

**Munich Reinsurance Company
New Zealand Branch**

**(Münchener Rückversicherungs-Gesellschaft
New Zealand Branch)**

**(Overseas company registered in New Zealand
under the Companies Act 1993)**

**Annual Financial Statements
31 December 2023**

TABLE OF CONTENTS

Directors' Report	1
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Section 1. Basis of preparation	7
Section 2. Capital and balance sheet management	10
Section 3. Other assets and liabilities	11
Section 4. Significant actuarial methods and assumptions	11
Section 5. Other notes	11
Directors' declaration	12
Independent auditor's report to the members of Munich Reinsurance Company – New Zealand Branch	13

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Directors present their report together with the financial statements of Munich Reinsurance Company (the "Company") – New Zealand Branch (the "Branch") for the year ended 31 December 2023 and the auditor's report thereon.

Directors

The names and details of the Directors at any time during or since the end of the year are as follows:

Director	Date of appointment / resignation	Areas of accountability
Dr. oec. publ. Joachim Wenning	2009	Chair of the Board of Management Chair of the Group Committee Chair of the Strategy Committee Chair of the ESG Committee Group Strategy and Innovation Group Communications Group Audit Economics, Sustainability & Public Affairs Group Executive Affairs Group Compliance and Legal
Dr. rer. pol. Thomas Blunck	2005	Chair of the Reinsurance Committee Chair of the Global Underwriting and Risk Committee Chair of the Board Committee IT Investments Data and Analytics Internet of Things Corporate Underwriting Claims Accounting, Controlling and Central Reserving for Reinsurance Information Technology
Nicholas Gartside	2019	Chief Investment Officer Group Investments Third Party Asset Management
Stefan Golling	2021	Global Clients and North America Capital Partners
Dr. rer. nat. Christoph Jurecka	2019	Chief Financial Officer Chair of the Group Risk Committee Financial and Regulatory Reporting Corporate Finance and Performance Integrated Risk Management Group Taxation Investor and Rating Agency Relations
Dr. Achim Kassow	2020	Labour Relations Director Asia Pacific and Africa Human Resources Central Procurement Global Real Estate and Services
Michael Kerner	2023	Global Specialty Insurance
Clarisse Kopff	2022	Europe and Latin America
Mari-Lizette Malherbe	2023	Life and Health
Dr. rer. pol. Markus Rieß	2015	Primary Insurance / ERGO

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023 *(continued)*

Directors' benefits

Since the end of the period covered by the last report no Director has received or become entitled to receive a benefit by reason of a contract made by the Branch or a related entity with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Principal activities

The Branch's principal activity is general reinsurance.

Review of operations

The result for the year was a profit after tax of \$nil (2022: \$nil).

The Branch obtained the same rating as Munich Re Group (AA-) based on ratings published by Standard & Poor's Ratings services as at 31 December 2023.

Post the internal accounting reorganization effective 1st January 2019, the Branch continues to maintain its insurance licence in New Zealand in compliance with Section 8 of the Insurance (Prudential Supervision) Act 2010. There are no insurance policies issued or serviced by the Branch during the year.

Matters subsequent to the end of the financial year

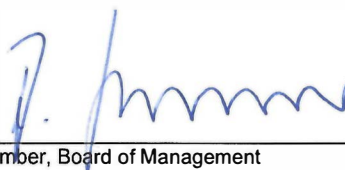
The Directors are not aware, at the date of this report, of any other matter or circumstance which has arisen since 31 December 2023 that has significantly affected or may significantly affect:

- (i) the operations of the Branch;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Branch in the financial years subsequent to 31 December 2023.

Signed in Munich on 10th April 2024 in accordance with a resolution of the directors:



Member, Board of Management



Member, Board of Management

Munich Reinsurance Company - New Zealand Branch

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

Note	2023 \$'000	2022 \$'000
Insurance revenue from insurance contract issued	-	-
Insurance service expenses from insurance contracts issued	-	-
Insurance service result from insurance contract issued	-	-
Allocation of reinsurance premiums paid	-	-
Amounts recovered from reinsurance contracts	-	-
Net expenses from reinsurance contracts held	-	-
Insurance service result	-	-
Interest revenue calculated using the effective interest method	-	-
Other interest and similar income	-	-
Net fair value gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income	-	-
Impairment loss on financial assets	-	-
Net foreign exchange (expense)/income	-	-
Total investment income	-	-
Insurance finance expenses for insurance contracts issued	-	-
Reinsurance finance income for reinsurance contracts held	-	-
Net insurance finance result	-	-
Other revenue	-	-
Other expenses	-	-
Profit/(loss) before tax	-	-
Income tax benefit/(expense)	-	-
Profit/(loss) after tax	-	-
Total comprehensive income/(loss) for the year	-	-
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Unrealised gains and losses on financial investments	-	-
Changes resulting from reinsurance contracts held	-	-
Changes resulting from insurance contracts issued	-	-
Income tax relating to items that may be reclassified to profit or loss	-	-
Total items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income/(loss) for the year (net of income tax)	-	-
Total comprehensive income/(loss) for the year	-	-

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements

Munich Reinsurance Company - New Zealand Branch

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Cash and cash equivalents	2.1	1	1
Investment in financial assets		-	-
Income tax receivable		-	-
Other assets		-	-
Reinsurance contracts held that are assets	3.1	-	-
Insurance contracts issued that are assets	3.1	-	-
Total assets		1	1
Income tax payable		-	-
Other liabilities		-	-
Provisions		-	-
Reinsurance contracts held that are liabilities	3.2	-	-
Insurance contracts issued that are liabilities	3.2	-	-
Deferred tax liabilities		-	-
Total liabilities		-	-
Net assets		1	1
Shareholder's interests			
Retained earnings		-	-
Other reserves		-	-
Head office account		1	1
Total shareholder's interest		1	1

The Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements

Munich Reinsurance Company - New Zealand Branch

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

2023	Head office account \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January	1	-	1
TOTAL COMPREHENSIVE INCOME			
Net profit/(loss) for the year	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
TRANSACTIONS WITH OWNERS OF THE BRANCH			
Capital repatriation	-	-	-
Total transactions with owners of the branch	-	-	-
Balance at 31 December	1	-	1

2022	Head office account \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January	1	-	1
TOTAL COMPREHENSIVE INCOME			
Net profit/(loss) for the year	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
TRANSACTIONS WITH OWNERS OF THE BRANCH			
Capital repatriation	-	-	-
Total transactions with owners of the branch	-	-	-
Balance at 31 December	1	-	1

The Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements

Munich Reinsurance Company - New Zealand Branch

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Reinsurance underwriting (paid)/received		-	-
Retrocession paid		-	-
Income tax paid		-	-
Management and administrative expenses paid		-	-
Net cash from operating activities	2.1	-	-
Cash flows from investing activities			
Interest received		-	-
Payments for investments		-	-
Proceeds from sale of investments		-	-
Investment expenses		-	-
Net cash from investing activities		-	-
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		1	1
Cash and cash equivalents at the end of the financial year	2.1	1	1

The Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Section 1. Basis of preparation

1.1. Reporting entity

Munich Reinsurance Company – New Zealand Branch (the Branch) is registered to carry on inward reinsurance business in New Zealand as a foreign company, Münchener Rückversicherungs-Gesellschaft AG, which is domiciled and incorporated in Germany. The Branch is a reporting entity in terms of the Financial Markets Conduct Act 2013 and the financial statements have been prepared in accordance with the requirements of that Act and the Financial Reporting Act 2013.

With the introduction of the Insurance (Prudential Supervision) Act 2010 (IPSA), all insurers carrying on insurance business in New Zealand are required to be licensed by the Reserve Bank of New Zealand (RBNZ). The Company was granted a full license on 2 April 2013. These financial statements have also been prepared in accordance with the IPSA.

The Branch's principal place of business is Level 22, PwC Tower, 15 Customs Street West, Auckland Central, Auckland.

1.2. Basis of presentation

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

The Branch ceased trading from 1 January 2019. The Directors have taken this into account and the financial statements will continue to be prepared on a going concern basis until such a time as the Directors determine the Insurance licence is no longer necessary. The Cash & cash equivalents balance of \$1,000 has been recognised as 'continuing operations'.

(b) Basis of measurement

The financial statements are prepared on a fair value basis.

(c) Functional and presentation currency

These financial statements are presented in New Zealand Dollars, which is the Branch's presentation and functional currency.

