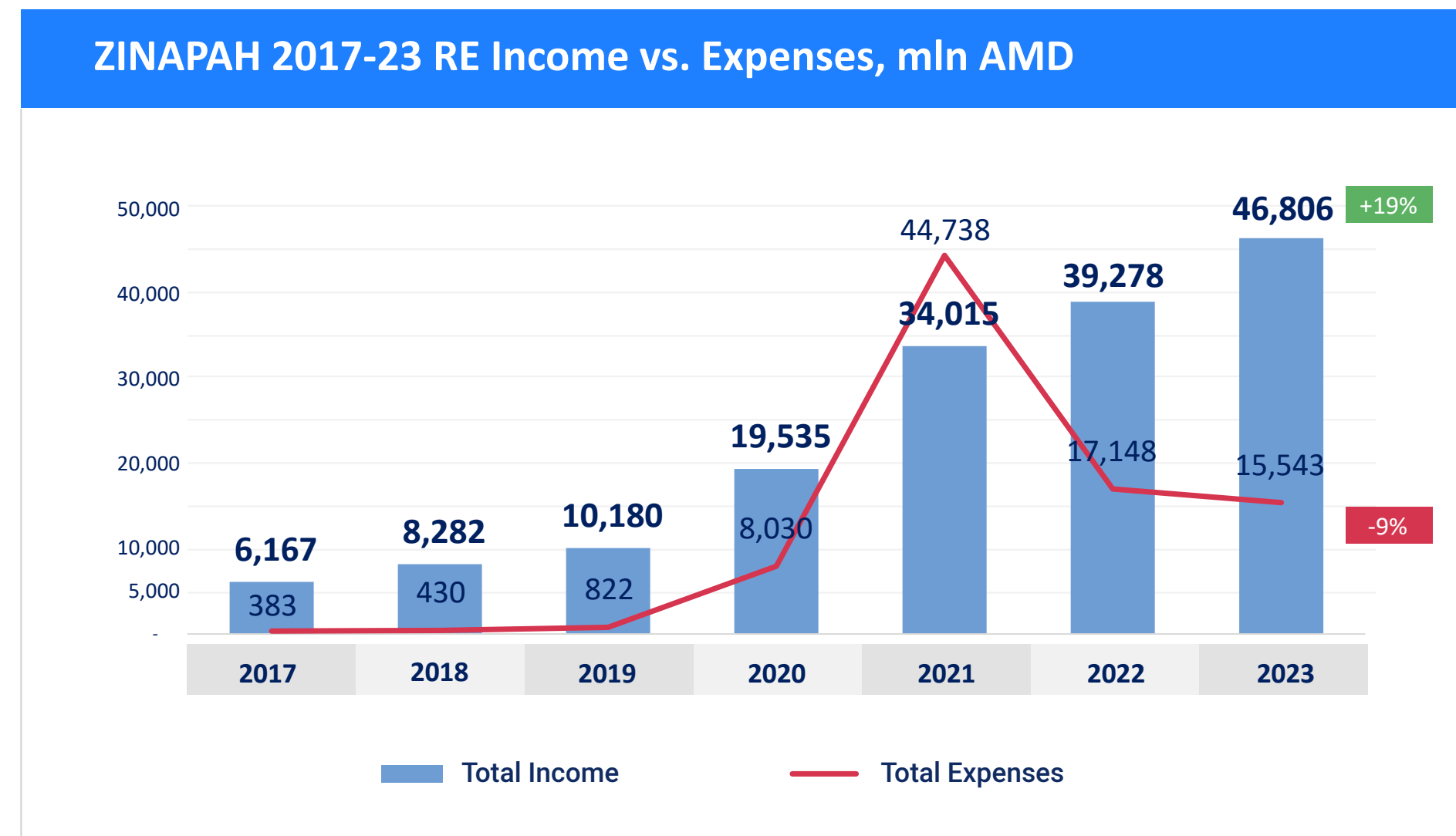
** **Central Bank of Armenia Contribution (CBA)** – All the expenses made during 2021 were financed by the Central Bank of Armenia. The funding is regulated by law and has been previously approved by the CBA Board.



ZINAPAH Operations for 2017 – 2023 Rolling Estimate (RE)

ZINAPAH 2017-2023 RE is reflected in the below graph, broken down by years.

In 2023, ZINAPAH total income is estimated to grow by 19% and reach 46,806 mln AMD, while the total expenses are estimated to shrink by 9% vs 2022 and reach 15,543 mln AMD.



Increase in the number of employees with a salary range of 1 mln AMD and above (and related stamp payments) by 48%**

Salary Range "2022 Dec vs 2021 Dec" ** '000	2021				2022				2022 vs PY	
	Number of Employees	%	Stamp Payment, AMD	%	Number of Employees	%	Stamp Payment, AMD	%	Number of Employees	Stamp Payment, AMD
up to 100,000 AMD	223	34%	334,329	13%	222	31%	332,961	11%	-0.4%	-0.4%
100,001-200,000 AMD	196	30%	587,247	22%	198	28%	594,561	19%	1%	1%
200,001-500,000 AMD	164	25%	901,555	34%	183	26%	1,006,308	33%	12%	12%
500,001-1,000,000 AMD	53	8%	452,957	17%	65	9%	555,569	18%	23%	23%
1,000,001 AMD and more	26	4%	387,630	15%	38	5%	573,840	19%	48%	48%
Total	662	100%	2,663,717	100%	707	100%	3,063,238	100%	7%	15%

The expected income growth of 19% in 2023 is mainly attributable to the 17% expected growth in mandatory payments % and the growth explained by the following factors:

