

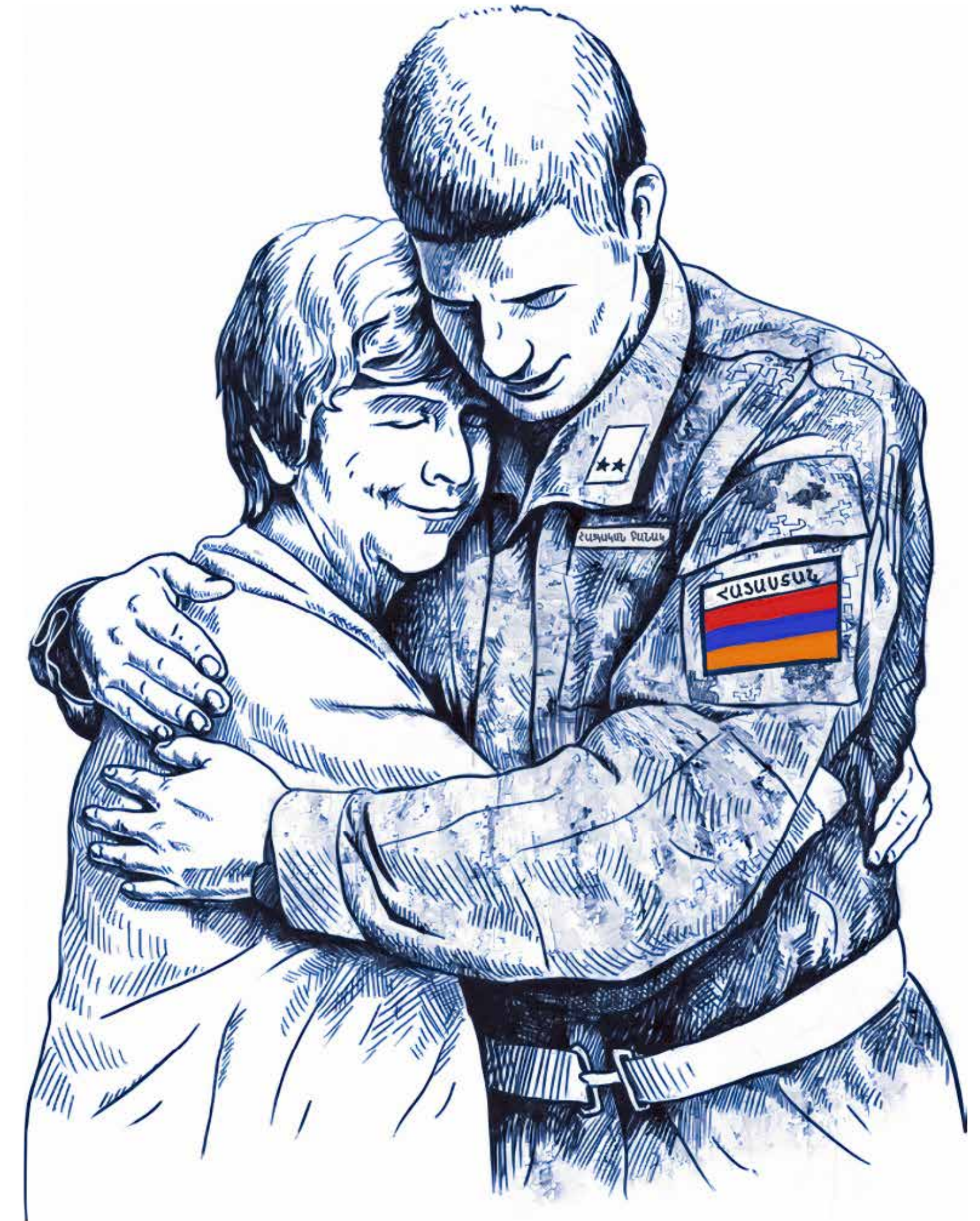


ZINAPAH[®]

NATIONAL FOUNDATION FOR
SERVICEMEN INSURANCE

UNITED FOR OUR SOLDIERS...

2024 Q1 Report



zinapah.am



DONATE

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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 soldiers while defending the homeland and its borders for the peace and security of future generations.

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

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

ZINAPAH funds are generated from:

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

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

ZINAPAH is operated by a highly motivated and experienced Executive Team of young professionals. [ZINAPAH website](#) provides the possibility to monitor both total funds from mandatory payments and donations, 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 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,

I am delighted to share ZINAPAH Progress Report for the first quarter of 2024. I want to emphasize once again that both the ZINAPAH Board of Trustees and the Executive Team are wholeheartedly committed to implementing new initiatives and ensuring that the Foundation reflects the true dedication and sacrifice of our servicemen and their families.

Since 2017-2024 Q1 ZINAPAH has provided compensation to **5,345** individuals, amounting to **91.5B** AMD. Approximately **150B** AMD of ZINAPAH assets was generated from mandatory payments, **18B** AMD from asset management, and around **9.4B** AMD from donations.

As a sign of respect, appreciation, and national gratitude to our beneficiaries who sacrificed their lives and health for our country, we are dedicated to providing the utmost support to our servicemen and their families to ensure a dignified life for them. Guided by the same principle, in January 2024 the ZINAPAH Board of Trustees came up with a landmark decision to index monthly compensation and additional payments for ZINAPAH beneficiaries increasing them by 26% effective from January 2024. This adjustment is aimed at offsetting the inflation since 2017 and reflects our unwavering dedication to those we serve. As a result of this initiative, the ZINAPAH annual liability increased by 4bln AMD.

