

22 February 2017

Suncorp New Zealand acquires 11.14% of ordinary shares in Tower Limited in New Zealand

Suncorp Group Limited (Suncorp) today announced that its wholly owned subsidiary, Vero Insurance New Zealand Limited (Vero NZ), had successfully acquired 11.14% of the ordinary shares in Tower Limited in New Zealand (Tower), and is standing in the market to acquire up to 19.9% of the shares in Tower.

The ordinary shares were acquired at a price of NZ\$1.30 per share funded through excess capital from Vero NZ.

A non-binding indicative proposal has also been submitted to the Board of Tower outlining Suncorp's interest in acquiring the residual 88.86% of ordinary shares at a price of NZ\$1.30 per share.

Suncorp New Zealand CEO Paul Smeaton said the proposed acquisition of Tower provided an opportunity to strengthen Suncorp New Zealand's strategic position in the highly competitive New Zealand insurance market.

"The proposed acquisition supports our vision to be the number one choice for New Zealanders and our strategy to connect customers to products, services and experiences that enhance and protect their financial wellbeing," said Mr Smeaton.

"The proposed acquisition would consolidate Suncorp's position in the New Zealand general insurance market, creating a business with gross written premiums of NZ\$1.6 billion. The combined business would generate significant shareholder value through cost efficiencies, as well as reinsurance and technology synergies," he said.

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