



## Tune Protect 1Q23: Recorded back-to-back profitable quarters, starting off the year with sustained momentum

*Growth of close to 30% in NEP and more than 80% in customer count*

### Highlights:

- Strong start in 1Q23 with second consecutive profitable quarter
- AirAsia travel segment recorded 175% growth
- Steadier investment yield expected moving forward
- NEP growth outpaced expenses for 4 consecutive quarters

**KUALA LUMPUR, 25 May 2023** - Tune Protect Group Berhad ("Tune Protect or "Group"; TUNEPRO, 5230) started its financial year commendably in the first quarter of 2023 ("1Q23") by posting its second straight profitable quarter.

The Group recorded growth in Net Earned Premium ("NEP") by 29.9% year-on-year ("YoY") in 1Q23 to RM81.2 million, although Net Written Premium ("NWP") dropped by 7.3% to 76.3 million during the same period. The Group observed growth in its preferred business segments; AirAsia Travel, Motor and Health, which contributed to the Group's topline. The Group recorded Profit After Tax ("PAT") of RM3.4 million, up by more than 100% YoY.

### Sustaining momentum

"We have sustained our momentum, as shown by the Group's second straight profitable quarter in 1Q23. The Group's net investment income rebounded by more than 100% to RM10.2 million in 1Q23, while Tune Protect Thailand's ("TPT") Covid-19 claims have also trailed off," said **Rohit Nambiar** ("Rohit"), Tune Protect Group's Chief Executive Officer.

### Group Performance – 1Q23 overview

TPG (RM' mil)	1Q22	1Q23	YoY
Net written premiums	82.3	76.3	-7.3%
Net earned premiums	62.5	81.2	+29.9%
Underwriting contribution <sup>1</sup>	29.2	25.9	-11.3%
Underwriting profit/(loss)	0.1	(7.0)	>-100%
Combined ratio	99.9%	108.6%	+8.7%
Net investment income <sup>2</sup>	(1.7)	10.2	>100%
Share of results <sup>3</sup>	(2.4)	(0.1)	-95.8%
Profit / (loss) after tax	(2.6)	3.4	>100%

#### Notes:-

1. NEP minus net commission expenses, net claims incurred, facilitator fees and royalty.
2. Aggregate of investment income, realised gains and losses & fair value gains and losses.
3. Share of results of an associate (TPT) and a joint venture company (TP EMEIA).



### **Less volatile investment returns**

In terms of its investments, the Group is expecting a steadier investment yield with less volatility. In 1Q23, Tune Protect Malaysia ("TPM") completed the full switch into money market fund from fixed income funds.

"With the bulk of our portfolio invested in money market funds, our portfolio will not only benefit from the recent 25 basis points ("bps") Overnight Policy Rate ("OPR") hike by Bank Negara Malaysia, but moving forward, volatility in investment returns will also be reduced," said Rohit.

### **Improved retention and efficiency**

The Group is confident of meeting its target of 70% retention in all of its Lines of Business ("LOB") and becoming a more efficient organisation on a ratio basis.

The overall Lifestyle pillar NWP was lower. AirAsia Travel, Health and Motor partly mitigated the discontinued Perlindungan Tenang scheme while in the Small Medium Enterprise ("SME") business segment, there was higher ceding of premiums from a new account which was a part of the Group's risk management. In the Commercial segment, the Group fully exited a low retention large corporate account at the end of 2022.

"The overall Lifestyle pillar NWP was lower, however AirAsia Travel, Health and Motor partly mitigated the discontinued Perlindungan Tenang scheme. The AirAsia Travel grew by 175% and Motor by 18% YoY respectively. Another positive was in 1Q23, travel premiums was at 92% of pre-Covid-19 level."

"NEP growth has outpaced expenses for 4 consecutive quarters and the Group's Management's Expenses (ME) ratio continues to improve. There was lower commission income received with the Group's progressive exit from the Commercial segment, in addition to higher claims incurred in the Motor segment," said Rohit.

### **Focus on strategic partnerships**

Rohit stressed the importance of the Group's strategic partnerships in realising its long term goals and objectives.

