

2Q2023 Analyst Presentation

24th Aug 2023

Expanding our regional presence with our 7th airline partner; stronger net profits from sustained investment performance



SCAN ME

CONNECT WITH US



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What we committed to achieve by 2023 and where we currently

✔ On-track ● Work-in-progress ● At risk

1

Retention upwards towards 70% in all LOB



5

Mobile first company



2

More efficient organisation on a ratio basis



6

To be a NPS leader in our preferred market



3

To evolve our tech arm as a profit centre



7

To be an employer of choice among insurers for millennial talents



4

To grow our ASEAN presence



8

To be inducted into FTSE4Good Bursa Malaysia Index

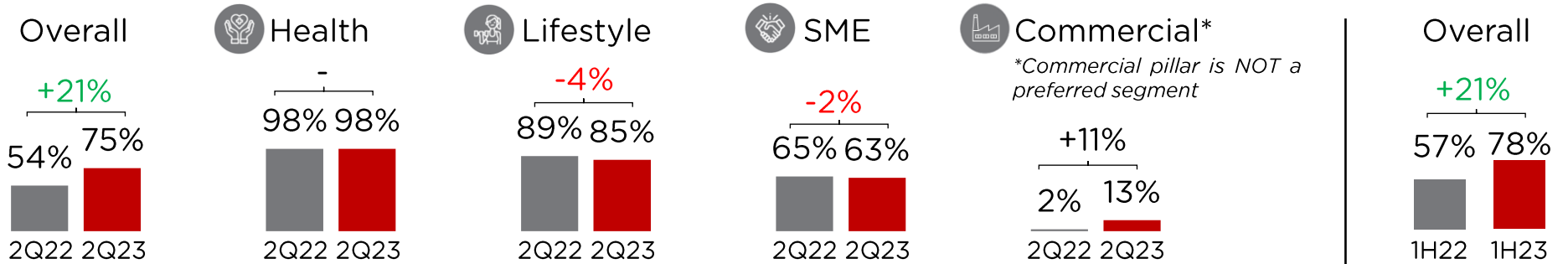


Excluding the 2022 one-off, registered healthy growth across all three pillars

Retention upwards towards 70% in all LOB



Retention

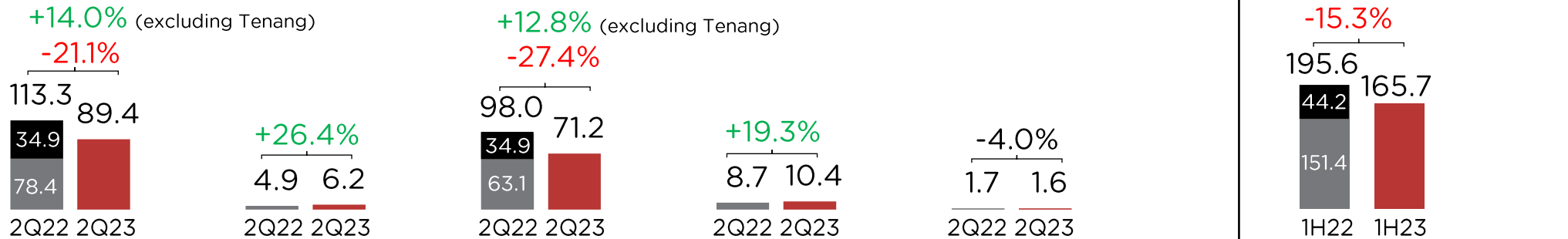


Lifestyle: Reduced due to the Tenang scheme discontinued by the Government in 2023. Motor retention improved from 74% in 2Q22 to 81% in 2Q23 due to favourable Motor mix:- growing motorcycle business and focusing on high value motor segment.

Commercial: Planned full exit from a low retention large corporate account in 2022; the remaining accounts in the book are higher retention corporate fire.

NWP (RM'mil)

■ Perlindungan Tenang¹



- Excluding the discontinued Tenang scheme, overall NWP up 14% YoY, driven by the growth in AirAsia Travel by 48% YoY and Motor by 42% YoY.
- 2Q23 travel premiums is 2% higher than pre-Covid-19 level (2Q19).

