

**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 2022**

Munich Reinsurance Company - New Zealand Branch

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Munich Reinsurance Company - New Zealand Branch

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 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 M&A Group Communications Group Audit Economics, Sustainability & Public Affairs Group Human Resources Group Executive Affairs Group Compliance and Legal
Dr. rer. pol. Thomas Blunck	2005	Chair of the Board Committee IT Investments Life and Health Capital Partners Europe and Latin America Chair of the Reinsurance Committee Chair of the Global Underwriting and Risk Committee Reinsurance Development 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
Dr. jur. Doris Höpke	2014 (Resigned 30/04/2022)	Labour Relations Director Europe and Latin America Human Resources
Dr. rer. nat. Torsten Jeworrek	2003 (Resigned 31/12/2022)	Chair of the Reinsurance Committee Chair of the Global Underwriting and Risk Committee Reinsurance Development Data and Analytics Internet of Things Corporate Underwriting Claims Accounting, Controlling and Central Reserving for Reinsurance Information Technology
Dr. rer. nat. Christoph Jurecka	2019	Chief Financial Officer Chair of the Group Risk Committee Financial and Regulatory Reporting Group Controlling 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
Dr. rer. pol. Markus Rieß	2015	Primary Insurance/ERGO
Stefan Golling	2021	Global Clients and North America Capital Partners
Clarisse Kopff	2022 (Appointed 1/12/2022)	Europe and Latin America
Mari-Lizette Malherbe	2023 (Appointed 1/1/2023)	Life and Health
Michael Kerner	2023 (Appointed 1/1/2023)	Global Specialty Insurance

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022 *(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 (2021: \$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 2022.

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 2022 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 2022.

Signed in Munich on 28 March 2023 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 2022

	Note	2022 \$'000	2021 \$'000
Net profit and total comprehensive income from discontinued operations		-	-
<i>In which:</i>			
General reinsurance premium revenue		-	-
General reinsurance premium expense		-	-
Net general reinsurance premiums		-	-
Net general reinsurance commissions		-	-
General reinsurance claims expense		-	-
General reinsurance claims recoveries		-	-
Net general reinsurance claims		-	-
Underwriting profit		-	-
Other revenue		-	-
Other expenses from operating activities		-	-
Investment revenue		-	-
Investment management expense		-	-
Profit before tax		-	-
Income tax (expense) / benefit	2.3	-	-
Net profit for the year and total comprehensive income 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 2022

	Note	2022 \$'000	2021 \$'000
Assets held for distribution		-	-
<i>In which:</i>			
Cash and cash equivalents	3.1	-	-
Other financial assets held for sale		-	-
Deferred acquisition costs	2.2	-	-
Reinsurance recoveries	4.1	-	-
Current tax receivable	4.1	-	-
Outstanding premiums	4.1	-	-
Other assets	4.1	-	-
Deposit retained by ceding company		-	-
Deferred tax assets	2.3	-	-
Total assets held for distribution		-	-
Assets from continuing operations			
<i>In which:</i>			
Cash and cash equivalents	3.1	1	1
Other financial assets held for sale		-	-
Deferred acquisition costs		-	-
Reinsurance recoveries		-	-
Current tax receivable		-	-
Outstanding premiums		-	-
Other assets		-	-
Deposit retained by ceding company		-	-
Deferred tax assets		-	-
Total assets from continuing operations		1	1
Total assets		1	1
Liabilities held for distribution		-	-
<i>In which:</i>			
Trade and other payables		-	-
Outstanding claims	4.2	-	-
Unearned premiums		-	-
Deposit retained from related retrocession		-	-
Current tax payable	2.3	-	-
Deferred tax liabilities	2.3	-	-
Other liabilities		-	-
Total liabilities		-	-
Net assets		1	1
Equity			
Head office account		1	1
Retained earnings		-	-
Total equity		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 2022**

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	-	-	-
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