The rise in compensation amount applies to both existing and new beneficiaries, with the exception of ZINAPAH compensation for servicemen with 3rd group disability. They will become eligible for indexing following certain legislative adjustments. ZINAPAH is cooperating with the Ministry of Labor and Social Affairs and the Ministry of Defense for legislative amendments so that the monthly compensations remain unchanged regardless of the disability group changes, which will be a big relief for the servicemen financially and morally.

One of the 2024 major projects is the launch of ZINHUB platform jointly with the Ministry of Labor and Social Affairs and Enterprise Incubator Foundation. The ZINHUB platform is a tool that unites and coordinates all those organizations that independently are implementing various labor-related, social, educational, rehabilitation, and other projects. Currently, there are 27 partner organizations registered, with the majority actively sharing information on the upcoming training and job opportunities and various services. There is a long way to develop and promote the platform to be part of our servicemen and their families' continuous support program for their soft integration into society.

As always, our commitment to transparency, accountability, and integrity is ongoing, and we are grateful to every working citizen in Armenia and to our Donors who trust us to carry out our crucial mission as the premier national foundation for servicemen.

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

Sincerely,
Karine Sarkissian
CEO ZINAPAH

united for our soldiers...



The 2024 Budget was built on the principle that the incoming mandatory payments would shrink by 1B due to the interruption in mandatory inflow from Artsakh. However, this is offset by the relatively stable inflow of mandatory payments in Armenia and the increase in asset management income by 40% due to the growth of assets.

At the same time, in the expenses, the beneficiaries' compensation was budgeted to increase by 36%. It was a planned increase of liabilities for the 2023 September 19-20 Artsakh 200 new cases compensation, for 26% indexation of the beneficiary monthly compensation and additional amounts, an increase of the capital expenses for the infrastructure development projects.

As of Q1 2024 actuals and the RE for the rest of the year, the income has grown by 3% due to the comparatively low declining trend of mandatory payments by -2% vs estimated by budget -4%, and asset management growth of 40% vs budgeted 36%. As for the expenses, ZINAPAH expenses budgeted growth of 57% slowed down to 36% vs PY.

Despite the increase in the expenses, the rolling estimated of the admin expenses vs total assets 2023 ratio is estimated at 0.58% vs the 2% upper cap limit regulated by the law.

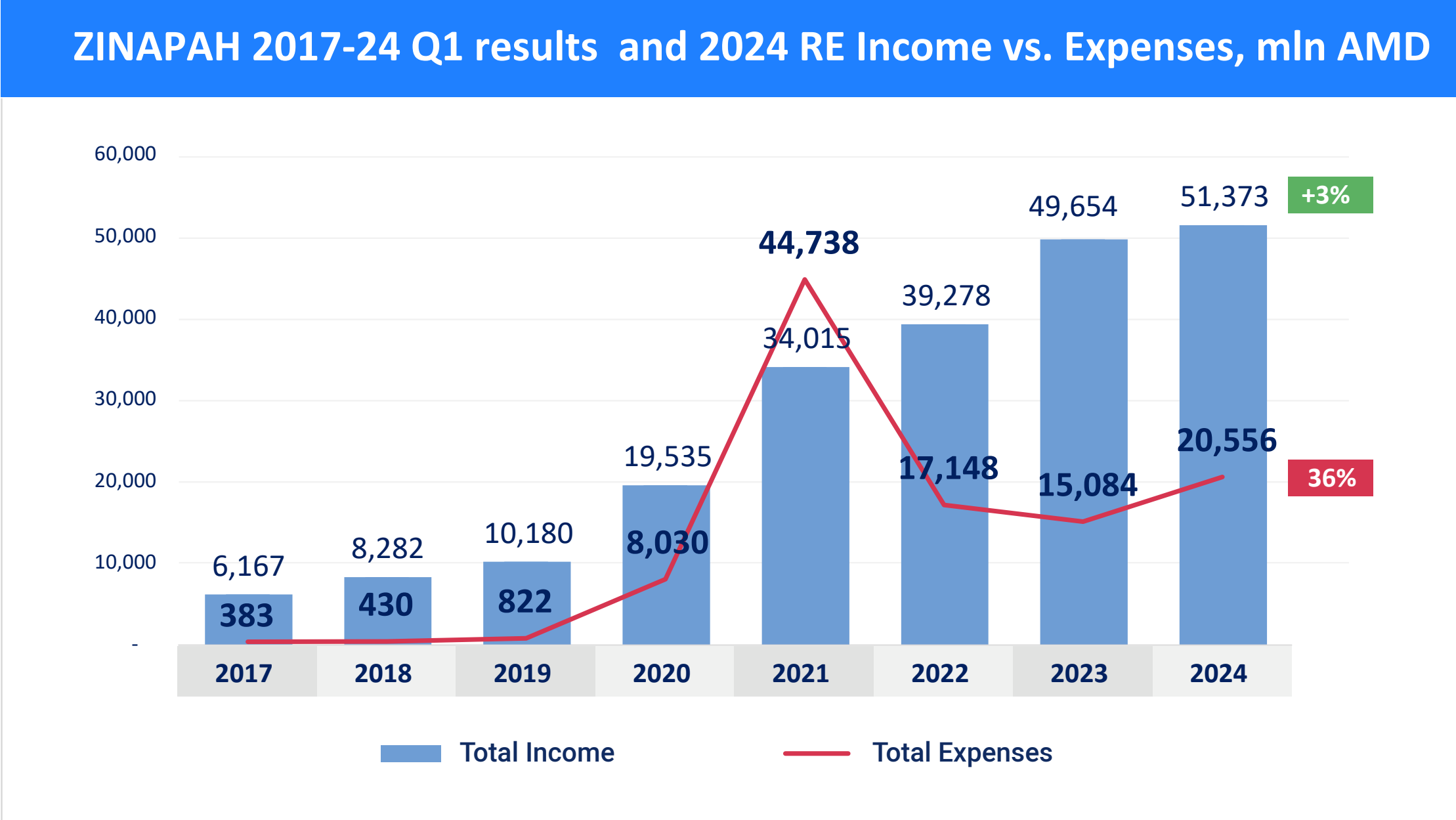
MLN, AMD	2017-2019	2020	2021	2022	2023	2024 RE	2017-2024 RE	2024 vs. PY	Contr. to Mix 2023	Contr. to Mix 2024
Mandatory Payments	21,779	9,134	29,072	35,274	43,199	42,482	202,721	-2%	87%	83%
Donations	305	6,976	1,290	508	273	358	10,014	31%	0.6%	0.7%
Kamurj*	-	1,000	1,510	239	237	218	3,204	-8%	0.5%	0.4%
CBA**	-	-	301	-	-	-	301		0%	0%
Asset Management	2,545	2,425	1,841	3,256	5,944	8,316	26,082	40%	12%	16%
Other Income	-	-	-	-	-	-	0.69	-100%	0%	0%
Total Income	24,629	19,535	34,015	39,278	49,654	51,373	243,112	3%	100%	100%
Compensations	1,635	8,030	44,484	16,878	14,747	20,179	107,586	37%	98%	98%
Admin Expenses	-	-	-	246	267	329	843	23%	2%	2%
CapEx	-	-	105	3	45	12	165	-74%	0%	0.06%
OpEx	0.32	-	149	21	25	36	233	43%	0.2%	0.2%
Other	0.24	-	-	-	-	-	0.47		0%	0%
Total Expenses	1,635	8,030	44,738	17,148	15,084	20,556	108,827	36%	100%	100%

