

An aerial photograph of a coastal town, likely in New Zealand, featuring a large lake in the foreground, a dense residential area with various houses and trees, and a large mountain in the background under a clear blue sky. A dark blue curved banner is overlaid on the left side of the image, containing white text.

Tower 2023 Annual Shareholder Meeting

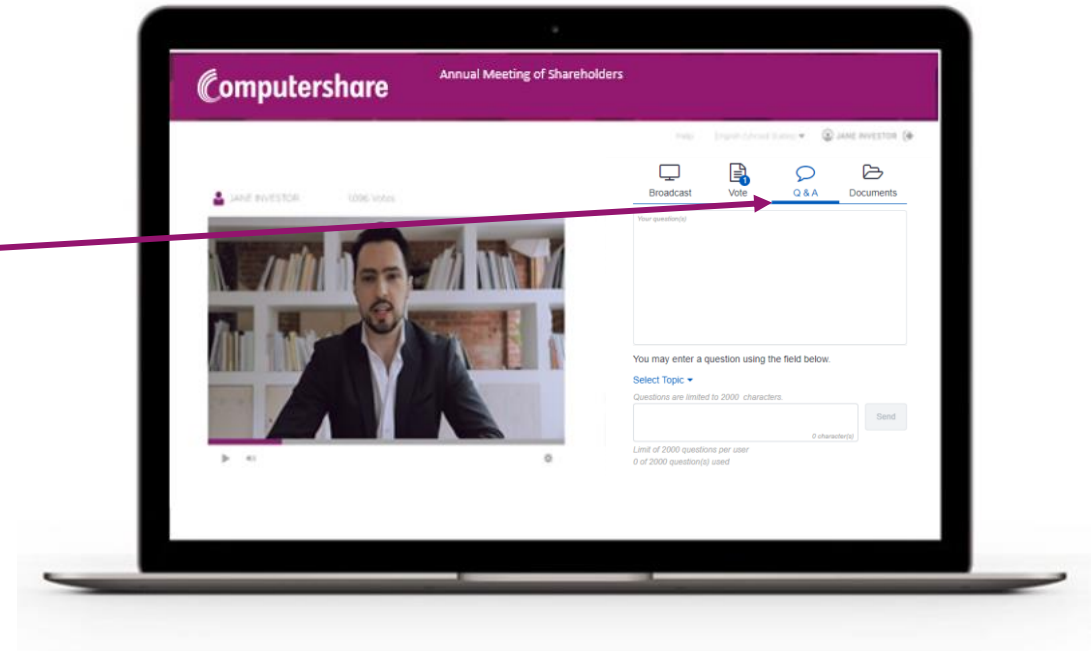
28 February, 2023

Questions

Shareholder & Proxyholder Q&A Participation

Written Questions: Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help: The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



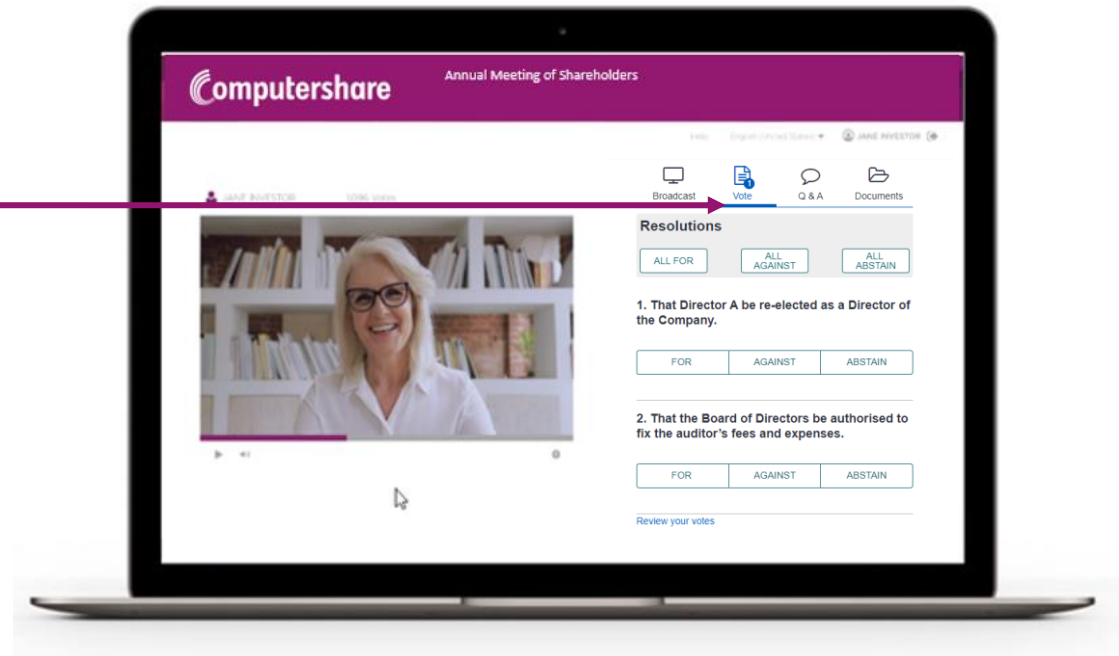
Voting process

Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



Agenda



Chairman's address

Michael Stiasny, Chairman



CEO's address

Blair Turnbull, Chief Executive Officer



Shareholder resolutions Questions & general business

Michael Stiasny, Chairman



Chairman's address

Tower responding to weather events; underlying business remains strong



Note 1: Tower's ordinary dividend policy is to pay a stable annual dividend to shareholders that aims to be in the range between 60-80% of "adjusted earnings" (defined as the reported full year Net Profit After Tax (NPAT) plus acquisition amortisation and unusual items) for the Tower consolidated group, where prudent to do so.