2021	Head office account \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January	1	-	1
TOTAL COMPREHENSIVE INCOME			
Net profit/(loss) 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 2022

	Note	2022 \$'000	2021 \$'000
Net (decrease) / increase in cash from discontinued operations		-	-
<i>In which:</i>			
Cash flows from operating activities			
Reinsurance premium received		-	-
Reinsurance claim payments		-	-
Reinsurance premium payments		-	-
Cash (paid) / received on transfer of tax loss		-	-
Other operating receipts		-	-
Other operating payments		-	-
Internal accounting reorganisation		-	-
Net cash from operating activities		-	-
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			
Internal accounting reorganisation		-	-
Net cash from financing activities		-	-
Net (decrease) / increase 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	3.1	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 2022**

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'.

The financial statements were authorised for issue by the Directors on April 2023.

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Section 2. Financial performance

2.1. Revenue from operating activities

Summary of significant accounting policies

Revenue is recognised to be the amount of the transaction price when (or as) the performance obligation of a contract is satisfied. The Branch recognises revenue when it transfers control over a product or service to a customer. The Branch's activities are connected with insurance.

Premium

The earned portion of premiums received and receivable including unclosed business is recognised as revenue.

The pattern of recognition of premium revenue over the policy or indemnity periods is based on time, where this closely approximates the pattern of risk underwritten. Where time does not approximate the pattern of risk, previous claims experience has been used to derive the incidence of risk.

Premiums ceded to retrocessionaires are recognised as an expense in accordance with the pattern of retrocession service received.

Interest revenue

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Profit or Loss.

Assets and liabilities expressed in other currencies are translated to the functional currency using the closing exchange rate at the reporting date and income and expenses are translated at the spot rate at the time of the transaction. Realised and unrealised foreign exchange gains and losses resulting from this translation are recognised in the Profit or Loss.

2.2. Expenses from operating activities

Summary of significant accounting policies

Claims expenses

Claims incurred expense and a liability for outstanding claims are recognised in respect of the inwards reinsurance business. The liability covers claims incurred but not yet paid, incurred but not reported (IBNR), incurred but not enough reported (IBNER) and the anticipated direct costs and, where material, indirect costs of settling those claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all claims do not have to be paid out in the immediate future. The expected future payments are estimated on the basis of the ultimate cost of settling claims which is affected by factors arising during the period to settlement such as normal inflation and superimposed inflation. The expected future payments are then discounted to a present value at the reporting date using a discount rate. A risk margin is added to the outstanding claims provision to increase the probability that the liability is adequate at an adequacy level deemed appropriate by the management and set at a minimum adequacy level of 75%.

Due to the accounting reorganisation on 1 January 2019, the outstanding claims liabilities are nil at 31 December 2022.

Retrocession and other recoveries

Retrocession recoveries are assessed regularly and expected future recoveries are estimated on the same basis as the liability for outstanding claims. The expected future recoveries are then discounted to a present value at the reporting date using a discount rate. A risk margin is added to the outstanding recoveries receivable to increase the probability that the receivable is at an adequacy level deemed appropriate by the management and set at a minimum adequacy level of 75%.

Due to the accounting reorganisation on 1 January 2019, the outstanding reinsurance recoveries are nil at 31 December 2022.

Reinsurance commissions and acquisition costs

The incurred portion of reinsurance commissions paid and payable including unclosed business is recognised as an expense.

A portion of direct acquisition costs relating to unearned premium revenue is deferred where it represents future benefits to the Branch and can be reliably measured. Deferred acquisition costs are stated at the lower of cost and recoverable amount. Deferred acquisition costs are amortised over the financial years expected to benefit from the expenditure.

Due to the accounting reorganisation on 1 January 2019, the outstanding commissions and deferred acquisition costs are nil at 31 December 2022.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2.3. Income taxes

Summary of significant accounting policies

Income tax

The income tax expense calculated using the national income tax rate is the tax payable on the current period's taxable income adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. The tax rates are applied to the cumulative amounts of deductible and assessable temporary differences to measure the deferred tax asset or liability. Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets are also recognised for unused tax losses only if it is probable that future taxable amounts will be available to utilise those losses.