(d) Rounding

Amounts in the financial statements have been rounded off to the nearest thousand dollars unless otherwise stated.

1.3. Use of judgments and estimates

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of the Branch's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. There are no critical accounting estimates and judgements applied during the year.

1.4. Initial application of new accounting policies and other adjustments

(a) Impact of changes in accounting standards

In these financial statements, NZ IFRS 17 *Insurance Contracts* and NZ IFRS 9 *Financial Instruments* has been applied for the first time with an effective date of 1 January 2023.

NZ IFRS 17 supersedes NZ IFRS 4 *Insurance Contracts* for annual reporting periods beginning on or after 1 January 2023. The adopted standards have led to significant changes in the recognition, measurement, presentation and disclosure of insurance contracts in addition to the classification and measurement of financial instruments.

In connection with the initial application of the new accounting standards, the structure of some of the financial statements have been revised alongside the naming of particular line items.

The Branch ceased trading from 1 January 2019 alongside the accounting reorganisation. The adoption of the new standards therefore has had no impact upon the Branch as no insurance contracts or liabilities as defined by NZ IFRS 17 are held in the current or prior periods. Additionally, the only financial instrument held by the Branch under NZ IFRS 9 is Cash and cash equivalents of \$1,000 NZD.

Further information regarding the Branch's approach to recognition, measurement, presentation and disclosure of insurance contracts is not included as its inclusion does not provide any additional useful information to users of the financial statements compared to it being omitted.

Information regarding the adopted standards is included on the following pages and within the notes to the financial statements. Given the nature of the Branch's operations, and in particular the lack of figures due to no transactions for the year or insurance contracts held means detailed information on how the standards apply is unavailable. Such material is therefore omitted, however it is not considered material accounting policy information as it does not obstruct users from understanding the Branch's financial statements as a whole.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(b) Accounting policies of NZ IFRS 17

Classification as an insurance contract

A contract is classified as an insurance contract within the scope of NZ IFRS 17 if it transfers significant insurance risk. The Branch makes this assessment as part of risk transfer testing. The Branch classifies an insurance risk as significant if an insured event could cause the payment of additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance, and there is a possibility of a loss on a present-value basis. Alternatively, the Branch classifies contracts as insurance contracts if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts. Contracts that do not transfer significant insurance risk are generally financial instruments and are accounted for in accordance with NZ IFRS 9 requirements. An exception here are investment contracts with discretionary participation features, which fall under the scope of NZ IFRS 17.

Level of aggregation

Recognition and measurement occur at the level of groups of insurance contracts. The Branch begins by including insurance contracts in a portfolio that are subject to similar risks and managed together. In a second step, the Branch assigns each portfolio – based on its profitability – to one of the following three groups of insurance contracts:

- group of contracts that are onerous at initial recognition;
- group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- group of the remaining contracts in the portfolio.

The Branch classifies an insurance contract as onerous at initial recognition if the risk-adjusted present value of all the expected cash flows for contract fulfilment results in a net cash outflow. Due to changes in estimates relating to future service, a group of insurance contracts can become onerous upon subsequent measurement. This nevertheless does not affect the classification into different groups at initial recognition. In other words, the composition of the groups is not reassessed. It is sometimes necessary to exercise judgement when establishing portfolios and forming groups of insurance contracts on the basis of their profitability.

The Branch also ensures that all the contracts within a group were issued within one year.

Recognition

A group of insurance contracts issued is recognised from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; or
- for a group of onerous contracts, when the group becomes onerous.

Measurement

NZ IFRS 17 provides a consistent accounting model for all insurance contracts. The basic approach consists in applying the general measurement model (GMM), which is used in life reinsurance business. In view of the GMM's high complexity, NZ IFRS 17 provides the option of using – primarily for short-term contracts – a simplified measurement model known as the premium allocation approach (PAA). The new standard also provides for a modified measurement model, the variable fee approach (VFA), for certain participating primary insurance contracts.

For all measurement models, there is a distinction between a pre-claims stage (liability for remaining coverage – LRC) and a claims stage after the occurrence of an insured event (liability for incurred claims – LIC). The measurement of the LRC and LIC is based on a series of estimates and assumptions, particularly the estimate of future cash flows as well as the procedures and inputs for determining both the discount rate and the risk adjustment for non-financial risk. In addition, a certain degree of judgement must be exercised when establishing coverage units.

