



# ZINAPAH<sup>®</sup>

NATIONAL FOUNDATION FOR  
SERVICEMEN INSURANCE

## UNITED FOR OUR SOLDIERS...

## 2023 Q2 Report



DONATE

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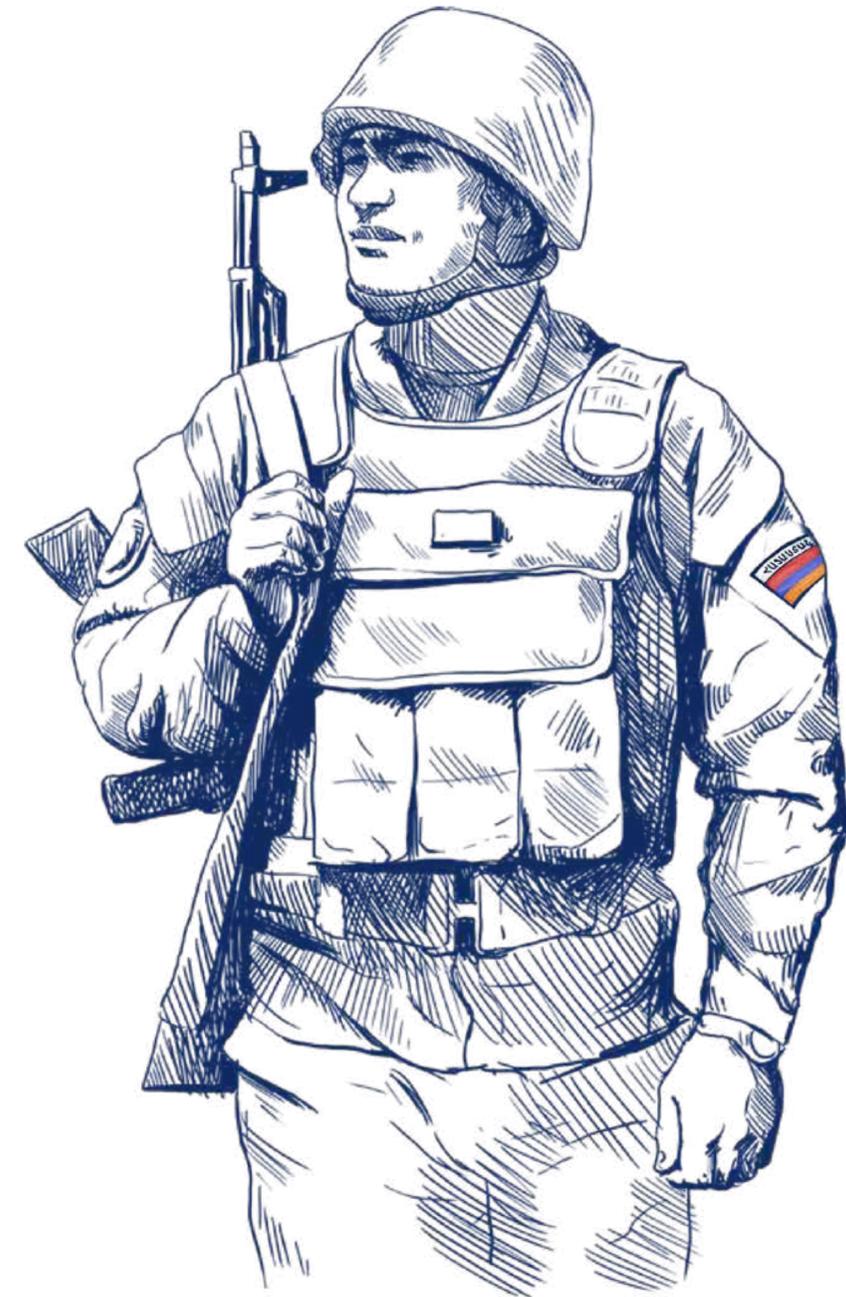
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## Board of Trustees



**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 group disabled soldiers and their families 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 to 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** of taxpayers in Armenia and Artsakh from 1,500-15,000 AMD per month (based on the amount of income)
- ✔ **Voluntary donations** received in Armenia from all over the world, including Armenia
- ✔ **ZINAPAH asset management appreciation**

ZINAPAH is governed by an independent Board of Trustees (BoT), 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 being published on the ZINAPAH website.



## MISSION

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



## VISION

To be a socially responsible foundation for servicemen which 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

After the 2020 war, 2021 was a year of crisis management for **ZINAPAH – National Foundation for Servicemen Insurance** operationally and structurally. 2022 was a year of 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.

The 2022 September 12-13 war escalation added liabilities to ZINAPAH for 230 beneficiaries. From 2017-2022 ZINAPAH recorded about 117.5B AMD income, mainly from mandatory payments, donations, and asset management, and made compensations worth 71.0B AMD.

As of 2023, Q2 ZINAPAH has compensated 5,164 beneficiaries with 79B AMD.

ZINAPAH expects 40B AMD from the mandatory payments, 4.3B AMD from Asset management appreciation and around 330 mln AMD from Donations.

While we hope for peace in the region, it is unclear what new challenges ZINAPAH, and our community will face. 2023 will continue to be a year of organizational sustainable development and institutionalization, serving in the most complex and uncertain challenging environment.

2023 will be a year for transition into a mature institutionalized organization for ZINAPAH, with the Team members' personal development and growth to serve its beneficiaries. ZINAPAH will remain dedicated to addressing the challenges our beneficiaries face within our power to change. As per the new legal regulation, we will start social integration projects for ZINAPAH beneficiaries.

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.