CEO's address

Blair Turnbull
Chief Executive Officer



Rapid response to Auckland and Upper North Island Weather Event, Cyclone Gabrielle

AUCKLAND AND UPPER NORTH ISLAND EVENT CLAIMS RECEIVED TO DATE

5,325

2,200 claims received for Cyclone Gabrielle

CLAIMS RECEIVED ONLINE FOR AUCKLAND AND UPPER NORTH ISLAND EVENT

80%

Proactive texts & emails resulted in fast claims lodgement

RAPID RESPONSE ENABLED THROUGH ONE CORE PLATFORM

Suva hub, digital claims experience, coordinated supplier network

TOTAL CLAIMS ESTIMATE FOR AUCKLAND AND UPPER NORTH ISLAND EVENT

\$95m - \$125m

Covered by reinsurance after \$11.875m

Fri, 27 Jan at 11:10 PM

Tower: We hope you are keeping safe! If you need to make a claim, the quickest and easiest way to do this is online through My Tower. Check our blog for top tips on what to do during and after a storm. If you need emergency repairs, give us a call. We are here to help!

- 330k texts, 940k emails



- Akl: Dedicated Turners car yard
- Assessors on the ground for rapid processing



- Staff at all community hubs



- Continuing to support affected customers

Reinsurance programme provides protection

Auckland & Upper North Island weather event/ Cyclone Gabrielle

- Auckland & Upper North Island event confirmed catastrophe event - \$95m-\$125m, \$11.875m excess
- Early stages of estimating financial impact of Cyclone Gabrielle. Likely it will also trigger catastrophe cover

Reinstatement top up

- Work underway to reinstate cover to retain full levels of catastrophe protection
- Protection to cover two additional catastrophe events up to \$889m
- Costs for reinstatement cover included in updated profit guidance

Large events

- Increased FY23 large events allowance from \$30m to \$40m.

Ability to adapt quickly positions Tower for a strong future

PRICING AGILITY

140+

Pricing adjustments in
FY22

RISK-BASED PRICING

**Coastal,
landslides**

Planned for FY23.
Landslide underwriting
implemented

AUTOMATED HOUSE SUM
INSURED

97%

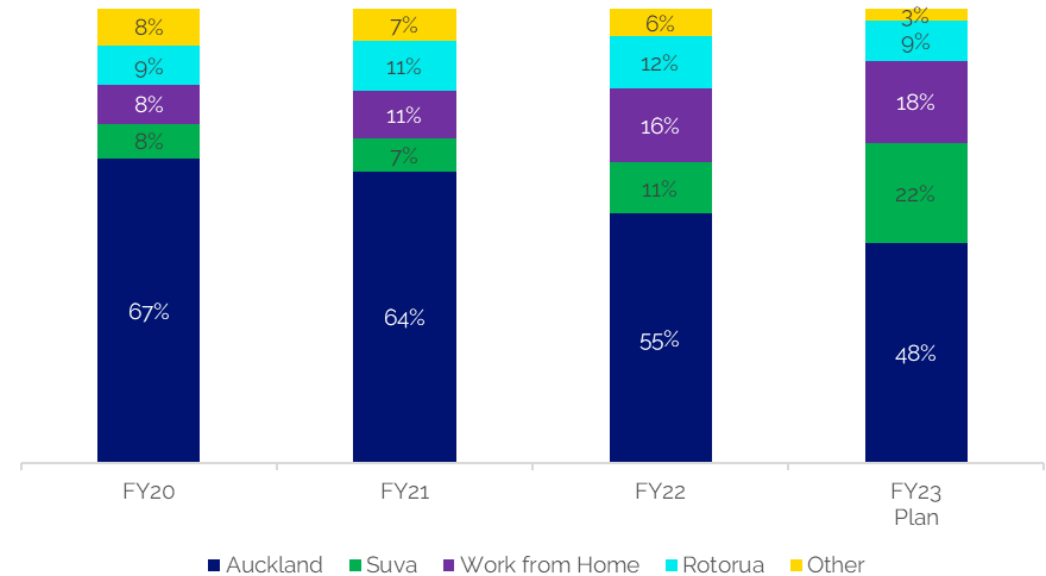
Of NZ customers
updated via CPI or
Cordell in FY22 vs 77%
in FY21

