



Level 5, 136 Fanshawe Street
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Incorporated in New Zealand

18 February, 2026

Tower reports positive four-month performance ahead of ASM

Kiwi and Pacific insurer, Tower Limited (NZX/ASX: TWR) today provides an update on its trading performance for the four months ending 31 January ahead of its Annual Shareholder Meeting.

Tower CEO, Paul Johnston, reports steady progress in the first part of the financial year.

"During the opening months of FY26, we have achieved continued strong growth in house policies, and premium growth, while also advancing our focus on operational and digital efficiencies alongside a continued low BAU claims ratio," says Johnston.

"This performance reflects disciplined risk selection and pricing and is further supported by ongoing investment in digital capabilities and modernised underwriting processes."

Gross written premium (GWP) grew by 2% to \$204m compared to the four months ending 31 January 2025. This was an increase from -1% GWP growth in the four months to 30 September 2025 which was impacted by lower pricing.

Tower's New Zealand policy numbers increased by 5%, largely driven by growth in house and contents policies. Total customer numbers rose by 12,000 year-on-year to 323,000 as of 31 January 2026. Two key growth initiatives are expected to go live in the second half of FY26: the upcoming partnership with Westpac offering general insurance products to its retail customers, and the referral of a back book which will see Tower offering insurance to a portfolio of Kiwibank customers.

The BAU claims ratio of 43% was up from 38% in the prior comparable period and remains favourable compared to long-run averages of between 48% and 50%. Tower expects the BAU claims ratio to continue to increase but to remain below the long-term average this financial year.

Tower's ongoing claims transformation is supporting service and efficiency, with 53% of New Zealand motor claims now progressing straight through to repairers (up 9%), and 74% of motor claims being completed through Tower's preferred repair partner network (up 5%).

Tower's risk-based pricing strategy continues to reduce portfolio exposure, with the expected average annual loss from flood, landslide, and sea-surge hazards down 20% on a per-policy basis and 14% overall compared to the same period last year.

The management expense ratio (MER) remained steady at 30.5%, compared with 30.1% in the prior comparable period. Tower continues to invest in initiatives to lift efficiency and customer experience, including our AI-enabled contact centre platform, enhanced motor assessing system integration, and streamlining of operations.



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Tower continues to support customers through large events. Tower has a \$45m large events allowance for FY26 and in the first four months of the year recorded three large events with an estimated combined cost of \$12.1m. This includes the October windstorm, the Timaru hailstorm in November, and the late January nationwide storm.

Claims from the stormy weather across New Zealand over the past few days are still being assessed and at this early stage, Tower expects costs to exceed its \$2 large events threshold.

Tower has \$32.9m available for the remaining eight months of the financial year. Any unused portion of this allowance at year-end will contribute to underlying NPAT to improve the full year result.

Financial information provided in this update is based on Tower's unaudited management accounts as at 31 January 2026.

Tower's guidance for the year ending 30 September, 2026 remains unchanged.

Ends

This announcement has been authorised by Tower Limited Board Chair, Michael Stiassny.

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