



Tune Protect Remains Resilient in 1Q2020

Staying steadfast with Recovery Plan

KUALA LUMPUR, 22 May 2020 - Tune Protect Group Berhad ('Tune Protect' or 'the Group'; TUNEPRO, 5230) posted a Profit After Tax ('PAT') of RM2.8 million with Operating Revenue ('OR') of RM122.4 million and Gross Written Premiums ('GWP') of RM113.2 million for the first quarter of 2020 ('1Q2020'). The Group's PAT and OR declined by 86.2% and 3.4% respectively while its GWP decreased 3.8% YoY.

The lower 1Q2020 PAT is a factor of the decrease in travel business, lower underwriting profit and unrealised investment loss due to weaker performance in the fixed income market, whilst the drop in GWP is partly due to a decline in its travel business recorded by Tune Protect Re ('TPR'), the Group's reinsurance arm, aligned to the reduction in air travel demand, and a decrease in the Motor line of business recorded by Tune Protect Malaysia ('TPM'), the Group's Malaysian General Insurance subsidiary.

Reduced Air Travel Demand Weighed on TPR

TPR managed to record a PAT of RM7.8 million in 1Q2020, despite the challenging business environment caused by the COVID-19 pandemic. On a YoY basis, TPR's PAT declined by 37.8%, attributed to lower travel demand in Asia and Middle East. However, on a quarter-on-quarter (QoQ) basis, TPR's 1Q2020 PAT was 26% higher.

Meanwhile, TPR posted a 1Q2020 GWP of RM17.8 million, a decrease of 22.9% YoY. The decrease in premium was a result of the reduced performance of the Travel business and the lower premium retention for the Malaysian market.

TPM and Overseas Ventures Impacted by Investment Income

TPM recorded a minor decrease in GWP by 2% to RM98.2 million compared to the same period a year ago, mainly due to the lower Travel Personal Accident (TPA) and Motor portfolios, partially offset by the growth in the commercial and retail Non-Motor classes of business. 1Q2020 PAT decreased to RM0.5 million mainly due to unrealised investment loss as well as lower underwriting profit. Despite the marginal decline in GWP for 1Q2020, TPM is moving towards the preferred portfolio mix between Motor and Non-motor, a ratio of 35:65.



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The Group's 1Q2020 overseas ventures recorded a share of loss of RM1.9 million, versus a share of profit of RM1.0 million in 1Q2019. The decline is mainly due to unrealised investment losses by Tune Protect Thailand ('TPT'), the Group's associate company in Thailand, and the lower premiums from Tune Protect EMEIA ('TP EMEIA'), the Group's joint venture company in Dubai, the United Arab Emirates.

"The COVID-19 outbreak has affected many businesses and industries globally, and Tune Protect was not spared. However, the Group remains resilient with a healthy capital position and adequate liquidity to weather the uncertainties that lie ahead." said **Khoo Ai Lin ('Ai Lin')**, **Group Chief Executive Officer of Tune Protect**.

Tune Protect Recovery Plan 2020

The Group has put together a comprehensive recovery plan to address the impact caused by the pandemic. The plan focuses on three sections: Immediate interventions on current business; Re-prioritise line-of-business, channel and partner diversification; and Expand offerings and solutions focusing on the new normal.

Immediate interventions on current business: The Group is closely managing its receivables and expenses as well as optimising its investment returns by planned asset reallocation.

Re-prioritise line-of-business, channel and partner diversification: The recovery focus will be on driving the preferred business segments of key agents and brokers businesses, as well as expediting digital and affinity partnerships.

Expand offerings and solutions focusing on the new normal: New products and solutions that meet market's demand, particularly in areas that address consumers' preventive, protective, and lifestyle propositions are in the plan. Together with its airline partners, plans are also underway to expand travel protection to align with the enhanced safety requirements of the travel sector.

"The COVID-19 situation has reshaped human behaviour with consumers preference leaning on a more digital-led recovery. The new normal for the insurance sector will be technology and protection coming together as a complete solution to customers. Despite a negative shorter-term outlook, I believe that in the longer term, given our aspiration of

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becoming the leading digital insurer, Tune Protect is poised to navigate our way through successfully in a digital environment,” Ai Lin concluded.

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About Tune Protect Group Berhad

Tune Protect Group Berhad (Tune Protect) is a financial holding company listed on the main market of Bursa Malaysia. As a leading digital insurer in the region and with the tagline ‘Protection Made Easy’, Tune Protect offers affordable, yet comprehensive protection plans to suit individual and corporate needs. Tune Protect has established a strong foothold in the travel, retail and digital insurance space globally with presence across more than 45 countries through its own general insurance and reinsurance arms, as well as via strategic partnerships with local underwriters in these markets. The Group also has a strong focus to move beyond insurance by embracing insurtech and introducing differentiated product solutions such as on-demand products as part of its diversified portfolio.

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 email, call, text or WhatsApp:

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