



Chairman's Report for the Year Ended 31st December 2023

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 2023.

The Company has successfully implemented the new International Financial Reporting Standard (IFRS) - 17 and consequently, the Financial Statements for the year ended 31st December 2023 are prepared based IFRS 17. The Company has restated specific comparative figures for the previous year in accordance with the new standard.

Insurance Operations

I am delighted to state that our company has achieved impressive growth in Gross Written Premiums in the year ended 31st December 2023, thereby increasing our market share from 11.9% to 13%.

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 73.95 million against RO 65.07 million in the same period last year, which represents a year-on-year growth of 13.6%. The Company continues to be the leading provider of General Insurance with largest network in the Sultanate of Oman.

Total Insurance Revenue for the year ended December 31, 2023 was RO 70.37 million against RO 64.23 million during the previous year which represents 9.6% growth over previous year.

The Insurance Service Result was RO 1.40 million compared to RO 1.21 million during the previous year.

The Company continues to be the leading provider of General Insurance with largest network in Oman.

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 actuarial consultant, the same has been incorporated in the financial statements.





Investment Performance

Investment income was RO 7.91 million for the year ended 31st December 2023 as against RO 3.78 million for the last year. This includes a one-time gain of RO 3.89 million on account of a 'bargain gain' on the purchase of shares in Dhofar Foods and Investment SAOG.

The company continues to adopt a prudent investment policy and the majority of the assets in the investment portfolio of the company are made up of low risk and liquid investments.

Profitability

Net Profit after Tax increased by 58% for the year 2023. It registered a Profit after tax of RO 6.16 million for the year ended 31st December 2023 as against a profit of RO 3.89 million compared to last year. The Board of Directors recommend the payment of 15 Baiza / equity share as cash dividend for the year ended 31st December 2023.

Shareholders Returns

- Basic Earnings per share (EPS) achieved was 57 Baiza per equity share for the year 2023; and
- Net Asset Value (NAV) per share stands 336 Baizas as on 31st December 2023.

Corporate Social Responsibility

For the financial year ended 31st December 2023, the Company contributed a sum of Rial Omani Twenty-five thousand four hundred and fifty towards various Corporate Social Responsibility activities.

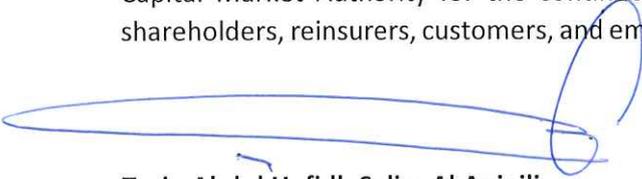
Condolence

The Board of Directors and the Management of the Company would like to put on record their deepest condolences on the passing away of Mr. Nasser Al Harthy. Mr. Nasser Al Harthy played a critical role as Chairman of the Audit Committee. Our deepest sympathies with the family on this irreparable loss.

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 and 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


Tariq Abdul Hafidh Salim Al Aujali
Vice Chairman

