



ASSURANCES ARO
FIANTOHANA ARO



*Miaina sy mihary mandry ivohon'ny vato
Vivre et entreprendre avec sérénité*

ARO ANNUAL REPORT 2005

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CHAIRMAN'S STATEMENT

2005 is a year to remember in the history of our young company which is sometimes linked to that of our country: by celebrating its thirtieth anniversary, the company is aware of how its age could be an important asset!

30 years is, first of all, the age of vitality and dynamism of a well-controlled force and a winning ambition. And ARO is now more than ever striving for more achievements at this time of celebration of its thirtieth anniversary. This ambition

can be measured for instance by our international reinsurance acceptance strategy, which enables us to act as a reinsurer while contributing to the internationalization of the Malagasy economy. This ambition is also measured by our commercial organization, recently restructured to enable us to better serve our clients. And finally, it is measured by several internal projects, related to information technology, product development, management audit, and communication policy, that were launched in 2005 and will be continued in 2006.

30 years is also the age of reason, wisdom, and experience! In thirty years, ARO has shown patience and prudence, a successful strategy confirmed by thirty years of uninterrupted profit. Though ambitious, our development plans are well-thought out and reasonable. Instead of being over ambitious, which adds incompatible risk to its insurer's role, ARO chooses a reasonable ambition supported by a deep knowledge of Malagasy society and the local economy whose main actors (companies, institutions, and individuals) are insured with us. And besides our development projects, we have reinforced our management auditing in order to provide ourselves with all the necessary tools for a good-quality management.



Mr Guy RASOANAIVO
Chairman

30 years is finally the age of responsibility. With a market share of around 60%, ARO is conscious of its leadership responsibilities and duties. It is our responsibility to lead in terms of product innovation by offering our current and future clients all the guarantees they need, even the most sophisticated ones; our new product, the "Rente Education" (insurance product for education savings), is one example. It is also our duty to be the model of a well-managed company, from a technical and financial standpoint, in order to ensure, by our intrinsic profitability, our future development. Lastly, we have to lead the way in continuously improving management tools.

For all the challenges waiting ahead, we know that we can count on our experienced employees who are proud to work for the leader of the Malagasy insurance industry. I want to acknowledge here the growing professionalism of our 444 employees, on which depend amongst other things, our future successes.

Lastly, being fully aware of the assets of its beautiful age, ARO faced 2005 - the year of the liberalization of the insurance industry in Madagascar - with confidence and combativeness: confidence in our capacity to stay the leader of the Malagasy insurance industry and combativeness to serve our clients with a loyal and lasting relationship.





This year ARO chose granite as a theme for its annual report for many reasons.

A Malagasy company. First of all, this choice has been made to indicate our attachment to our country. Granite is in fact an emblematic stone of our country that can be found in large quantities.



A diverse company. This choice has also been made to show our wealth and our diversity: Granite is in fact a composite stone obtained from the crystallization of different components (iron, manganese, quartz, feldspar, mica,...) Like granite, ARO is a combination of different components which all contribute to its wealth. Created from La Preservatrice in 1975, ARO has over the last thirty years been able to gather complementary expertise, upon which we have built our success (claims management, financial management, technical management, actuarial sciences, reinsurance,...) with a staff of 444 employees representing different regions of the country.



A solid company. The choice of granite also illustrates our solidity: Like granite mountain, ARO is the strongest insurance company in Madagascar. In thirty years of uninterrupted profits, we have accumulated shareholder equity so as to become Madagascar's premier insurance company.

A useful and effective company. Finally, granite is a particularly useful stone. From our roads to our churches and houses, it always helps Humanity. Usefulness is also ARO's everyday concern: our rationale is based on serving our fellow citizens by helping them to reduce and manage life's hazards.