And all this won't be able to accomplish without the support of each and every mandatory stamp payer in Armenia and Artsakh and our donors. ZINAPAH will continue to impact a meaningful change in Armenia, for which we express our gratitude.



# From IFS to ZINAPAH

On 26 April 2023, ZINAPAH held a press conference to release the 2022 Annual Report and 2023 1st Quarter results and announce the launch of its rebranding integrated communication campaign, from **Insurance Foundation for Servicemen (IFS)** to **ZINAPAH - National Foundation for Servicemen Insurance** to the media and wide public.

During the press conference Irina Seylanyan, Chair of the Board of Trustees, ZINAPAH presented the long-term development path of the foundation, Karine Sarkissian, Chief Executive Officer, ZINAPAH presented the 2022 annual and 2023 Q1 results and Narine Galstyan, Director of Public Relations and Communication, ZINAPAH presented from IFS to ZINAPAH rebranding plan details.

The new logo of ZINAPAH outlines an eagle as a force of spirit, invincibility, and courage, and they are our brave soldiers.

The eagle carries a shield symbolizing the Foundation, firmly standing by eagles safeguarding our borders. The shield is a means of ensuring the protection of our statehood and Homeland.

In the center of the shield, is an ear of wheat as a symbol of rebirth and continuation of life.

ZINAPAH's slogan is **United for our soldiers...** expressing our support as a nation to our servicemen and their families and emphasizing the mission of ZINAPAH as a successful pan-Armenian effort.



# ZINAPAH Operations for Fiscal Year (FY) 2017 – 2023 Rolling Estimate (RE)



As per the Year-to-Date (YTD) Q2 2023 actuals and the rest of the year rolling estimate, in 2023 it is forecasted that ZINAPAH will record growth in income of approximately 14% vs Previous Year(PY), at about 44,894 mln AMD due to the strong increase of the mandatory payments of 13%, asset management income growth of 33% and despite the decline in donations by -35%, which is an organic slowdown given that no investments were made to support the donor base, as well as the after-the-war organic declining trend.

Total expenses are expected to decline by -7% to 16,006 mln AMD and the compensations are expected to decline by -7% as the monthly payments are expected to be the big chunk of the compensations.

In 2023, the portion of ZINAPAH income attributable to mandatory payments is estimated to be at 89% vs. 2022 90%. Asset management income is estimated to grow by about 2 percentage points from 8% in 2022 to 10% in 2023, and the income attributable to donations is estimated to go down -0.6 points from 1.3% in 2022 to 0.7% in 2023.

The ZINAPAH expenses are expected to decline by -7% vs PY and the compensation decline is expected by -7%, which is explained by the low level of estimated cases, hence lump-sum payments if all remains the same. The administrative expense growth is expected to be 16% and it is lower than the projected budget of 33%. This is mainly explained by the increase in the service fee of the outsourcing services, staff headcount cut-related payments in Q1 2023, and salary adjustment to bring it to the market average and related to transferring the stamp payment return service to in-house.

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	40,000	135,260	13%	90%	89%
Donations	94	95	115	6,976	1,290	508	331	9,409	-35%	1.3%	0.7%
Kamurj*	-	-	-	1,000	1,510	239	247	2,996	3%	0.6%	0.5%
CBA**	-	-	-	-	301	-	-	301		0%	0%
Asset Management	153	797	1,595	2,425	1,841	3,256	4,316	14,383	33%	8%	10%
Other Income	-	-	-	-	-	-	-	0.0	-100%	0%	0%
<b>Total Income</b>	<b>6,167</b>	<b>8,282</b>	<b>10,180</b>	<b>19,535</b>	<b>34,015</b>	<b>39,278</b>	<b>44,894</b>	<b>162,350</b>	<b>14%</b>	<b>100%</b>	<b>100%</b>
Compensations	383	429	822	8,030	44,484	16,878	15,692	86,718	-7%	98%	98%
Admin Expenses	-	-	-	-	-	246	285	532	16%	1.4%	1.8%
CapEx	-	-	-	-	105	3	3	111	-6%	0.02%	0.02%
OpEx	-	-	-	-	149	21	26	197	24%	0.1%	0.2%
Other	-	0	0	-	-	-	-	0		0%	0%
<b>Total Expenses</b>	<b>383</b>	<b>430</b>	<b>822</b>	<b>8,030</b>	<b>44,738</b>	<b>17,148</b>	<b>16,006</b>	<b>87,557</b>	<b>-7%</b>	<b>100%</b>	<b>100%</b>

\* **Kamurj** - AA 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 30 months in the amount of 300,000 AMD monthly payments to eligible beneficiaries.

