



Tune Protect Focused on Diversification Over Impending Market Recovery

Highlights

- 1Q21 GWP and NEP grew to highest levels since 2Q20, driven by travel in the Middle East
- Health and Lifestyle diversification progressing well with Medical and Home products launched
- Overall 1Q21 earnings dampened by fair value investment losses, led by rising global bond yields

Kuala Lumpur, 28 May: Despite a challenging market, in the first quarter of 2021 (1Q21) **Tune Protect Group Berhad** (“Tune Protect” or “Group”; TUNEPRO, 5230) recorded Gross Written Premiums (“GWP”) of RM110.4 million and Net Earned Premiums (“NEP”) of RM56.4 million, a slight decline of 2.4% and 3.4% respectively year-on-year (“YoY”). The Group’s GWP and NEP however rose quarter-on-quarter (“QoQ”), by 34.3% and 6.7% respectively.

“We are still on the right path to recovery despite tough market conditions. This is evident by the Group’s 1Q21 GWP which posted its second consecutive QoQ growth, as well as NEP which grew for the third consecutive quarter. The Group also registered an underwriting profit of RM0.8 million with lower claims experienced. We have also been able to diversify our business to reduce reliance on AirAsia for travel premiums.”

“The Group’s growth was encouraged by our travel business recovery and performance of our Covid-19 products in the Middle East. Tune Protect Re (“TPR”) achieved strong revenue growth for the quarter exceeding that of 1Q2020 by 84.0%,” said **Rohit Nambiar (“Rohit”), Group Chief Executive Officer of Tune Protect.**

1Q21 travel premiums grew 55.4% YoY exceeding the pre-pandemic travel premiums level in 1Q20. The RM13.0 million travel premiums recorded in the month of March 2021 was the highest since 2019.

TPR (RM mil)	1Q2021	4Q2020	QoQ (%)	1Q2020	YoY (%)
GWP	32.7	26.8	22.1	17.8	84.0
NEP	28.8	24.7	16.7	20.0	43.8
PAT/(LAT)	1.0	(0.3)	>100	7.8	-87.3
TPM (RM mil)	1Q2021	4Q2020	QoQ (%)	1Q2020	YoY (%)
GWP	77.9	55.9	39.4	98.2	-20.7
NEP	27.6	28.2	-2.1	38.4	-28.1
PAT/(LAT)	(12.0)	1.9	>-100	0.5	>-100
TPT (RM'000)	1Q2021	4Q2020	QoQ (%)	1Q2020	YoY (%)
GWP	13.5	17.3	-22.0	11.9	13.2
Share of profit/loss	(199)	(187)	-6.4	(1,950)	89.8

*TPT numbers have been converted to Ringgit Malaysia (RM)



Earnings dampened by fair value losses

Overall, the Group posted Loss After Tax ("LAT") of RM20.5 million in 1Q21, compared to a Profit After Tax ("PAT") of RM2.8 million in 1Q20 and RM1.6 million in 4Q20. This was mainly attributed to net investment losses (after tax) of RM25.7 million in 1Q21.

The fair value investment losses, unrealised in nature, were due to surging global bond yields driven by the sell-off of US government bonds in anticipation of economic recovery, as well as inflationary expectations. Nevertheless, the investment losses were partially reversed in April, and a further gradual rebound is expected in the next two quarters. Excluding the investment losses in 1Q21, the Group would have posted a PAT of RM5.2 million.

"We maintain a weighted fixed income portfolio credit rating of at least AA. With the current expectation of our fixed income unit trust investment's fair value recovering in the coming quarters, we are confident it will remain a viable investment in the long run," explained **Rohit**.

Health and Lifestyle diversification on track

The Group has made progress with its new forays in the Health and Lifestyle segments despite the pandemic challenges. In the Health segment, it launched the PRO-Health Medical cashless admission product, which is available for purchase on mobile app, in early March 2021, targeting the millennial generation. In the pipeline, the Group is planning for a lite version of a Health product, Telemedicine plus Teleconsultant and Covid-19 vaccine cover.

In the Lifestyle segment, the Group launched Tune iPass, which is an inbound travel insurance with Covid-19 coverage for travellers entering Thailand. The Group has also collaborated with Cover Genius to distribute a product that protect against damage or loss of goods during transit from the merchants to Shopee customers in Thailand. To date, more than 120,000 policies have been issued since its launch in February 2021. The Group has also been making progress in distributing various lifestyle and travel products to customers of other digital and affinity partners in Thailand.

In Malaysia, the Group recently launched Home Easy and Home Shield with the intention of offering a highly affordable home insurance to consumers. Home Easy is the first online home insurance for the Group, whilst Home Shield is distributed by the agency force.

Boosted by Middle East travel segment

TPR, the Group's general reinsurance subsidiary, posted a strong 1Q21 GWP of RM32.7 million, a growth of 84.0% and 22.1% YoY and QoQ respectively, which was driven by the rebound in travel business from the EMEIA (Europe, Middle East India & Africa) markets. Growth in the region was led by the Covid-19 Plus Extension products and bundled Covid-19 cover performed favourably well. 1Q21 PAT however declined to RM1.0 million.

Tune Protect Malaysia ("TPM"), the Group's general insurance subsidiary, posted lower 1Q21 GWP of RM77.9 million, a 20.7% decline YoY. Its GWP performance was impacted mainly due to the decline in Travel as a result of the pandemic and the continuous containment of the Motor business. It however recorded strong GWP growth of 39.4% QoQ contributed mainly by the Fire segment. The combined ratio has also improved 1.4 percentage point YoY and underwriting profit rose 69.4% YoY to RM0.7 million.

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The Group's associate Tune Protect Thailand ("TPT") posted a share of loss of RM0.2 million, an improvement from a share of loss of RM1.95 million in 1Q20. TPT is making good progress by expanding further into the Lifestyle and Health segment. In 2Q21, TPT expects to launch a new Telemedicine and Teleconsultant service to complement its health and lifestyle offerings, and a partnership with a major hospital group to distribute a Covid-19 vaccine coverage.

"We are seeing some positive results from our diversification strategy and expect to see more in the coming quarters. We are in good stead in this transformational journey as we continue to invest for the future. We are confident of this strategy for long-term growth for both the Group and our business partners across ASEAN and the Middle East," **Rohit** concluded.

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About Tune Protect Group Berhad

Tune Protect Group Berhad (Tune Protect or the Group) is a financial holding company listed on the main market of Bursa Malaysia. Aspiring to be an ASEAN-based lifestyle insurer that everyone loves, Tune Protect aims to simplify consumer experience with best-in-class products and technology that complement their lifestyle needs. With its tagline "Insurance Simplified", Tune Protect offers an array of affordable protection plans to suit individual, SME and corporate needs via its insurance, reinsurance and marketing arms in Malaysia, Thailand and the United Arab Emirates. Tune Protect has established a strong foothold in the travel, lifestyle, health and digital insurance space globally with presence across more than 60 countries through strategic partnerships with local underwriters in these markets.

For more information on Tune Protect, visit their website at <https://www.tuneprotect.com/>

This press release is issued on behalf of Tune Protect Group Berhad. For interview opportunities, or more information, please contact via e-mail, call, text or WhatsApp.

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