

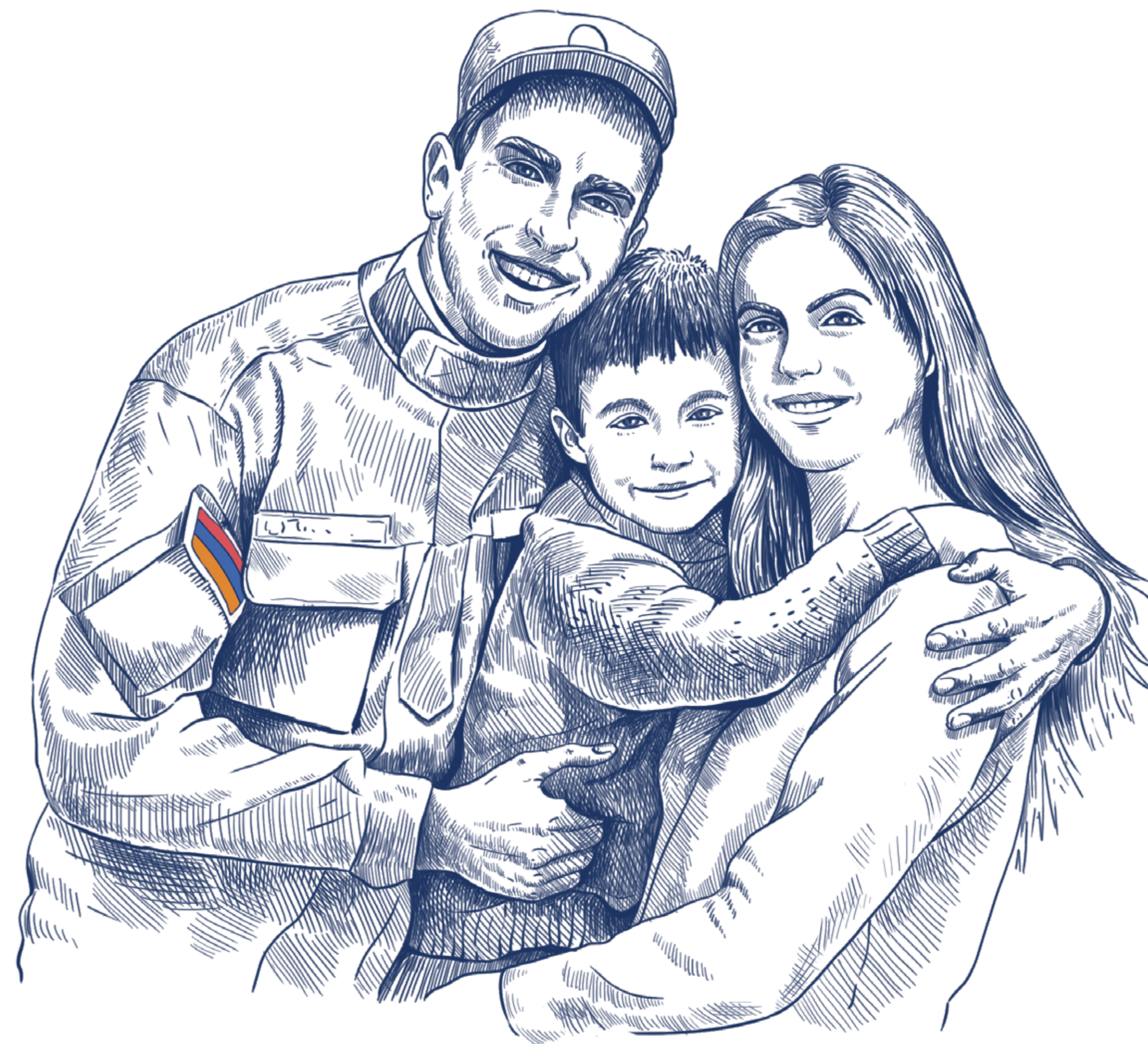


ZINAPAH®

NATIONAL FOUNDATION FOR
SERVICEMEN INSURANCE

UNITED FOR OUR SOLDIERS...

2025 Q1 Report



DONATE

zinapah.am

Table of Content

ZINAPAH Management and Financial Analysis

Governing Body and Management Team

Brief History, Mission, Vision and Values

CEO Foreword

Operations for 2017-2025

Beneficiaries and Compensations, 2025 Q1

Donations, 2017-2025 Q1

Beneficiary Social Projects and Cooperation

Development Path to Financial Independence



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



Mariana Harutyunyan
Program Officer



Hrachik Avtandilyan
Compensation
Coordinator



Arpine Zargaryan
Social Projects
Coordinator



Feliks Chilingaryan
Portfolio Manager



Lilit Chabuzyan
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 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](#), 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, as well as 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 firms, are also regularly published on 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,

It is with immense pride and deep responsibility that I present the ZINAPAH progress report for the first quarter of 2025. This report is not merely a reflection of our numbers - it is a reflection of our mission, our collective commitment, and most importantly, the trust placed in us by our beneficiaries, their families, and every citizen of Armenia and the Diaspora.

Since 2017-2025 ZINAPAH has grown into a cornerstone institution for servicemen and their families, and as of Q1 supports 5,491 individuals with total compensation exceeding **112 billion** AMD. Approximately **197B** AMD of ZINAPAH assets was generated from mandatory payments, **28B** AMD from asset management, and around **9.6B** AMD from donations (Kamurj excluded). These numbers, while significant, represent far more than financial support - they represent dignity, recognition, and a promise upheld by the Armenian people to those who sacrificed for our nation.

Last year, our Board of Trustees made a landmark decision to index monthly compensation by 26%, an initiative aimed at countering inflation and reaffirming our unwavering commitment to ensuring a dignified life for our beneficiaries. We recognize that behind every number is a family, a story, and a future. And we are here to protect it.

Looking forward, one of our most promising developments will be the integration of the ZINHUB with e-work platform as a collaborative initiative with the Ministry of Labor and Social Affairs e-work platform uniting partner organizations in delivering job opportunities, education. This marks a new era for ZINAPAH, where empowerment and reintegration become pillars of our long-term support strategy.