SUPPLY CHAIN OPTIMISATION

77%

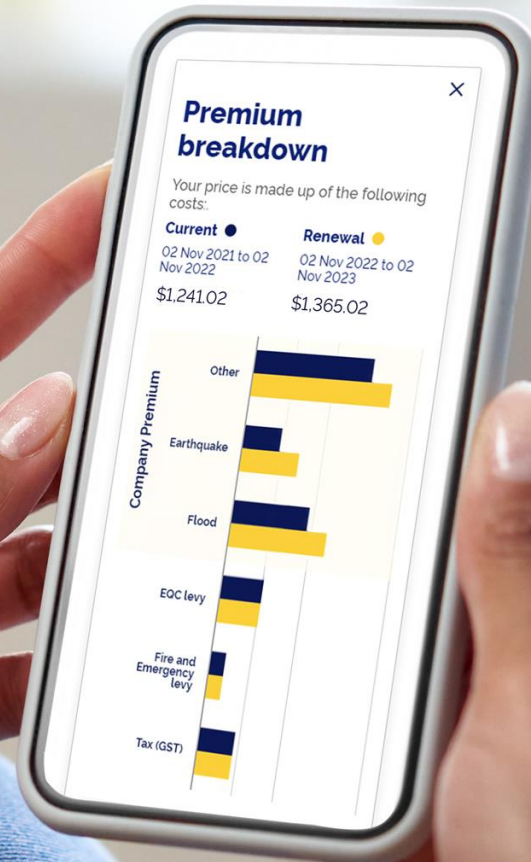
of NZ motor repairs
by preferred suppliers
in FY22 vs 75% in FY21

TOWER STAFF BY LOCATION

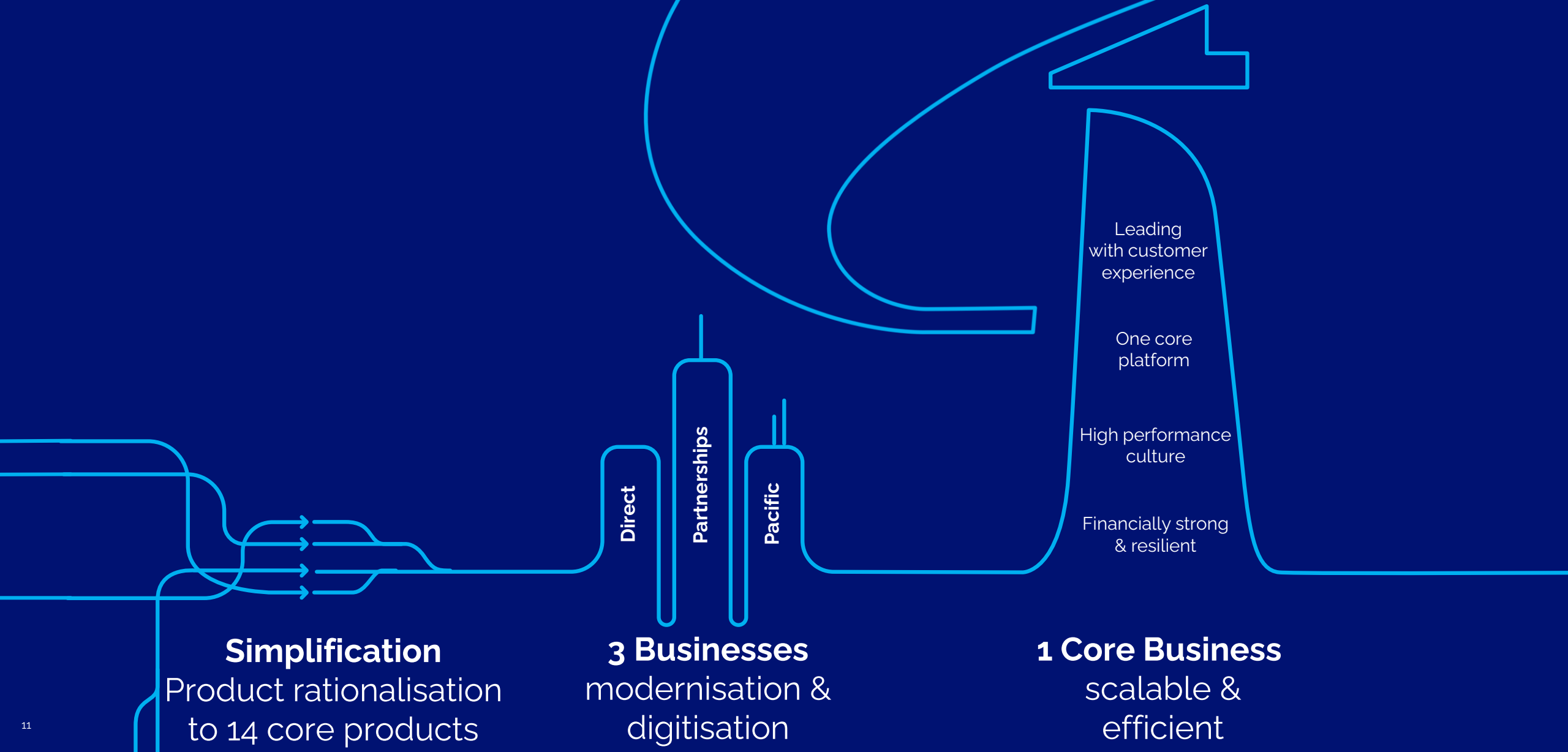


- Digital platform enables workflow across multiple countries to manage spikes and business interruption