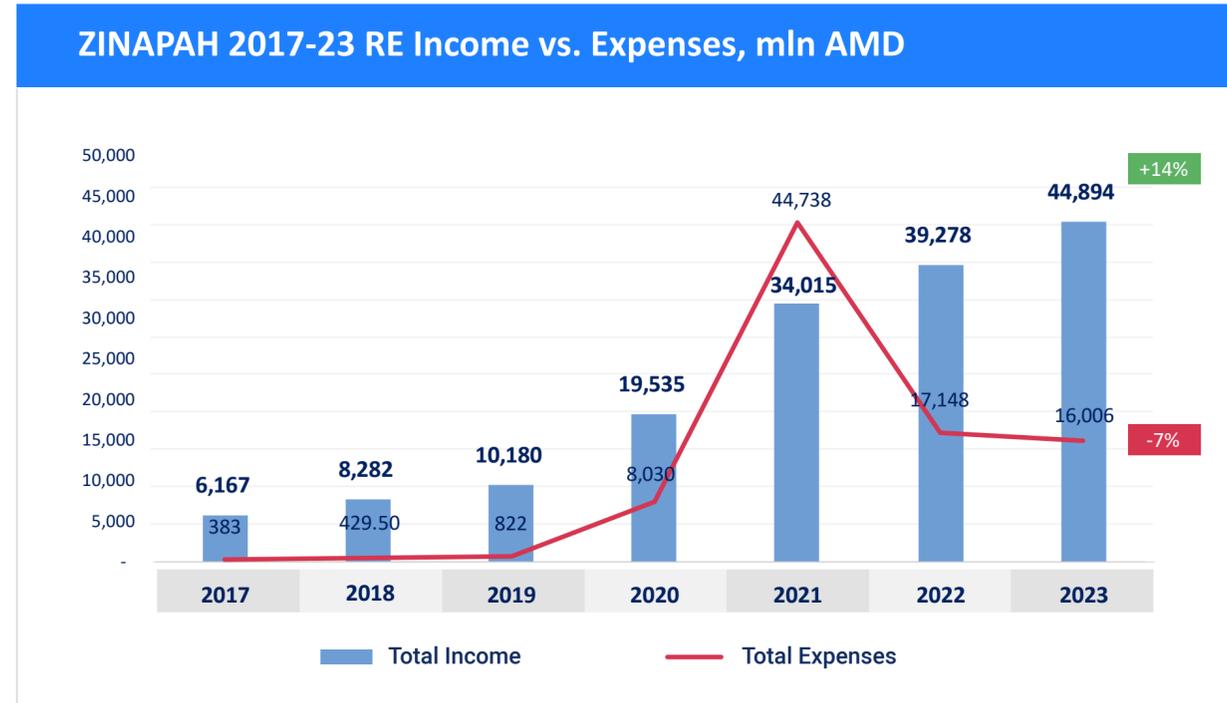
\*\* **Central Bank of Armenia Contribution (CBA)** - All the expenses made during 2021 were financed by the Central Bank of Armenia. The funding is regulated by law and has been previously approved by the CBA Board.



# ZINAPAH Operations for Fiscal Year (FY) 2017 – 2023 Rolling Estimate (RE)

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

In 2023 ZINAPAH total income is estimated to grow by 14% at 44,894 mln AMD and the total expenses are estimated to shrink by -7% vs 2022 at 16,006 mln AMD.



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%
<b>Total</b>	<b>662</b>	<b>100%</b>	<b>2,663,717</b>	<b>100%</b>	<b>707</b>	<b>100%</b>	<b>3,063,238</b>	<b>100%</b>	<b>7%</b>	<b>15%</b>

2023 expected income growth of 14% is mainly attributable to the mandatory payments expected growth of 13% and the growth explained by the following factors:

- Increase in the total number of employed population by 5%, 723K\*
- Increase in number of companies by 10%, 66.7K\*
- Increase in the average salary size by 18%, up to 260.2K\* AMD
- Increase in the number of employees with a salary range of 1 mln and above stamp payments by 48%\*:

\*Source: Armstat.am, the comparison is done 2023 vs 2022 YTD May 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



As of YTD Q2 2023 vs PY results ZINAPAH recorded growth in income approximately by 31%, at about 22,912 mln AMD due to the strong increase in mandatory payments of 25%, asset management income growth of 143%, and despite the decline in donations by -57%. Total expenses increased by 1% to 7,731 mln AMD and the compensations increased by only 1% as the monthly payments were the big chunk of the compensations.

In 2023 Q2, the portion of ZINAPAH income attributable to mandatory payments is 88%. The portion of income attributable to asset management increased to 11% with +5 pts, and the portion of donations income fell down to 1% in the mix, by -1 pts.

In Q2 2023 ZINAPAH expenses increased by only 1%. The administrative expense growth of 13.6% is lower than the projected budget of 33% for the year and the increase is explained by the increase in the service fee of the outsourcing services, staff headcount cut-related payments in Q1 2023, and salary adjustment in general, as well as related to the stamp payment return in house service provision.

MLN, AMD	Q1-2 2022	Q1-2 2023	YTD Q2'23 vs. Q2'22	Contr. to Mix Q2'22	Contr. to Mix Q2'23
<b>(AMD)</b>					
Mandatory Payments	16,134	20,127	25%	92%	88%
Donations	299	130	-57%	2%	1%
Kamurj*	78	139	78%	0%	1%
CBA**	-	-		0%	0%
Asset Management	1,035	2,516	143%	6%	11%
Other Income	-	-		0%	0%
<b>Total Income</b>	<b>17,546</b>	<b>22,912</b>	<b>31%</b>	<b>100%</b>	<b>100%</b>
Compensations	7,519	7,592	1%	98%	98%
Admin Expenses	109	124	13.6%	1%	2%
CapEx	0	2	302%	0%	0%
OpEx	8	14	77%	0%	0%
<b>Total Expenses</b>	<b>7,637</b>	<b>7,731</b>	<b>1%</b>	<b>100%</b>	<b>100%</b>

\* **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 veterans, compensation is provided for 30 months in the amount of 300,000 AMD.

\*\* **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.