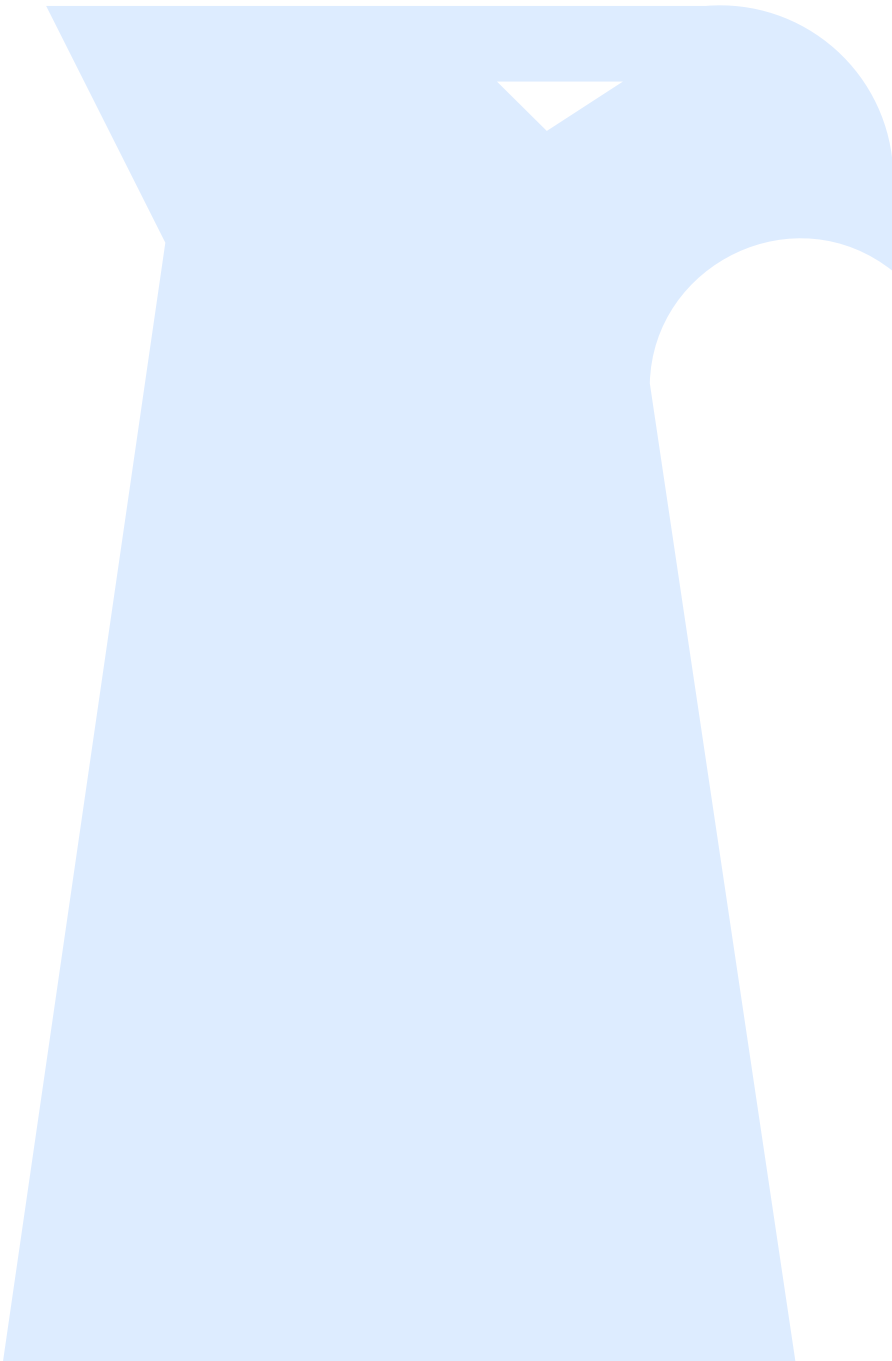
As we continue to grow and evolve, our values remain constant: transparency, accountability, and integrity. These principles guide every decision we make and every dram we allocate.

I extend my heartfelt gratitude to every working citizen and donor who fuels this mission, as well as to our partner organizations and the ZINAPAH Team for their immense efforts and dedicated work. Together, we are not only providing support - we are shaping a more resilient, inclusive, and grateful Armenia and Diaspora.

Let us move forward, united in purpose, determined in action, and unwavering in our dedication to those who have given so much.

With respect and gratitude,

Karine Sarkissian
Chief Executive Officer
ZINAPAH Foundation



The 2025 Budget was built on the principle that mandatory payments would grow only by a conservative 3%. The asset management contribution income is expected to grow by 28% due to the expansion of assets. Total income is estimated to increase steadily, reaching 58,779 mln AMD in 2025, with a 7% increase vs 2024. Major contributors in 2025 are expected from mandatory payments. Donations (excluding Kamurj) show a significant drop from 2021 to 2025 RE – 1,290mln down to 169mln AMD. Asset management income grows rapidly - from 3,256mln in 2022 to 9,339mln in 2024 and 11,951mln AMD in 2025 RE. 2025 income mix is heavily skewed towards mandatory payments (79%) and asset management (20%). With sustainable growing income and stable costs, the net income surplus is likely to increase after 2025 if the trend holds.

At the same time, total expenses are expected to increase to 21,959 million AMD in 2025, with a modest 1% rise from 2024. The major cost comes from beneficiary compensations, accounting for 98% of 2025 expenses. Admin expenses and OpEx remain low and stable. The expense mix remains very stable, dominated by compensations.

The rolling estimate of the admin expenses vs total assets 2024 ratio is estimated at 0.32% vs the 2% upper cap limit regulated by the Law.

MLN, AMD	2017-2020***	2021	2022	2023	2024	2025 RE	2017-2025 RE	2025 RE vs. PY	Contr. to Mix 2024	Contr. to Mix 2025
Mandatory Payments	30,914	29,072	35,274	43,199	45,393	46,589	230,442	3%	83%	79%
Donations	7,280	1,290	508	273	171	169	9,693	-1%	0,31%	0,29%
* Kamurj donations	1,000	1,510	239	237	86	69	3,141	-20%	0,2%	0,1%
** CBA	-	301	-	-	-	-	301	NA	NA	NA
Asset Management	4,970	1,841	3,256	5,944	9,339	11,951	37,302	28%	17%	20%
Other Income	-	0.24	0.19	0.26	0.29	0,36	1,34	26%	0,001%	0,001%
Total Income	44,164	34,015	39,278	49,654	54,990	58,779	280,879	7%	100%	100%
Compensations	9,664	44,484	16,878	14,747	21,489	21,571	128,833	0,38%	98%	98%
Admin Expenses	-	-	246	267	316	346	1,175	9%	1%	2%
OpEx	0	149	21	25	39	42	272	24%	0,2%	0,2%
Other	-	-	-	-	-	-	-	NA	NA	NA
Total Expenses	9,665	44,633	17,146	15,039	21,838	21,959	130,280	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 51 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.

