



## Tune Protect Perseveres Amid the Prolonged Pandemic

**KUALA LUMPUR, 20 November 2020 - Tune Protect Group Berhad** (“Tune Protect” or “Group”; TUNEPRO, 5230) posted a Profit After Tax (“PAT”) of RM5.1 million with Gross Written Premiums (“GWP”) of RM78.0 million and Net Earned Premiums (“NEP”) of RM43.2 million for the third quarter of 2020 (“3Q2020”).

For the 3Q2020 ended September 30, 2020, the Group’s PAT, NEP and GWP reduced by 66.2%, 29.9% and 26.5% year-on-year (“YoY”) respectively.

The lower 3Q2020 PAT YoY was mainly due to the decrease in GWP and NEP owing mainly to the reduction in the Travel segment as a result of the COVID-19 pandemic. However, the Group observed an increase in NEP by 21.9% quarter-on-quarter (“QoQ”) as domestic travel across Malaysia and Thailand resumed, and international borders reopened in the Middle East.

<b>TPR (RM ‘mil)</b>	<b>3Q2020</b>	<b>2Q2020</b>	<b>QoQ %</b>	<b>3Q2019</b>	<b>YoY%</b>
GWP	11.4	1.3	>100	23.3	-51.2
NEP	11.2	3.5	>100	24.1	-53.5
PAT	2.6	1.6	64.3	9.6	-72.8
<b>TPM (RM ‘mil)</b>	<b>3Q2020</b>	<b>2Q2020</b>	<b>QoQ%</b>	<b>3Q2019</b>	<b>YoY%</b>
GWP	67.8	100.7	32.7	87.3	-22.4
NEP	32.0	31.9	0.3	37.6	-14.7
PAT	6.3	17.0	-62.9	8.7	-27.1
<b>TPT (RM ‘mil)</b>	<b>3Q2020</b>	<b>2Q2020</b>	<b>QoQ%</b>	<b>3Q2019</b>	<b>YoY%</b>
GWP	37.3	6.9	>100	13.5	>100
Share of profits	(0.4)	0.6	>-100	0.8	>-100
<b>EMEIA market (RM ‘mil)</b>	<b>3Q2020</b>	<b>2Q2020</b>	<b>QoQ%</b>	<b>3Q2019</b>	<b>YoY%</b>
GWP	7.1	0.2	>100	4.6	53.3
Share of profits from TP EMEIA	0.05	0.2	-74.6	0.05	20.0

*\*TPT and TPEMEIA numbers have been converted to Ringgit Malaysia*

For the nine months ended September 30, 2020 (“9M2020”), the Group recorded a PAT of RM26.6 million, while Operating Revenue (“OR”) and GWP was at RM333.3 million and RM293.0 million, respectively.



### **Tune Protect Re (“TPR”) Shows Signs of Recovery**

The higher GWP and PAT QoQ were due to the improvement in Travel business across all airline and B2B partners, particularly in the Middle East where the reopening of borders in countries such as the United Arab Emirates (“UAE”) and Oman fueled stronger travel demand. TPR’s speed to market in offering COVID-19 coverage via its *COVID Plus Extension* reinsurance product for the business-to-business (“B2B”) markets in the Middle East in 3Q2020 was reflected positively in the take-up and performance of Travel insurance in the region.

The lower GWP and PAT YoY were a direct impact of the COVID-19 pandemic as air travel especially international travel was halted. However, the decline was partially offset by a decrease in net commission expense and net claims incurred in tandem with the lower topline, and an increase in investment income due to the reallocation of assets to fixed income.

On a positive note, Tune Protect had recorded an upward trajectory on its Travel business, as TPR registered five consecutive months of growth in policies issued since April 2020 and four consecutive months of increase in travel reinsurance premiums since May 2020.

### **Tune Protect Malaysia (“TPM”) Remained Challenged in 3Q2020**

The lower 3Q2020 PAT YoY was mainly due to the reduction in GWP, in addition to the absence of a one-off gain from disposal of property which was recorded in 3Q2019 and higher tax provisions in 3Q2020. The lower YoY GWP was primarily due to the decline in Travel and Motor businesses, while the lower QoQ GWP was due to the renewal of sizeable commercial risks in 2Q2020. The decline in motor business is in-line with our vision to focus on the non-motor portfolio.