FY22 performance



A journey of innovation and resilience



FY22 performance

Solid growth and increased efficiencies underpin strong underlying business performance

GWP growth

(Gross written premium)

13% | \$457m
vs \$404m in FY21

Customer growth

319,000
vs 304,000 in FY21

BAU claims ratio

48.9%
vs 50.2% in FY21

MER

(Management expense ratio)

36.0%
vs 37.0% in FY21

Large events

(Net of reinsurance and recoveries)

\$19m
vs \$13.9m in FY21

COR

(Combined operating ratio)

90.1%
vs 91.4% in FY21

Underlying profit

\$27.3m
vs \$20.8m in FY21

Reported profit

\$18.9m
vs \$19.3m in FY21

FY22: strong growth in customers and premium

GWP GROWTH

13%

to \$457m in FY22

CUSTOMER GROWTH

319,000

up 5% on FY21

COST TO ACQUIRE¹

12%

Down from 12.6% in
FY21

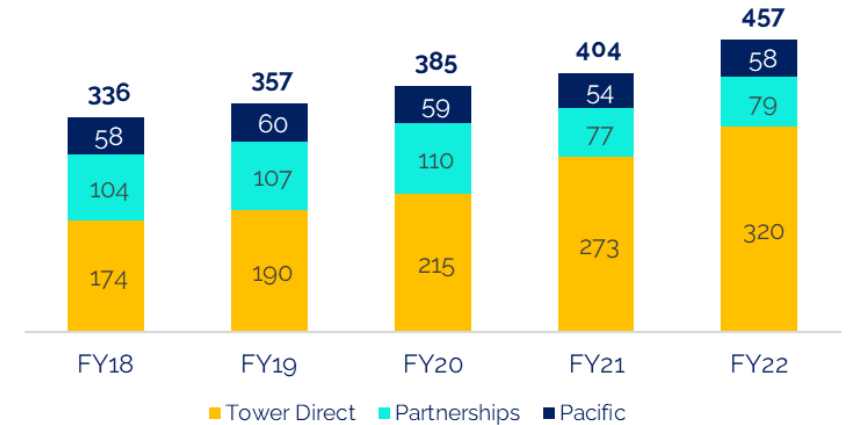
MULTIPLE PRODUCT
HOLDING

50%

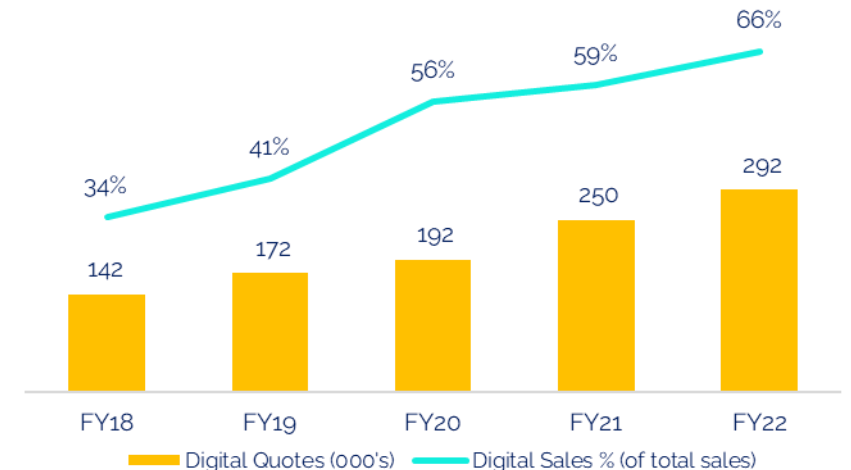
of NZ customers have
two or more policies
(50% in FY21)



GWP BY BUSINESS UNIT (\$m)



TOWER DIRECT
DIGITAL QUOTES & SALES



Note 1: Cost to acquire is calculated as deferred acquisition cost amortisation divided by net earned premium

FY22: scale and efficiencies improve claims and expense ratios

BAU CLAIMS RATIO

48.9%

vs 50.2% in FY21

NZ WEATHER EVENTS
(incl large and other events)