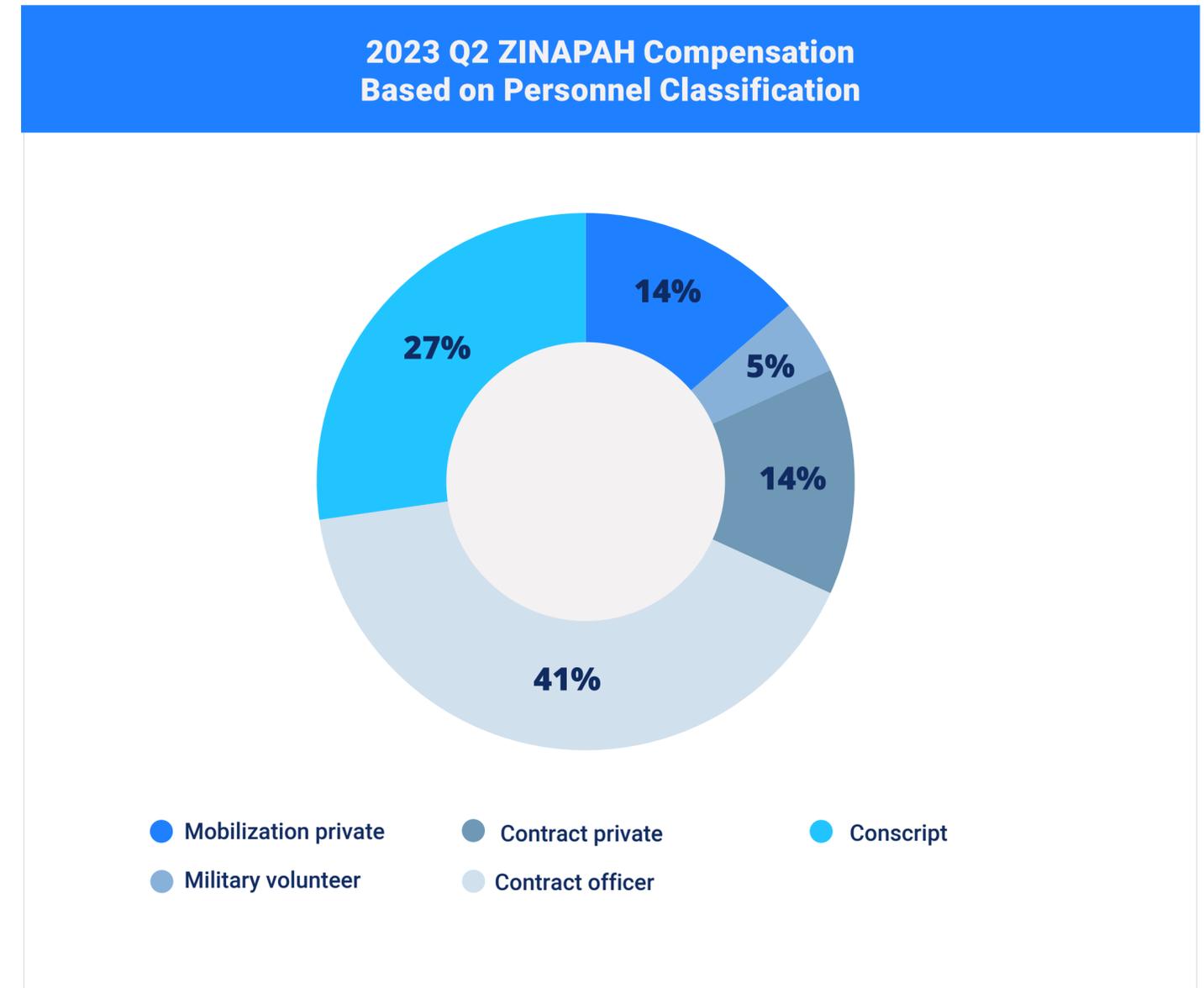
- ✔ **30% of mandatory payments** are expected in **2023**
- ✔ **4% of donations** are expected in **2023**
- ✔ **30% of the asset management income** is expected to be contributed in **2023**
- ✔ **18% of compensations** are expected to be paid in **2023**

mIn AMD	2022	2023 RE	2017-2023	% Contr. 2023
Mandatory Payments	35,274	40,000	135,260	30%
Donations	508	331	9,409	4%
Asset Management	3,256	4,316	14,383	30%
Compensations	16,878	15,692	86,718	18%