* **Kamurj** – A program financed by the RA Government to give compensation to servicemen who are severely injured or are missing in action before becoming ZINAPAH beneficiaries. For these servicemen, compensation is provided for 39 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.



This graph illustrates ZINAPAH actual income and expenses from 2017 to 2024 Q1 results and the rest of the year RE, segmented by each year. ZINAPAH experienced a 3% increase in total income vs the previous year, expecting to reach 51,373 mln AMD. Simultaneously, total expenses are also expected to grow by 36% due to the increase in liabilities, amounting to 20,556 mln AMD.



ZINAPAH Operations for 2017 – 2024 Q1 vs PY



As of Q1 2024 vs PY results ZINAPAH recorded income growth approximately by 14%, at about 13,394 mln AMD due to the increase in mandatory payments to 7%, asset management income growth of 77%, and the growth of donations by 9%.

The portion of ZINAPAH income attributable to mandatory payments was 84%, with a decrease of -5 ppts vs the same period in 2023. Meanwhile, the portion of income attributable to asset management increased to 15% with +5 ppts, and the portion of donations income is stable at 1% vs 2023 results.

Total expenses increased by 49% to 5,856 mln AMD and the compensations increased by 50% vs 2023 due to the 26% indexation of the beneficiary monthly compensations and additional payments, as well as by the compensation of the Artsakh new cases from 2023 September 19-20 war. The portion of ZINAPAH expenses attributable to compensations was 99% while the administrative expenses were 1% vs 2023 98% and 2% respectively.

MLN, AMD	Q4 2023	Q1 2024	Q1-4 2023	Q1-4 2024	2024 vs. 2023	YTD Q1'24 vs. Q1'23	Contr. to Mix Q1'23	Contr. to Mix Q1'24
(AMD)								
Mandatory Payments	10,358	11,272	43,199	42,482	-2%	7%	89%	84%
Donations	63	88	273	358	31%	9%	1%	1%
Kamurj*	65	15	237	218	-8%	-79%	1%	0.11%
CBA**	-	-	-	-	-	-	-	0%
Asset Management	1,815	2,019	5,944	8,316	40%	77%	10%	15%
Other Income	0.26	-	-	-	-100%		0%	0%
Total Income	12,301	13,394	49,654	51,373	3%	14%	100%	100%
Compensations	3,576	5,788	14,747	20,179	37%	50%	98%	99%
Admin Expenses	64	60	267	330	23%	-2%	2%	1%
CapEx	43	1	45	12	-74%		0%	0%
OpEx	3	7	25	36	43%	22%	0.1%	0.1%
Total Expenses	3,688	5,856	15,084	20,556	36%	49%	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 39 months in the amount of 300,000 AMD monthly payments to eligible beneficiaries.