- Increase in the total number of employed population by 6%, to 725K*
- Increase in number of companies by 8%, to 67.4K*
- Increase in the average salary size by 11%, to 265.5K* AMD

* Source: Armstat.am, the comparison is done 2023 vs 2022 YTD August period

** Source: As of the end of 2022 State Revenue Committee's official report, which includes only Armenia without the data from special forces and individual entrepreneurs and notaries

Number of Companies			Number of Employees			Average Salary		
Aug'2022	Aug'2023	VS PY	Aug'2022	Aug'2023	VS PY	Aug'2022	Aug'2023	VS PY
62,320	67,402	8%	684,160	724,993	6%	239,742	265,471	11%



As of YTD Q3 2023 vs PY results, ZINAPAH recorded growth in income approximately by 31%, to reach about 37,353 mln AMD due to the strong increase in mandatory payments by 28%, asset management income growth of 81%, and despite the decline in donations by 30%.

At the same time, total expenses increased by 1% to 11,397 mln AMD, and the compensations increased by only 0.2% as the monthly payments were the big chunk of the compensation vs lump sum payments, due to the low number of cases.

In 2023 Q3, the portion of ZINAPAH income attributable to mandatory payments is 88%. The portion of income attributable to asset management increased to 11% with +3 pts, and the portion of donations is stable at 1%.

In Q3 2023, ZINAPAH expenses increased by only 1%. The administrative expense growth of 86% is mainly explained by the increase in the service fee of the outsourced services, staff headcount cut-related payments in Q1 2023, and adjustments to bring salaries to the market average, and related to the in-house transfer of the stamp payment return service, as well as the ZINAPAH website development and business process restructuring service prepayment.

MLN, AMD	Q1-3 2022	Q1-3 2023	YTD Q3'23 vs. Q3'22	Contr. to Mix Q3'22	Contr. to Mix Q3'23
(AMD)					
Mandatory Payments	25,722	32,841	28%	90%	88%
Donations	413	211	-49%	1%	1%
Kamurj*	201	172	-14%	1%	0%
CBA**	-	-	-	0%	0%
Asset Management	2,281	4,129	81%	8%	11%
Other Income	-	-	-	0%	0%
Total Income	28,616	37,353	31%	100%	100%
Compensations	11,147	11,170	0.2%	98%	98%
Admin Expenses	172	203	18%	2%	2%
CapEx	2	2	-9%	0%	0%
OpEx	13	22	74%	0%	0%
Total Expenses	11,333	11,397	1%	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 33 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.

- ✔ **30% of mandatory payments** are expected in **2023**
- ✔ **3% of donations** are expected in **2023**
- ✔ **33% of the asset management income** is expected to be contributed in **2023**
- ✔ **18% of compensations** are expected to be paid in **2023**

mIn AMD	2022	2023 RE	2017-2023	% Contr. 2023
Mandatory Payments	35,274	41,240	136,500	30%
Donations	508	311	9,390	3%
Asset Management	3,256	5,029	15,096	33%
Compensations	16,878	15,220	86,246	18%



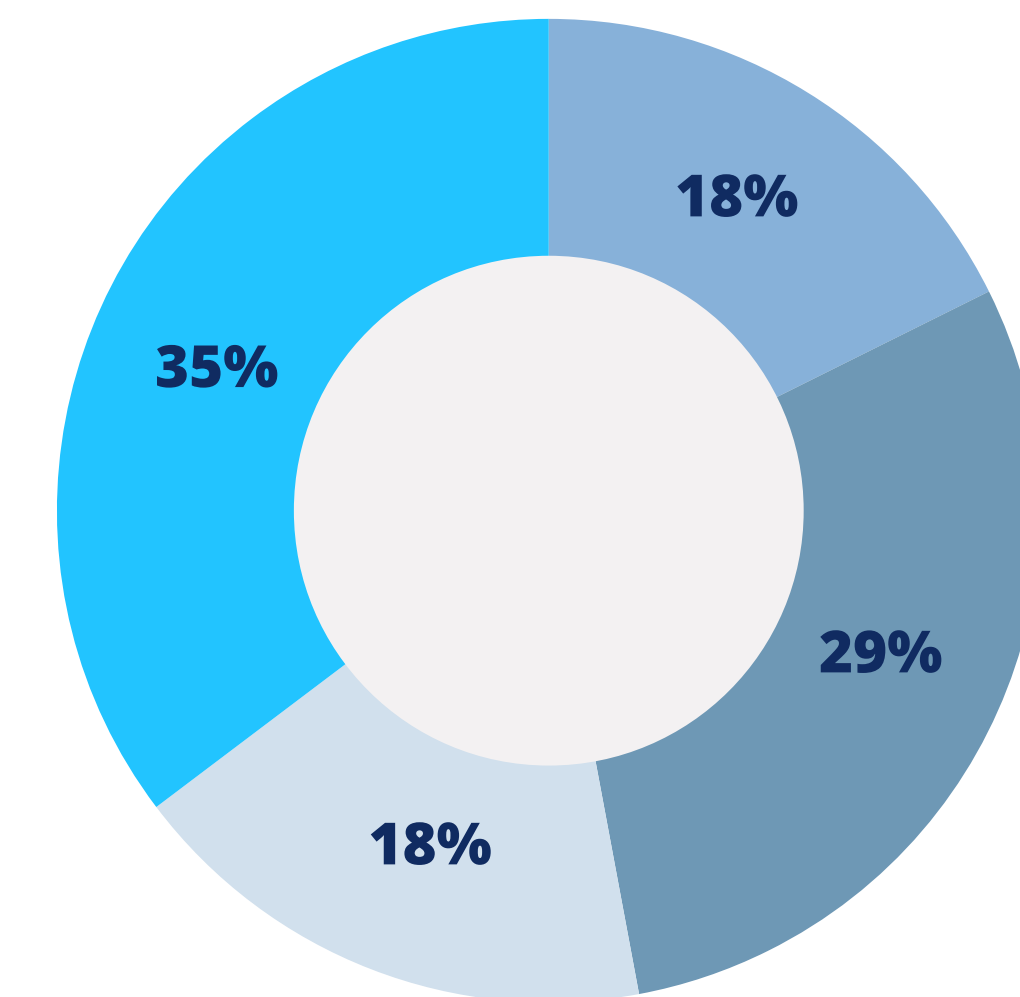
✔ From **2017-2023 Q3** ZINAPAH provided compensation to **5,181** beneficiaries.

