



Tune Protect Remains Sustainable Amidst COVID-19 Adversity

Kuala Lumpur, 30 July 2020 – Tune Protect Group Berhad ('Tune Protect' or 'the Group'; TUNEPRO, 5230) posted a Profit After Tax ("PAT") of RM18.8 million with Operating Revenue ("OR") of RM100.9 million and Gross Written Premiums ("GWP") of RM101.9 million for the second quarter of 2020 ("2Q2020").

For the 2Q2020 ended 30 June 2020, the Group's PAT rose 61.9% year-on-year ("YoY"), while the Group's GWP and OR declined by 18.6% YoY and 18.9% YoY, respectively.

The higher 2Q2020 PAT was mainly contributed by the Group's Malaysian General Insurance subsidiary, Tune Protect Malaysia ("TPM"), which benefited from a decrease in net claims, management expenses, as well as an increase in unrealised investment gain.

Meanwhile, the lower GWP and OR in 2Q2020 was mainly due to the COVID-19 pandemic, which resulted in the decrease in Travel business.

For the first half ended 30 June 2020 ("1H2020"), the Group recorded a PAT of RM21.5 million, while OR and GWP was at RM223.3 million and RM215.0 million, respectively.

"Although the Group's business has been affected in the second quarter due to the pandemic, we are encouraged to see sustainability in the company, as we are relatively strong in our capital position. There are also signs of gradual recovery as businesses resume operations and the travel sector opens up," said **How Kim Lian** ("How"), **Group Chief Financial Officer of Tune Protect**.

TPM Registered Commendable 2Q2020 Performance

TPM recorded a PAT of RM17.0 million during the 2Q2020, an increase of more than 100% YoY against 2Q2019. However, TPM registered a GWP of RM100.7 million, a decline of 6.3% YoY.

The higher PAT by TPM in 2Q2020 was a factor of lower net claims incurred as the **current year loss ratio improved** YoY compared to 2019, lower management expenses, as well as unrealised investment gain. Meanwhile, the decline in GWP was largely due to the decrease in its Travel and Motor segments, but this was offset by an increase in the other business classes.



Although TPM recorded a decline in GWP for 2Q2020, its GWP Motor mix is contained below 35% which is aligned with the strategy for FY2020.

COVID-19 Impact Weighed on Tune Protect Re (“TPR”)

TPR, the reinsurance subsidiary of the Group recorded a PAT of RM1.6 million during the 2Q2020, a decline of 82.8% YoY. Meanwhile, its 2Q2020 GWP registered a decline of 94.6% YoY to RM1.3 million.

The lower PAT was mainly due to a decrease in GWP and net earned premiums of travel business as a result of restriction to air travels domestically and internationally due to the COVID-19 situation. However, the decline in net earned premiums were offset by lower net commission expenses, net claims incurred, and management expenses.

Two consecutive months of moderate growth was observed in Travel business after bottoming out in April this year.

Lower Share of Profits from Overseas Ventures

The Group’s Overseas Ventures, Tune Protect Thailand (“TPT”) and Tune Protect EMEIA (“TP EMEIA”) registered lower share of profits at RM0.8 million, a decline of 43.5% YoY amid decline in travel demands in 2Q2020 due to the COVID-19 pandemic. The weaker topline and unrealised loss on investment led to a lower profitability for TPT, whilst the decline in the Travel business from AirArabia and business-to-business (B2B) segments weighed on TP EMEIA’s profitability.

“The remaining financial year will be challenging as we continue to monitor the COVID-19 situation. Nevertheless, we are cautiously optimistic as this pandemic has also presented us with a new window of opportunity for the new normal. We introduced COVID-19 protection and will be launching soon our Tune Protect mobile application with buy and claims function,” How concluded.

Recovery Plans to Stay Ahead of the Game

Into the new normal, the Group is aware that a key to their business sustainability is to diversify. In this regard, the Group is focusing on business expansion, diversification and other opportunities to drive growth. The Group has established partnerships with strategic insurance providers and business partners, namely in Thailand, Vietnam and Indonesia to expand in the ecommerce sphere and on retail products and takaful offerings. In Vietnam, the Group has partnered Baoviet Insurance Corporation and a leading e-wallet provider to offer insurance products via their e-platform.



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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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