"The right partnerships are critical to our growth. We are very focused on sales activation and growing the business with our current partners. Our digital partners increased from 42 in 1Q22 to 76 in 1Q23. We are partnering with Senang for our first personal cyber crime insurance Tune CyberSecure, protection against electronic fund transfer fraud, online retail fraud and identity theft. Customers can be insured up to RM10,000. We also have a new channel partner through the AEON-bolttech program featuring Accidental Damage and Liquid Damage (ADLD), cracked screen and theft for devices as well as extended warranty for home appliances," said Rohit.

The Group has other on-going Business-to-Consumer ("B2C") campaigns such as earning double reward points for AirAsia rewards when the customer buys the Group's policies, Bike Easy & Travel Easy with BigPay and Bike Easy & Travel Easy with Tune Talk.

## Expanding mobile presence

The Group is also making major strides in becoming a mobile first company. To realise the Group's ambitions in this space, there are more mobile launches planned in 2023 and 2024. The latest exciting mobile campaigns include the Travel Easy "Extravaganza" campaign and Motor Easy "So Early Ah" campaign.

Other mobile features planned to enhance the customer's experience include first loss notification, tow truck tracker, preferred workshop options, telematic and hyper-personalisation/ customisation, auto renewal notice, artificial intelligence ("AI") claims assessment and self-service portal.

## Boosting Customer NPS leadership

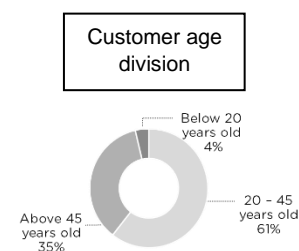
The Group is committed to becoming a Customer Net Promoter Score ("NPS") leader, as evident by its Customer NPS score of +39% as at December 2022, closing in to the global industry standards of +42%. Unique active customer count grew more than 80% from 1.0 million to 1.82 million YoY.

To strengthen its position in Customer NPS, the Group has introduced the On-The-Spot Claims Assessment Scheme for Fire products and claims below RM5,000. Claims submissions are paperless and payment will be raised within 3 working days from the date of receipt of the required claims documents. This will improve the turnaround time of claims assessments by 95% from 21 days to just 1 day.

The Group has also launched a cloud-based new contact centre platform for more efficient and effective call management to improve customer experience. There is also a renewal notice for B2C customers and renewals can be conducted directly via the Group's website.

## Customer tracking metrics

Quarter	Unique active customer count (mil)	Average active policy per customer <sup>3</sup>	Average product per customer <sup>4</sup>	Customer vintage (years) <sup>5</sup>	Average premium per active customer (RM) <sup>6</sup>
1Q22	1.00	1.41	1.24	5.15	335.79
2Q22	1.73	1.28	1.15	5.33	220.82
3Q22	1.92	1.25	1.10	5.51	202.28
4Q22	1.92	1.25	1.09	5.69	204.17
1Q23	1.82	1.27	1.10	5.90	184.77



### Notes:-

- Inclusive of TPR, TP EMEIA, TPM and TPT.
- 1Q22 to 3Q22 metrics were revised to account for the adjustment in cut-off date.
- Number of active policy / unique active customer
- Number of product by nature / unique active customer
- Duration of active customer since the inception of the first policy
- Total GWP / active customer base

## Introducing ESG Insights

As a constituent in the FTSE4Good Bursa Malaysia Index, the Group has introduced ESG Insights, a data platform which simplifies ESG data from various sources into a single readable data set made



available on the Group's website. This is a one-stop centre to easily extract specific and up to date ESG information using a range of selection criteria.

-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. Aspiring to be the lifestyle insurer that everyone loves in the region, Tune Protect aims to simplify the insurance experience leveraging digital and offer an array of affordable, and comprehensive protection plans and propositions to suit the needs of individuals and businesses in the Health, Lifestyle and SME pillars. Through its insurance, reinsurance and marketing arms in Malaysia, Thailand and the UAE, Tune Protect has established a global presence across 49 countries, working with local underwriters via strategic partnerships 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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