✔ In **2023 Q3** there were **17** new cases and **91** throughout 2023.

✔ In **Q3 2023**, **17 new cases** were compensated below broken down by case type:

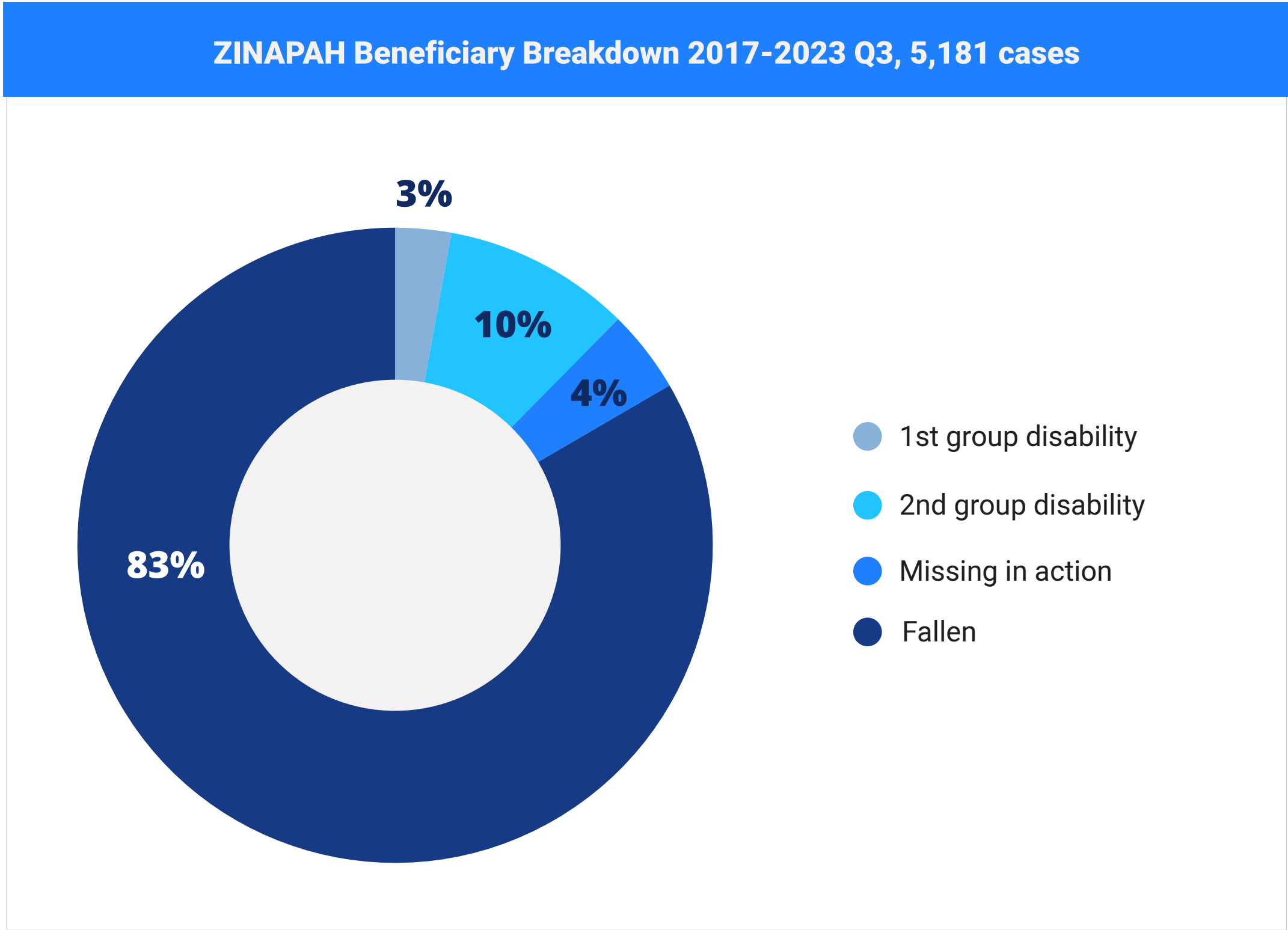
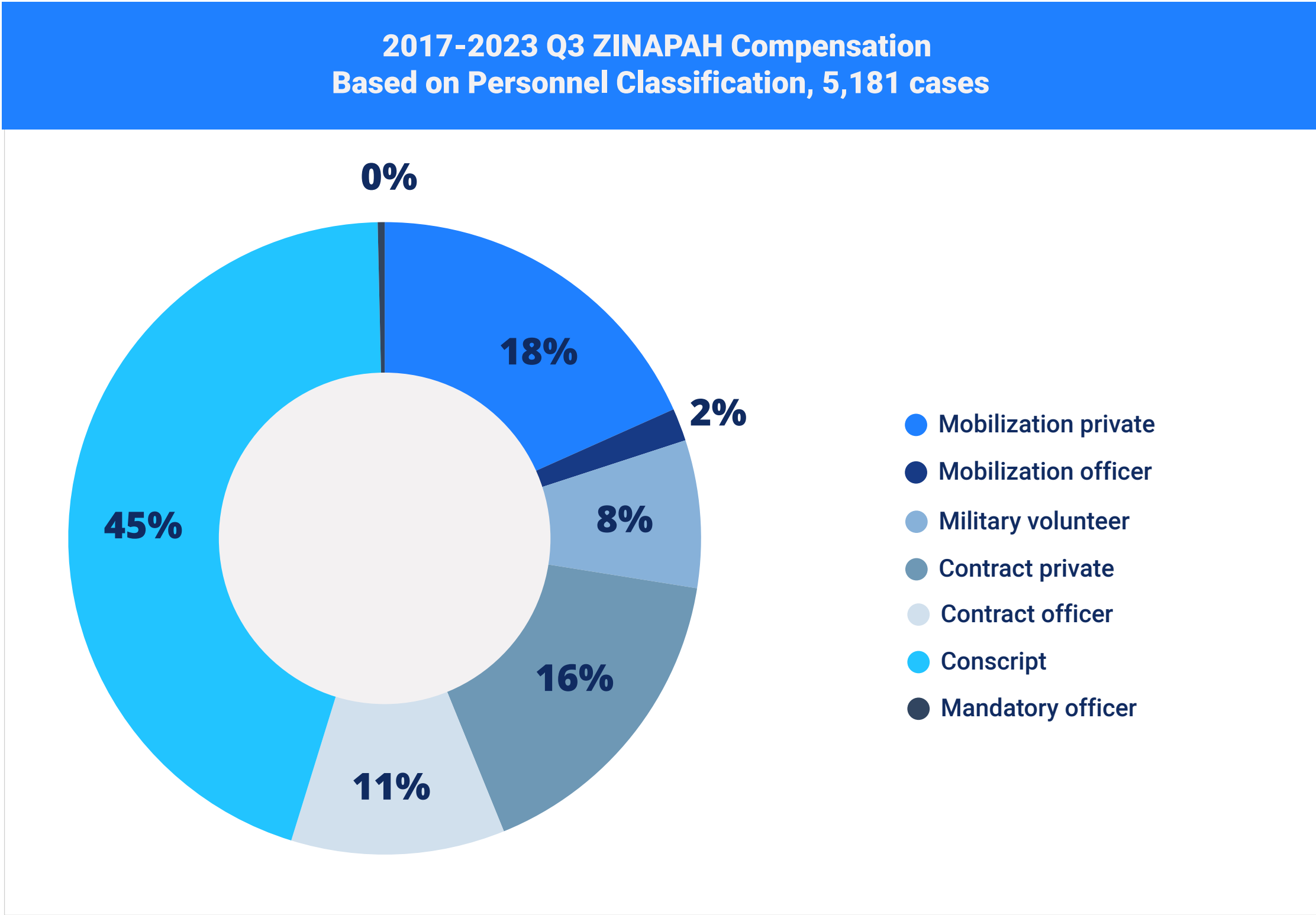


