



December 31, 2020

INTERIM REPORT

Insurance Foundation for Servicemen



DIRECTOR'S MESSAGE

The Insurance Foundation for Servicemen (hereinafter referred to as the Foundation) has carried out its mission since its inception, providing compensation to disabled soldiers and the families of fallen heroes as a result of war. This year was distinctive for the Foundation. The war unleashed by the enemy on September 27 led to an unprecedented increase in casualties.

From the very first days of the war, we engaged in worldwide fundraising. We assumed the money would be needed. After all, we were at war. This year we received donations of 7.4 billion drams from about 70 countries around the world.

After the cease-fire it was our duty to start compensating our compatriots who lost their parents, children and spouses.

When writing this message, the Foundation has made compensation to 741 families. The process will continue intensively in 2021 until we pay compensation to the families of every fallen and missing soldier, as well as to the servicemen who got disabilities as a result of war.

Accountability and transparency are important values for us. That is why we are publishing our 2020 interim report with the promise to publish the full report in April 2021.

I want to take the opportunity and thank all our compatriots who pay the stamp duty, to all our supporters who make donations, every individual and all companies who stand with us and lastly thank you to all volunteers of the Foundation who carry out the work day and night.

Varoujan Avedikian

GENERAL FINANCIAL INFORMATION

| | |
|--------------------------------|---------|
| Compensations | 8,3 bln |
| Stamp duties | 9,2 bln |
| Donations. Out of which | 7,4 bln |
| bank transfer | 5,7 bln |
| web | 1,7 bln |

COMPENSATIONS

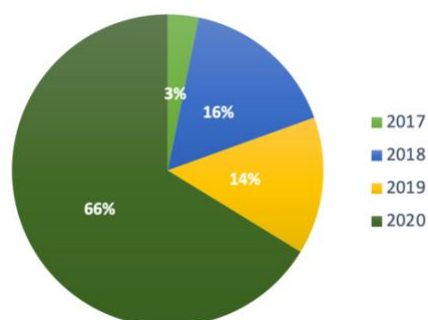
In 2020, the Foundaton made decision to compensate for 768 cases, out of which 27 occurred before September 27 war and 741 as a result of the war.

As of December 30, Foundation has made 1,159 compensations, out of which

| | Total | Officers | Contractual Junior officers and privates | Junior officers and privates | Volunteers |
|----------------------------|------------|------------|--|------------------------------|------------|
| Before September 27 | 417 | 68 | 99 | 250 | 0 |
| fallen | 343 | 56 | 80 | 207 | |
| 1 group disabled | 25 | 2 | 4 | 19 | |
| 2 group disabled | 49 | 10 | 15 | 24 | |
| After September 27 | 741 | 109 | 210 | 401 | 21 |
| fallen | | 109 | 210 | 401 | 21 |

NUMBER OF BENEFICIARIES PER ANNUM

| | | |
|--------------|--------------|-----|
| 2017 | 37 | 3% |
| 2018 | 189 | 16% |
| 2019 | 165 | 14% |
| 2020 | 768 | 66% |
| Total | 1,159 | |

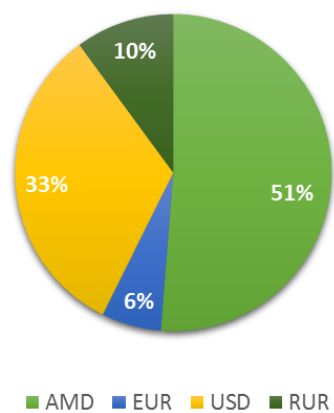


LIABILITIES

The Foundation's 20-year liabilities for the approved cases equal to 54,6 bln AMD.

| | Total | Out of which added in 2020 |
|------------------|-----------------|----------------------------|
| fallen | 52,7 bln | 41,6 bln |
| 1 group disabled | 837,3 mln | 70 mln |
| 2 group disabled | 1 bln | 83,8 mln |
| Total | 54,6 bln | 41,8 bln |

DONATIONS RECEIVED IN 2020 BY CURRENCY



FOUNDATION'S INITIATIVES



One of the Foundation's most important initiatives is “One Million Armenians” challenge, the aim of which is to find one million Armenians all over the world who will make monthly donations to the Foundation in the amount of 25,000 AMD, 50 USD or EUR.

The number seems big. However, it is not. In order to have one million Armenians who will make monthly donations for the wellbeing of the families of those who gave their life or health while protecting our motherland, we need 215 Armenians who will donate the amount and in their turn will encourage 5 Armenians to donate, who in their turn will encourage another 5 and so on. These numbers are calculated having in mind 70% probability of failure.

More than 1,000 Armenians have joined this initiative already.



Another initiative of the Foundation is “Let's make one to two”. The aim of this program is to increase the volume of donations to the Foundation and tighten the link between the Foundation and the private sector.

The program is also a vivid example of social responsibility, through which companies can show their attitude to the society and to our army.

Under the program the company matches the amount of stamp duty paid to the Foundation by its employees.

More than 40 companies have joined this program already.

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|  | <p>The Insurance Foundation for Servicemen has started compensations.</p> |  | <p>Who can become beneficiaries of the Insurance Foundation for Servicemen.</p> |
|  | <p>The principles of the Foundation remained intact. We need to remember that this is not a tax.</p> |  | <p>Interview with Varoujan Avedikian</p> |
|  | <p>Varoujan Avedikian answers Davit Aghabekyan's questions at the Erkir studio.</p> |  | <p>Morning interview with Varoujan Avedikian</p> |
|  | <p>MoD proposed to pay 3000 AMD to the Insurance Foundation for Servicemen instead of 1000 AMD.</p> |  | <p>Interview with Varoujan Avedikian</p> |
|  | <p>The Insurance Foundation for Servicemen compensated 475 cases this week. 100 more planned for he week.</p> |  | <p>It is time for every Armenian in the Diaspora to donate two dollars to the Insurance Foundation for Servicemen</p> |
|  | <p>The deputies propose to increase the payment to the Insurance Foundation for Servicemen according to the salary from 1000 to 10000 AMD.</p> |  | <p>In case of casualty with servicemen, his family will be secured.</p> |
|  | <p>Armenia should build a war economy</p> |  | <p>Families of 475 fallen heroes received compensation.</p> |
|  | <p>The Diaspora should win over Armenia in terms of donations</p> |  | <p>Press conference of Varoujan Avedikian, Director of the Insurance Foundation for Servicemen.</p> |
|  | <p>It will be a disaster if compensations are not made to the full extent.</p> |  | <p>By hiding our income, we harm our Armed Forces. This war must be an alarming.</p> |
|  | <p>3000 AMD instead of 1000 AMD to the Insurance Foundation for Servicemen</p> |  | <p>It is important that 1000 AMD is increased to 3000 AMD.</p> |
|  | <p>A Collective Responsibility: Insuring Their Dignity</p> |  | <p>If the Foundation's financial resources do not suffice, state budget will serve as funds for the Foundation.</p> |

FOUNDATION VOLUNTEER TEAM