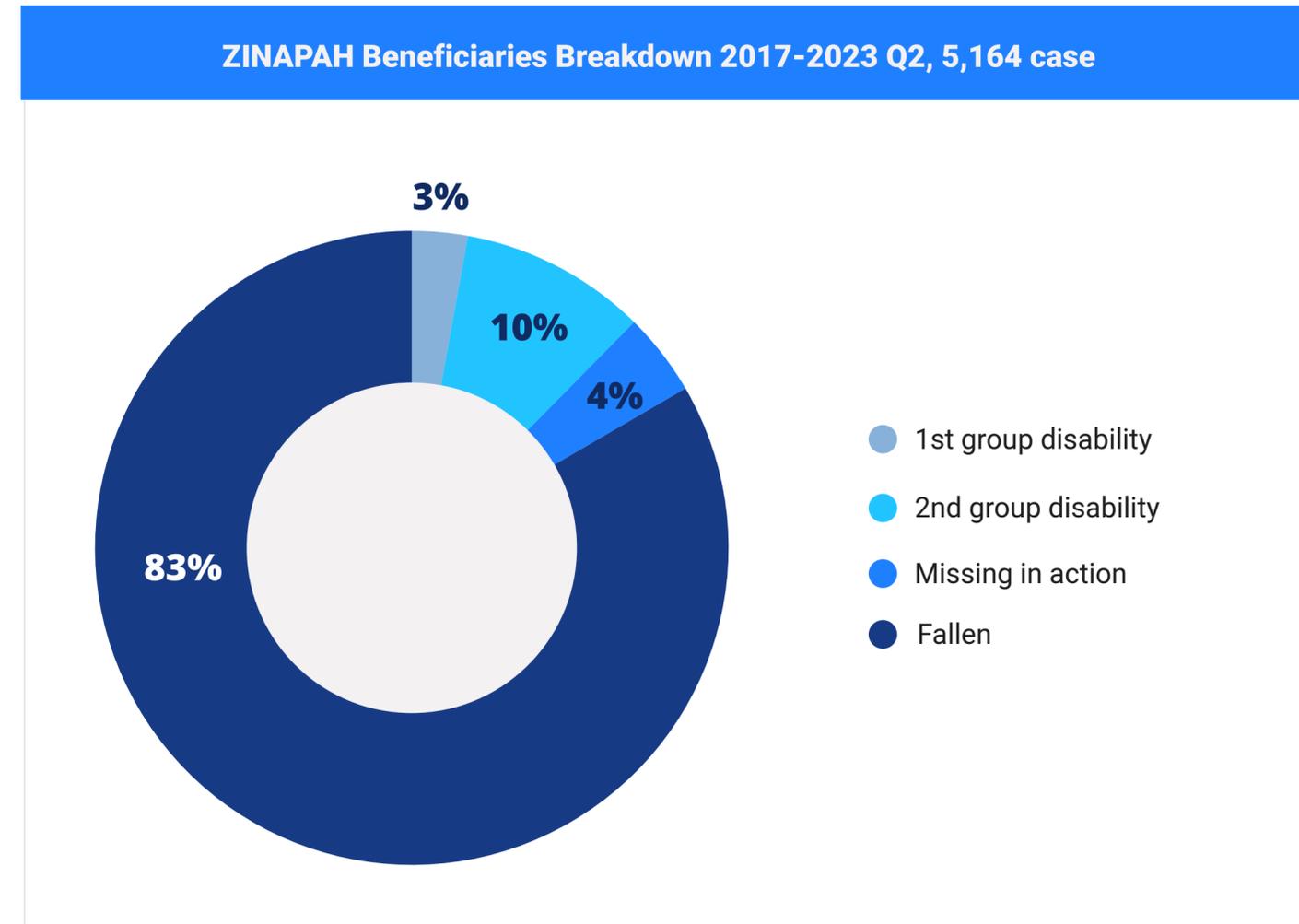
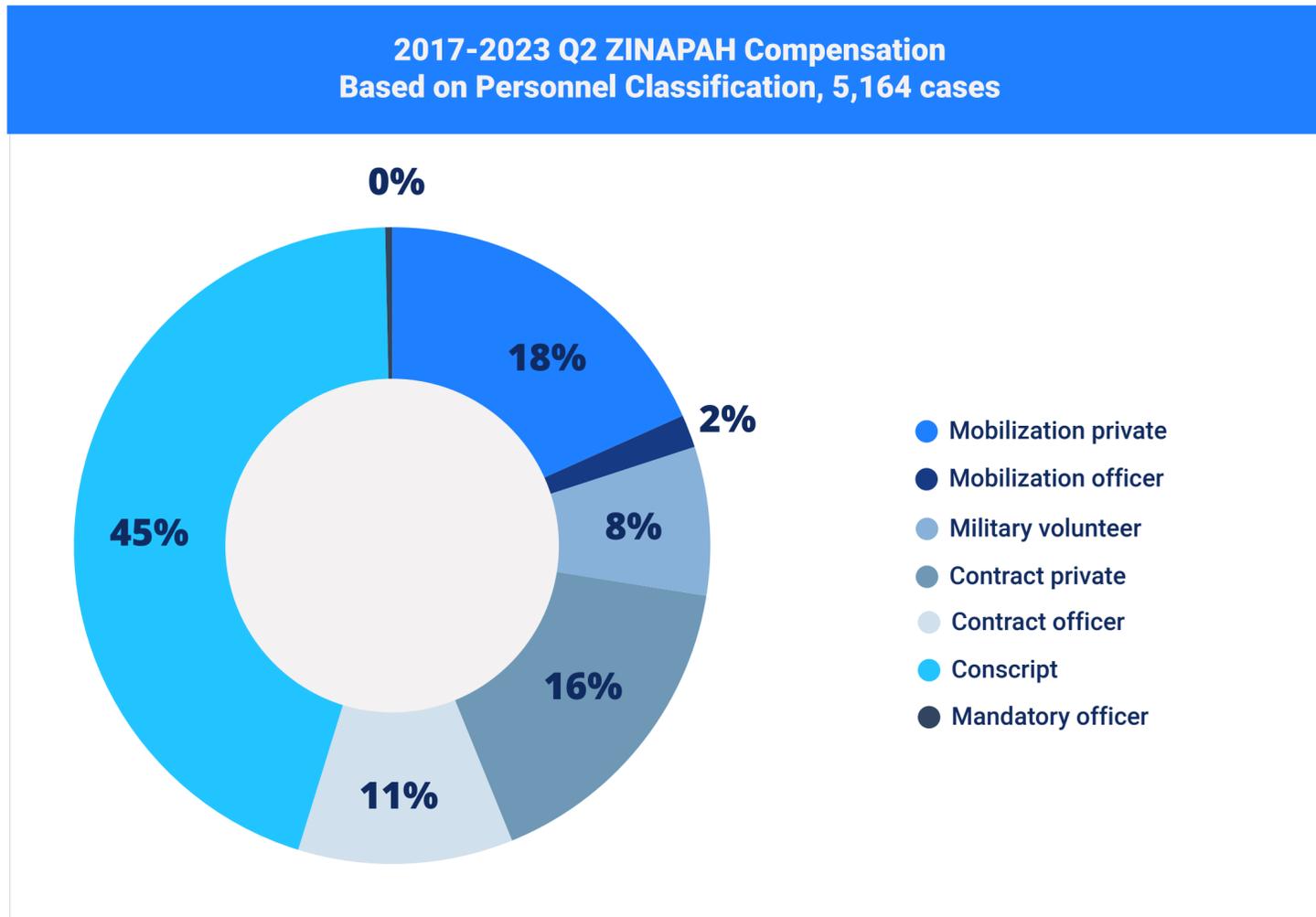