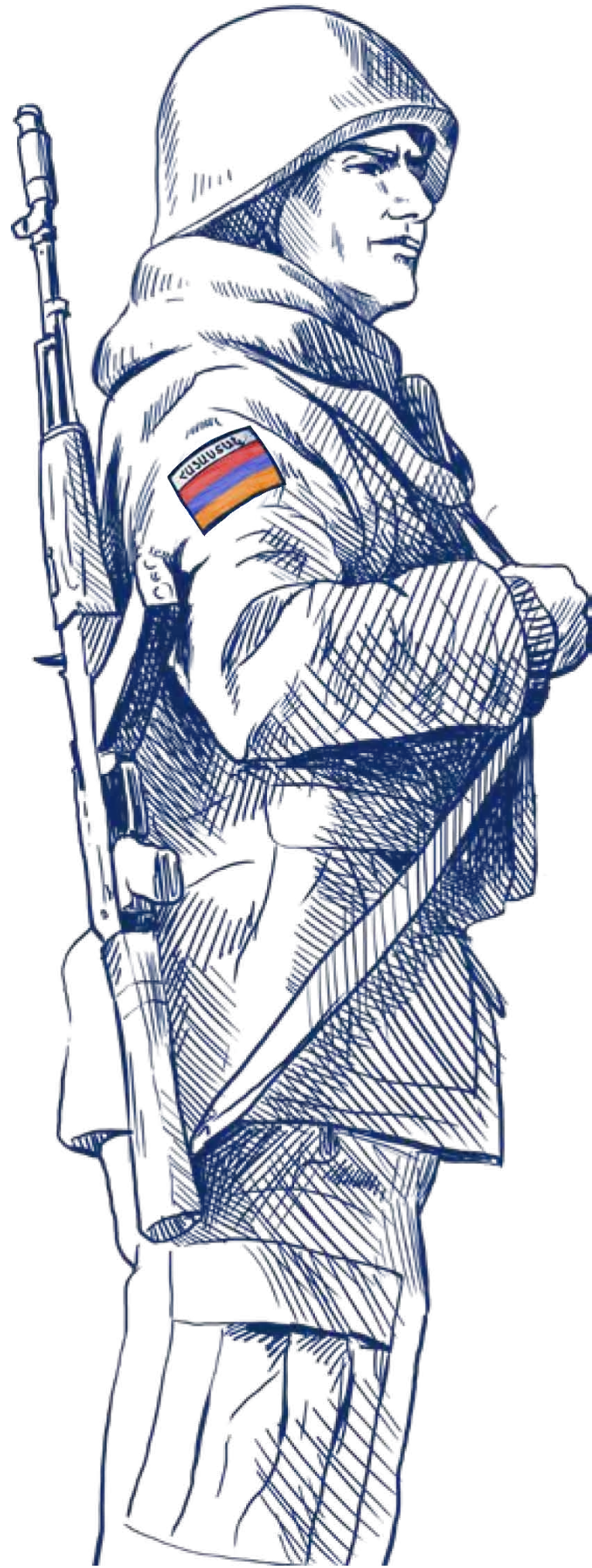
2023 Q3 ZINAPAH Compensation Based on Personnel Classification