Premium Allocation Approach (PAA)

The Branch uses the PAA for all groups of insurance contracts that meet the requirements for applying the simplified measurement model. This is always the case if the coverage period of such contracts is one year or less – or, if the coverage period is longer, it can be reasonably expected that applying the simplified measurement model will produce a measurement of the LRC for the group that would not differ materially from the measurement that would result from applying the requirements of the GMM. The length of the coverage period is mainly determined by the concept of contract boundaries.

We use the PAA for our property-casualty reinsurance business, with the exception of groups of insurance contracts for which the coverage period has expired at the transition date and which are in the settlement period. The GMM is applied to such groups of insurance contracts.

Procedure

On initial recognition of a group of insurance contracts, we recognise an LRC, equal to the premiums received less acquisition costs paid. For business classified as profitable, neither the present value of the future net cash flows nor the risk adjustment for non-financial risk nor the contractual service margin is explicitly determined and recognised. If the coverage period of the contracts in the group is one year or less, any acquisition costs incurred may be recognised directly as an expense.

If we are aware of any indications that contracts should be classified as onerous under the GMM, we compare the insurance liability determined under the PAA with the result of the measurement under the GMM. If the comparison shows that the carrying amount of the LRC (fulfilment cash flows) under the GMM exceeds the carrying amount determined under the PAA, we directly recognise the balance

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

as an expense in the form of a loss component. To this end, we explicitly calculate the present value of the net cash flows and the risk adjustment for non-financial risk to facilitate a comparison with the GMM.

For subsequent measurement of a profitable group of insurance contracts, the carrying amount of the LRC is updated as follows. First, the carrying amount is either increased with no impact on profit or loss by adding the further premium payments received, or decreased by subtracting directly attributable acquisition costs paid – provided that we do not make use of the option to recognise the acquisition costs as an expense. The LRC is reduced by the amount of insurance revenue earned as insurance contract services are provided. We earn the insurance revenue by spreading the expected total premium for the coverage period within the contract boundaries over the accounting periods in a risk-commensurate manner.

By contrast and consistent with the GMM, we explicitly determine risk-adjusted net outflows for onerous groups of insurance contracts, and following the occurrence of an insured event. A distinction is made between the LRC and the LIC with a risk adjustment for non-financial risk determined for the LIC when using the PAA.

(c) Accounting policies of NZ IFRS 9

A financial instrument must have a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Branch recognises a financial instrument in the balance sheet when the Branch becomes a party to the contractual provisions of the related contract.

When the contractual rights to receive the cash flows from a financial asset have expired, the financial asset is derecognised. Similarly, financial liabilities are derecognised once the remaining liability or obligations specified under the contract has been fulfilled, cancelled or expired. Financial liabilities are recognised and derecognised as at the trade date.

If a financial asset is transferred, we evaluate whether the derecognition requirements of IFRS 9 are met. In this process, we take into account the extent to which we retain the risks and rewards of ownership of the financial asset and – if applicable – whether we retain control. Depending on the outcome of this evaluation, we derecognise the financial asset, or we continue to recognise it in full or to the extent of our continuing involvement.

Classification

For the purpose of subsequent measurement, financial assets are classified as measured at “amortised cost”, “fair value through other comprehensive income” or “fair value through profit or loss”.

The classification is determined on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. An entity’s business model refers to how an entity manages the financial assets in order to generate cash flows. It is determined at a level that reflects how groups of financial assets are managed rather than at an instrument level. The business models under NZ IFRS 9 include:

- “hold to collect” in which financial assets are held with the objective to collect contractual cash flows, the sale of financial assets is not part of management strategy. It is not a requirement that assets are always held to maturity, however, it is expected that sales would be incidental and consequently an entity will need to assess the nature, frequency and significance of any sales occurring.
- “hold to collect and sell” in which financial assets are held for both collecting contractual cash flows and selling assets. In contrast with the hold to collect model, sales are an integral aspect of this model rather than incidental.
- “other” which applies to models where neither of the above applies.

Measurement

On initial recognition at the trade date, financial assets are recognised at the transaction price or fair value. For financial assets that are not subsequently measured at fair value through profit or loss, directly attributable transaction costs must be included in addition.