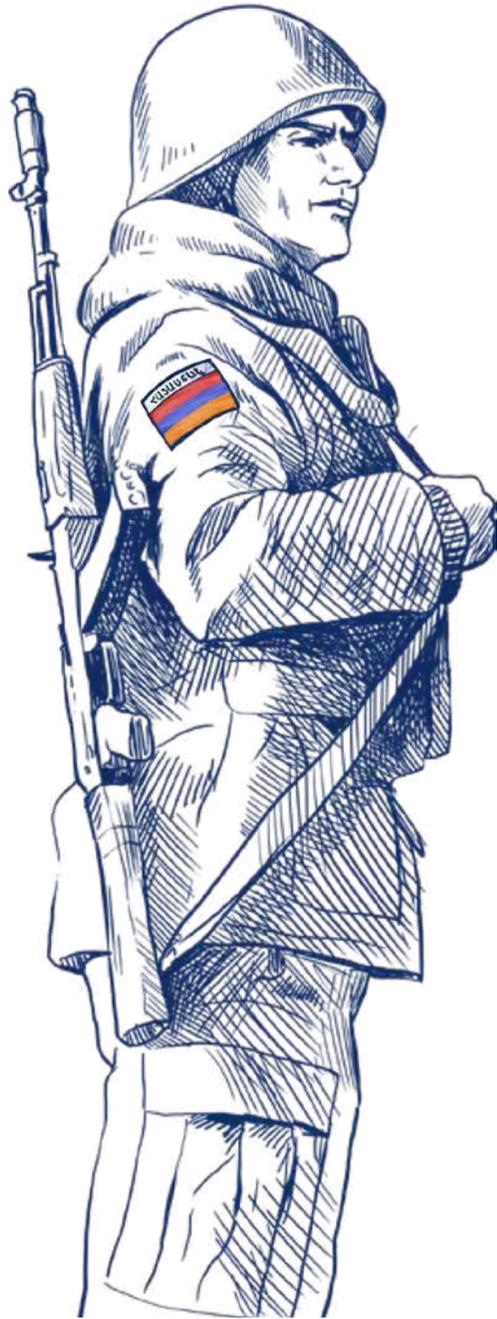
✔ From **2017-2023 Q2** ZINAPAH provided compensation to **5,164** beneficiaries. In 2023 Q2 there were **22** new cases and **74** throughout 2023.

✔ In **Q2 2023**, **22 new cases** were compensated below broken down by case type:



The **5,164** beneficiaries from **2017-2023 Q2** are broken down by personnel classification in the pie chart below. Notably, **45%** are conscripts, while **38%** are mobilized recruits, officers and volunteers.





## 2017-2023 Q2 IN SUMMARY

**22**

**Beneficiary new cases** in 2023 Q2, and  
**5,164** cases from 2017-2023 Q2

**3.7**

**3.7 billion AMD** compensation in 2023 Q2, and  
**78.5 billion AMD** since 2017-2023 Q2 to those  
fallen, missing, or eligible for disability insurance

**13%**

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

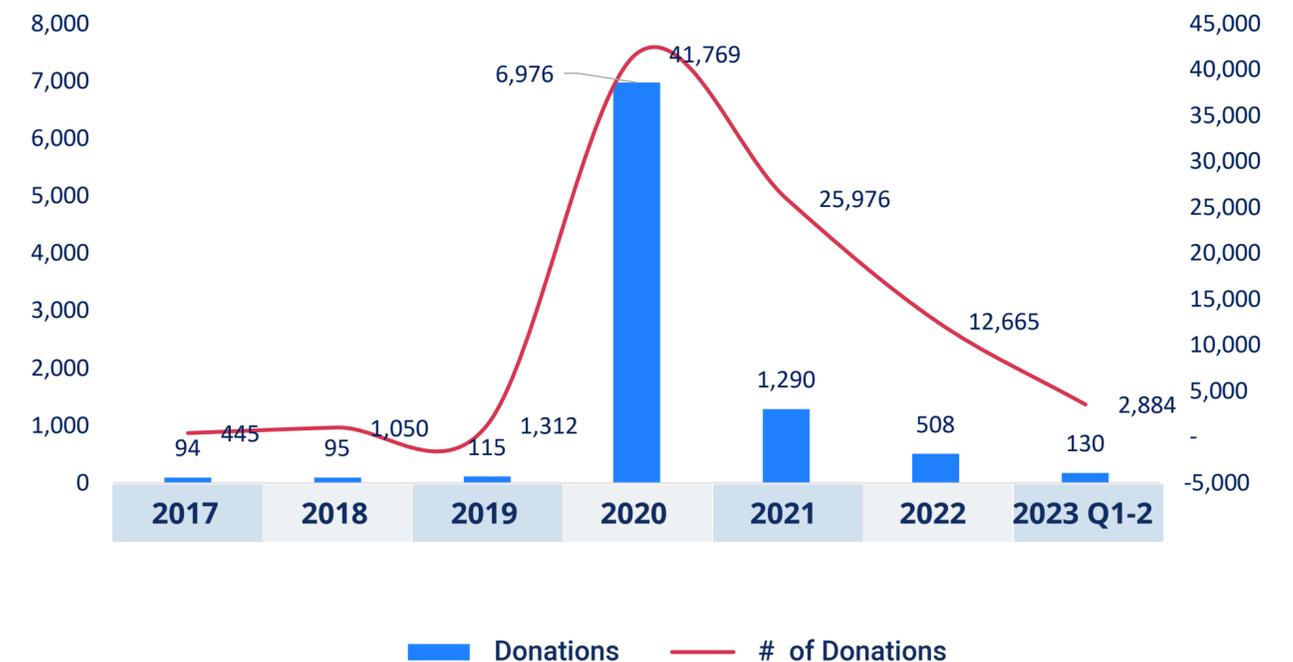
# Donations to ZINAPAH for FY 2017 – 2023 Q2



2017 through 2023 Q2 ZINAPAH donations totaled around 9.2 billion AMD. The total number of donations is almost 86K with an average donation size of 105K AMD. The biggest number of donations are being made during escalations.