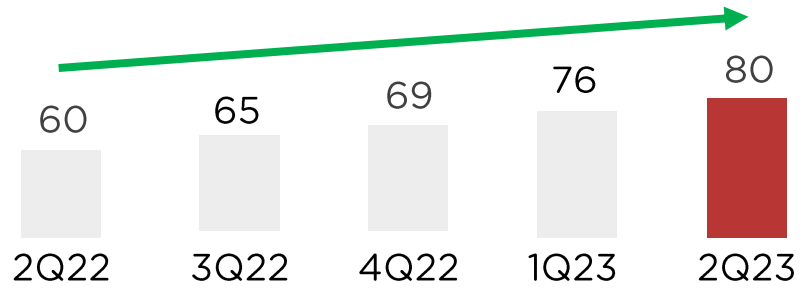
1. Perlindungan Tenang is a national initiative to provide simple and affordable insurance plans to the lower income group. Eligible individuals are given a RM75 voucher to redeem a tenang insurance plan from participating insurers.

Scaling up our digital partnerships and more aggressive on the eCommerce front



New Partnerships

Number of digital partners



VietJet Air, Vietnam-based low-cost airline.
For travel insurance.



LyHour, Cambodia-based insurer.
For critical illness insurance.



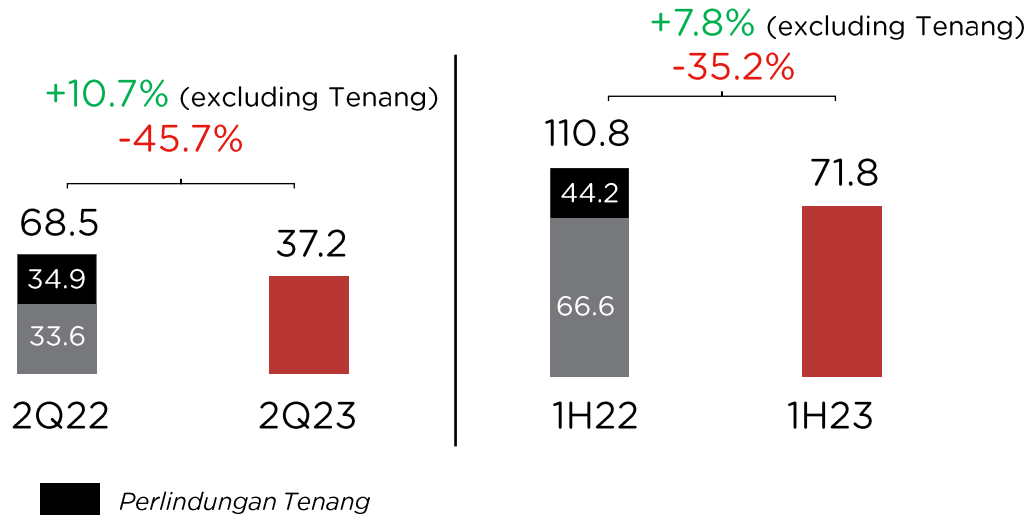
Axxess - Astro program
Home, Lifestyle & Personal Accident covers exclusively for Astro Rewards members.



Boltech - ALL IT Hypermarket (IT outlet) program
Additional distribution on the external warranty for mobile devices, laptop and tablet.



Digital partnerships & eCommerce NWP (RM'mil)



eCommerce campaign

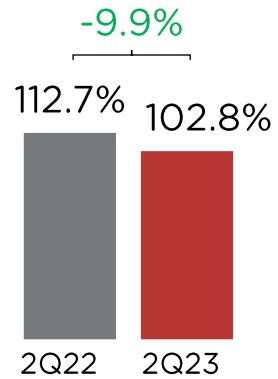


Lower combined ratio on the back of better claims experience underpinned by our Motor strategy

2 More efficient organisation on a ratio basis

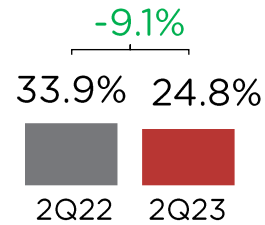


Combined ratio



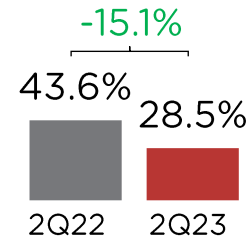
Combined ratio improved 5.8% QoQ.