The measurement of a financial asset after initial recognition is based on the classification in accordance with the business model and the result of the SPPI test.

Contractual cash flow characteristics test (or the SPPI ‘Solely Payments of Principal and Interest’ test) requires that the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding. In contrast to the business model test, the SPPI test is carried out on an instrument by instrument basis.

Financial assets managed within the business model “hold to collect” that pass the SPPI test are measured at amortised cost. Financial assets subject to the business model “hold to collect and sell” that pass the SPPI test are measured at fair value through other comprehensive income. Financial assets that are managed under the business model “other” or that do not pass the SPPI test are measured at fair value through profit or loss.

There are two classifications available under NZ IFRS 9 for financial liabilities, amortised cost and fair value through profit or loss (FVTPL). Amortised cost is the default classification for financial liabilities though they can also be classified as FVTPL in certain circumstances, primarily the financial liability is held for trading (HFT) or it is initially designated as FVTPL.

Impairment

NZ IFRS 9 sets out an expected credit loss model for recognising loss allowances, under which expected credit losses are anticipated before they arise and must be recognised as an expense. These impairment requirements primarily affect financial assets measured at amortised cost or at fair value through other comprehensive income, as well as lease receivables.

A three-stage impairment model is used to recognise and measure impairment losses on financial assets with the movement between the stages being determined based on whether a financial asset has experienced a significant increase in credit risk. A significant increase in credit risk is based on the change in risk of default that has occurred since initial recognition of the asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Section 2. Capital and balance sheet management

2.1. Cash and cash equivalents

(a) Cash and cash equivalents balances

	2023 \$'000	2022 \$'000
Cash at bank	1	1
Total cash and cash equivalents	1	1

(b) Reconciliation of profit after income tax to net cash flows from operating activities

	2023 \$'000	2022 \$'000
Profit/(loss) from operating activities after income tax	-	-
Net cash flows from operating activities	-	-

Summary of significant accounting policies

Cash flows arising from general underwriting activities are presented on a gross basis. Balances are settled on a net basis when the right to offset allows.

There are no cash balances held that are not available for use in normal operations.

2.2. Risk management policies and procedures

The financial condition and operating results of the Branch are affected by a number of key financial and non-financial risks. Risk management is the process of identifying, analysing, controlling, monitoring, and reporting risks that could have a material impact on the operations of the Branch. Insurance risk involves the consideration of the market, product design, pricing, underwriting, claims management and valuation risk. The Branch's disclosed objectives and policies in respect of managing these risks are set out in the remainder of this note.

(a) Risk management framework

- Through its insurance operations the Branch is exposed to financial risks such as credit risk, liquidity risk and market risk. The Branch's risk management framework seeks to minimise the potential adverse effects of these risks on its financial performance. Due to the reorganisation of all business to Munich Reinsurance Company Australian Branch ("MRAU"), the Branch, in essence, adopts the same risk management framework as MRAU. The Branch has effectively eliminated all such risks. The Branch continues to maintain a NZD 1,000 cash balance to satisfy the New Zealand minimum capital requirements for licensed entities.
- Insurance risks are controlled through the use of underwriting procedures, adequate premium rates, policy charges and sufficient reinsurance arrangements, all of which are managed through a Board approved governance structure. Controls are also maintained over claims management practices to assure the correct and timely payment of reinsurance claims.

(b) Capital management

The New Zealand bank account remains open with NZD 1,000 to ensure that the Branch does not breach the NZ minimum capital requirements for licensed entities.

2.3. Solvency of licensed entity

The Company is the entity licensed by the RBNZ to conduct insurance business in New Zealand. The 31 December 2023 solvency disclosures calculated in accordance with the Company's home jurisdiction in €'000 are as follows:

	2023 €'000	2022 €'000
Aggregate Actual Solvency capital	53,812,165	51,889,398
Aggregate Minimum solvency requirement	8,088,200	7,961,794
Aggregate Solvency margin	35,838,388	34,196,523
Aggregate Solvency ratio	299%	293%

The solvency figures shown above for MR-AG are prepared in accordance with Solvency II's Quantitative Reporting Template (QRT).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Section 3. Other assets and liabilities

3.1. Reinsurance and other receivables

Summary of significant accounting policies

Receivables are initially recognised at fair value and subsequently measured at amortised cost less an allowance for expected credit loss. The collectability of receivables is reviewed on an ongoing basis. Receivable assets are written off if, based on a reasonable assessment, it must be assumed that such assets are not recoverable.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the effective interest rate.