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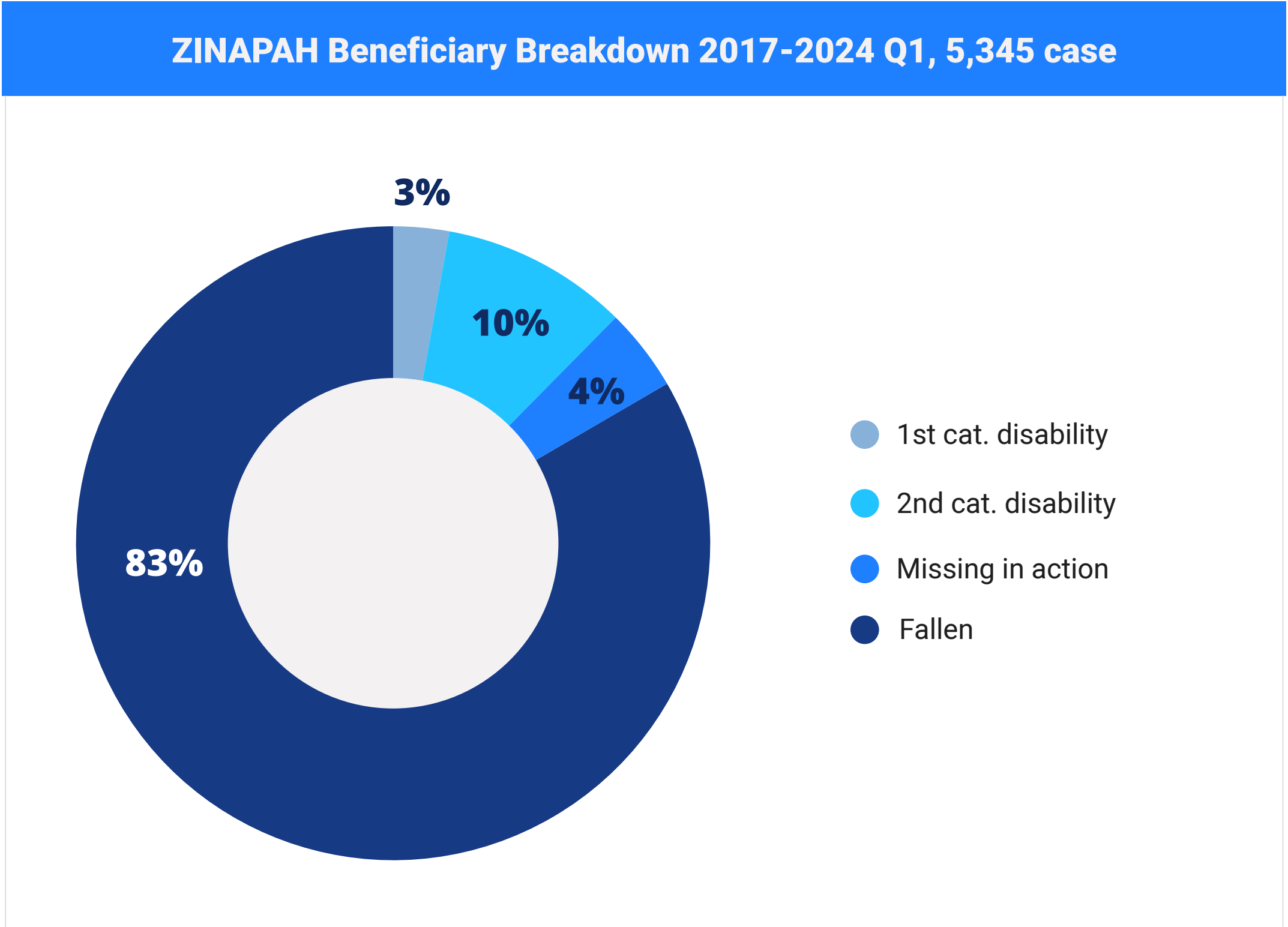
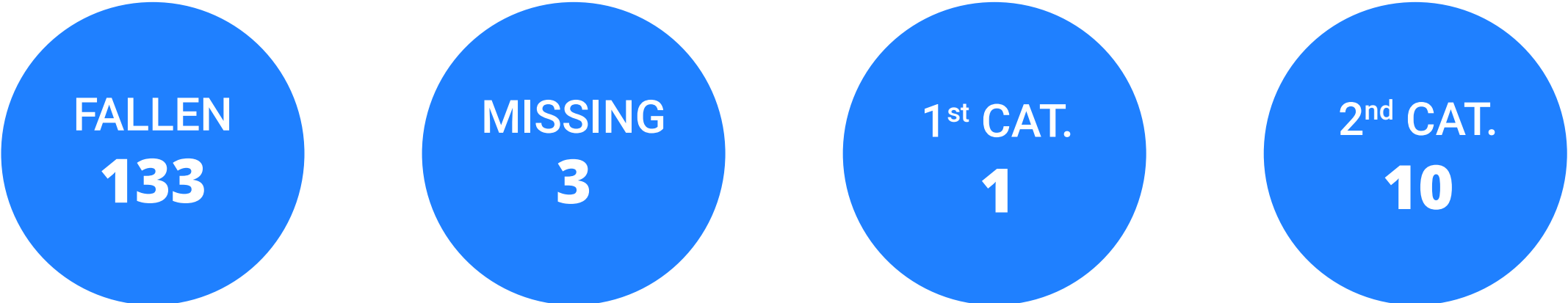