*** Includes 2008-2016 case compensations

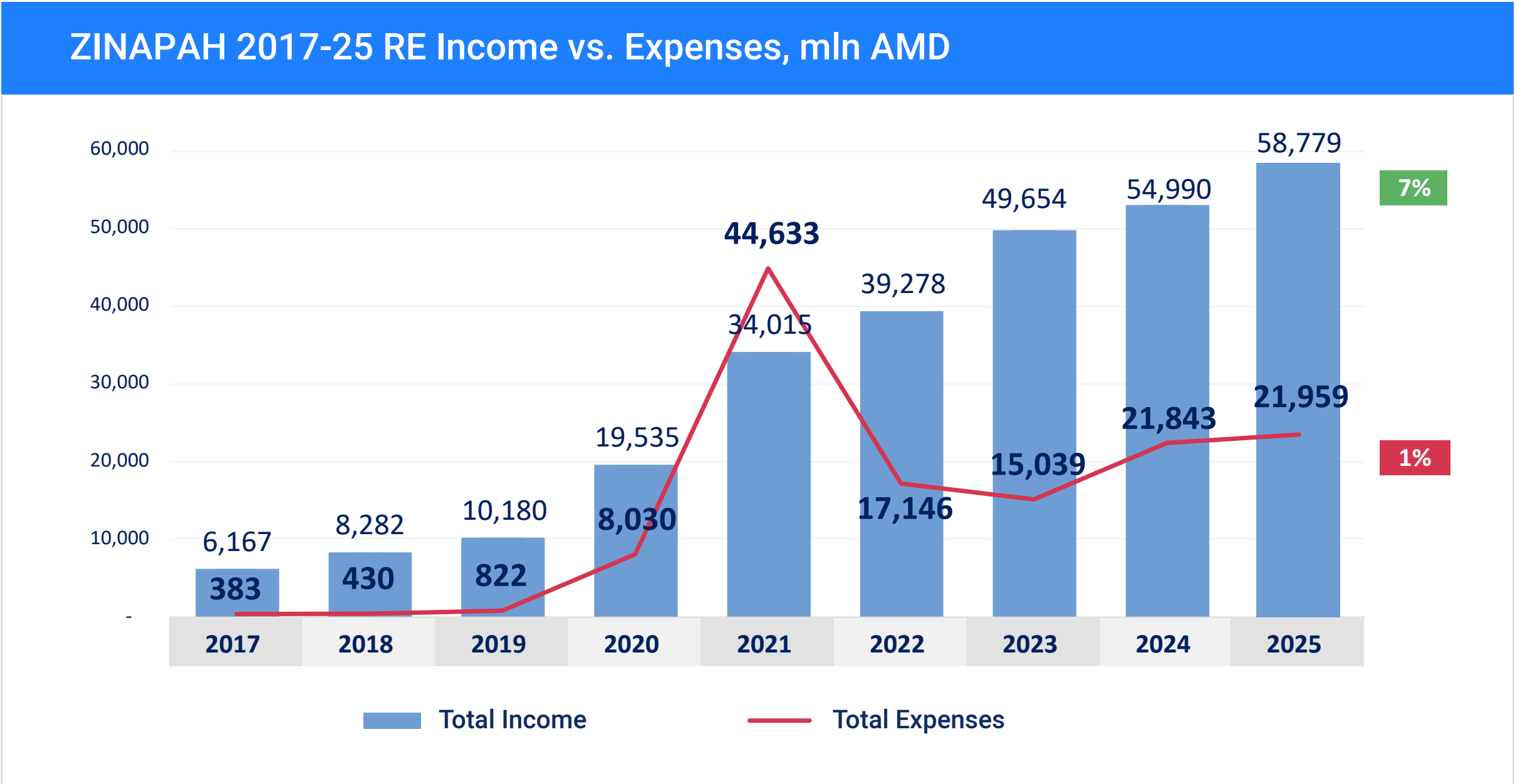


The graph illustrates ZINAPAH’s actual income and expenses from 2017 to 2025 Q1 actual results and the rest of the year RE, segmented by each year.

ZINAPAH will experience a 7% increase in total income vs the previous year, expected to reach 58,779mln AMD. Simultaneously, total expenses are also estimated to grow by only 1%, amounting to 21,959mln AMD.

From 2017 to 2025, total income grows nearly 10x from ~6.2B to ~58.8B AMD. The most rapid growth occurred between 2020 and 2021, driven by the legislative changes on increasing mandatory payments, national mobilization, and increased donor and asset management contributions. Expenses remained low until 2020 but spiked in 2021, even exceeding income (loss of ~10.6B AMD), which was offset by the mandatory stamp payment increase. Post-2021, expenses stabilized around 15B - 22B AMD despite continued income growth, indicating better financial management.

By 2025, ZINAPAH is expected to post its highest net surplus yet ~36.8B AMD.



ZINAPAH Operations

for 2017 – 2025 Q1 vs PY



ZINAPAH began 2025 with strong financial performance, reflecting disciplined fiscal management and sustained support from mandatory contributors. Overall, total income reached 15.57 billion for Q1 2025 increased by 2.17 billion AMD, or 16%, compared to Q1 2024. For the full year, income is forecasted at 58.78 billion AMD, up 7% over 2024.

Mandatory payments, our most substantial income source, grew by 12% year-over-year, reaching 12.68 billion AMD. This underscores the continued commitment of Armenia’s working citizens to support servicemen and their families through compulsory contributions, maintaining a dominant 81% share of the income mix.

Asset management income rose significantly by 41%, reaching 2.85 billion AMD, up from 2.02 billion AMD in Q1 2024. This 28% annual estimated increase signals robust portfolio performance.

On the other hand, donations (Kamurj excluded) declined sharply by 61%, contributing just 34 million AMD in Q1 2025. While donations represent a small portion of our overall income (just 0.2%), we continue to value these contributions as symbolic acts of public support.

On the expenditure side, total expenses fell by 16% in Q1 2025, amounting to 4.90 billion AMD, compared to 5.86 billion AMD in Q1 2024. This decline was primarily driven by a 17% reduction in compensation payouts, which totaled 4.82 billion AMD for the quarter. Administrative and operational expenses rose slightly, though they continue to comprise only 2% of total outflows, highlighting our lean operating model.