Due to the accounting reorganisation on 1 January 2019, reinsurance and other receivables are nil at 31 December 2023.

3.2. Liability for insurance contracts

Summary of significant accounting policies

Liability for remaining coverage is a liability representing the Branch's obligation to investigate and pay valid claims under existing insurance contracts for insured event that have not yet occurred (obligation that relates to the unexpired portion of the coverage period).

Liability for incurred claims corresponds to unpaid loss and loss adjustment expense reserves for a portfolio of contracts. A portfolio of contracts consists of policies that are subject to similar risks and managed together.

Provision is made at the end of the year for the estimated cost of claims incurred but not settled at reporting date. These reserves include estimates for reported claims, IBNR, and IBNER, and include estimates of expenses associated with processing and settling these claims.

The process of establishing reserves is subject to considerable variability as it requires the use of informed estimates and judgments. These estimates and judgments are based on numerous factors, and may be revised as additional experience and other data become available or as regulations change.

Due to the accounting reorganisation on 1 January 2019, the liability for insurance contracts are nil at 31 December 2023.

Section 4. Significant actuarial methods and assumptions

Due to the accounting reorganisation on 1 January 2019, there are no insurance liabilities for the Branch and therefore actuarial methods and assumptions are not relevant.

Section 5. Other notes

5.1. Related parties

All related party transactions were made on normal commercial terms and conditions and at market rates (including market rental rates).

Due to the accounting reorganisation on 1 January 2019, there have been no related party transactions for the Branch during the year ended 31 December 2023.

5.2. Remuneration of auditors

As a result of the internal accounting reorganisation to Munich Reinsurance Company Australian Branch (MRAu), the Branch no longer incurs a separate audit fee. The audit fee is included within an overall fee and recognised within MRAu.

5.3. Events occurring after the reporting date

The Directors are not aware of any other matter or circumstances that have arisen since the end of the financial year which significantly affects or may significantly affect the operations of the Branch, the results of its operations or the state of affairs of the Branch in future financial years.

5.4. Other significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

5.5. New standards and interpretations not yet adopted

There have been no relevant accounting standards and interpretations issued but which are not yet mandatory and that have not been adopted by the Branch for the year ended 31 December 2023.

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

Directors' declaration

The Directors are pleased to present the financial statements of Munich Reinsurance Company – New Zealand Branch (the "Branch") for the year ended 31 December 2023.

In the opinion of the Directors of Munich Reinsurance Company, the financial statements and notes of the New Zealand Branch on pages 3 to 11:

- (a) comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Branch as at 31 December 2023 and the results of its operations and cash flows for the year ended on that date; and
- (b) have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgments and estimates.

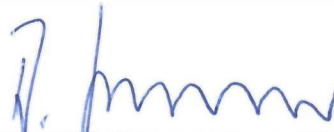
The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Branch and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Branch, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

Signed in Munich on 10th April 2024 in accordance with a resolution of the directors:



Member, Board of Management



Member, Board of Management



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the Shareholders of Münchener Rückversicherungs-Gesellschaft

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the New Zealand Branch ("the Branch") of the Münchener Rückversicherungs-Gesellschaft ("the Company") which comprise the statement of financial position of the Branch as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended of the Branch, and the notes to the financial statements including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Branch as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholders. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its shareholders for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the financial statements* section of our report.

We are independent of the Branch in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Branch.

Key audit matters

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 year. We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditor's report

The Directors of the Branch are responsible for information other than the financial statements. Other information includes the Directors' Report.



**Building a better
working world**

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

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

If, based upon the work we have performed, 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.

Directors' responsibilities for the financial statements

The Directors of the Branch are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing on behalf of the Branch'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 the Directors either intend to liquidate the Branch or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 International Standards on Auditing (New Zealand) 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 financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Jason Bain.

A handwritten signature in dark ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in dark ink, appearing to read 'Jason Bain'.

Jason Bain
Sydney
11 April 2024