



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

**Chairman's Report for the nine months ended 30-09-2009 (Unaudited )**

**Dear Shareholders,**

It gives me pleasure to report on the Company's performance, Income Statement and the Balance Sheet (unaudited) for the third quarter of the year 2009 ( for the period from 1/1/2009 To 30/9/2009).

As we take pride and happiness to see your company successfully and firmly completing its twenty years operations being the Sultanate of Oman's Number one Insurer through its participation and significant role in the Omani economy as a leading company. It continues its assertion as a pioneer with innovative products that have been introduced into the Omani insurance industry since its foundation. It also endeavors to enhance and strengthen its leading position in the insurance industry in Oman.

Our continued success over the past 20 years is a testament and commitment to our customers satisfaction which certified our leadership and attest the fact that we have created the differentiation we targeted. Reliability and continuity are key elements for excellence and progress. Our difference is born out of our ability to protect our position in challenging market conditions remaining unaffected by the recent crisis, in spite of the crunch which the investments has generally confronted due to the global economic conditions.

As the Company is keen to offer unique services based on a modern and developed insurance concepts, it started to provide means of success and sound leadership through achieving its principal objectives and spreading out moral values and standards of excellence by using best practices and convenient methods to both shareholders and clients.

Dhofar Insurance has always played a telling and guiding role in the past and present which it will continue doing so through perseverance, consistency, reliability, honour and trust by their customers and dealers either locally and globally. Our formidable corporate identity will assert its presence on the nations insurance industry for years to come defining our future as the flagship.

In the light of our progressive vision, our primary goals are to create a broad public awareness of insurance in our great Omani society, such that we may Implement a customer -focused approach to service ,increase our solvency and financial capacity to international standards, and lead the sector while enhancing the value of Dhofar Insurance.

## **The Company performance :**

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

- 1- The gross premium written for the nine months from 1/1/2009 to 30/9/2009 , amounted to RO 41,937,087 /- compared to RO. 37,343,910 /- for the corresponding period of the previous year 2008 .
- 2- The total underwriting results for the period from 1/1/2009 to 30/09/2009, amounted to R.O. 726,640/- compared to RO. 3,310,915/- for the corresponding period of the previous year 2008 . This has resulted due to the increase in the company's net premium retention in different insurance Depts. hence increased the reserve of current risks for the current period amounted to RO 7,241,532/- compared to RO 4,170,464/- in the same period of the previous year and accordingly this has led to a decrease in the underwriting profits.

According to the common insurance rules, such reserves resulted from the increase in the company retention will be settled in a balanced manner in the first quarter of 2010.

- 3- Investment & Other income for the period from 1/1/2009 to 30/09/2009 amounted to R.O 4,377,051/- compared to R.O. 4,001,532/- 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 30/9/2009 would have been RO 6,052,087/-

### **Dear Shareholders,**

We would like to refer that the increase in motor claims and its bad effects on the local market has become a phenomenon needs to be reviewed and checked. We hereby call upon all concerned authorities to understand the seriousness of the increase in the losses of insurance connected with motor vehicles. Therefore, working together has become necessary to overcome the hardships and difficulties confronted by the insurers to minimize the volume of such losses particularly which are resulted in human losses and the great number of injured. Where such topic may lead to negative results on individual productivity and drastic effects on the community as whole. All indications of results seriousness are very clear. So we have to co-operate support each other to confront this undesirable phenomenon.

**Dear Shareholders,**

It is my pleasure to announce to you that the profits for the first nine months from 1/1/2009 to 30/09/2009, amounted to R.O 1,577,495/- (before tax) compared to R.O. 3,876,256/- for the corresponding period of the previous year.

Your Company remains following extended strategy through opening further branches to provide the best services and reinforce its role in the local market and we will always remain for fulfilling the needs of the market and requirements. In this respect we would like to inform you that the company has opened a new branch in Ghubra –Muscat area to be added to the company extended network which covers all the Wilayats of the Sultanate and to be more convenient for the customers to carry out their transactions as early as possible.

We will remain for implementing our ambitious plans in attracting the Omani staff and qualifying them to the professional standard required by the company. I would like to advise you that Omanization ratio in our company has reached 73 % by 30/9/2009.

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 Omani society with the resources for a higher standard of living.

We also wish to convey our thanks and gratitude 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**