● Military volunteer ● Contract officer
● Contract private ● Conscript

The **5,181** beneficiaries from **2017-2023 Q3** are broken down by personnel classification in the pie chart below. Notably, **45%** are conscripts, while **47%** are mobilized recruits, officers and **8%** are volunteers.





2017-2023 Q3 IN SUMMARY

17

Beneficiary new cases in 2023 Q3, and
5,181 cases from 2017-2023 Q3

3.6

3.6 billion AMD compensation in 2023 Q3, and
82.1 billion AMD since 2017-2023 Q3 to those
fallen, missing, or eligible for disability insurance

17%

Mandatory payment growth is expected
as of the end of 2023 compared to 2022

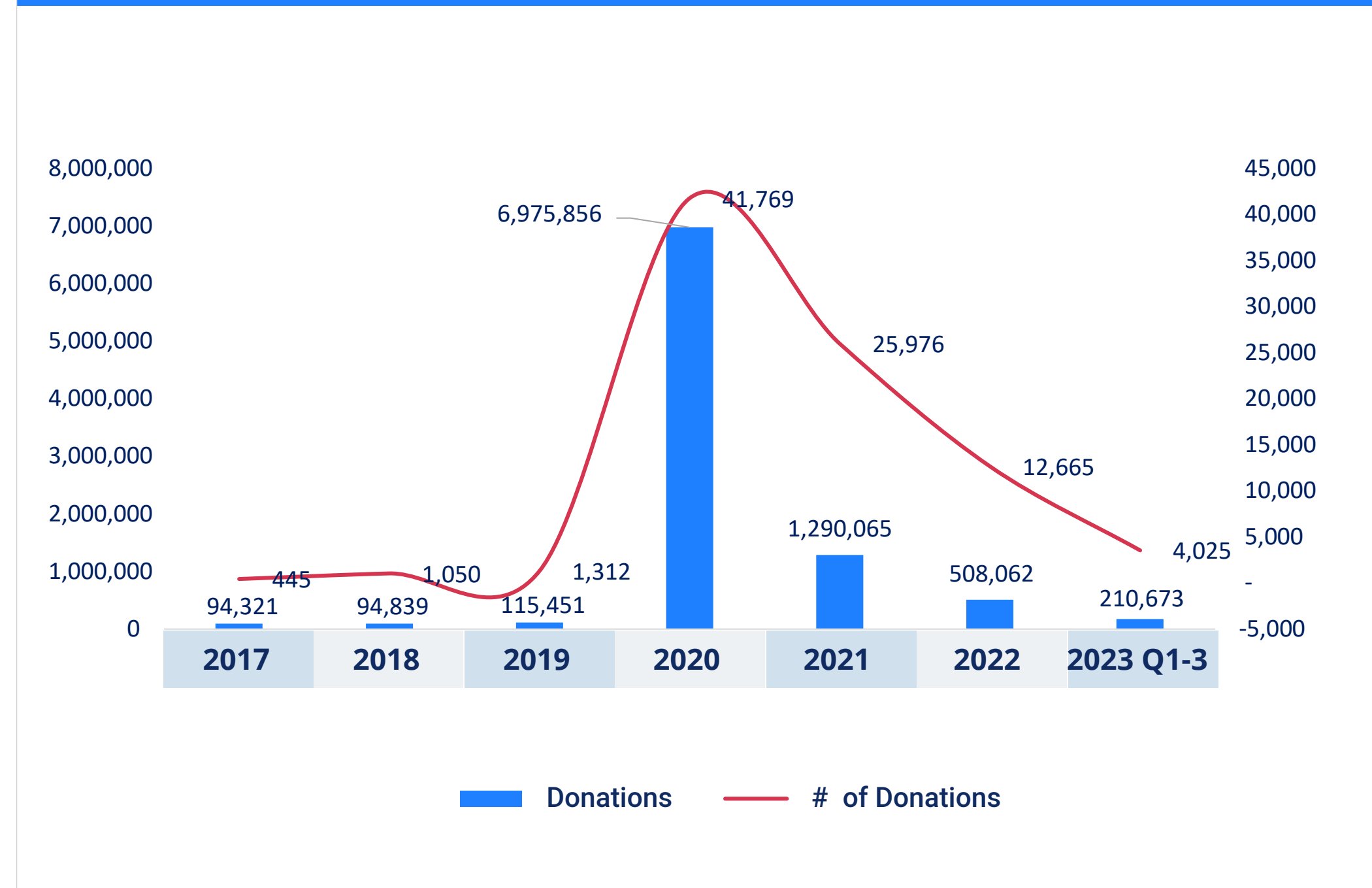


Donations to ZINAPAH, 2017-2023 Q3

From 2017 through 2023 Q3, ZINAPAH donations totaled around 9.3 billion AMD. The total number of donations is almost 87,000 with an average donation amount of 106K AMD. The biggest number of donations are made during escalations.

