



Tune Protect weighed by one-off Tenang impairment; excluding impairment, 4Q23 and FY23 posted PAT of RM3.5 mil and RM22.7 mil

KUALA LUMPUR, 29 February 2024 – Tune Protect Group Berhad (“Tune Protect” or “Group”; TUNEPRO, 5230) posted its financial results for the fourth quarter of the financial year 2023 (“4Q23”), underpinned by overall retention ratio and Net Written Premium (“NWP”) which grew 14% and 8.3% respectively. For the full financial year 2023 (“FY23”), retention ratio increased 17% but NWP fell 2.2% year-on-year (“YoY”).

Rohit Nambiar (“Rohit”), Tune Protect Group’s Chief Executive Officer cautioned that the impairment on Perlindungan Tenang Voucher (“PTV”) impacted the Group’s Profit After Tax (“PAT”), which decreased by more than 100% YoY in 4Q23, though the losses in FY22 turned to profit, improving significantly by more than 100% YoY in FY23.

To recap, the PTV Programme was a national initiative offering social protection for the lower income group to purchase insurance plans from participating licensed insurers. In the PTV Programme 2022, eligible recipients were given a RM75 voucher each to redeem annual insurance policies from participating insurers. The programme was later discontinued in FY23.

In February this year, the regulator notified that some of the policies underwritten by the Group’s subsidiary Tune Insurance Malaysia Berhad under PTV will not be eligible for redemption. As such, the financial results in FY23 have been impacted. The Group is planning to appeal the decision.

Profitable 4Q23, excluding one-off impairment

“Nevertheless, the impact of the PTV impairment was a one-off event in 2023. Excluding it, 4Q23 and FY23 PAT were up more than 100%, recording RM3.5 million and RM22.7 million respectively. Furthermore, the Group’s combined ratio would have been lower at 95.5% in 4Q23 and 95.3% in FY23,” explained Rohit.

Group performance – 4Q23 and FY23 overview

Tune Protect Group (RM’mil)	4Q22	4Q23	YoY	FY22	FY23	YoY
Insurance revenue	131.5	43.1	-67.2%	481.9	374.1	-22.4%
Insurance service result	6.4	(24.4)	>-100%	9.7	(7.3)	>-100%
Net insurance financial result	(1.2)	(1.2)	-1.3%	0.8	(2.8)	>-100%
Investment income	9.7	7.3	-24.6%	0.9	32.2	>100%
Other income and expenses	(8.5)	(4.2)	-50.4%	(28.5)	(19.3)	-32.4%
Share of results ¹	(1.9)	(0.2)	-91.6%	(16.6)	0.3	> 100%
Profit/(loss) after tax	3.0	(18.9)	>-100%	(34.6)	0.2	>100%
Profit/(loss) after tax (excluding Tenang impairment)	3.0	3.5	17.9%	(34.6)	22.7	>100%



Combined ratio	96.0%	159.5%	63.5%	97.8%	102.7%	4.9%
Combined ratio (excluding Tenang impairment)	96.0%	95.5%	-0.5%	97.8%	95.3%	-2.5%

Notes:

1. Share of results of an associate (TPT) and a joint venture company (TP EMEIA)
2. Amounts presented may not foot due to rounding

Rohit added that the Group's 4Q23 NWP was driven by the Motor segment which increased 56% YoY, led by Partnership channel growth. Travel NWP also contributed with 14% growth YoY, led by AirAsia, VietJet Air and AirArabia. The Group's sustained focus in growing the three key pillars of Lifestyle, Health and SME while moving away from large Commercial businesses has seen its retention ratio continuing to improve by 14% in the quarter.

"In 2024, the Group is optimistic that travel products under the Lifestyle pillar will continue to achieve higher growth based on positive outlook in the travel segment locally and internationally. In the Motor segment, growth momentum in the recent quarters should continue in upcoming quarters," said Rohit.

Focused on stable investment returns

The Group's investment performance in FY23 was positive with YoY growth of total investment income of more than 100% to RM32.2 million in FY23. The change in the Group's investment strategy has materialised in the form of stable investment returns.

Expansion via partnerships, innovative products

The Group continues to expand via partnerships and strategic collaborations, such as the offering of TravelEasy on the BigPay app to provide a worry-free travelling experience. TravelEasy offers domestic and worldwide coverage with 2 plans i.e. Basic Plan and COVID Lite Plan for claims on travel inconveniences, medical expenses and COVID-19. With just 5 easy steps, travellers can obtain coverage in less than 3 minutes.

Another exciting product in the Group's portfolio is FLEXIOne, a customisable digital insurance solution that covers medical and critical illnesses. This pioneering insurance solution is powered by a user friendly Artificial Intelligence ("AI") virtual assistant called "Tracy" to personalise and recommend the best-suited plan based on 3 simple questions. Premiums start from as low as RM5 per month.

The Group has fast gained recognition in the industry for its wide range of innovative products. It won the Claims Initiative of the Year from Insurance Asia News Awards for Excellence 2023 for its Parametric Claims solution. It was also a winner of the prestigious CXP Best Customer Experience Awards 2023.

As an employer of choice among insurers for millennial talents, the Group was named one of Malaysia's top employers by Talentbank, one of only two insurance companies in the list. The Group's long term commitment to excellence is reflected in its inclusion in the FTSE4Good Bursa Malaysia Index since December 2021. The company proudly remains the only insurer on the index.



3-year strategy helping to build long-term foundations

“The Group is definitely heading in the right direction with its 3-year strategy FY20-FY23 starting to bear fruit, such as retention upwards towards 70% in all Lines of Business (“LOB”). Overall retention ratio rose +17% YoY from 62% in FY22 to 79% in FY23,” said Rohit.

The company is constantly striving to operate more efficiently as an organisation, especially on a ratio basis. This is evidenced by its healthy combined ratio. Excluding the one-off Tenang impairment, combined ratio would have been below 100% in FY23.

Expanding the Group’s presence in Southeast Asia remains a cornerstone strategy. The Group has made tremendous strides in Vietnam with Gross Written Premium (“GWP”) growing by 74 times within the last 3 years. It retains its leadership position in the critical benchmarks of customer and partner Net Promoter Scores (“NPS”). Customer NPS grew from -16% in April 2021 to +45% in December 2023, while Partner NPS grew from +48% in April 2021 to +60% in December 2023.

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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:

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