\$18m

vs five-year average of \$11m

MER

36%

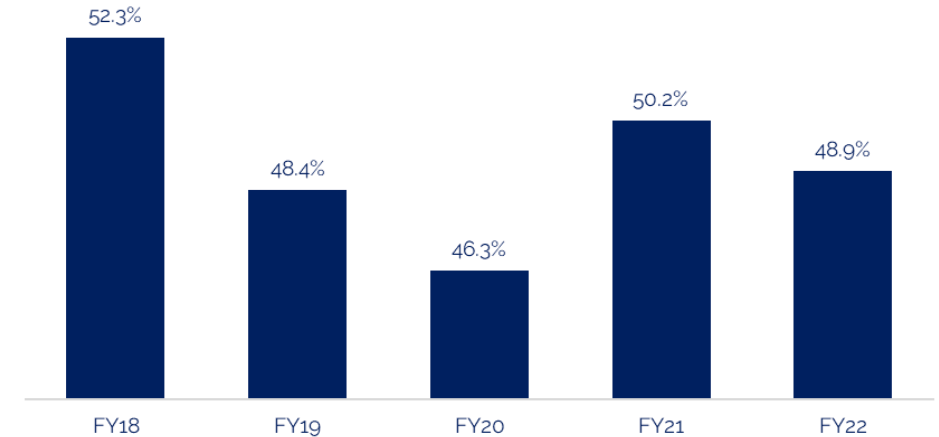
vs 37% in FY21

NZ SERVICE TASKS
COMPLETED DIGITALLY

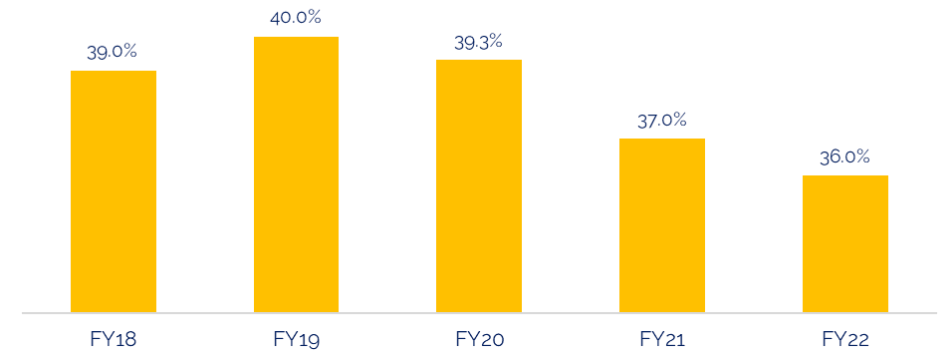
50%

vs 46% in FY21

BAU CLAIMS RATIO



MANAGEMENT EXPENSE RATIO (% NEP)



FY22: delivering shareholder returns

CAPITAL RETURN & DIVIDENDS

\$55.3m

returned to shareholders from FY22

AM BEST FINANCIAL STRENGTH RATING

A-

affirmed in April 2022

FY22 TOWER PARENT SOLVENCY

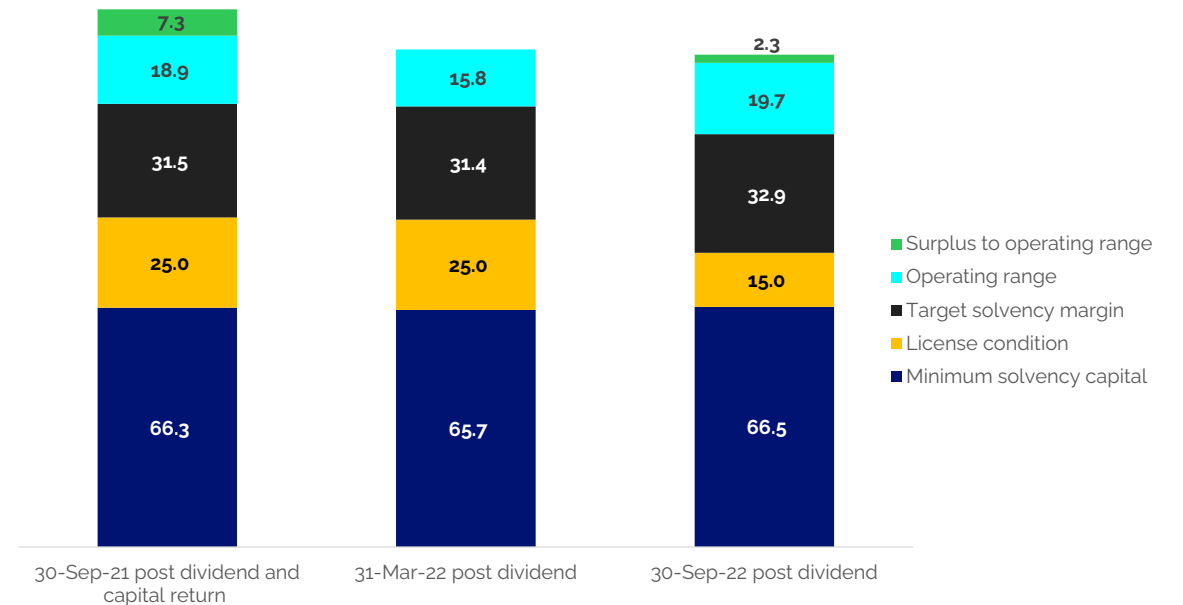
205%

after capital return and final dividend

FY22 FULL YEAR DIVIDEND PAID

6.5c

TOWER SOLVENCY - NZ PARENT (\$m)