- ✔ **21% of mandatory payments** are estimated to be made in **2024**
- ✔ **4% of donations** are expected to be made in **2024**
- ✔ **31% of the asset management income** is assessed to be contributed in **2024**
- ✔ **19% of compensations** are expected to be paid in **2024**

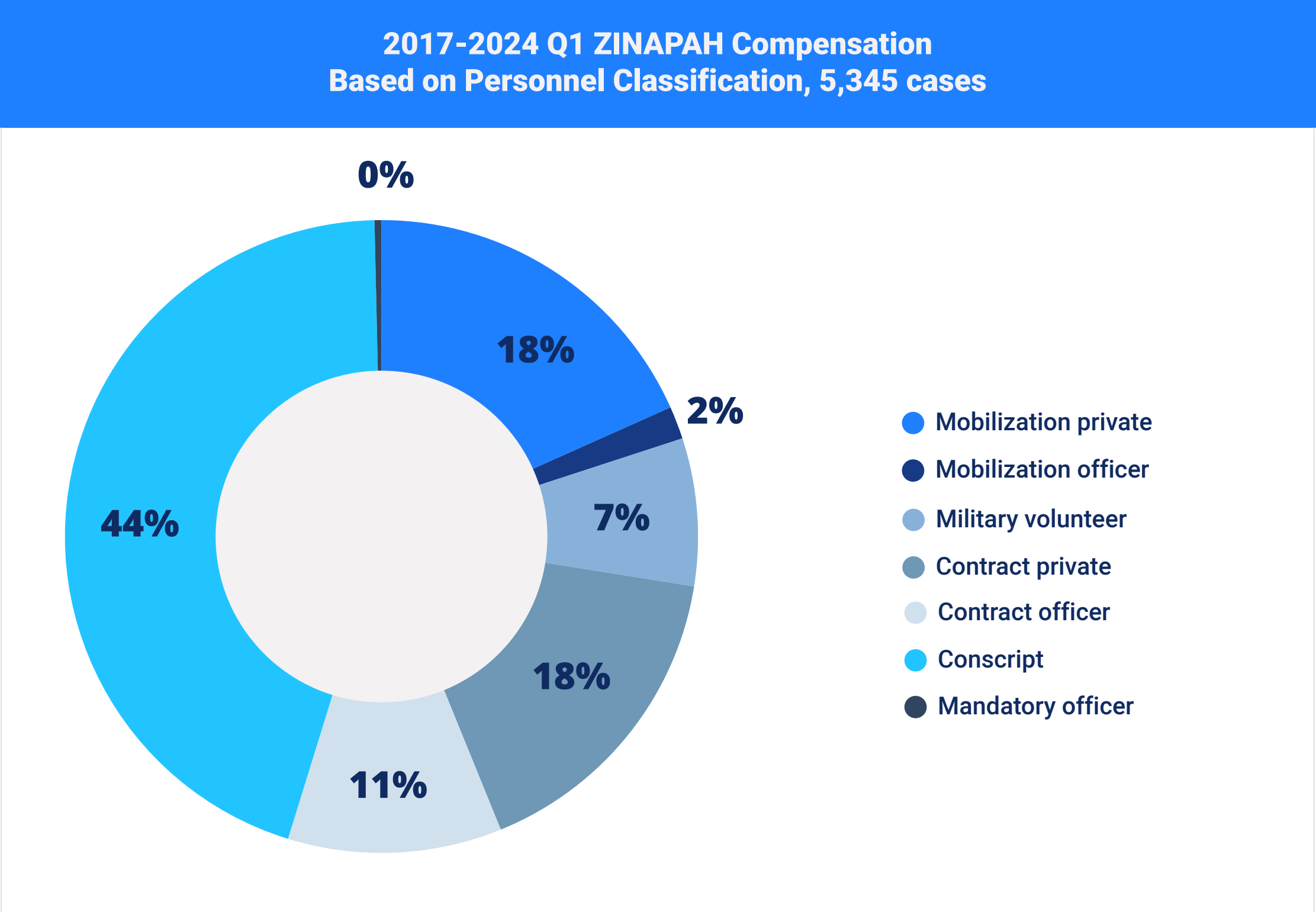
mIn AMD	2023	2024	2017-2024	% Contr. 2024
Mandatory Payments	43,199	42,482	202,721	21%
Donations	273	358	10,014	4%
Asset Management	5,944	8,316	26,872	31%
Compensations	14,747	20,179	107,586	19%