### **The Group’s Overseas Ventures Reported Strong Bounce Back on Top Line**

Tune Protect Thailand (“TPT”), an associate of the Group recorded one of the highest QoQ GWP improvement. With the gradual reopening of travel routes as well as growth in products sold through affinity partners, agents and brokers, TPT’s YoY and QoQ GWP increased more than 100% in 3Q2020 at RM37.3 million. The Group however recorded a share of loss of RM0.4 million owing mainly to TPT’s lower investment performance from fair value losses in the equity market.

Tune Protect EMEIA (“TP EMEIA”), a joint venture of the Group in the UAE recorded an increase in its share of profit at 20% YoY to RM54,000 and a decline of 74.6% QoQ. The growth in the B2B and AirArabia segments was attributed to the reopening



of international borders in the Middle East and the surge in demand of travel insurance as concerns over the pandemic heightens.

*"It has been a challenging year for industries and economies at large. However, the pandemic has also provided an opportunity for us to diversify further from travel and to build new pillars of growth. The Group remains cautiously optimistic as some key lead indicators such as growth in policy count for travel has gone up for five consecutive months. Further we have also been able to activate a few travel and non-travel partnerships within the region leveraging our technology and technical capabilities,"* said **Rohit Nambiar ("Rohit")**, **Group Chief Executive Officer of Tune Protect**.

### **Seizing Opportunities**

Tune Protect has been quick to seize opportunities and accelerate digital adoption despite a challenging 3Q2020. The quarter saw the launch of the Tune Protect mobile app in Malaysia with a 'buy in 4 clicks' appeal, as well as the unveiling of the personal accident Digital Care Card and partnerships with several strong digital brands in the Thai market.

### **Emerging Trends**

Despite the recent difficulties faced, there have been several encouraging trends emerging from the COVID-19 pandemic. From a **lifestyle perspective**, travel insurance is becoming a regulatory requirement such as in Thailand where all inbound travelers are required to purchase COVID-19 coverage before entering the country. The increase in awareness and coverage has resulted in higher average premium per policy and it is anticipated that travel demand will intensify as more travel borders reopen. The recent announcements around the potential of a vaccine being available by April 2021 have also given people a renewed hope of a return to normalcy.

The trends are also visible from a **health** perspective as there are greater concerns over safety, health, wellness and fitness among individuals. This will result in a greater demand for a holistic digital health and lifestyle solutions catering to these emerging needs.

Trends have also shown that there have been non-renewals of premiums from the **SME segment** as some of these businesses no longer exist due to the pandemic. On the upside however, there is an increase in demand for protection as recent events have highlighted the importance of having adequate coverage for the SME businesses.



In line with these high-level trends, the Group will explore opportunities in the lifestyle, health and SME space.

*“Our focus will be on strengthening the Group’s reach in the lifestyle, health and SME space. We want to be the go-to insurer in insurance innovation within this space and to achieve this, we look to simplifying the consumer experience leveraging on digital. It will be an exciting journey for us at Tune Protect as we move towards becoming the preferred lifestyle insurer in ASEAN and beyond,” Rohit concluded.*

-ENDS-

**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:

**ROOTS PR**

**Andrew Leong**

Phone: +6017 4737 042

E-mail: [andrew.leong@rootsasia.com](mailto:andrew.leong@rootsasia.com)

**Lydia Chia**

Phone: +6012 6031 121

E-mail: [lydia.chia@rootsasia.com](mailto:lydia.chia@rootsasia.com)

**Tune Protect Group Berhad**

**Rozieana Jamaluddin, Communications**

Phone: +6012 2070 698

E-mail: [rozieana.jamaluddin@tuneprotect.com](mailto:rozieana.jamaluddin@tuneprotect.com)  
[media@tuneprotect.com](mailto:media@tuneprotect.com)