Q1 trading update

For the three months to December 31, 2022



Q1: continued strong premium growth

GROSS WRITTEN PREMIUM GROWTH

12.5%

Q1 FY23 vs same period prior year¹

NZ PERSONAL LINES² MARKET SHARE

9.5%

up from 9.2% in Q1 FY22

ONLINE GROWTH CONTINUING

74%

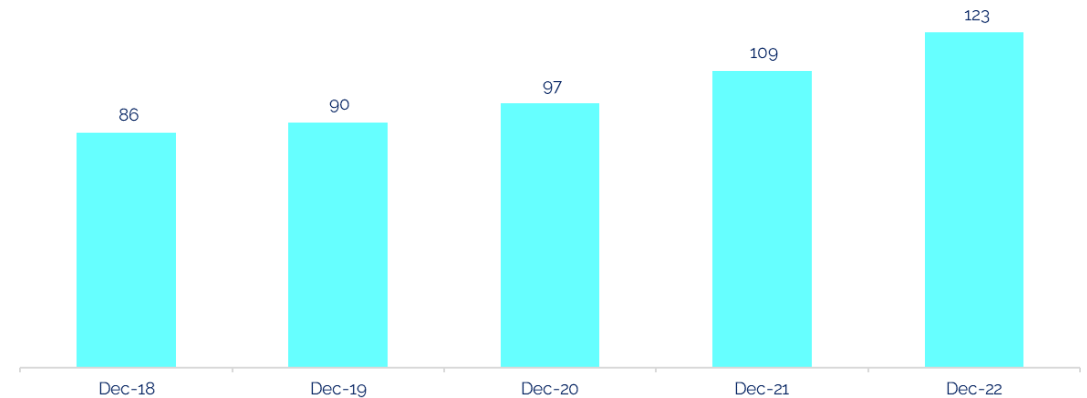
of NZ Tower Direct new business is online up from 62% Q1 FY22

NZ RISKS IN FORCE³

582,000

up 5% vs Dec 2021

Group GWP (\$m) – Year to date¹



- Balanced mix of rate and organic growth (60/40)
- Strong growth via online channels
- More than half of new business is from existing customers

Note 1: Current and comparative periods have been adjusted to exclude Tower's Papua New Guinea business, which was sold in October 2022

Note 2: NZ Personal lines includes House, Contents and Motor products

Note 3: NZ Risk count does not include policies administered by third parties but still underwritten by Tower

Financial information provided on this page is based on Tower's unaudited management accounts as at 31 December 2022.

