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#### Market Information

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### **Tower to sell Papua New Guinea subsidiary, remains committed to modernising Pacific business**

Tower announces the conditional sale of all of its shares in its Papua New Guinea subsidiary to Alpha Insurance Limited. The sale price is AUD \$7.9m, subject to settlement adjustments. The sale is expected to occur in FY22.

In the financial year to 30 September 2021, Tower Insurance (PNG) Limited generated gross written premiums of NZD \$8.7m and net profit after tax of NZD \$0.9m. As at 30 September 2021, it had net assets of NZD \$4.7m.

Tower Chief Executive Blair Turnbull says the sale delivers good value to shareholders and will enable Tower to accelerate its strategy of streamlining and modernising its Pacific business operation.

“We remain committed to our Pacific operations in Tonga, Samoa, American Samoa, the Cook Islands, the Solomon Islands, Fiji and Vanuatu.

“In reviewing our Pacific business we identified that these seven territories offer the best alignment for progressing our digital strategy in terms of existing technology development, digital payments capabilities, and the balanced mix of commercial and personal lines customers.

“We are continuing to invest in streamlining our Pacific corporate structure, rationalising our product set and completing the transition to Tower’s leading cloud-based technology platform across the Pacific by the end of 2022,” he said.

In December 2021, Tower completed the acquisition of its subsidiary National Pacific Insurance Limited (NPI) which operates across Tonga, American Samoa and Samoa. Tower has begun the process of rebranding NPI to Tower.

“Our Papua New Guinea subsidiary has performed well and delivered solid results. We expect the company to continue to thrive under Alpha Insurance’s ownership”, said Mr Turnbull.

Alpha Insurance provides a range of personal and business insurance products to the Papua New Guinea market.

Alpha Insurance Managing Director, Bruce Avenell said, “We are looking forward to welcoming our new staff and customers to the Alpha Group and to our comprehensive range of insurance products.”

“We know Tower has many long-term and loyal customers who are very important to us, and we look forward to continuing our relationship with them. Tower’s Papua New Guinea employees will also be warmly welcomed by the Alpha Group,” he said.

Mr Turnbull said, “Tower has operated in Papua New Guinea since 1980 and we have enjoyed our connection to Papua New Guinea’s people and culture over the years. On behalf of Tower, I would like to extend our sincere thanks to our Papua New Guinea staff and customers for their ongoing support and loyalty.”

Following completion of the sale, Alpha Insurance will utilise Tower’s brand as it undertakes a rebranding process for up to three months. Tower will also provide transitional services to Alpha Insurance for up to six months after the completion date.

The transaction is subject to receipt of clearance or authorisation from the Independent Consumer & Competition Commission in Papua New Guinea and any approval necessary under the Insurance Act 1995 (Papua New Guinea). It is also subject to Alpha Insurance obtaining finance to complete the purchase in Australian dollars and Tower obtaining all necessary internal approvals.

Any Papua New Guinea Tower customers with queries can call Tower Insurance in Papua New Guinea on +675 321 1388 or email [service.centre@towerinsurance.com.pg](mailto:service.centre@towerinsurance.com.pg) for more information.



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**ENDS**

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

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