Chairman's Report for the Year Ended 31st December 2021

Dear Shareholders,

On behalf of the Board of Directors of Dhofar Insurance Company SAOG, I have the pleasure to present to you the audited financial statements for the year ended 31st December 2021.

Insurance Operations

I am delighted to state that our company has achieved impressive growth in Gross Written Premiums in the year ended 31st December 2021, thereby increasing our market share from 10.3% to 11.3%

During the year under review, the Company continued to improve the overall portfolio balance, driven by prudent underwriting. The Company has ended the year with total premium of RO 55.02 million against RO 48.5 million in the same period last year, which represents a year-on-year growth of 13%. The Company continues to be the leading provider of General Insurance with largest network in the Sultanate of Oman.

The Company posted a net underwriting result of RO 8.31 million compared to RO 8.76 million over the previous year, which was mainly impacted by Cyclone Shaheen, which caused wise spread damage in the Batinah region.

Actuarial Assessment of Insurance Liabilities

The Company uses the services of an independent actuarial firm to recommend the appropriate reserves to be maintained for premium and claims. Based on the assessment of insurance liabilities by the consultant, the same has been incorporated in the financial statements.

Investment Performance

Investment income was RO 2.22 million for the year ended 31st December 2021 as against RO 2.97 million for the last year. The company continues to adopt a prudent investment policy and majority of the assets in the investment portfolio of the company is made up of low risk and liquid investments.

Profitability

In spite of the significant impact on bottom line of the company due to the claims payout emanating from Cyclone Shaheen, the Company registered a Profit after tax of RO 2.55 million for the year ended 31st December 2021 as against a profit of RO 3.8 million compared to last year. The Board of Directors recommend the payment of 15 Baizas / share as cash dividend aggregating to RO One million five hundred thousand.

Shareholders Returns

- Basic Earnings per share (EPS) achieved was 25 Baizas per equity share for the year 2021; and

- Net Asset Value (NAV) per share stands 271 Baizas as on 31st December 2021.

Corporate Social Responsibility

For the financial year ended 31st December 2021, the Company contributed a sum of Rial Omani One hundred and eighty-four thousand nine hundred and fifty (R.O 184,950) towards various Corporate Social Responsibility activities.

Acknowledgements

We express our deep gratitude and appreciation to our leader, His Majesty Sultan Haitham Bin Tarik for his vision and guidance, which sustained the country's success, growth and prosperity.

The Board of Directors thank the Ministry of Commerce and Industry and Investment Promotion, the Capital Market Authority for the continued guidance and support. We also would like to thank the shareholders, reinsurers, customers, and employees of the Company for their continued trust and support.

Majid Bin Sultan Al Toky

Chairman