In 2023 Q1-3, compared to PY, the donation value decreased by 49% in AMD. The number of donations decreased by 59% and the average donation size increased by 25%. This can be explained by post-war syndrome, with donations usually showing a sharp increase in wartime, as reflected in the 2020 results. The biggest chunk of the decline is also reported in Russian Rubles from Russia due to the sanctions against Russia and the difficulties in money transfer systems. The donations were made via bank transfers as well as via the ZINAPAH website www.zinapah.am.

2017-2023 Q1-3 Donations, mln AMD # of Donations



2017-2023 Q3 Donations by Currency										
Currency' 000 000	2017	2018	2019	2020	2021	2022	2022 Q1-3	2023 Q1-3	2017-2023Q1-3	2023 YTD Q3 vs PY Q3
AMD	94,321	89,136	113,038	4,380,043	765,793	301,333	187,176	138,650	5,882,315	-26%
USD		2	5	4.826	879	492	415	166	6,370	-60%
RR		80	82	114,908	6,517	455	441	1	122,042	-100%
EUR		1	0,420	797	122	34	33	15	970	-54%
2017-2023 Q3 Donations Converted to AMD										
# of Donations	94,321	94,839	115,451	6,975,856	1,290,065	508,062	412,749	210,673	9,289,268	-49%
Average donation amount	445	1,050	1,312	41,769	25,976	12,665	9,842	4,025	87,242	-59%
	212	90	88	167	50	40	42	52	699	25%



Stamp Return 2023, Q1-Q3				Stamp Return 2022			
	Fallen	Conscript	Total		Fallen	Conscript	Total
Number of Returns Contr.	2,151 40%	3,262 60%	5,413 100%	Number of Returns Contr.	2,170 44%	2,815 56%	4,985 100%
Total Amount (AMD) Contr.	115,643,411 43%	151,401,303 57%	267,044,714 100%	Total Amount (AMD) Contr.	100,962,500 43%	134,880,864 57%	235,843,364 100%

- **The number of returns showed a growth of 9% vs PY and the total returns in value grew by 13%**
- **267.04 mln AMD was returned to the applicants of the Mandatory Stamp Return, out of which:**
 - 43% of fallen servicemen's applicants
 - 57% of army conscripts' applicants



ZINAPAH continues to cooperate with various foundations, non-governmental and charitable organizations, and private sector companies to support our servicemen and their families for the further development of their physical, educational, psychological well-being and development.

Considering the importance of maintaining a connection with beneficiaries, the ZINAPAH team has taken steps for further development and social integration programs for its beneficiaries. ZINAPAH continues to work on expanding the list of cooperating partner organizations and signs a Memorandum of Understanding (MOU) on cooperation with each of them. The goal is to unite, consolidate, and coordinate existing public, private sector, NGO sector and charitable organizations around the idea of supporting servicemen and their families, and smoothly integrate them into society.

Hayordy and Davit Ghazaryan Foundation Initiative

Around 300 children aged 5 to 16 had the opportunity to enjoy the summer holiday at a camp named after Lieutenant Colonel Davit Ghazaryan, Hero of Artsakh. This was an initiative by Hayordy and the Davit Ghazaryan Foundation. The Camp was held in Hankavan from 13 July to 30 August, over 3 rounds of 7 days each. Around 100 children participated in each of the rounds, all of whom were children of fallen servicemen or those missing in action from 2014 to 2022.



As in the previous 2 years, the camp leaders and all the staff members consisted once again of the wives, mothers, and sisters of the deceased, disabled and missing-in-action servicemen, who worked on a volunteer basis. The children had the opportunity to enjoy the incredible natural landscape and the organized events: movie screenings, handicraft activities, field trips, art therapy, psychological training, and national song and dance concerts performed by popular singers.

AGBU Initiative

In cooperation with ZINAPAH, the AGBU Nairi Camp hosted about 250 children and family members of fallen, missing-in-action and disabled servicemen, as well as children displaced from Artsakh. The Camp took place in a high-standard facility in the green natural setting of Hankavan throughout July-August. Despite the difficulties, another 5-day Nairi Camp was organized in Artsakh, as the children under blockade were not able to come to Armenia to participate in the camp.

The camp program was full of national songs and dances, swimming activities, football, handicrafts, movie screenings, discussions, psychological support actions, etc. ZINAPAH supported the AGBU team to spread the word about the initiative among the targeted participants.





Armenian Fund for Sustainable Development Initiative

The Armenian Fund for Sustainable Development allocated 5 spots for the wives of wounded, fallen/missing-in-action servicemen to apply for the Women's Empowerment in Armenia initiative. Through guaranteeing economic activities and stable income, this initiative will contribute to those women's involvement in social-economical life.

From 2022 till now, this program has financed 31 small enterprises, 39 courses, and has about 50 beneficiaries, whose testimonials speak for themselves- Social and Economic Inclusion of Vulnerable Women in Armenia 2022 - [YouTube](#)

ZINAPAH was committed to spreading the word about the program among its female beneficiaries using its various communication channels. Unfortunately, due to the Artsakh war, the course was postponed.



Ucom Initiative

Ucom, a ZINAPAH partner company provided job opportunities for various positions for the disabled beneficiaries of ZINAPAH. The job opportunities were promoted among ZINAPAH beneficiaries. As a result, 2 candidates are going through an interview process.