With both income growth and controlled spending, ZINAPAH maintains a strong and sustainable financial position - ensuring that we can continue to support our beneficiaries effectively and adapt to emerging needs.

MLN, AMD	Q1 2024	Q1 2025	2024 Q1-4	2025 Q1-4 RE	2025 RE vs. 2024	Q1'25 vs Q1'24	Contr. to Mix Q1'2	Contr. to Mix Q1'25
Mandatory Payments	11 272	12 679	45 393	46 589	3%	12%	84%	81%
Donations	88	34	171	169	-1%	-61%	0,7%	0,2%
Kamurj donations*	15	7	86	69	-20%	-56%	0,1%	0,0%
CBA**	-	-	-	-	NA	NA	NA	NA
Asset Management	2 019	2 848	9 339	11 951	28%	41%	15%	18%
Other Income	-	0,09	0	0	26%	NA	0%	0%
Total Income	13 394	15 569	54 990	58 779	7%	16%	100%	100%
Compensations	5 788	4 819	21 489	21 571	0,38%	-17%	99%	98%
Admin Expenses	60	76	316	346	9%	26%	1%	2%
OpEx	7	9	39	42	24%	25%	0,1%	0,2%
Total Expenses	5 855	4 903	21 838	21 959	1%	-16%	100%	100%

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 51 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.



From 2017 to 2025 RE

- ✔ **20% of Mandatory payments**, will account for 2025 while growing by 3% vs 2024 .
- ✔ **Donations** remain a small portion, contributing only 2%. A stark contrast to earlier years (especially 2020), indicates a long-term decline and shift in fundraising focus.
- ✔ **32% of Asset management** accounts for 2025. It reflects a strategic pivot from volatile donation-based funding to investment income and more predictable contributions.
- ✔ **17% of Compensations** are paid in 2025 and maintain relative stability.

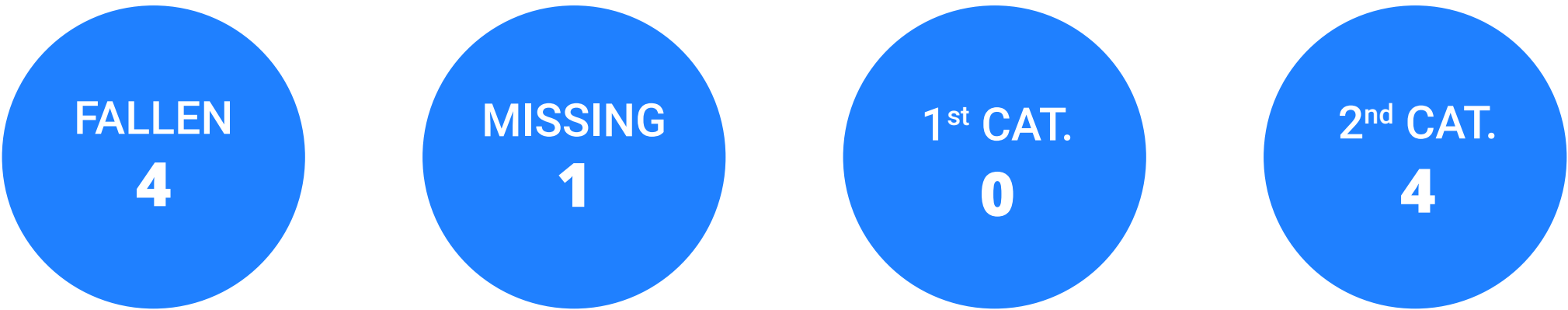
With asset management and mandatory payments covering 95% of income, ZINAPAH’s financial base appears diversified and resilient, even as donations continue to shrink.

mIn AMD	2024	2025 RE	2017-2025 RE	% Contr. 2025 RE
Mandatory Payments	45,493	46,589	230,442	20%
Donations	171	169	9,693	2%
Asset Management	9,339	11,951	37,302	32%
Compensations	21,489	21,571	128,833	17%