Net comm ratio



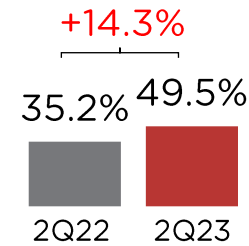
In line with lower topline.

NCI ratio



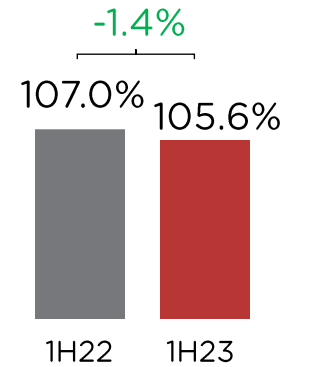
- Our **Motor strategy** focuses on profitable segments, improving underwriting and claims control.
- Better claims experience from our **PA portfolio**.

ME ratio



Investment made to scale up our customer acquisitions, tech and data capabilities.

Combined ratio



Tech the backbone to our partnership activation / renewal

3 To evolve our tech arm as a profit centre



Tech solution

Critical to our partnership activation / renewal

✓ Went live with an insurance partner in Nigeria.

First in Africa for travel B2B.

Currently we already have the largest travel distributor in Nigeria onboard.

9 more countries in the pipeline (Asia and Africa).

✓ Renewal for another 3 years.

✓ White Label powering the bundled and core travel products.

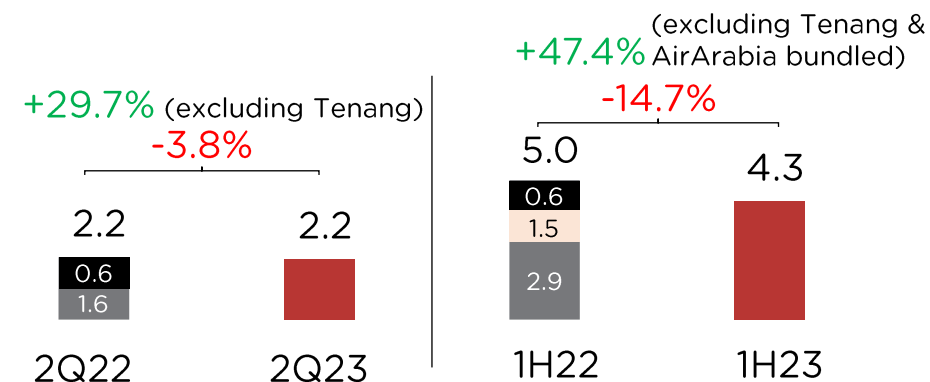


23rd Edition Of PC.com Awards

Best Insurance Tech

Voted solely via consumer polling

Total policies issued by TPR, TP EMEIA, TPM and TPT



■ Perlindungan Tenang ran until 4Q22

■ AirArabia bundled ran until 1Q22

Strengthening our regional presence via our 7th airline partner

 Expanding our ASEAN presence



Around 400 flights daily



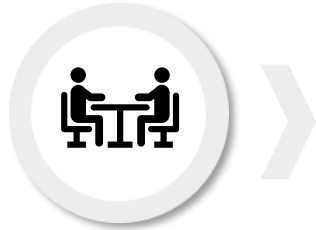
Carried more than 80 million passengers to date



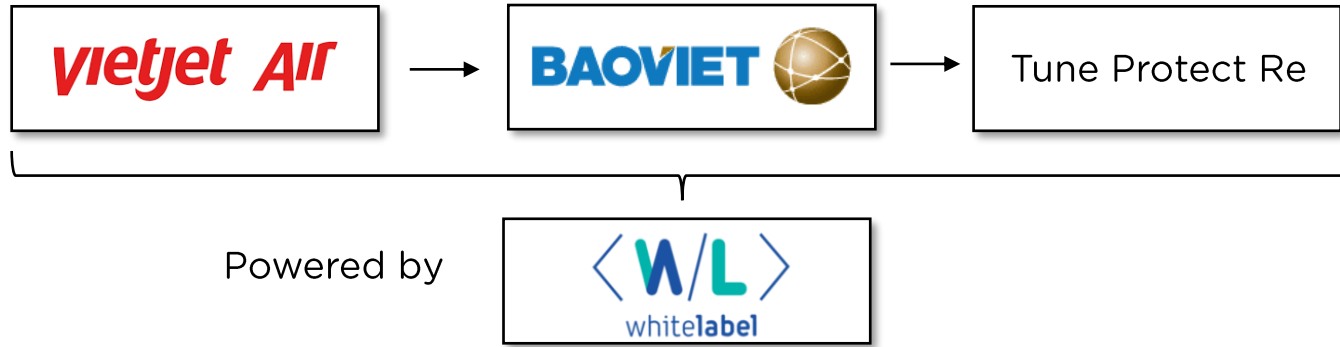
113 routes covering destinations across Vietnam and international destinations in Asia Pacific