Q1: operational efficiencies through scale and investment

MANAGEMENT EXPENSE RATIO

35%

improved from 38% in Q1 FY22

MY TOWER REGISTRATIONS

218,000

vs 150,000 same period prior year

CLAIMS LODGED DIGITALLY

55%

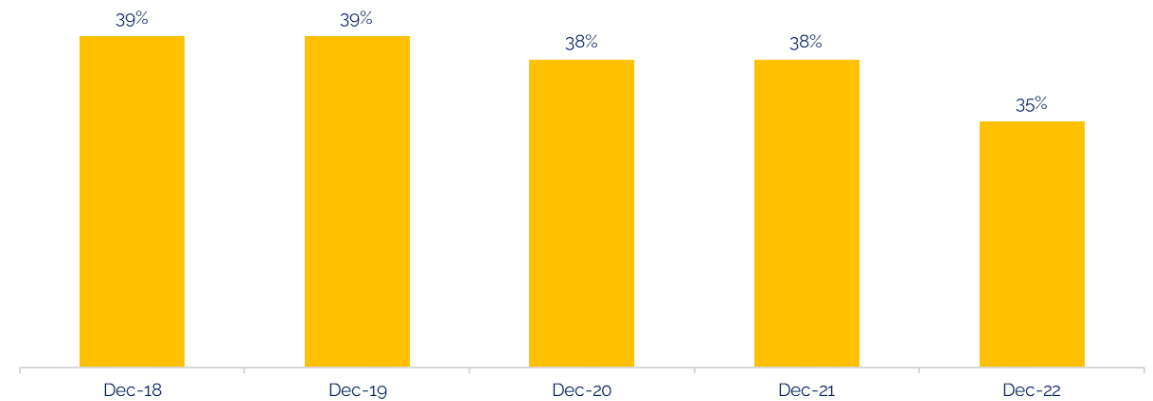
vs 36% same period prior year

LEGACY BANK BOOK ACQUISITIONS COMPLETE

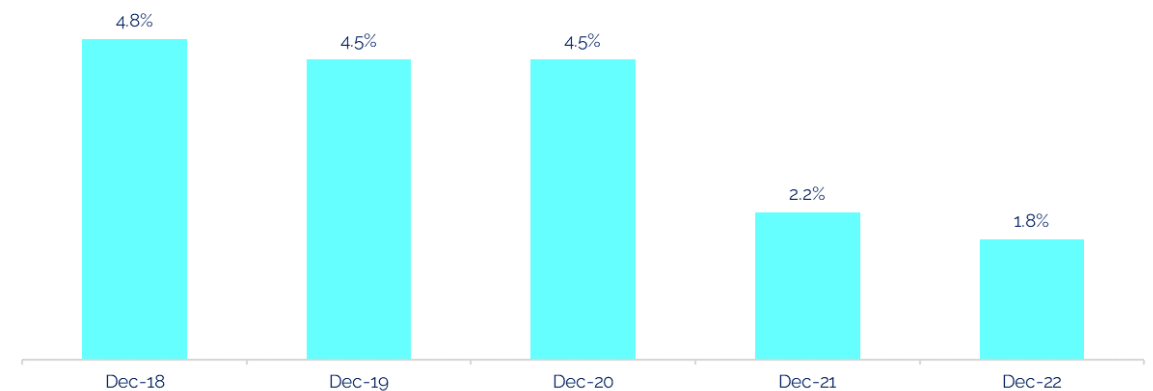
\$26m

saving commissions of \$11m pa

MANAGEMENT EXPENSE RATIO (% NEP)



COMMISSION EXPENSE RATIO (% GEP)



Q1: decisive actions to address claims challenges

CLAIMS RATIO EXCLUDING
LARGE EVENTS

54%

vs 47% in Q1 FY22

TARGETED RATING AND
UNDERWRITING
ADJUSTMENTS

49

during Q1, keeping
ahead of inflation

CEQ CLAIMS OPEN

32

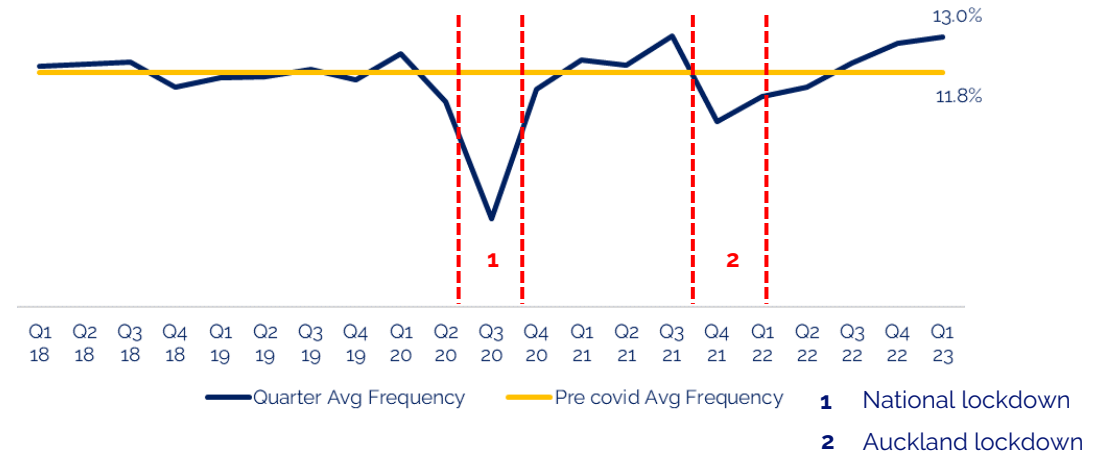
Dec '22, vs 36 at
Sep '22

OPTIMISING RECOVERIES &
INVESTIGATIONS

FRISS, Debtcol

New systems live in
2022 and 2023

NZ Motor Frequency



- Loss ratio impacted by higher traffic volumes, increased motor theft
- Monthly inflation rate changes across all products
- Targeted rate changes to address specific loss ratios
- Targeted underwriting changes to improve risk selection

Updated FY23 guidance

	FY22 Actual	FY23 Guidance
GWP growth	13%	10% - 15% (excluding Tower PNG)
Large events allowance (net of reinsurance recovery)	\$19m	\$40m
Underlying NPAT (including large events)	\$27.3m	\$18m - \$23m
Dividend¹	6.5 cents per share	5 cents per share

Note 1: Tower's ordinary dividend policy is to pay a sustainable annual dividend to shareholders that aims to be in the range between 60-80% of "adjusted earnings" (defined as the reported full year Net Profit After Tax (NPAT) plus acquisition amortisation and unusual items) for the Tower consolidated group, where prudent to do so.

Shareholder resolutions

Michael Stiasny, Chairman

The image shows a man in a grey suit jacket and blue shirt sitting at a wooden table, looking at a laptop. The laptop screen displays the TOWER insurance website interface. The website is for a policy at 37 Komai Street, Hamilton. The main content area is titled 'House Plus' and shows policy details for two periods: 'Current' (effective from 02 Nov 2021) and 'Renewal' (effective from 02 Nov 2022). The current period shows a total premium of \$634,300.00, with a breakdown of \$1,241.02 per year and a sum insured of \$400.00. The renewal period shows a total premium of \$1,365.02 per year, with a breakdown of \$669,300.00 and a sum insured of \$400.00. There are also sections for 'Billing' (Next instalment: \$151.70 on 17 Nov 2021), 'Risk profile' (Earthquake: Low, Flood: Medium), and 'People' (Policy holder(s): farheen fatima, Relative; Who lives there: farheen fatima, Relative). The website has a navigation bar with 'Overview' and 'Billing' tabs, and a top right corner with 'Contact us', 'Account details', 'Log out', 'Make a claim', and 'Get a quote' buttons.

