



Tune Protect: Strong 3Q24 PAT Growth of 50.3% YoY Driven by Improved Expense Management and Claims Experience

KUALA LUMPUR, 25 November 2024 – Tune Protect Group Berhad (“Tune Protect” or “Group”; TUNEPRO, 5230) registered commendable financial results for the third quarter of the financial year 2024 (“3Q24”) with Profit After Tax (“PAT”) rising strongly by 50.3% Year-on-Year (“YoY”) from RM4.8 million to RM7.2 million. Underwriting result also grew positively by 17.3% YoY from RM5.2 million to RM6.1 million. **How Kim Lian (“How”), Tune Protect Group’s Chief Executive Officer** highlighted several key factors contributing to the Group’s profitability in 3Q24.

Improved net incurred claims and expenses

“Overall, the Group performed well despite relatively lower insurance revenue in 3Q24, falling 6.3% YoY to RM100.2 million compared to 3Q23 which was mainly due to Commercial revenue carried over from 2022 in 3Q23. Excluding the favourable impact amounting to RM7.1 million from the Tenang scheme¹ in 3Q23, net incurred claims and attributable expenses improved by RM3.0 million due to lower expenses and better Fire and Personal Accident (“PA”) claims experience,” said How.

How added that lower reinsurance premiums was in line with the Group’s continued effort in business portfolio review, focusing on more profitable segments. The Profit Before Tax (“PBT”) in 3Q24 was also impacted by RM4.0 million realised and unrealised foreign exchange (“Forex”) losses which were due to the sharp appreciation of the Malaysian Ringgit (“MYR”) against US Dollar (“USD”) from 4.7123 to 4.122 in the quarter.

Revenue lifted by Travel segment

“Nevertheless, on Quarter-to-Quarter (“QoQ”) basis, our insurance revenue improved particularly arising from contribution of the Travel segment. Our net incurred claims and attributable expenses improved QoQ due to enhanced cost efficiency as well as better claims experience from the Group’s Fire, Engineering, Cargo and PA business. Consequently improving our combined ratio which fell by 1.3% (YoY) and 11.3% (QoQ),” said How.

For the first 9 months of the financial year 2024 (“9M24”), the Group recorded a Loss Before Tax (“LBT”) of RM5.0 million, weighed primarily by the Group’s exposure to three large fire losses. However, the frequency of these large claims is higher than previous years and is expected to normalise moving forward.

“In 9M24, we incurred Impairment losses on intangible assets in 2Q24 from Tune Protect Ventures, the Group’s digital life insurance sandbox business. Furthermore, Digital Life traction was slower than expected, while the Health business can be offered via Tune Protect Malaysia (“TPM”). On the other hand, the impairment incurred by Tune Protect Thailand (“TPT”) was related to claims recovery of the Rubber Authority of Thailand’s PA account which was fully taken up during 2Q24,” added How.

¹ The PerlindunganTenang scheme was a financial aid programme introduced by the Malaysian government to offer simple and affordable insurance plans to the lower income group. The scheme was discontinued in FY23.



Excluding these one-off occurrences, the Group would have recorded a Profit Before Tax (“PBT”) of RM11.5 million for 9M24.

Group performance – 3Q24/9M24 Financial Overview

Tune Protect Group (RM'mil)	3Q24	3Q23	YoY	9M24	9M23	YoY
Insurance revenue	100.2	106.9	-6.3%	290.2	331.1	-12.3%
Net incurred claims and attributable expenses	(44.0)	(39.9)	10.3%	(152.0)	(127.7)	19.0%
Amortisation of insurance acquisition cash flow	(37.0)	(38.6)	-4.1%	(103.9)	(107.5)	-3.3%
Allocation of reinsurance premiums	(13.1)	(23.3)	-43.8%	(42.4)	(80.3)	-47.2%
Net insurance service result	6.1	5.2	17.3%	(8.1)	15.6	>-100%
Combined ratio	93.9%	95.2%	-1.3%	102.8%	95.3%	7.5%
Total investment income	8.0	6.8	17.6%	24.3	24.9	-2.4%
Total other income and expenses	(5.2)	(2.5)	>100%	(16.9)	(15.1)	11.9%
Share of results	0.4	(0.5)	>-100%	(4.4)	0.5	>-100%
Profit/(loss) after tax	7.2	4.8	50.3%	(6.8)	19.1	> -100%

Rebalancing investments to enhance returns

The Group is committed to its long term investment strategy of yielding steady returns for the Group and its shareholders.

“We continue to maintain a conservative investment strategy to enhance the Group’s overall investment returns. In the coming quarters, we will continue to rebalance our investments into Low Risk Unit Trust funds, with underlying investment predominantly in Malaysian Government Securities, Government Investment Issues and Government Guaranteed Corporate Bonds,” said How.

He provided further business updates on the Group’s businesses which demonstrated robust growth prospects. In 3Q24, the Group enhanced the User Interface (“UI”) and User Experience (“UX”) for its airline partner’s direct online channel, which has resulted in a growth of 5 percentage points in take-up rate and 12% in policies sold QoQ. The Group has also introduced the Tune Protect Travel Gadget through the airline direct channel to increase take-up rate in the Malaysia market. Additionally, several Business-to-Business (“B2B”) partnerships have also been activated during the quarter including travel agencies in Malaysia and a credit card provider in Thailand.

In addition, the Group’s airline partner has registered positive traction for the Cancel For Any Reason product since its launch in 2Q24. Gross Written Premium (“GWP”) grew by more than 100% and number of policies issued grew by 71% QoQ, with claims experience remaining favourable. In collaboration with a travel technology provider, the Group, via its B2B portal, has also rolled out the ‘Flight Watcher’ service where travellers can access real time alerts via email, WhatsApp or SMS to



receive notification on gate changes, flight delays or cancellations, and other updates 48 hours before departure; as well as the 'Automated Check-in' service that initiates online check-in procedure to enrol flight and delivers boarding pass to the registered travellers via email.

Leveraging on regional travel ecosystem

"In line with the review of the Group's business portfolio, we will continue to focus on the more profitable segments of the business while maintaining cost discipline to ensure favourable underwriting results in the coming quarters. With the Group's ongoing efforts of leveraging on the regional travel ecosystem along with its product innovation, we are optimistic that our travel insurance products will continue to grow positively in the coming quarters," How said.

Aside to Travel as its focus, the Group remains vigilant in managing its Motor business through pricing optimization, portfolio mix improvement and claims management. The Group's strategy aims to align the Motor claims ratio at par with industry standards, and is expecting favourable impact in Motor claims going forward.

The overall market outlook remains favourable. The Group remains cautiously optimistic that its business strategies and capital strength will sustain growth in the medium to long term.

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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. With a strong focus on enhancing travel and lifestyle experiences across regions, Tune Protect is committed to making travel smoother and everyday lifestyle more secure through its range of flexible, digital-first insurance solutions tailored to the modern travellers and lifestyle enthusiasts. Through its general insurance and reinsurance subsidiaries, joint venture companies, and strategic partnerships with local underwriters in close to 50 countries and multiple airline partners, Tune Protect is dedicated to providing accessible and affordable general insurance propositions, particularly in the Travel space.

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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