



DHOFAR INSURANCE COMPANY (S.A.O.G.)
P.O. Box 1002, P.C.- 112, Ruwi.
Sultanate of Oman

**Chairman's Report for the first
Six months ended 30/6/2009
(Unaudited)**

Dear Shareholders,

It gives me pleasure to report on the Company's performance, Income Statement and the Balance Sheet (unaudited) for the first half of the year 2009.

The company's wise and sound investment policy has undoubtedly participated in confronting the global financial crisis and the current economic circumstances. The company has strongly stated its assertion to continue being the Sultanate of Oman's Number one insurer and one of the top leading companies in the Arab world.

The most outstanding features of your Company's performance during the said period are as follows: -

- 1- The total premium written for the first six months from 1-1-2009 to 30-06-2009 amounted to R.O 32,655,131/- compared to R.O 28,852,012 /- for the corresponding period of the previous year 2008 showing a proportional increase of 13%.
- 2- The total underwriting results for the period from 1-1-2009 to 30-06-2009 amounted to R.O 2,531,691/- compared to R.O 2,313,882/- for the corresponding period of the previous year 2008 showing an increase of 9%.
- 3- Investment and other income for the period from 1-1-2009 to 30-06-2009 amounted to R.O 2,625,272/- compared to R.O 6,183,466/- for the corresponding period of the previous year, taking into consideration that the company reclassified certain investments securities held as "fair value through profit and loss account " and " held for trading" to be available for sale investments in accordance with the amendment mentioned in the International Standards on Auditing IAS 39 and IFRS 7.

This amendment provided an option to the company to reclassify investments out of " held for trading" and fair value through profit & loss account categories. If the Management had prepared the financial statements on the basis of prior classification and accounting treatment, the reported Investment and other income for the period from 1/1/2009 to 30/6/2009 would have been R.O 3,625,876/-

Dear Shareholders,

It is my pleasure to announce to you that the profits for the first six months from 1-1-2009 to 30-06-2009 amounted to R.O 2,680,448/- (before tax) compared to R.O 6,036,655/- for the corresponding period of the previous year 2008 .

Dear Shareholders,

As we believe in Omanization as a national objective, The Company will remain implementing its ambitious plans for attracting the Omani staff and qualifying them to the professional standards required by the company management. I would like to advise you that on 30/6/2009 Omanization ratio is more than 73 %.

Dear Shareholders,

In conclusion, we are proud to convey our thanks and appreciation to His Majesty SULTAN QABOOS BIN SAID- may God preserve him for his continuous concern and efforts to provide the people with the resources for a higher standard of living.

We also wish to convey our thanks and appreciation to the Government of His Majesty for implementing His Majesty's goals and objectives, and in particular, the Ministry of Commerce and Industry and its related departments, the Capital Market Authority and the Muscat Securities Market. We also wish to record our thanks to our Clients for their valuable support and confidence in our Company.

We also extend our thanks to the Arab and Foreign Insurance and Reinsurance Companies and our appreciation to the efforts of all members of the staff and in particular to the Management.

MAY GOD BLESS YOU ALL

SALIM BIN MUBARAK AL SHANFARI
Chairman