

Market Information

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Tower acquires rights to Kiwibank portfolio

Kiwi insurer Tower (NZX/ASX: TWR) announces it has agreed to pay \$5.9m to Kiwibank to acquire and assume Kiwibank's rights and obligations relating to a portfolio of insurance policies underwritten by Tower.

Tower CEO, Blair Turnbull says, "The completion of this deal brings an end to our strategy of acquiring legacy insurance books and migrating them to Tower Direct. Since February 2021 Tower has agreed to purchase books for a total price of \$26m from ANZ, Westpac, TSB and Kiwibank, ending commission payments and enabling us to have a direct relationship with these customers, who represent more than 88,000 risks. Previously, Tower paid total commission to these partners of around \$11m per annum".

Premiums from the Kiwibank portfolio contributed \$12m to Tower's Gross Written Premium (GWP) in FY22.

Tower has provided insurance to Kiwibank customers since 2006. As these policies have always been underwritten by Tower, no action is required by customers. In future GWP from these policies will be reported against the Tower Direct channel, rather than the Tower Partnerships channel.

Turnbull says, "Having completed our legacy book acquisitions, we are continuing to focus on building our progressive partnerships model, with both new and existing partners including TradeMe Insurance, TSB, Ray White, NZ Financial Services Group and NZ Defence Force. By securing mutually beneficial partnerships for customers we aim to drive significant, sustainable growth," he says.



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No regulatory approvals are required in respect of the Kiwibank transaction, which is unconditional, with completion expected to take place on 1 December, 2022.

ENDS

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

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