



## Tune Protect's post-lockdown recovery continues with 1Q22 NWP at its highest since 2016

### Highlights:

- 1Q22 NWP up 37.2%, NEP up 10.9% YoY
- Group recorded an underwriting profit, but its overall bottom-line was impacted by continued challenges in the investment markets coupled with increased claims on its Health book in Thailand from the Omicron wave
- Group's customer base stands at 1.5 million unique customers as at 1Q22 and its eCommerce business in Malaysia and Thailand both recorded 8.5x and 12.1x growth rates in terms of policies sold YoY
- Growth led by Lifestyle pillar's PA and Motor segments
- Strategic partnerships yielding NWP contribution; 58 business partners to date, including 10 new partners in 1Q22

**KUALA LUMPUR, 19 MAY 2022** - Tune Protect Group Berhad ("Tune Protect" or "Group"; TUNEPRO, 5230) started its new financial year on a strong footing by posting solid growth for Net Written Premiums ("NWP"). NWP rose by 37.2% year-on-year ("YoY") to touch RM 82.3 million.

**Rohit Nambiar ("Rohit")**, Tune Protect Group's Chief Executive Officer said, "The Group's 1Q22 performance is evidence of a positive post-lockdown recovery and a testament to our 2021-2023 strategy in action. However, we are impacted by the difficult investment climate, and we will continue to watch it closely with a focus on a more conservative approach."

Net investment loss improved YoY, but it continued to record fair value losses. Our share of results from the Group's associate company, Tune Protect Thailand was impacted by claims arising from the effects of Covid.

### Group Performance – 1Q22 Overview

TPG (RM' mil)	1Q21	1Q22	YoY
Net written premiums	60.0	82.3	37.2%
Net earned premiums	56.4	62.5	10.9%
Underwriting profit	0.8	0.1	-86.0%
Combined ratio	98.5%	99.9%	1.4%
Net investment loss <sup>1</sup>	(20.6)	(1.7)	-91.9%
Share of results <sup>2</sup>	(0.2)	(2.4)	>-100%
Loss after tax	(20.5)	(2.6)	-87.1%



*Notes:-*

1. *Aggregate of investment income, realised gains and losses & fair value gains and losses*
2. *Share of results of an associate (TPT) and a joint venture company (TP EMEIA)*

### **Strong retention in business pillars**

Another positive development in 1Q22 was the improvement in retention ratio in the Group's preferred segments, i.e., Health, Lifestyle and SME, in line with its strategy to achieve retention upwards towards 70% for the Group's Lines of Business ("LOB"). The overall retention ratio increased 6% YoY to 60%, with Health and Lifestyle exceeding the target by recording 98% and 85% retention respectively.

The NWP growth of 37.2% YoY is the highest quarterly NWP since 2016 and this was led by the Group's Lifestyle pillar, particularly in the PA and Motor segments which recorded an increase of RM11.2 million and RM9.5 million respectively. The PA segment which was driven by the Group's Tenang PA Care contributed close to 50% of the Lifestyle NWP growth generated through digital and other partners. Tenang PA Care was launched in February this year and is aligned with the Group's ESG commitment in supporting the B40 segment. The Group had also reduced its Hull portfolio as planned in 1Q22.

"We anticipate growth in the Health pillar with the upcoming launch of a new critical illness product slated for 3Q22. Commercial pillar will continue to taper as per our plan to exit the Aviation and Hull business," said Rohit.

### **Growth amid market volatility**

The Group's performance in 1Q22 was commendable given persistent market volatility in 1Q22. On 4 May 2022, the US Federal Reserve ("Fed") announced a rate hike of 0.5% and guided that it would begin quantitative tightening on 1 June 2022 to combat rising inflation. Risk appetite across almost all major asset classes, whether it be bond or equities have been affected by the bearish US treasuries market and a hawkish Fed. Consequently, it is anticipated that the current risk-off sentiments will continue to dominate the market.

"Moving forward, any recovery in both the bond and equity markets are only expected to happen once the impact of the Russian-Ukraine conflict dissipates and the aggressiveness of the Fed is clarified and priced in fully, most likely in 2H22. In the meantime, our portfolio remains on the defensive and is shielded from extreme volatility as we have reduced our overall fixed income duration to around 3 years," said Rohit.

On a positive note, the Group's various strategic partnerships have started to yield strong results and NWP contribution. NWP contribution from digital partnerships and eCommerce grew YoY from RM29.3 million in 1Q21 to RM39.2 million in 1Q22. It currently has 58 business partners, including 10 new partners secured in 1Q22 namely Mediven, and



Instahome, among others. Mediven offers COVID-19 test kits with insurance coverage, including COVID-19 death and permanent disability, whilst Instahome's landlord insurance provides coverage for homeowners from rental liabilities such as unpaid rent, property damages and theft.

-ENDS-

### **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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