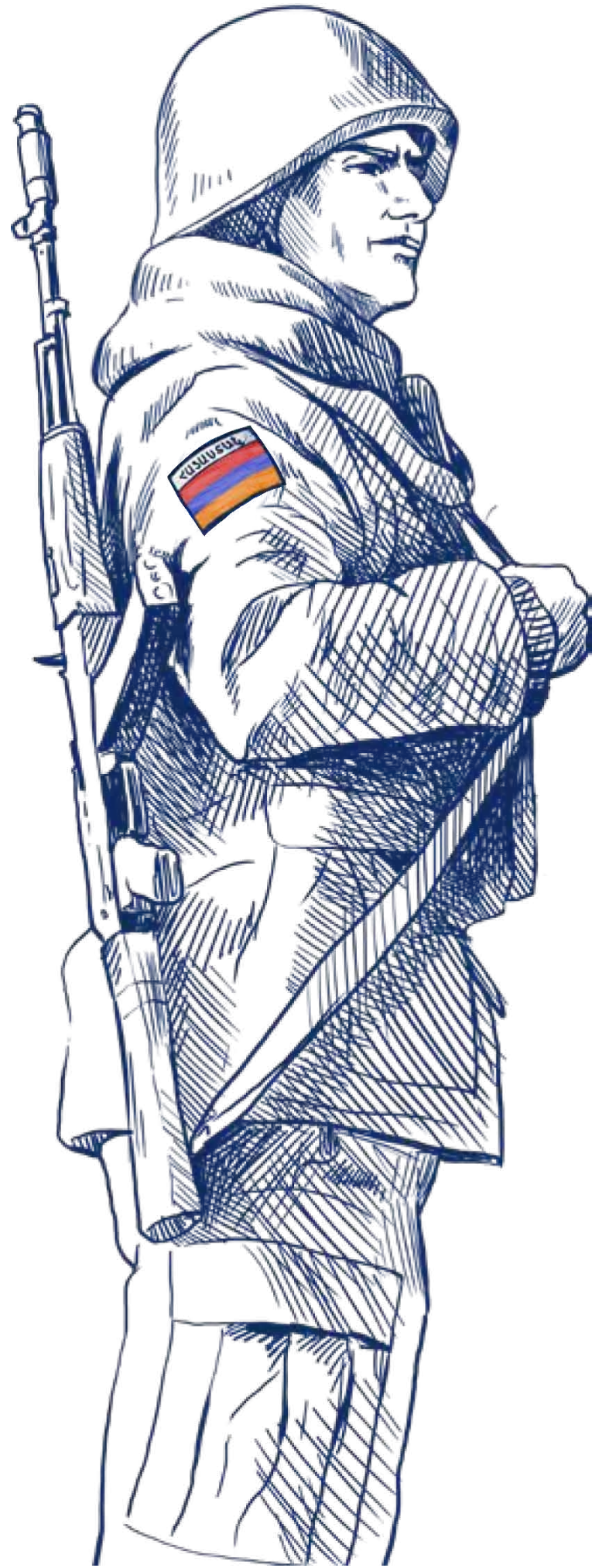


- ✔ From **2017-2024 Q1**, ZINAPAH provided compensation to **5,345** beneficiaries.
- ✔ In **2024 Q1** there were **147** new cases vs **52** cases in 2023 Q1.
- ✔ In **Q1 2024**, **147 new cases** were compensated categorized by case type as follows:



The **5,345** beneficiaries from **2017-2024** are broken down by personnel classification in this pie chart. Notably, **44%** are conscripts, **31%** are mobilized recruits and officers, **18%** are contract privates and **7%** are volunteers.