Due to the accounting reorganisation on 1 January 2019, there are no current or deferred income taxes applicable to the Branch at 31 December 2022.

2.4. Net incurred claims

Due to the accounting reorganisation on 1 January 2019, net incurred claims are nil at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Section 3. Capital and balance sheet management

3.1. Cash and cash equivalents

(a) Cash and cash equivalents balances

	2022 \$'000	2021 \$'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

	2022 \$'000	2021 \$'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.

3.2. 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.

3.3. Solvency of licensed entity

The Company is the entity licensed by the RBNZ to conduct insurance business in New Zealand. The 31 December 2022 solvency disclosures calculated in accordance with the Company's home jurisdiction in €'000 are as follows:

	2022 €'000	2021 €'000
Aggregate Actual Solvency capital	51,889,398	52,632,730
Aggregate Minimum solvency requirement	7,961,794	8,414,269
Aggregate Solvency margin	34,196,523	20,539,933
Aggregate Solvency ratio	293%	256%

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 2022**

Section 4. Other assets and liabilities

4.1. Reinsurance and other receivables

Summary of significant accounting policies

Receivables are initially recognised at fair value and subsequently measured at amortised cost less a provision for doubtful debts. The collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Branch will not be able to collect all amounts that are due in accordance with the original terms of the receivable.

The amount of the provision 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 2022.

4.2. Gross outstanding claims

Summary of significant accounting policies

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.

Outstanding claims liability is estimated by class of business. Historical experience and other statistical information are used to estimate the ultimate claim costs.

Due to the accounting reorganisation on 1 January 2019, the outstanding claims liabilities are nil at 31 December 2022.

4.3. Liability adequacy test

The liability adequacy test has historically been conducted using the net central estimate of the present value of expected future cash flows.

Due to the accounting reorganisation on 1 January 2019, the future premium liabilities are nil at 31 December 2022.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Section 5. Significant actuarial methods and assumptions

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

Section 6. Other notes

6.1. 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 2022.

6.2. 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.

6.3. 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.

6.4. 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.

6.5. New standards and interpretations not yet adopted

The following accounting standards and interpretations were issued but are not yet mandatory and have not been adopted by the Branch for the financial year ended 31 December 2022.

An assessment of the impact of the new or amended standards is set out below:

NZ IFRS 17 'Insurance Contracts'

NZ IFRS 17 was released in August 2017. It introduces three new measurement approaches for accounting for insurance contracts. These include the Building Block Approach for long term contracts, the Premium Allocation Approach for short contracts and a Variable Fee Approach for direct participating contracts. In addition, the level of contract aggregation is likely to be lower than that under current practices. The standard is not mandatory until 1 January 2023 for the Branch. The Branch has no in-force businesses from 1 January 2019 therefore the standard is expected to have no impact on the Branch's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022.

In the opinion of the Directors of Munich Reinsurance Company, the financial statements and notes of the New Zealand Branch on pages 3 to 12:

- (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 2022 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.

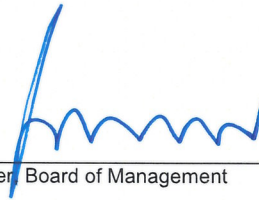
The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Branch and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

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 28 March 2023 in accordance with a resolution of the directors:



Member, Board of Management



Member, Board of Management

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 2022, 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 a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Branch as at 31 December 2022 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 Company are responsible for information other than the financial statements. Other information includes the Directors' Report.

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 Company 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.

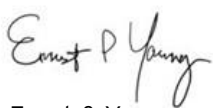
In preparing the financial statements, the Directors are responsible for assessing on behalf of the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate 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.



Ernst & Young
Sydney
03 May 2023