TOWER

Overview Billing

37 Komai Street, Hamilton

Policy number: P0019742851

Make a claim

Renewal Effective from 02 Nov 2022

House Plus

Policy details

Period of insurance	Current Effective from 02 Nov 2021	Renewal Effective from 02 Nov 2022
Period of insurance	02 Nov 2021 to 02 Nov 2022	02 Nov 2022 to 02 Nov 2023
Total premium	\$1,241.02 per year	\$1,365.02 per year
Sum insured	\$634,300.00	\$669,300.00
Excess	\$400.00	\$400.00
Finance providers	None	None
Special features	You do not have any special features specified on this policy	You do not have any special features specified on this policy

View other policy excess

+ Add New

Billing

Next instalment: **\$151.70**
On 17 Nov 2021

Go to billing

Risk profile

Modelling by [RIS](#)

We've identified the following risks for your property

Risk	Level
Earthquake	Low
Flood	Medium

View details

To make a change on your policy click the icon. If you have upcoming changes on your policy go to the latest version to edit your policy. For any questions or if you need help with your policy please select the option below.

People

Policy holder(s): farheen fatima, Relative

Who lives there: farheen fatima, Relative

Shareholder resolutions

Resolution 1

- Authorisation for Board to determine auditor remuneration

Resolution 2

- Re-election of Michael Stiasny as Director of Tower Limited

Resolution 3

- Re-election of Geraldine McBride as Director of Tower Limited

Questions?

The image shows a person from a side profile, looking at a laptop screen. The laptop displays the TOWER insurance website interface. The page is titled '37 Komai Street, Hamilton' and 'House Plus'. It features a navigation bar with 'Overview' and 'Billing' tabs. The main content area is divided into several sections: 'Policy details', 'Billing', 'Risk profile', and 'People'. The 'Policy details' section shows a table with columns for 'Current' and 'Renewal' periods, including dates, premiums, and excess amounts. The 'Billing' section shows the next installment amount of \$151.70. The 'Risk profile' section shows a bar chart for Earthquake (Low) and Flood (Medium) risks. The 'People' section lists the policy holder and other residents.

TOWER

Overview Billing

37 Komai Street, Hamilton

Policy number: P0019742851

Make a claim

Make a claim Account details Log out

Current Effective from 02 Nov 2021

Renewal Effective from 02 Nov 2022

House Plus

Policy details

Period of insurance	Current	Renewal
02 Nov 2021 to 02 Nov 2022	02 Nov 2022 to 02 Nov 2023	
\$1,241.02 per year	\$1,325.02 per year	
Show premium breakdown	Show premium breakdown	
\$634,300.00	\$669,300.00	
Total premium	\$400.00	\$400.00
Sum insured	View other policy excess	View other policy excess
Excess	None	None
Finance providers	You do not have any special features specified on this policy	You do not have any special features specified on this policy
Special features		+ Add New

Billing

Next instalment: **\$151.70**

On 17 Nov 2021

Go to billing

Risk profile

Modelling by [RIS](#)

We've identified the following risks for your property

- Earthquake Low
- Flood Medium

View details

To make a change on your policy click the icon. If you have upcoming changes on your policy go to the latest version to edit your policy. For any questions or if you need help with your policy please select the option below.

People

Policy holder(s)

Who lives there

farheen fatima Relative

farheen fatima Relative

Disclaimer

This presentation has been prepared by Tower Limited to provide shareholders with information on Tower's business. This document is part of, and should be read in conjunction with an oral briefing to be given by Tower. A copy of this webcast of the briefing is available at <http://www.tower.co.nz/investor-centre/> It contains summary information about Tower as at 30 September 2022 and as at 31 December 2022 which is general in nature, and does not purport to contain all information a prospective investor should consider when evaluating an investment. It is not an offer or invitation to buy Tower shares. Investors must rely on their own enquiries and seek appropriate professional advice in relation to the information and statements in relation to the proposed prospects, business and operations of Tower. The data contained in this document is for illustrative purposes only. Past performance is not a guarantee of future performance and must not be relied on as such. The information in this presentation does not constitute financial advice.

Forward looking statements

This document contains certain forward-looking statements. Such statements relate to events and depend on circumstances that will occur in the future and are subject to risks, uncertainties and assumptions. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements, including, among others: the enactment of legislation or regulation that may impose costs or restrict activities; the re-negotiation of contracts; fluctuations in demand and pricing in the industry; fluctuations in exchange controls; changes in government policy and taxation; industrial disputes; and war and terrorism. These forward-looking statements speak only as at the date of this document.

Disclaimer

Neither Tower nor any of its advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents (other persons) makes any representation or warranty as to the currency, accuracy, reliability or completeness of information in this presentation. To the maximum extent permitted by law, Tower and the other persons expressly disclaim any liability incurred as a result of the information in this presentation being inaccurate or incomplete in any way. The statements made in this presentation are made only as at the date of this presentation. The accuracy of the information in this presentation remains subject to change without notice.