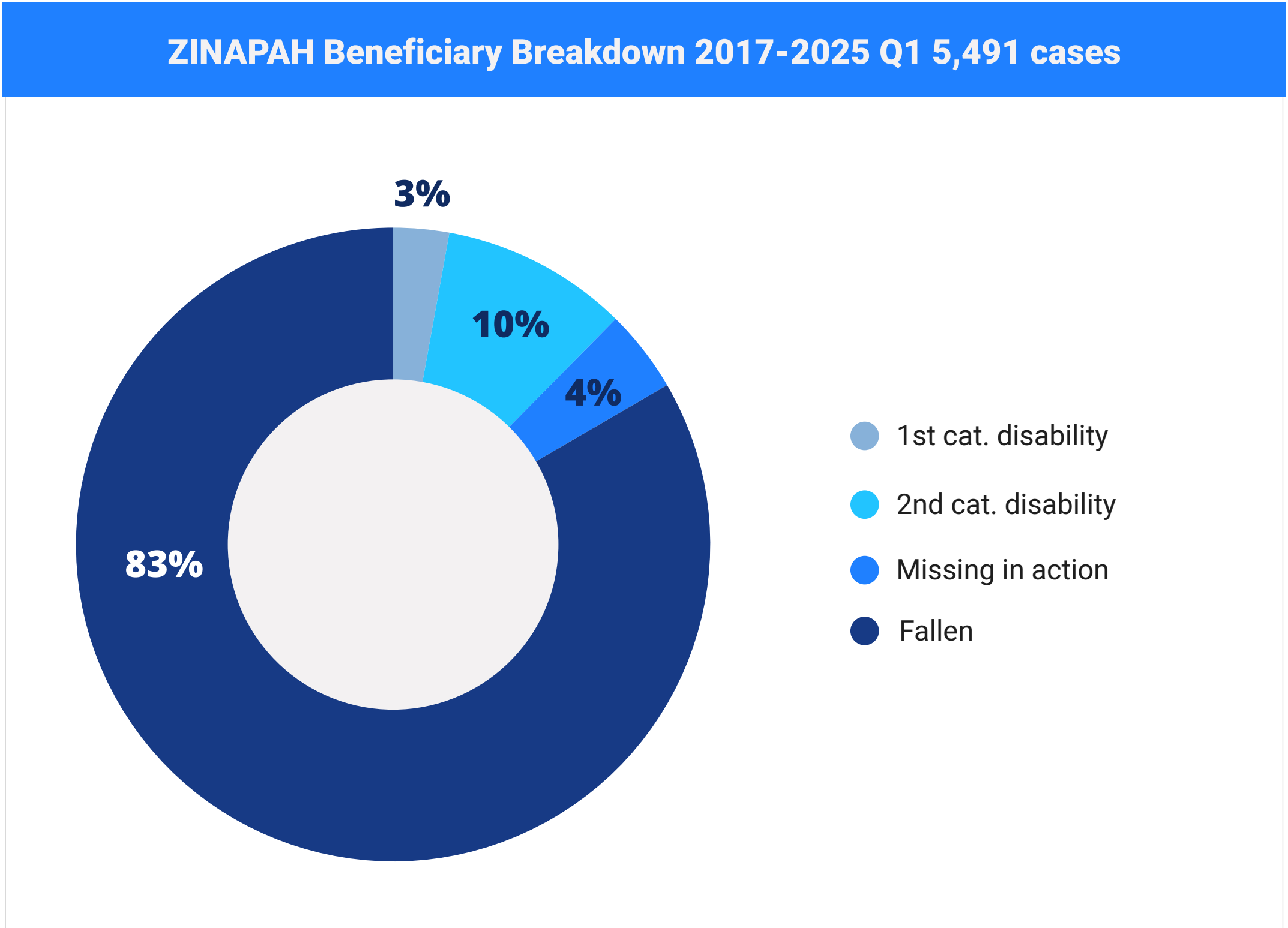
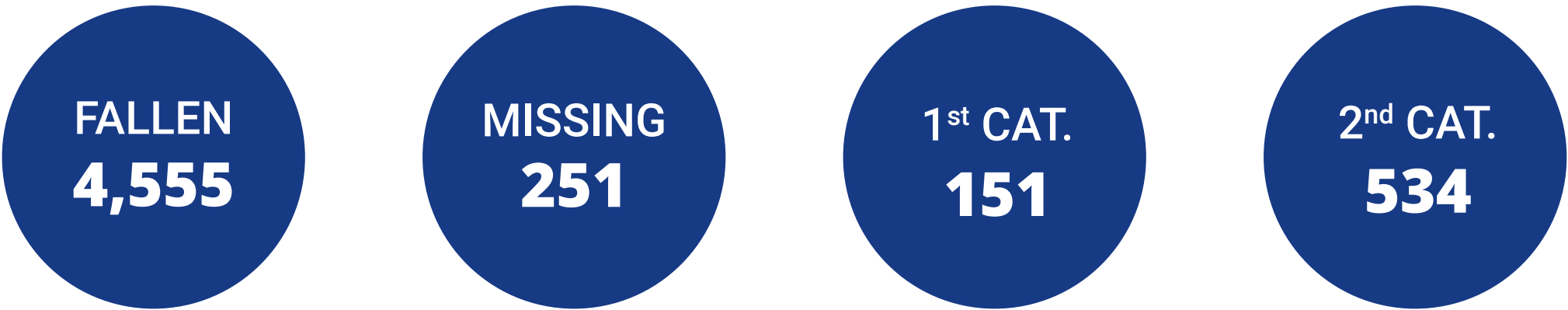


- ✔ From **2017-2025 Q1**, ZINAPAH provided compensation to **5,491** beneficiaries.
- ✔ In **2025 Q1**, there were **9** new cases vs **147** cases in 2024 **Q1**, which were mainly explained by the Artsakh September 2023 escalation
- ✔ In **Q1 2025**, **9 new cases** were compensated categorized by case type as follows:

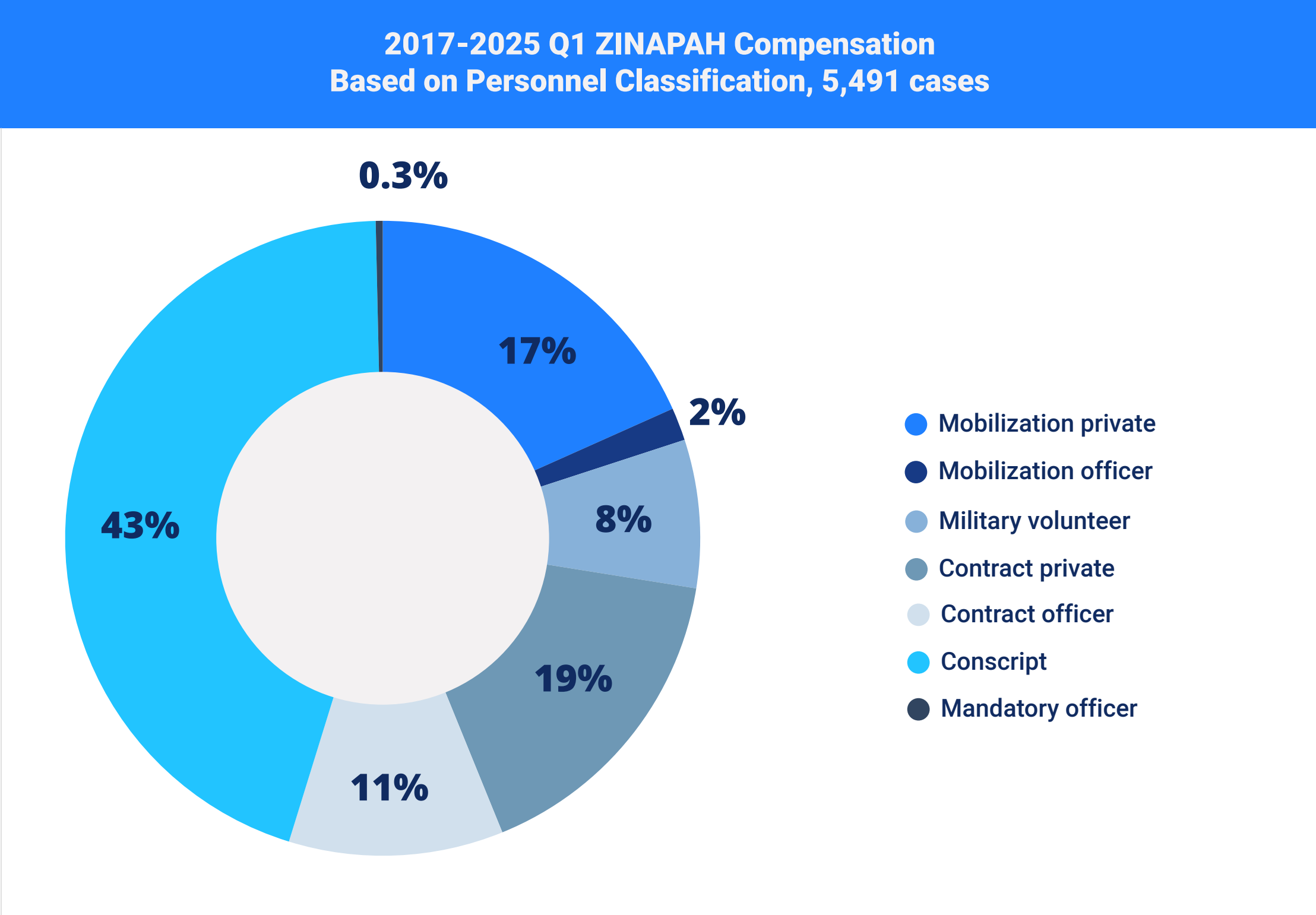
Total Compensated 9 Cases in 2025 Q1



Total Compensated 5,491 Cases 2017-2025 Q1



The **5,491** beneficiaries from **2017-2025 Q1** are broken down by personnel classification in the pie chart. Notably, **43%** are conscripts, **19%** are mobilized recruits and officers, **30%** are contract privates and **8%** are military volunteers.





2017-2025 Q1 IN SUMMARY

9
beneficiary NEW cases in 2025 Q1
and **5,491** cases from 2017-2025 Q1

4.8B AMD
compensation in 2025 Q1

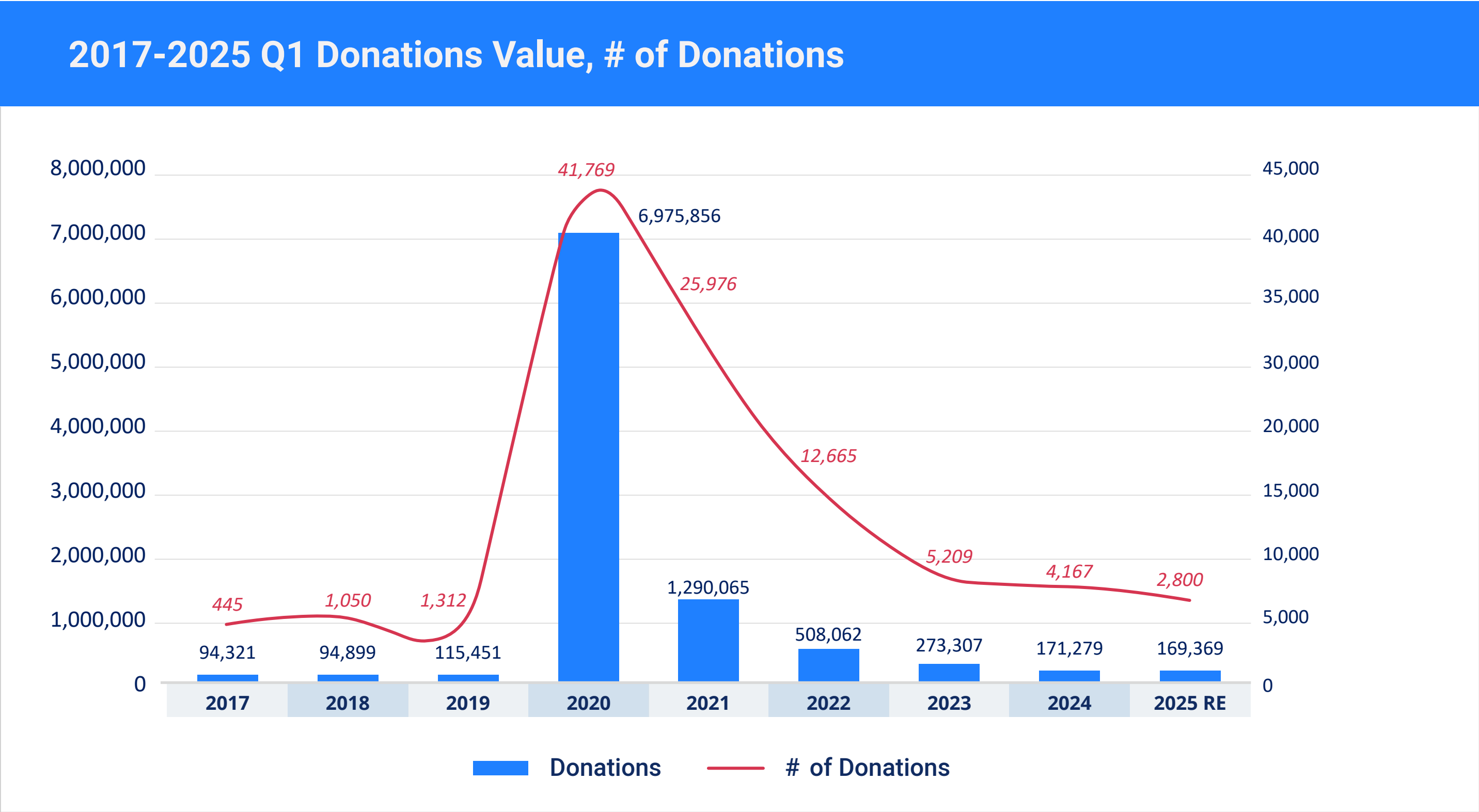
112B AMD
since 2017-2025 Q1 to those fallen, missing,
or eligible for disability insurance

12%
Mandatory payment growth
as of Q1 2025 compared to 2024 Q1



ZINAPAH received donations totaling around 9.6B AMD (Kamurj excluded). Average donation size is 103,000 AMD. Most donations are made during periods of escalations. Donations dropped by over 90% from the 2020 peak (post-war surge) and have now stabilized around 170M AMD annually year in 2024-2025 RE, showing a new baseline.

In Q1 2025, compared to the previous year, the total donation value in AMD saw a 61% decline. The number of donations also declined by -64%. The number of donations is projected to fall to 2,800 for the year, down from 4,167 in 2024 (-64%). 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 the ZINAPAH website www.zinapah.am.