Compared to 2022 Q1-2, donation volume decreased by -57% in 2023 Q1-2. The number of donations decreased by -57% but the average size increased by 2% respectively. It is explained by the post-war syndrome, as donations usually show a drastic increase during the war, which is reflected in the 2020 results. The biggest chunk of the decline is also reported in Russian Rubles from Russia which is explained by the sanctions against Russia and the difficulties in the money transfer systems. The donations were made via bank transfers as well as via the ZINAPAH website [www.zinapah.am](http://www.zinapah.am).

### 2017-2023 Q1-2 Donations, mln AMD # of Donations



2017-2023 Q2 Donations by Currency										
Currency' 000 000	2017	2018	2019	2020	2021	2022	2022 Q1-2	2023 Q1-2	2017-2023Q1-2	2023 Q1-2 vs PY Q1-2
AMD	94	89	113	4,380	766	301	131	66	5,810	-49%
USD		0.002	0.005	4.826	0.879	0.492	0.280	0.148	6	-47%
RR		0.08	0.08	115	6.52	0.46	0.441	0.001	122	-100%
EUR		0.0008	0.0004	0.80	0.1224	0.0341	0.023	0.012	1	-49%

2017-2023 Q2 Donations Converted to AMD										
	2017	2018	2019	2020	2021	2022	2022 Q1-2	2023 Q1-2	2017-2023Q1-2	2023 Q1-2 vs PY Q1-2
# of Donations	94	95	115	6,976	1,290	508	299	130	9,208	-57%
Donations Average size	445	1,050	1,312	41,769	25,976	12,665	6,691	2,884	86,061	-57%
Donations Average size	0.21	0.09	0.9	0.17	0.05	0.04	0.04	0.05	0.10	2%

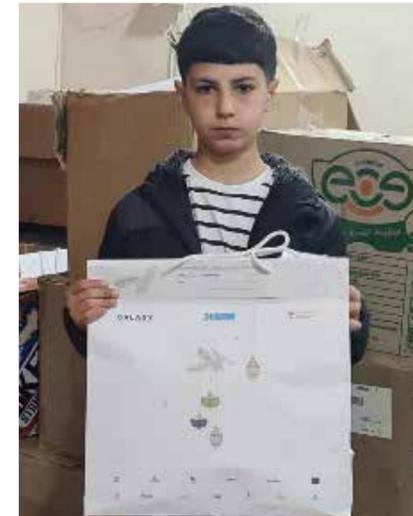


ZINAPAH continues to cooperate with various foundations, non-governmental and charitable organizations and private sector companies to support our servicemen and their families for the further development of their physical, educational, physical, psychological, and educational well-being.

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 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 integrating them into society.

## Galaxy Group Initiative

As a result of the joint work of the **Artsakh Social Development Programs Foundation** and ZINAPAH, on April 9, 369 gift packages were finally sent to Artsakh and distributed to children. The gift packages were prepared as early as December 2022, with the efforts of **Galaxy Group** company employees, but due to the blockade of Artsakh since 27 December 2022, the gift delivery was suspended, and finally, the gifts reached their recipients.



## Karo Hovagimian Charitable Foundation initiative

On May 30, on the occasion of the International Day for Protection of Children, ZINAPAH, with the joint efforts of its partner **Karo Hovagimian Charity Foundation**, organized an unforgettable day for 10 beneficiary children in Yerevan Park, where ZINAPAH and Karo Hovagimian Charitable Foundation child-beneficiaries with various locomotor diseases and other vulnerable groups participated in the event. The event aimed to ensure ZINAPAH beneficiaries were taken out of the everyday routine and integrated into society.



## Hospitality in Yerevan Park

On June 5, on the occasion of International Day for Protection of Children, ZINAPAH reached an agreement with the management of **Yerevan Park** to once again host more than 100 children of fallen and missing in-action servicemen, who had the opportunity to spend an unforgettable day in Yerevan Park.

The children were able to use all the entertainment attractions in Yerevan Park for 1 full day for free and enjoy the great entertainment organized by Yerevan Park.

The event was carried out with the joint efforts of the Hayordi team. Unforgettable feelings of the event cheered up the beneficiaries of ZINAPAH and helped them feel important by receiving the moral support of society. We extend our appreciation to Yerevan Park, which greatly contributed to this.





## Online platform

The ZINHUB online digital platform design and programming implemented jointly with the **Ministry of Labor and Social Affairs, ZINAPAH,** and Enterprise Incubator Foundation is ongoing. Regular meetings and discussions were held, and the platform was decided to be named ZINHUB. The visual identity system has been prepared, and the platform works are in the planning phase.

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.

## Eternal Nation Foundation Running Clinic

In June ZINAPAH was invited to participate in the **Running Clinic by Ottobock** event organized by its partner, the Eternal Nation Foundation, where most of the participants were beneficiaries of ZINAPAH.

