



Tune Protect posted commendable double digit 4Q21 / FY21 NWP growth, despite earnings drag on TPT's one-off loss

Highlights:

- 4Q21/FY21 NWP up 17.2% /19.5% YoY; 4Q21 earnings dampened mainly by TPT's share of losses, as well as fair value losses and flood claims
- Repositioned investment portfolio due to rising global bond yields, exiting low retention commercial segments
- Focused on growth objectives via e-commerce and ASEAN expansion

KUALA LUMPUR, 25 FEBRUARY 2022 - Tune Protect Group Berhad ("Tune Protect" or "Group"; TUNEPRO, 5230) posted commendable 4Q21 and FY21 results amid ongoing market challenges, growing Net Written Premiums ("NWP") to RM55.7 million and RM201.1 million respectively, up by 17.2% and 19.5% year-on-year ("YoY").

Rohit Nambiar ("Rohit"), Tune Protect's Group Chief Executive Officer said, "Against a challenging operating landscape, we were still able to record commendable NWP growth quarter-on-quarter ("QoQ") and YoY thanks to the progress that we've made in our 3-year plan (2021-2023)."

However, its 4Q21 performance was affected mainly by the share of losses by the Group's associate company, Tune Protect Thailand ("TPT"), as well as fair value losses and flood related claims. The Group posted Loss After Tax ("LAT") of RM14.7 million and RM18.2 million for 4Q21 and FY21 respectively.

Group Performance – 4Q21 and FY21 Overview

TPG (RM' mil)	4Q20	4Q21	YoY	FY20	FY21	YoY
Net written premiums	47.5	55.7	17.2%	168.3	201.1	19.5%
Underwriting profit / (loss)	(6.5)	(7.6)	-18.0%	(15.3)	1.2	>100%
Combined ratio	112.2%	114.4%	2.2%	108.1%	99.4%	-8.7%
Net investment income	3.7	(3.2)	>-100%	44.0	(7.3)	>-100%
Share of results	3.7	(5.2)	>-100%	2.4	(9.5)	>-100%
Profit / (loss) after tax	1.6	(14.7)	>-100%	28.2	(18.2)	>-100%



Excess of loss cover limited flood claims

“The share of losses in TPT’s books was primarily due to a Group Personal Accident (“PA”) account which will no longer be renewed. The excess of loss cover also limited our flood claims.”

“Despite the gross exposure of RM7.0 million, net impact to Profit Before Tax (“PBT”) was only RM3.6 million attributable to losses capped at RM1 million due to excess of loss cover and reinstatement of premium of RM2.6 million,” explained Rohit.

Strong topline growth in Thailand

Going forward, Rohit believes that TPT will recover as evidenced by its encouraging topline growth in FY21. TPT’s full year NWP doubled, contributed mainly by the Lifestyle segment which increased 60.8% YoY and the Health segment which increased 22x.

TPT is poised to capitalise on the recovery of domestic and international travel in 2022. It has introduced Covid-19 related covers such as Tune iPass for inbound travel and launched a brand new e-commerce website to host a list of Lifestyle and Health products.

Rising equities and ESG investments

In response to an evolving economic landscape which saw a persistent rise in global bond yields in 4Q21, Tune Protect repositioned its investment portfolio valued at RM758.0 million as at 31 December 2021.

In December 2021, Tune Protect achieved its target Environmental, Social and Governance (“ESG”) foreign equity allocation of up to 10%. The Group’s total ESG funds mix as at December 2021 is 13.4%.

“We have repositioned for a more defensive portfolio mix by re-allocating 15% of our longer duration corporate bonds to short duration government bonds. Average bond duration was circa 2.8 years at the end of 2021. Our portfolio now is less sensitive to yield curve volatility,” Rohit said.

Tapping more than 150 million customers

Rohit remains positive of the Group’s future. The Group is on track to becoming a mobile-first company with new products developed with mobile purchase option and have also succeeded in being inducted into the FTSE4Good Bursa Malaysia Index. It is also on track to achieve its targets of retention of up to 70% in all its Lines of Business (“LOB”), becoming a more efficient organisation on a ratio basis and the preferred employer among insurers for millennial talents.

“The company is placing greater emphasis on e-commerce. We are widening our distribution



network with access to more than 150 million customers. We have also achieved 46% increase in registered users for our mobile application. The Group had also surpassed expectations in FY21 by registering a positive customer Net Promoter Score (“NPS”),” Rohit highlighted.

To fast track its growth objectives, Tune Protect is planning to evolve its technology arm as a profit centre and grow its presence in the ASEAN market, becoming a one-stop centre for reinsurance, technical expertise, and underwriting services through its reinsurance entity Tune Protect Re.

Exiting low retention commercial segments

Rohit is positive that the Group will achieve its targets and objectives by 2023, mainly due to higher retention expected in FY22 with further withdrawal from the commercial segment.

“We are exiting and scaling down low retention commercial segments such as the commercial hull and aviation businesses. This enables us to renegotiate better treaty terms with reinsurers. On the bright side, there was growth in travel with YoY increase for every quarter of 2021, mainly contributed by the Middle East market which registered an impressive growth of 167%. With travel reopening and AirAsia making a comeback, we are optimistically cautious that travel business will rebound.”

“FY21 premiums of RM101.0 million were up 55.2% YoY. Recovery was observed in our Malaysian general insurance in 2H21, in tandem with the easing of lockdown and gradual recovery of economic activities.” Rohit explained.

The positive market outlook for FY22 is reflected in domestic and international economic projections. According to Bank Negara Malaysia (BNM), the Malaysian economy will expand between 5.5% and 6.5% in 2022. While according to Bank of Thailand, Thailand’s 2022 GDP growth is expected to be around 3.4%. These will be driven by the easing of restrictions and improved global / domestic demand and consumption.

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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/>

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This press release is issued on behalf of Tune Protect. For interview opportunities, or more information please contact via email, call, text or WhatsApp:

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