Roz and Alex Philippos School's student Initiative

In joint efforts with ZINAPAH, the students of Roz and Alex Philippos School provided financial support to 10 ZINAPAH beneficiary families living in poor conditions. The initiative was left halfway due to the escalation of 19-20 September in Artsakh, as it was decided to focus on the families displaced from Artsakh.



Memorandum of Understanding with KASA Swiss Humanitarian Foundation

On 20 July 2023, a Memorandum of Understanding was signed with the KASA Swiss Humanitarian Foundation. The Foundation is currently implementing educational and e-learning projects.



Online platform

This is an ongoing initiative consisting of the ZINHUB online digital platform design and programming, implemented jointly with the Ministry of Labor and Social Affairs, ZINAPAH, and Enterprise Incubator Foundation. Regular meetings and discussions have been held, and the platform was named ZINHUB. The visual identity has been developed and the website is under development. Completion is planned in October 2023. The ZINHUB platform is a tool that will unite and coordinate all those organizations that independently implement various social, educational, rehabilitation, and other projects, and evaluate the results and effectiveness through targeted approaches.



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, and the migration was completed in June 2023.



TEAM

- Restructuring to focus on ZINAPAH core competencies - managed by a team of 13 people, with Donor Relations and Fundraising Manager recruitment completed in May
- Organizational handbook development
- Performance development and evaluation system pilot implementation with digital Teamflect system
- Governing body with 5 Board Members

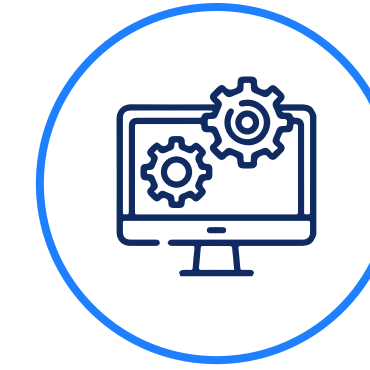


OPERATIONS & OUTSOURCING

- Communication Policy Adoption
- Investment Policy Adoption
- Stress scenario planning
- Procurement guidelines adoption
- ZINAPAH rebranding and communication campaign
- ZINHUB unified platform for beneficiaries
- Audit 2022 completed and published

OUTSOURCING MANAGEMENT

- HR management
- Accounting services
- Customer call center
- IT security
- Legal counsel



MIGRATION AND INFRASTRUCTURE

- Migration from CBA project complete
- Website and infrastructure development project in process
- Business process redesign, reengineering, and automation work in process
- Mandatory stamp return process management and automation
- Financial infrastructure on the compensation base planning
- IT security policy development works in process

