



Tune Protect NWP rose 22% YoY, profitable bottom line driven by improved underwriting performance and investments

Highlights:

- 3Q23 NWP rose 22% YoY, turned around from a loss in 3Q22
- Insurance service result grew more than 100% YoY in 3Q23
- Combined ratio in 3Q23 and year-to-date lower than 100%

KUALA LUMPUR, 23 November 2023 - Tune Protect Group Berhad (“Tune Protect” or “Group”; TUNEPRO, 5230) continued its turnaround with impressive financial results for the third quarter of the financial year 2023 (“3Q23”) with a double digit growth of 22% year-on-year (“YoY”) in Net Written Premiums (“NWP”) and a profitable bottom line driven by improvements in underwriting performance and investments.

Travel, Motor and Health lead topline growth

While the Travel, Motor and Health segments led the Group’s topline growth, the overall retention ratio in 3Q23 and 9M23 exceeded the Group’s target of 70% by 4% and 6% respectively.

Rohit Nambiar (“Rohit”), Tune Protect Group’s Chief Executive Officer said, “The Group’s NWP across all the main pillars increased 22% YoY in 3Q23 and this growth has more than compensated for the absence of the Perlindungan Tenang (“Tenang”) scheme which was discontinued in FY23. Growth in the Health pillar was led by the Foreign Worker segment, while growth in the Lifestyle pillar was led by the Motor segment (up 41.1% YoY) and Travel segment (up 25.5% YoY). On the other hand, the SME segment fell marginally by 7.6% due to lower growth in the Engineering segment, which was offset by growth in the SME Fire segment (up >100% YoY).”

The Group’s Digital Partnerships and eCommerce registered commendable 3Q23 NWP growth of 7.5% YoY. Though the 9M23 NWP recorded a decline by 17.6% if Tenang was included, the NWP growth excluding Tenang was encouraging with a healthy 38.8% growth, signalling the trailing off of the dependency on Tenang. The number of digital partners increased from 65 in 3Q22 to 79 in 3Q23.

Group performance – 3Q23 and 9M23 overview

Tune Protect Group (RM’mil)	3Q22	3Q23	YoY	9M22	9M23	YoY
Insurance revenue	126.3	106.9	-15.3%	350.4	331.1	-5.5%
Insurance service result	(1.8)	6.7	>100%	3.3	17.1	>100%
Net insurance financial result	1.1	(1.6)	>-100%	2.0	(1.6)	>-100%
Total investment income	(1.1)	6.8	>100%	(8.9)	24.9	>100%
Total other income and expenses	(7.4)	(2.5)	-66.5%	(20.0)	(15.1)	-24.7%
Share of results ¹	(0.9)	(0.5)	-42.9%	(14.7)	0.5	> 100%
Profit/(loss) after tax	(10.2)	4.8	> 100%	(37.6)	19.1	> 100%
Combined ratio	100.5%	95.2%	-5.3%	98.5%	95.3%	-3.2%

1. Share of results of an associate (TPT) and a joint venture company (TP EMEIA).



Rohit explained that despite the 15.3% drop of insurance revenue YoY to RM106.9 million in 3Q23, the Group's quarterly profitability was underpinned by the growth of the insurance service result, coupled with improved investment performance.

"Insurance service result grew more than 100% YoY to RM6.7 million in 3Q23. Furthermore, lower allocation of reinsurance premium turned insurance service result from negative to positive translating to a lower combined ratio of 95.2% during the period. In 3Q23 and the first 9 months of 2023 ("9M23") combined ratio were lower than 100%. These healthy indicators, coupled with rising investment performance with total investment income of RM6.8 million have led to the Group's profitability in the quarter," Rohit said.

Pioneering MSME solutions with CGC collaboration

The Group continues to place great emphasis on its digital partnerships, both domestically and regionally. The Group remains an industry pioneer by becoming the first insurer to collaborate with Credit Guarantee Corporation ("CGC") to introduce digital insurance solutions for Micro, Small and Medium Enterprises ("MSMEs"). Through the partnership, CGC offers solutions such as Tune Protect's SME Business Shield, SME EZY and PA Easy via affiliate links. The Group has also been participating in CGC's outreach programmes for MSMEs, offering educational initiatives such as interactive workshops, training programmes and informative sessions.

The Group is also making huge strides in expanding its presence in Southeast Asia. A prime example is Vietnam which has emerged as a significant contributor to the Group's topline performance after the Malaysia and Thailand markets. The Group's partnership with Baoviet Insurance and Vietjet Air contributed 15% of the total Gross Written Premium ("GWP") from Vietnam in 3Q23. More than 80,000 Travel insurance policies were issued in the quarter through Vietjet Air's flight booking platform, which is also set to be activated in Indonesia by 4Q23 and India, Japan and South Korea by 1Q24, with more countries planned beyond.

Another of the Group's key focus area is the next phase of the new Group's core system HYDRO and Tune Integrated Producer System ("TiPS") implementation. The next phase of HYDRO involves immediate policy processing, centralised customer record, automated workflow and speed-to-market. The implementation of TiPS includes one stop point of sales for quotation, payments endorsement and renewals, one stop service counter for sales dashboard and statement, as well as online learning for distributors and intermediaries.

Positive outlook on investment yields

The Group has affirmed its investment strategy for its portfolio totalling RM714.5 million as of 30 September 2023. Moving forward, Rohit is confident that the Group will deliver favourable investment returns.

"Close to 80% of our portfolio is invested in money market funds and term deposits. Bank Negara Malaysia ("BNM") has again maintained the current Overnight Policy Rate ("OPR") at 3.0% for the 3rd successive meeting, reiterating its stance that the monetary policy remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects. Our conservative



asset allocation continues to shield us from recent market volatility. We will remain vigilant on developments in both global and local capital markets," Rohit 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. 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/>

This press release is issued on behalf of Tune Protect. For interview opportunities, or more information please contact via email, call, text or WhatsApp:

IMPACT COMMUNICATIONS

Angie Ruby

Phone: +6016-660 0027

E-mail: angie@impactcommunications.com.my

Renuka Ramalingam

Phone: +6017-575 4450

E-mail: renuka@impactcommunications.com.my

TUNE PROTECT GROUP BERHAD

Rozieana Jamaluddin,

Communications & Corporate Good

Phone: +6012 2070 698

E-mail: rozieana.jamaluddin@tuneprotect.com

Mahanom Abdullah,

Communications & Corporate Good

Phone: +6019 3800 305

E-mail: mahanom.abdullah@tuneprotect.com