[Source](#)

VietJet Air



Structure



Went live on 5th July



Products

SKY CARE insurance (bundled)

- Only for international flight in/out of Vietnam.
- Until the end of 2023.


FREE SKY CARE INSURANCE^(*)
FOR ALL PASSENGERS,

- Medical expenses & Personal accident insurance
- Loss or damage of travel baggage insurance
- Travel inconvenience insurance

[Schedule of benefits](#)

TRAVEL SAFE insurance

- Activated for Vietnam on **opt-out basis**.
- Next phase:- Thailand, Malaysia, Indonesia, East Asia and India activation.

 **Vietjet Travel Safe Insurance**

SGN ✈️ KUL

Insurance Travel

[Schedule of benefits](#)

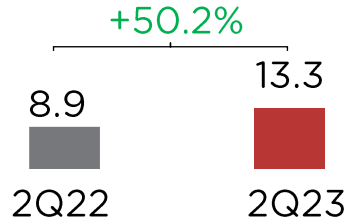
Consistently keeping our app users engaged via various campaigns and initiatives



Statistics for Malaysia and Thailand



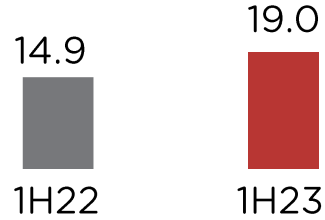
Mobile app new downloads ('000)



PUMP registered users ('000)



+27.4%



11.4

1H23



Sales conversion

RM 816K GWP

For the launch of **Pump**



Marketing Initiative of the Year - Malaysia
Tune Protect Group

More in 2H23 and 2024



Engagement initiatives

Fiber challenge



Score challenge



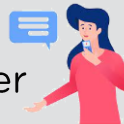
- First loss of notification
- Tow truck tracker
- Preferred workshop options
- Telematic
- Hyper-personalisation/ customisation
- Auto renewal notice
- AI claims assessment
- Self-service portal

Driving our 3-3-3* aspirations via various customer experience initiatives

Latest initiatives

Enhanced Tune Express to RM5k

- Motor comprehensive private car own damage policyholder claim will be approved within 2 hours.
- Extended the applicability for claims amount from **RM3K & below** to **RM5K & below**.
- For self-accident (without any third party involved).
- No police report / adjuster is needed.



Consolidated center of resolution for customers' queries

- Including calls, emails, social media platform queries.
- Faster response time (**3 hours response time**), efficiency, consistent customer experience.



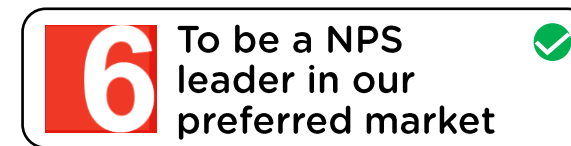
E-wallet payment option on our website

- In addition to online banking and credit/debit cards.
- Credit card easy payment plan 0% with Ambank, Maybank, CIMB and HSBC for 6 or 12 months (subject to a minimum premium of RM500).



* Our promise to customers to deliver:-

- the purchase of online products within three minutes.
- have a response time of within three hours via any of our channels.
- pay out claims within three working days after the claims are approved.



for the introduction of a parametric claim* payout solution

Malaysia




Vietnam



* Customers do not need to raise or submit claims.