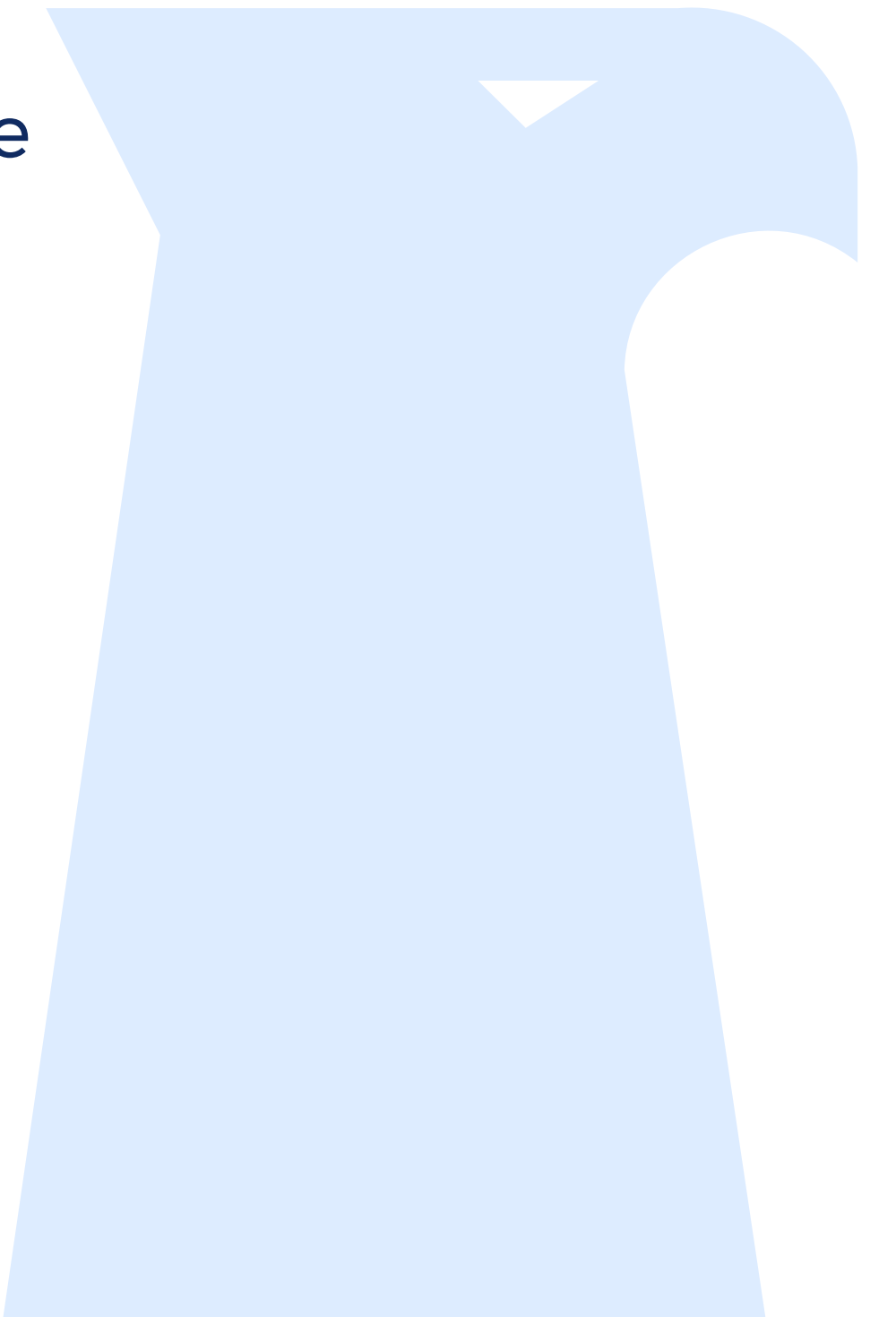


LEGISLATIVE AMENDMENTS

- Stamp return regulation
- Executive investment committee reform
- Charter change to reflect the new brand name
- Law change to support the disability status change from second to third category
- Beneficiary compensation case change BoT
- Social project implementation procedure development



The ZINAPAH Audit 2022 was conducted 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 and on [our website](#):



Statement of Financial Position

In thousand drams	Note	As of 31 December 2022	As of 31 December 2021
Assets			
Non-current assets			
Property and equipment		126,849	156,733
Intangible assets		12,742	3,436
Investments in government debt securities	4	620,521	1,402,309
Funds placed in banks	5	8,681,686	7,303,869
		9,441,798	8,866,347
Current assets			
Accounts receivables		7,459	6,974
Investments in government debt securities	4	1,215,099	1,884,276
Funds placed in banks	5	32,674,544	10,497,727
Cash and cash equivalents	6	2,389,638	2,470,298
		36,486,740	14,859,275
Total assets		45,928,538	23,725,622
Liabilities			
Non-current liabilities			
Liabilities on compensations	7	107,762,538	102,912,893
Lease liabilities		32,130	33,651
		107,794,668	102,946,544
Current liabilities			
Liabilities on compensations	7	13,314,038	12,176,620
Lease liabilities		27,415	40,343
Accounts payables		14,536	9,129
		13,355,989	12,226,092
Net assets			
Revaluation reserve on securities measured at fair value through other comprehensive income	8	(57,586)	(29,979)
(Accumulated loss)/retained earnings		(75,164,533)	(91,417,035)
		(75,222,119)	(91,447,014)
Total liabilities and net assets		45,928,538	23,725,622

Statement of Comprehensive Income

In thousand drams	Note	Year ended 31 December 2022	Year ended 31 December 2021
Income			
Income from mandatory payments and donations	9	36,021,512	32,173,532
Finance income	10	3,256,038	1,841,151
Other income		188	240
		39,277,738	34,014,923
Expenses			
Compensation expenses		(12,983,465)	(123,280,125)
Employee benefits		(118,480)	(76,326)
Depreciation and amortization		(33,625)	(18,050)
Gain/(loss) from remeasurement of allowance on expected credit losses	11	84,462	51,881
Finance cost	12	(9,888,750)	(9,292,770)
Other expenses		(83,551)	(51,497)
Net loss from exchange differences		(1,827)	(263)
		(23,025,237)	(132,667,150)
		16,252,502	(98,652,227)
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		(20,961)	(89,886)
Changes in allowance on expected credit losses of securities measured at fair value through other comprehensive income		(6,646)	(7,442)
Other comprehensive loss for the year		(27,607)	(97,328)
Total comprehensive loss for the year		16,224,895	(98,749,555)

Statement of Changes in Net Assets

In thousand drams	Revaluation reserve on securities measured at fair value through other comprehensive income	Retained earnings/ (accumulated loss)	Total
As of 1 January 2021	67,349	7,235,192	7,302,541
Result for the year	-	(98,652,227)	(98,652,227)
Other comprehensive loss for the year	(97,328)	-	(97,328)
Total comprehensive loss for the year	(97,328)	(98,652,227)	(98,749,555)
As of 31 December 2021	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)

Statement of Cash Flows

In thousand drams	Year ended 31 December 2022	Year ended 31 December 2021
Cash flows from operating activities		
Received mandatory payments and donations	36,021,512	32,173,532
Provided compensations	(16,877,925)	(44,483,704)
Labor expenses	(82,302)	(50,870)
Other income	56	88
Other expenses	(147,024)	(95,041)
Net cash from/(used in) operating activities	18,914,317	(12,455,995)
Cash flows from investing activities		
Acquisition of property and equipment	(2,530)	(88,455)
Funds placed in banks	(25,975,000)	(12,825,000)
Repayment of funds placed in banks	4,370,000	15,770,000
Proceeds from redemption of investments in government debt securities.	1,400,000	-
Interest received from funds placed in banks and other financial institutions	991,721	2,323,286
Interest received from investments in government debt securities	222,500	285,500
Net cash from investing activities	(18,993,309)	5,465,331
Net increase/(decrease) in cash and cash equivalents	(78,992)	(6,990,664)
Foreign exchange effect on cash	(1,668)	(264)
Expected credit loss effect on cash and cash equivalents	-	1,157
Cash and cash equivalents at the beginning of the year	2,470,295	9,460,069
Cash and cash equivalents at the end of the year	2,389,638	2,470,298





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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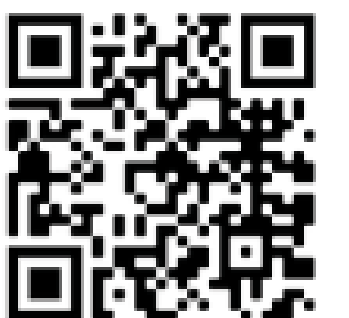


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