2017-2025 Donations by Currency							
Currency' 000	2017-2020	2021	2022	2023	2024	2025 RE	2025 Q1 vs 2024 Q1
AMD	4,676,538	739,093	301,333	173,750	87,650	146,240	12%
USD	4,833	879	492	233	191	60	-91%
RR	115,069	6,517	455	1	2	-	-100%
EUR	798	122	34	20	31	20	-57%
2017-2025 Donations Converted to AMD							
	7,280,467	1,290,065	508,062	273,307	171,279	169,367	-61%
# of Donations	44,576	25,976	12,665	5,209	4,167	2 800	-64%
Average donation amount	557	50	40	52	41	60	8%

2017-2025 Donations by Currency			
Currency' 000	2024 Q1	2025 Q1	2025 Q1 vs 2024 Q1
AMD	24,898	27,951	12%
USD	152	14	-91%
RR	2	-	-100%
EUR	5	2	-57%
2017-2025 Donations Converted to AMD			
	87,731	34,367	-61%
# of Donations	1,729	627	-64%
Average donation amount	51	55	8%



ZINAPAH continues to strengthen its network of partnerships with **foundations, non-governmental organizations (NGOs), and charitable institutions**, with the shared goal of supporting **servicemen and their families**. These partnerships are focused on ensuring the **social, physical, and psychological well-being** of beneficiaries through coordinated and sustainable initiatives.

To enhance the personal development and long-term well-being of its beneficiaries, ZINAPAH with its partner organizations has launched a range of **social integration and development programs**. A **comprehensive blueprint** for these social programs has been developed, with detailed planning and prioritization for **2025 currently underway**.

ZINAPAH has conducted multiple **consultative meetings** with governmental bodies, NGOs, and partner foundations to align efforts in key areas, including:

- ✔ **Education and skills development**
- ✔ **Economic integration and employment**
- ✔ **Entrepreneurship and business promotion**
- ✔ **Community inclusion and resilience building**

In line with its mission, and with the **support and mediation** of ZINAPAH, a number of joint initiatives have been launched in partnership with various organizations. These initiatives aim to provide **targeted support**, and **relevant information**, and promote **social integration** for beneficiaries across Armenia.



KHOKHA Support Center: Program Access for Young Beneficiaries from Artsakh

As of **February 2025**, the **KHOKHA Support Center**, operated by the **HAYORDI Charitable Foundation**, has opened registration for ZINAPAH's young beneficiaries from **Artsakh**, aged 3 to 7 years. Through this collaboration, eligible children are granted **free access** to KHOKHA's educational and recreational programs.

To create a comfortable and culturally familiar environment, KHOKHA's staff communicates with children in the **Artsakh dialect**. This thoughtful approach helps foster trust and ease the transition into group activities. As part of ZINAPAH's outreach efforts, a targeted **SMS campaign** was conducted, informing Artsakh beneficiaries about the opportunity. This resulted in **over 40 successful registrations**, with participating children now regularly attending the center free of charge.

The KHOKHA program includes a variety of engaging activities aimed at promoting physical and creative development, including:

- ✔ **Swimming classes**
- ✔ **Pottery workshops**
- ✔ **Regular visits to the Ayrudzi Riding Club**, providing therapeutic and recreational experiences through equestrian activities.

This initiative demonstrates ZINAPAH's ongoing commitment to expanding access to quality developmental resources for displaced children and supporting their well-being in a nurturing environment.



**Cooperation with AGBU:
Nairi Family Camp for Displaced Families**

As part of its ongoing collaboration with the **Armenian General Benevolent Union (AGBU)**, ZINAPAH supported the organization of a free **Nairi Family Camp**, specifically designed for **mothers and children forcibly displaced from Artsakh**. This three-day camp provided an opportunity for ZINAPAH's Artsakh beneficiaries to engage in a holistic, supportive, and restorative environment.

Participants—both children and their mothers—took part in a wide range of activities focused on **emotional healing, education, and personal development**, including:

- ✔ **Psychological support sessions**
- ✔ **Art and music therapy**
- ✔ **Educational workshops and recreational activities**

These sessions were designed to promote emotional resilience, foster a sense of community, and help participants discover renewed strength and opportunities in their new circumstances.

As part of the partnership, a dedicated **Financial Literacy course** was also delivered, equipping participants with essential knowledge and basic skills for effectively interacting with financial institutions. This component aimed to build participants' confidence in managing personal finances and accessing available economic resources.



Beneficiary Meetings

In February and March 2025, ZINAPAH conducted a series of meetings with beneficiaries to reinforce its mission, enhance engagement, and disseminate key information regarding rights, available programs, and services. These meetings served as an essential platform for two-way communication, allowing beneficiaries to express concerns and receive direct responses during dedicated Q&A sessions.

The objective of the meeting:

- ✔ To strengthen ZINAPAH's presence among its beneficiary base
- ✔ To provide updates on organizational functions and relevant legislative changes
- ✔ To inform beneficiaries about the process of registration and program participation
- ✔ To enhance awareness of financial literacy and available social support services
- ✔ To gather feedback and address beneficiary concerns in an open forum

During the reporting period four meetings were organized in Yerevan and Kotayk region with participation of 169 beneficiaries.

Key Issues and Suggestions Raised:

Participants raised several important concerns, including:

- ① The need for **enhanced housing support**
- ② Improved access to **healthcare services**
- ③ Consideration of **lump-sum compensation** for families of servicemen who were fallen or missing in action and disabled service for the cases before **2017**.

The meetings reaffirmed that beneficiaries continue to face a range of challenges requiring clarification, advocacy, and support. Regular engagement through such meetings remains a crucial mechanism for addressing these issues, fostering trust, and facilitating the development of tailored responsive solutions. ZINAPAH remains committed to sustaining these efforts to ensure a meaningful impact for its beneficiary community.



