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Further Update on Auckland & North Island Weather Event

Tower Limited (NZX/ASX: TWR) has today provided a further update on the significant weather event that affected Auckland and parts of the upper North Island from 27 January.

To date, 3,600 Tower customers have lodged 4,810 policy claims. Approximately 2,660 of these claims are for home insurance and around 740 are for motor with the balance mostly being contents insurance claims. Claims predominantly relate to damage caused by flooding with some related to landslides.

Tower's immediate focus as the event commenced was to enable customers to lodge claims quickly online and through its contact centres in New Zealand and Fiji. While the number of claims has slowed significantly, Tower still expects to receive some further claims.

Tower CEO, Blair Turnbull says Tower remains financially strong with robust reinsurance cover and a well-capitalised balance sheet. Additionally, Tower has the operational resilience to process and manage surges in claim volumes without adversely impacting normal business operations.

"Tower continues to invest in sophisticated underwriting capabilities and risk-based pricing which enhance our rating agility and accuracy and help to deliver sustainable margins," he says.

Tower CFO Paul Johnston says Tower's robust reinsurance arrangements have multiple levels of cover in place and provide the business with important protection from the volatility of large events. Tower's reinsurance arrangements cover house, contents and motor losses, in addition to providing \$934m of catastrophe cover.

"We are continuing to assess the financial impact of this event. At this early stage we expect it will trigger Tower's reinsurance cover for catastrophe events. The excess for catastrophe events is \$11.875m which is well within the \$30m Tower has allowed for large events in FY23. As this event spanned several days and was part of the same weather system, it is considered to be one event, therefore only one excess will be paid.

"In line with Tower's comprehensive approach to reinsurance, it is likely we will purchase reinstatement cover to ensure we retain our full levels of catastrophe protection, with the costs for this being absorbed within the financial year," he says.

Tower's FY23 full year guidance remains unchanged.

Tower will provide a further update ahead of its annual shareholder meeting on 28 February.

ENDS

This announcement has been authorised by Tower CEO, Blair Turnbull.

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