2017-2024 IN SUMMARY

147

Beneficiary NEW cases in 2024 Q1, and
5,345 cases from 2017-2024 Q1

5.8B AMD

compensation in 2024 Q1

91.5B AMD

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

7%

Mandatory payment growth
as of Q1 2024 compared to 2023 Q1



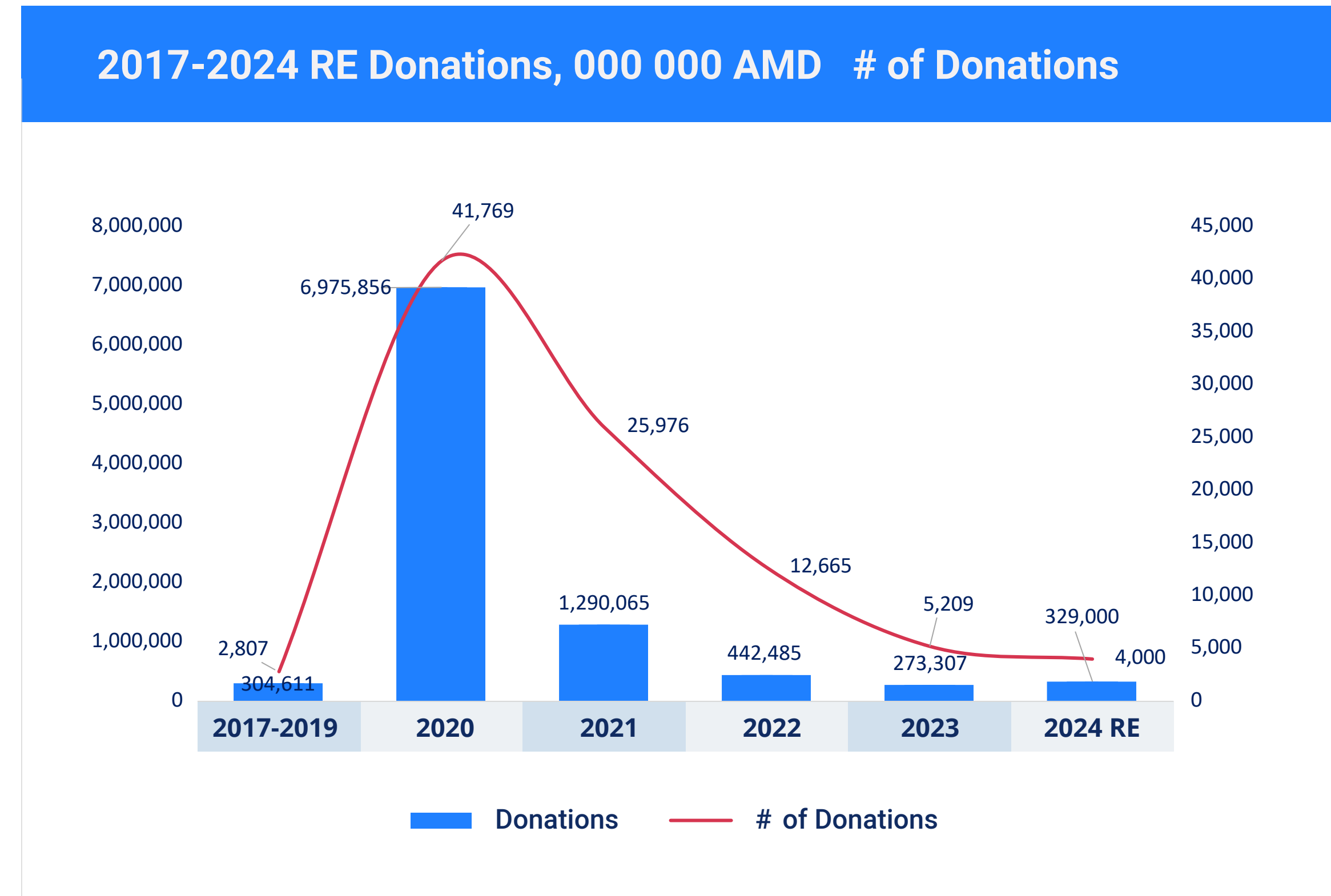
Donations to ZINAPAH, 2017-2024 Q1



ZINAPAH received donations totaling around 9.4B AMD. The total count of donations reached nearly 90,000, with an average donation size of 105,000 AMD. Most donations are made during periods of escalations.

In Q1 2024, compared to the previous year, the total donation value in AMD saw a 9% increase. There was a 3% rise in the number of donations, and the average donation size increased by 5%. The growth primarily stems from contributions in USD, while donations in other currencies experienced a downward trend. This trend is attributed to the post-war syndrome, with donations typically surging during wartime, as evidenced by the results in 2020. The most significant decline was observed in Russian Rubles from Russia, attributed to sanctions against the country and challenges in money transfer systems. The donations were made via bank transfers as well as via ZINAPAH website www.zinapah.am.

2017-2024 Q1 Donations by Currency									
Currency' 000 000	2017-2019	2020	2021	2022	2023	2023 Q1	2024 Q1	2017-2024 Q1	Q1 2024 vs Q1 2023
AMD	296,495	4,380,043	765,793	301,333	173,750	35,023	24,898	5,915,612	-29%
USD	7	4.826	879	492	233	107	152	6,588	-42%
RR	162	114,908	6,517	455	1	-	2	122,045	NA
EUR	1	797	122	34	20	7	5	980	-35%
2017-2024 Q1 Donations Converted to AMD									
	304,611	6,975,856	1,290,065	508,062	273,307	80,753	87,731	9,439,632	9%
# of Donations	2,807	41,769	25,976	12,665	5,209	1,672	1,729	90,155	3%
Average donation amount	390	167	50	40	52	48	51	105	5%



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 and psychological well-being.

Considering the importance of maintaining a connection with beneficiaries, 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.

Initiative by the Central Bank of Armenia. New Year Concert

On January 12, 2024, the Central Bank of Armenia, in collaboration with ZINAPAH, spearheaded a New Year celebration for the children of fallen, missing, and disabled servicemen. Approximately 400 children attended the event, enjoying a heartwarming performance by talented young Armenian singers alongside the Arevik choir. Following the concert, the children were delightedly presented with New Year gifts, thoughtfully curated by the Central Bank of Armenia team.



Armenian Spiritual Revival Foundation Final Event on March 15

In the wrap-up meeting of the Armenian Spiritual Revival Foundation initiative, some 60 individuals receiving assistance from ZINAPAH joined the second and final phase of a series of community gatherings. The objective was to extend support to the war participants and their family members, and those displaced from Artsakh who are struggling with post-war traumatic syndromes.

The meetings of the second/final phase were held in Masis, Abovyan, Armavir, Gyumri, Vanadzor and Yerevan.

Details of the Yerevan summary meetings are in the [video](#).

