

Auditors Report	English
	01/01/2022-31/12/2022
DISCLOSURE AUDITOR'S REPORT	
DISCLOSURE OF AUDITOR'S REPORT	
AUDITOR'S OPINION	
Unmodified Opinion	Yes
AUDITOR'S OPINION BASIS	
Opinion and basis of Opinion	Ref #1
Key Audit Matters	Ref #2

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Independent auditors’ report

To the Shareholders of Oman International Development and Investment Company SAOG

We have audited the consolidated and separate financial statements of Oman International Development and Investment Company SAOG (“the Parent Company”) and its subsidiaries, (“the Group”), which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Parent Company as at 31 December 2022, and their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the *Audit of the Consolidated and Separate Financial Statements section* of our report. We are independent of the Parent Company and the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional *Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Refer to note 3.6, 3.7 and 8 to the consolidated and separate financial statements.

The key audit matter

Valuation of insurance contract liabilities involves significant judgement and requires a number of assumptions to be made that have high estimation uncertainty. This is particularly the case for those liabilities that are recognised in respect of claims that have occurred but have not yet been reported ("IBNR") to the Group. IBNR is calculated by an independent qualified external actuary for the Group.

Small changes in the assumptions used to value the liabilities, particularly those relating to the amount and timing of future claims, can lead to a material impact on the valuation of these liabilities and a corresponding effect on consolidated profit or loss. The key assumptions that drive the reserve calculations include loss ratios, estimates of the frequency and severity of claims and, where appropriate, the discount rates for longer tail classes of business.

The valuation of these liabilities depends on accurate data about the volume, amount, and pattern of current and historical claims since they are often used to form expectations about future claims. If the data used in calculating insurance liabilities, or for forming judgements over key assumptions, is not complete and accurate then material impacts on the valuation of these liabilities may arise.

How the matter was addressed in our audit

Our audit procedures supported by our actuarial specialists included:

- evaluating and testing of key controls around the claims handling and case reserve setting processes of the Group. Examining evidence of the operation of controls over the valuation of individual reserve for outstanding claims and consider if the amount recorded in the separate and consolidated financial statements is valued appropriately;
- obtaining an understanding of and assessing the methodology and key assumptions applied by the management. Independently re-projecting the liabilities balance for certain classes of business;
- assessing the experience and competence of the Group's actuary and degree of challenge applied through the reserving process;
- checking sample of reserves for outstanding claims through comparing the estimated amount of the reserves for outstanding claims to appropriate documentation, such as reports from loss adjusters; and
- assessing the Group's disclosure in relation to these liabilities including claims development table is appropriate.

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Refer to notes 3.6, 3.7 and 7 of the consolidated and separate financial statements.

The key audit matter

The Group has significant insurance and reinsurance receivables on written premium policies. There is a risk over the recoverability of these receivables. The determination of the related impairment allowance is

How the matter was addressed in our audit

Our audit procedures, amongst others, included:

- evaluating and testing key controls over the processes designed to record and monitor

subjective and is influenced by judgements relating to the probability of default and probable losses in the event of default.

- insurance and reinsurance receivables;
- testing the ageing of insurance and reinsurance receivables to assess if these have been accurately determined. Testing samples of long outstanding insurance and reinsurance receivables where no impairment allowance is made with the management's evidences to support the recoverability of these balances;
 - obtaining balance confirmations from a sample of counterparties such as policyholders, insurance companies and brokers;
 - verifying payments received from such counterparties post year-end;
 - considering the adequacy of provisions for bad debts for significant customers, taking into account specific credit risk assessments for each customer based on period overdue, existence of any disputes over the balance outstanding, history of settlement of receivables, liabilities with the same counterparties; and
 - discussing with management and reviewing correspondence, where relevant, to identify any disputes and assessing whether these were appropriately considered in determining the impairment allowance.

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Refer to note 3.8 and 10 to the consolidated and separate financial statements.

The key audit matter

The carrying value of the Group's equity accounted investees (associates) amounted to RO 157 million (RO 136 million of the Parent Company), representing 12% of the Group's total assets (20% of the Parent Company's total assets) as at 31 December 2022.

The assessment of indicators for impairment against the carrying value of the Group's equity accounted investees, where such indicators exist, and the determination of the recoverable amounts (higher of value in use and fair value less cost to sell) requires the management to exercise significant judgement. In particular, the determination of value in use requires the management to estimate forecasted revenues, growth rates, profit margins and discount rates for each of the relevant

How the matter was addressed in our audit

Our audit procedures, amongst others, included:

- enquiring and evaluating management's assessment of impairment indicators for each of the equity accounted investees by reference to the available information in the relevant markets and industries;
- where such indicators of impairment exist, obtaining and reviewing the impairment assessment performed by the management to determine the recoverable amount. In addition, checking the investee's historical performances and discussing with management to understand their assessment of the future performance of the investee; and

- investment.
- assessing the adequacy of the disclosures in the consolidated and separate financial statements.

Given the complexity and judgement required for assessment of impairment indicators and determination of recoverable amounts where such indicators exist, we have considered this to be a key audit matter.

Management has assessed the existence of impairment indicators against each of the equity accounted investees as at the reporting date. Further, when required, the management has performed an exercise to determine the estimated recoverable amount and recorded an impairment allowance when such recoverable amount is lower than the carrying value of the investment.

Management is responsible for the other information. The other information comprises the Chairman’s report, Management Discussion and Analysis Report and Corporate Governance report, which we obtained prior to the date of this auditors’ report, and the published 2022 Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the published 2022 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Standards, and their preparation in compliance with the relevant disclosure requirements of the Capital Market Authority and the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the

Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Further, we report that the financial statements of the Parent Company as at and for the year ended 31 December 2022, comply, in all material respects, with the:

- relevant disclosure requirements of the Capital Market Authority; and
- applicable provisions of the Commercial Companies Law of 2019.

Kenneth Macfarlane
14 March 2023 KPMG LLC

Auditors Report		English
DISCLOSURE OF AUDITOR'S DETAILS		01/01/2022-31/12/2022
DISCLOSURE OF AUDITOR'S DETAILS		
Name of audit firm		KPMG LLC
Registration number of Audit firm		1358131