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Level 14, 45 Queen Street
Auckland 1142, New Zealand
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Incorporated in New Zealand

Market Information
NZX Limited
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11 Cable Street
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ASX Limited
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Level 6, 20 Bridge Street
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Tower to acquire ANZ legacy portfolio

Kiwi insurer Tower (NZX/ASX: TWR) announced it has agreed to pay \$14m in cash to ANZ to acquire and assume ANZ's rights and obligations relating to servicing a portfolio of insurance underwritten by Tower. This transaction enables this portfolio to be brought into the Tower Direct business.

Tower provided insurance for ANZ and National Bank customers between 1990 and 2009 and continues to cover over 23,000 people under those policies. On completion of the acquisition these customers will be insured directly by Tower under a Tower branded policy. These customers have always been insured by Tower under these policies and that is not changing as a result of this acquisition. No steps need to be taken by existing customers.

Blair Turnbull, Tower CEO, says the deal delivers positive value for Tower and its shareholders by ending all future ANZ commission payments on the portfolio. Premiums from the ANZ portfolio contributed \$40m in FY20 to Tower's Gross Written Premium. The agreement also enables the migration of these customers to Tower's leading cloud-based, digital platform which delivers operational efficiencies for the company and offers customers a more expansive and modern product range.

"We have a tried and true method to migrate customers from legacy platforms and products to our new technology, which improves the customer experience and delivers scale efficiencies. We adopted this successful acquisition strategy with Youi NZ, Club Marine and now ANZ," said Turnbull.

Turnbull says that the acquisition means these customers will now have access to Tower's leading digital and data technology that provides simple and rewarding experiences for customers. We will be deepening our relationships with these customers, with increased engagement and access to modern and innovative new products, as well as enabling them to go online to understand and manage all aspects of their insurance.

"We have a clear strategy to grow our business and this agreement continues to solidify our position in the market as a strong and innovative local insurer that is here for our customers," said Turnbull.

"Our Partnership with ANZ has been a positive one over many years. As we look forward, we are excited to welcome these customers to Tower direct product range and to continue providing a leading customer experience," said Turnbull.



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No regulatory approvals are required to proceed under the agreement and the acquisition is unconditional, with completion expected to take place on 12 March 2021.

ENDS

This announcement has been authorised by the Chief Executive Officer

TOWER
Blair Turnbull
Chief Executive Officer
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