The event brought together ZINAPAH and the Eternal Nation Foundation disabled beneficiaries who were trained to gain running skills with a sports prosthesis under the guidance of Paralympic champion Henrikh Popov for 3 days. The Running Clinic will contribute to improving of the quality of life by strengthening the self-confidence of beneficiaries.



## Memorandum of Understanding with BARI MAMA Foundation

On 25 May 2023, a Memorandum of Understanding was signed with the **BARI MAMA Foundation**. This will allow ZINAPAH beneficiaries to participate in rehabilitation therapies, the develop sewing skills, and other skills development activities free of charge.



At its founding in 2017, ZINAPAH was managed by the Central Bank of Armenia (CB) on a volunteer basis. Since 2021 ZINAPAH has been 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, as Donor Relations and Fundraising Manager recruitment is 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 process
- Investment Policy Adoption process
- Stress Scenario Planning
- Procurement Guidelines Development
- ZINPAH rebranding and communication campaign
- Unified Platform for Beneficiaries
- Audit 2022 completed

## OUTSOURCING MANAGEMENT

- HR management
- Accounting Services
- Customer Hot Line
- IT Security
- Legal Counsel



## MIGRATION AND INFRASTRUCTURE

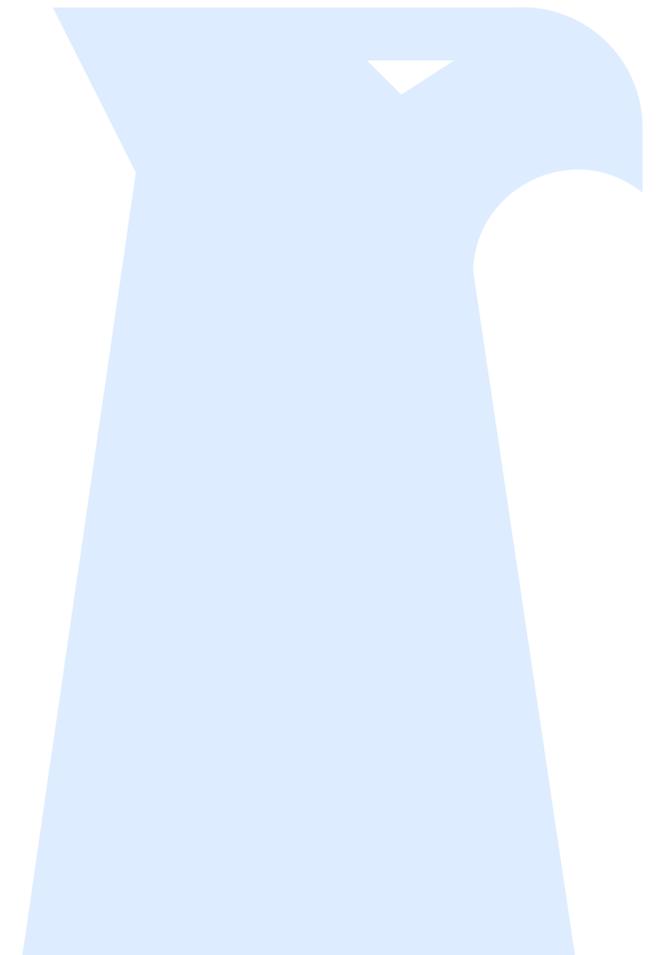
- Migration from CB Project complete
- Infrastructure development and service Tender was completed, and the winner was selected
- Business Process Redesign and Reengineering and Automation planning
- Mandatory Stamp Return Process Automation
- Financial infrastructure on the Compensation base planning
- IT Security Policy



## LEGISLATIVE AMENDMENTS

- Stamp Return Regulation
- Executive Investment Committee reforming
- Law change to support the disability status change from second to third category
- Beneficiary Compensation Case change BoT
- Social Project Implementation authorization

ZINAPAH Audit 2022 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 2022	As of 31 December 2021
<b>Assets</b>			
<b>Non-current assets</b>			
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
		<b>9,441,798</b>	<b>8,866,347</b>
<b>Current assets</b>			
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
		<b>36,486,740</b>	<b>14,859,275</b>
<b>Total assets</b>		<b>45,928,538</b>	<b>23,725,622</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Liabilities on compensations	7	107,762,538	102,912,893
Lease liabilities		32,130	33,651
		<b>107,794,668</b>	<b>102,946,544</b>
<b>Current liabilities</b>			
Liabilities on compensations	7	13,314,038	12,176,620
Lease liabilities		27,415	40,343
Accounts payables		14,536	9,129
		<b>13,355,989</b>	<b>12,226,092</b>
<b>Net assets</b>			
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)
		<b>(75,222,119)</b>	<b>(91,447,014)</b>
<b>Total liabilities and net assets</b>		<b>45,928,538</b>	<b>23,725,622</b>

## Statement of Comprehensive Income

In thousand drams	Note	Year ended 31 December 2022	Year ended 31 December 2021
<b>Income</b>			
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
		<b>39,277,738</b>	<b>34,014,923</b>
<b>Expenses</b>			
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)
		<b>(23,025,237)</b>	<b>(132,667,150)</b>
		<b>16,252,502</b>	<b>(98,652,227)</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		(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)
<b>Total comprehensive loss for the year</b>		<b>16,224,895</b>	<b>(98,749,555)</b>



## 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
<b>As of 1 January 2021</b>	<b>67,349</b>	<b>7,235,192</b>	<b>7,302,541</b>
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)
<b>As of 31 December 2021</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>

## Statement of Cash Flows

In thousand drams	Year ended 31 December 2022	Year ended 31 December 2021
<b>Cash flows from operating activities</b>		
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)
<b>Cash flows from investing activities</b>		
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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