



Media Release

RAM Ratings affirms Tune Protect Group's A₂/Stable/P1 ratings

RAM Ratings has affirmed Tune Protect Group Berhad (TPG or the Group)'s A₂/Stable/P1 corporate credit ratings.

The affirmation reflects our expectation that TPG will maintain sound credit fundamentals despite increased external risks, including potential disruption to international travel stemming from the US-Iran conflict. In our view, the Group's core travel insurance business should continue to benefit from domestic and regional travel, partly mitigating pressure from slower long-haul travel activity. Management's efforts to expand affordable domestic travel insurance offerings, grow non-travel insurance lines and enhance value-added services should support gradual business diversification and underwriting performance. The ratings also factor in TPG's robust liquidity and capital position and adequate reserves, although moderated by its modest profitability and scale and still-developing non-travel franchise.

Insurance revenue declined to RM357.5 mil in FY Dec 2025 (FY Dec 2024: RM389.2 mil), mainly due to selective underwriting, particularly in motor insurance. Pre-tax profit nevertheless surged to RM42.9 mil from RM2.2 mil, driven by robust travel insurance performance, lower motor and fire claims, higher investment income and the absence of prior-year one-off impairments. As a result, return on assets rose to 4.4% from 0.2%, while the combined ratio improved to 86.9% (FY Dec 2024: 97.1%), indicating recovery in underwriting profitability.

However, earnings softened in 1Q fiscal 2026, with pre-tax profit falling to RM1.7 mil from RM10.7 mil a year earlier. Profitability was affected by weaker travel demand and lower investment returns, while the combined ratio increased to 95.7% as TPG continued to expand beyond its traditional travel insurance business. We expect earnings to remain subdued this year, given sluggish international travel demand and the Group's strategic shift into non-travel insurance segments with longer earnings cycles.

TPG's liquidity position remains strong, with liquid assets covering net insurance contract liabilities by 3.0 times as at end-March 2026. Its subsidiaries remain capitalised above regulatory requirements and internal target capital levels, providing a buffer against earnings volatility and business expansion risks. The holding company has stayed debt-free since its 2013 listing, supporting financial flexibility at the group level.

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