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31 May, 2022

Tower to acquire TSB portfolio

Kiwi insurer Tower (NZX/ASX: TWR) announced it has agreed to pay \$5.2m to TSB Bank Limited (“TSB”) to acquire and assume TSB’s rights and obligations relating to servicing a TSB branded portfolio of insurance underwritten by Tower.

Tower and TSB have also entered into a referral agreement for new TSB insurance customers for a period of five years.

Tower has provided insurance to TSB customers since 2004 under the insurance portfolio, which will be brought into the Tower Direct business following the transaction.

Tower will directly insure these TSB customers under 18,000 Tower-branded policies following the completion of the acquisition. The policies will migrate to Tower's cloud-based digital platform under the agreement. As Tower has always been the underwriter of these policies, no action is required by customers.

Tower CEO, Blair Turnbull said, “This new acquisition follows the successful portfolio acquisitions of Youi NZ, Club Marine and ANZ that are delivering growth and efficiencies.

“We have enjoyed a positive relationship with TSB over many years and are very excited to continue the relationship in its new referral form.”

Premiums from the TSB portfolio contributed \$11m in FY21 to Tower’s Gross Written Premium (GWP).

No regulatory approvals are required to proceed under the agreement and the acquisition is unconditional, with completion expected to take place on 1 July, 2022.

In addition, in February 2022, Tower paid \$560,000 to Westpac to acquire all rights and obligations relating to a smaller legacy portfolio of insurance policies issued to Westpac customers.

Mr Turnbull said, “Both transactions are further examples of Tower leveraging its unique partnership model and scalable technology platform, to provide simpler and easier experiences for its customers and partners.”

ENDS

This announcement has been authorised by Tower Chief Executive, Blair Turnbull.

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