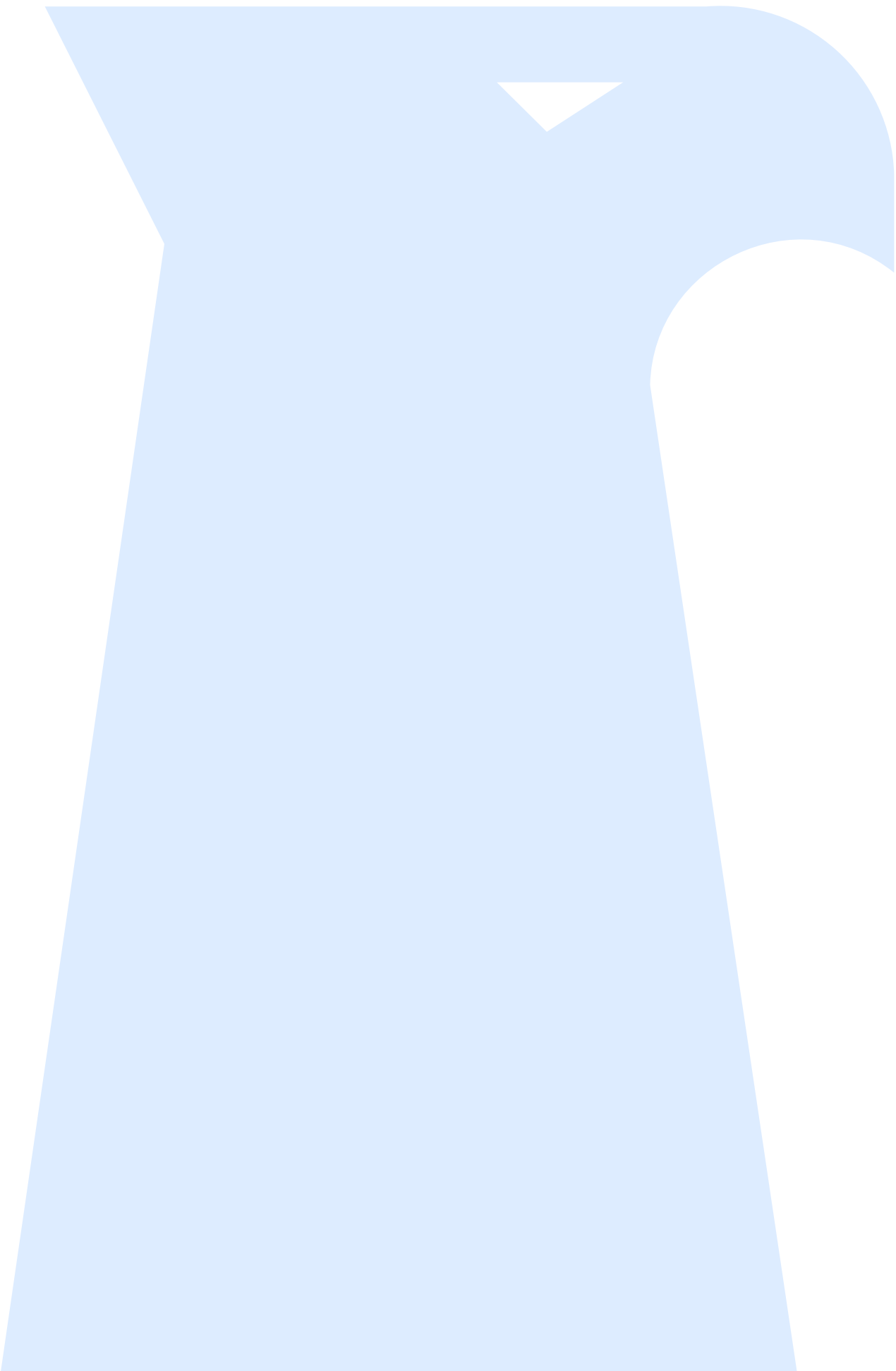
Introduction of the Supporting Programs
Subsection on Zinapah.am website

Beginning in 2025, ZINAPAH has introduced a new subsection titled **Supporting Programs** as part of its ongoing efforts to enhance beneficiary support and engagement. This platform will feature regularly updated information on key initiatives launched by ZINAPAH’s partner organizations and relevant Armenian government agencies.

Importantly, ZINAPAH beneficiaries will be eligible to apply for the programs listed in this section, creating new opportunities for assistance and development.

To ensure wide awareness and accessibility, ZINAPAH has planned a **series of regional meetings** with beneficiaries throughout 2025. These meetings will serve as a platform to formally introduce the **Supporting Programs** subsection, highlight its benefits, and present partner organizations involved in delivering these initiatives.

By integrating this new resource into its outreach activities, ZINAPAH aims to strengthen its support network and empower beneficiaries with the tools and information needed to take full advantage of available opportunities for a smooth integration into society.



Integration of ZINHUB with the State E-Work System

Following a series of discussions with the Ministry of Labour and Social Affairs and the Norq Information Technology Center, ZINAPAH reached an official agreement to proceed with the functional integration of ZINHUB into the state e-work system. This strategic initiative aims to expand employment opportunities for ZINAPAH beneficiaries while enabling improved monitoring of their professional progress.

Since reaching the agreement, ZINAPAH has engaged in collaborative planning to identify and implement the necessary technical solutions for integration. As of Q1 2025, the initiative is in an active development phase, with technical efforts underway to ensure a seamless connection between systems.

The integration is expected to be finalized by the end of 2025 and will provide:

- ✔ Streamlined access to employment opportunities for ZINAPAH beneficiaries
- ✔ Improved traceability of employment outcomes and long-term success
- ✔ Enhanced coordination with state institutions to support sustainable livelihoods

This initiative marks a significant step forward in leveraging technology to support social and economic inclusion.



At its founding in 2017, ZINAPAH was managed by the Central Bank of Armenia (CBA) on a volunteer 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 with a focus on social programs
- Performance development and evaluation implementation with the Teamflect digital Platform

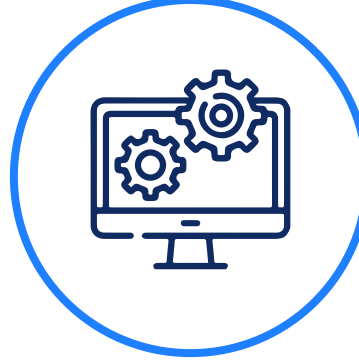


OPERATIONS & OUTSOURCING

- ZINAPAH awareness communication campaign re-launch
- ZINHUB unified platform integration to e-work
- Audit 2024 in progress

OUTSOURCING MANAGEMENT

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



MIGRATION AND INFRASTRUCTURE

- Website launch is completed and the bug fixing is in process
- Mandatory stamp return process in-house management and automation
- Financial infrastructure development on the compensation system base is in an early stage



LEGISLATIVE AMENDMENTS

- A social project with the Ministry of Labor and Social Affairs to support disabled servicemen is in the planning stage
- Beneficiary Disabled child support project within the social programs is in process





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...



JOIN US



GET TO KNOW US

Learn more about ZINAPAH.
Visit our website,
follow us on social media.



SUPPORT US

Make your donation and support
the servicemen and their families
who made the ultimate
sacrifice for our Homeland.



SPREAD THE WORD ABOUT US

Spread the word about
our mission and the
work carried out.



DONATE





ZINAPAH®

NATIONAL FOUNDATION FOR
SERVICEMEN INSURANCE

UNITED FOR OUR SOLDIERS...



@zinapah



zinapah.am

info@zinapah.am



DONATE