

16 January 2024

Tower to sell Vanuatu Business

Tower announces the conditional sale of its Vanuatu subsidiary to Capital Insurance Group of Papua New Guinea. The sale proceeds are expected to be around \$1.6m, net of costs of sale, subject to adjustment for changes in the subsidiary's net assets at the completion date. The sale is expected to complete in the first half of 2024.

Capital Insurance Group is a privately owned general insurer. It sees the acquisition of Tower's Vanuatu subsidiary as being a good fit with its existing operations in Vanuatu. The transaction is conditional on approval by authorities in Vanuatu and Papua New Guinea.

In the financial year to 30 September 2023 (FY23), Tower's Vanuatu subsidiary generated NZD \$6.8m of GWP and a net loss after tax of NZD \$5.3m, including the impact of large events. As at 30 September 2023, it had net assets of NZD \$2.2m.

Tower communicated its intention to sell its Vanuatu subsidiary in November 2023. An impairment charge for the difference between the expected sale price and the value of the subsidiary's net assets was recognised in FY23, therefore the sale is not expected to have a significant impact in the 2024 financial year.

Tower Chief Executive Blair Turnbull says this sale reinforces recent actions Tower has taken to streamline its Pacific operations while further developing its digital and operational proposition in its key Pacific markets.

In FY23, Tower completed the sale of its Papua New Guinea business and announced the conditional sale of its Solomon Islands business to Trans Pacific Assurance Limited. This sale is now unconditional and is intended to be completed at the end of this month.

Mr Turnbull says Tower's new operational hub in Suva, which employs around 250 staff who help support customers in New Zealand, Fiji and the wider Pacific, demonstrates the business' commitment and continued investment in the region.

"Our remaining Pacific businesses generated \$43m in GWP in FY23 and have the infrastructure required to successfully operate and upgrade My Tower. These capabilities are key to our strategy to deliver a leading personal lines and SME customer experience in the Pacific."

ENDS

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

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