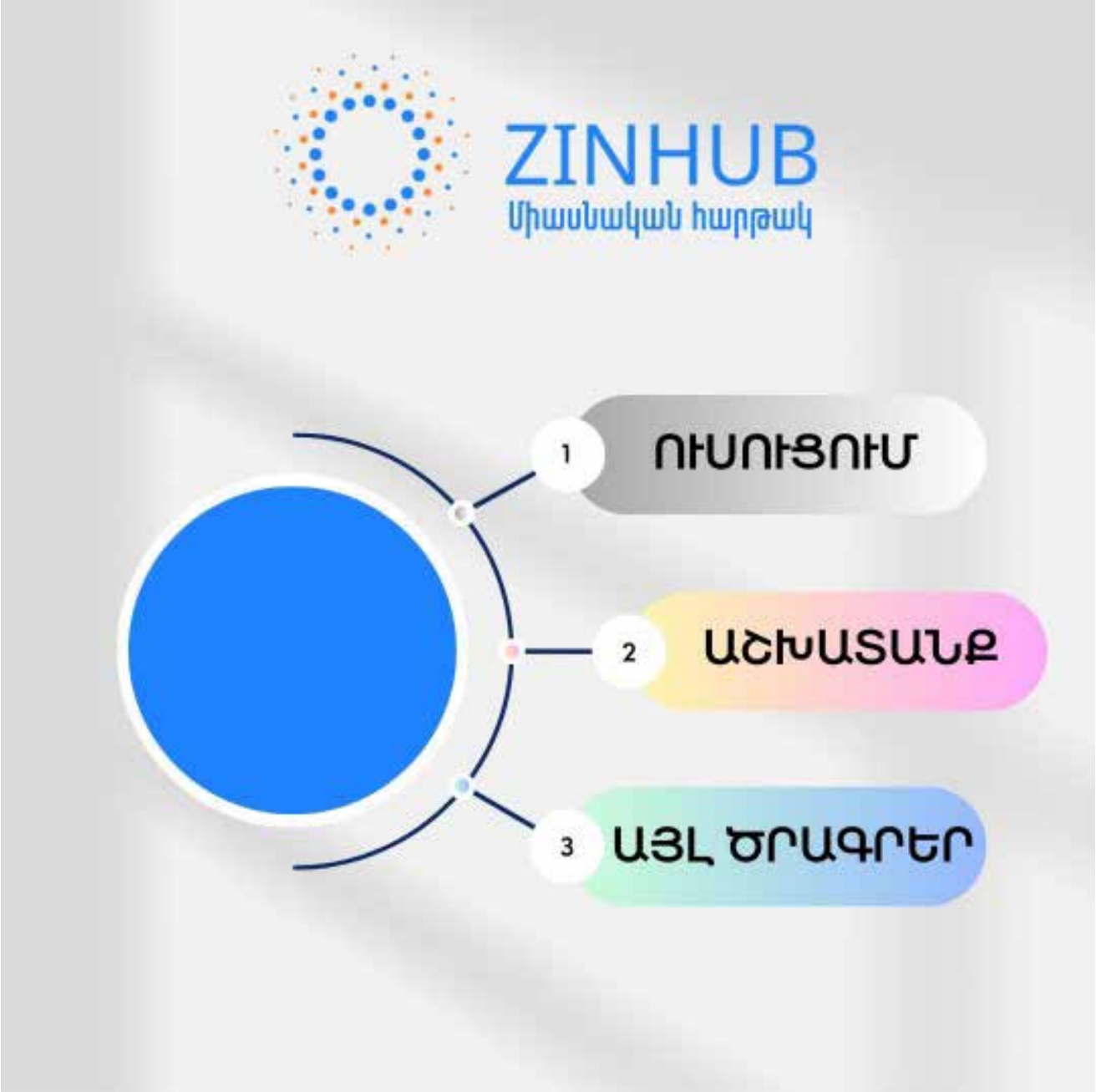




Since its launch in 2023, the ZINHUB platform has garnered registrations from 27 partner organizations, the majority of which are actively disseminating information about upcoming courses, job opportunities, and various services starting from February 2024.

ZINHUB was developed through collaboration between the Ministry of Labor and Social Affairs of the Republic of Armenia, ZINAPAH, and The Enterprise Incubator Foundation, as part of the Workforce Development in Armenia program. This joint effort involved cooperation with partner NGOs and representatives from the private sector.

Member organizations have the opportunity to register on the platform and publish educational courses, training programs, and job opportunities. ZINHUB beneficiaries, their family members, as well as vulnerable groups, can easily navigate the platform to access announcements regarding available job offers, training courses, and other initiatives.



ZINAPAH Initiative. Meeting with beneficiaries from Artsakh

On March 19, 2024, ZINAPAH held its inaugural meeting with beneficiaries. During this session, the ZINAPAH team introduced attendees to the organization's background, mission, recent developments, and the ZINHUB platform (www.zinhub.am). Additionally, team members addressed various concerns raised by beneficiaries. The meeting concluded with a Q&A session, where participants had the opportunity to have their questions answered. The positive reception from attendees, coupled with the subsequent interest generated on social media, prompted the decision to continue hosting these gatherings. It became evident that ZINAPAH beneficiaries are keen to deepen their understanding of the organization's activities, processes, and future endeavors. As a result, it was determined that these meetings would become a regular occurrence.





Memorandum of Understanding with Fund for Armenian Relief (FAR)

On January 18, 2024, a memorandum of understanding was signed with the **Fund for Armenian Relief** on cooperation on the beneficiary workforce development initiatives.



Memorandum of Understanding with Disabled Sports Federation of the Republic of Armenia NGO

On February 29, 2024, a memorandum of understanding was signed by the **Disabled Sports Federation of the Republic of Armenia NGO** on the support of ZINAPAH beneficiaries in their physical health rehabilitation.



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

- Governing body with 5 Board Members
- Restructuring to focus on ZINAPAH core competencies - managed by a team of 13 people
- Organizational handbook adoption
- Performance development and evaluation system in place with digital Teamflect system



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 2023 in process

OUTSOURCING MANAGEMENT

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



MIGRATION AND INFRASTRUCTURE

- Website and infrastructure development project in process
- Mandatory stamp return process in-house management and automation
- Financial infrastructure development on the compensation system base
- IT security policy development works



LEGISLATIVE AMENDMENTS

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





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.



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