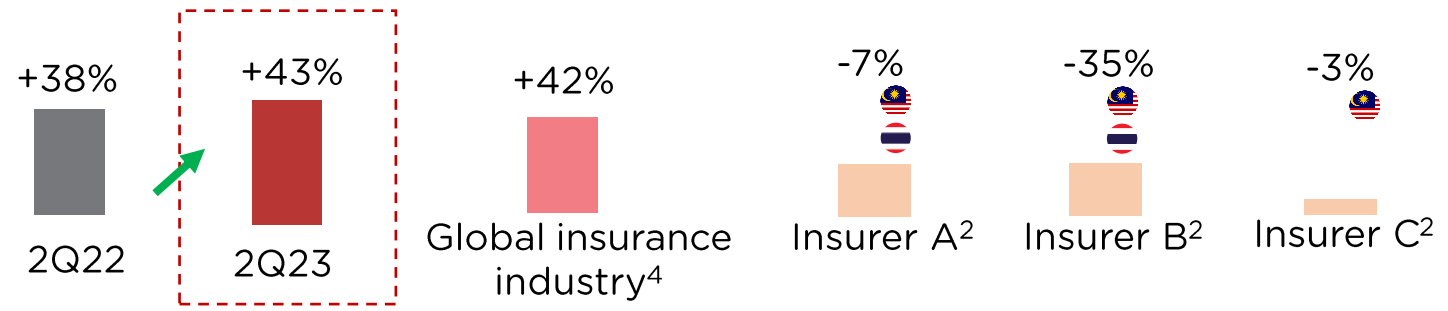
It will be credited automatically into their e-wallet upon the trigger of a predefined event happening (e.g. travel delay).

Leader in customer NPS versus regional peers

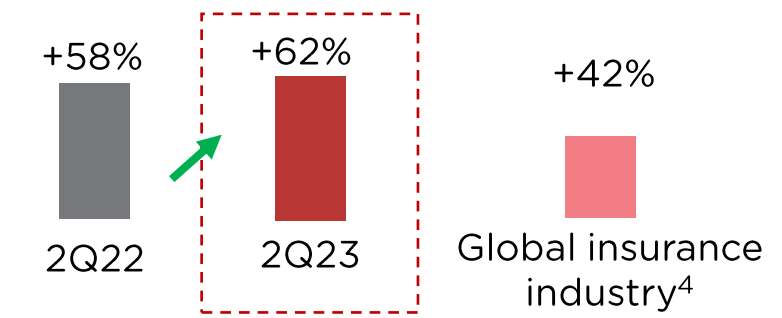
6 To be a NPS leader in our preferred market 



Customer NPS¹



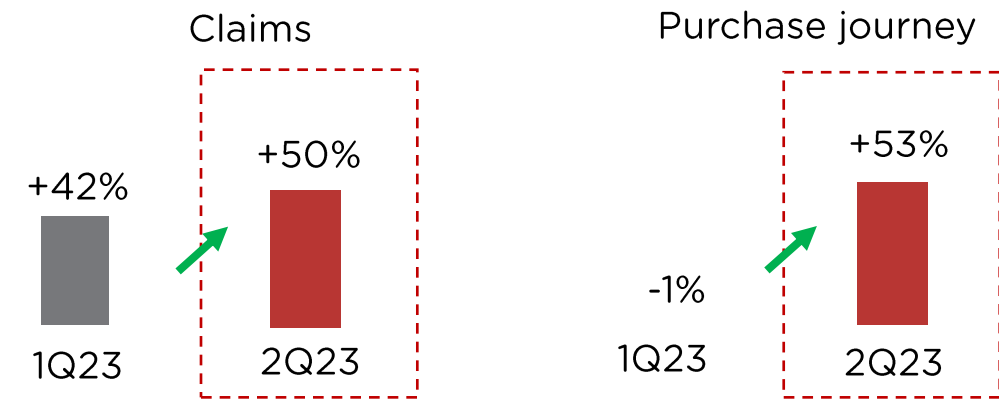
Partner NPS³



Notes:
 1. Customers of TPM and TPT.
 2. Source : Survey from InsightClubz. Insurer A and B customer NPS are overall NPS based on Malaysian and Thailand consumers while the Insurer C is based on Malaysian consumers only.
 3. Partners of TPM, TPR, TPT, TP EMEIA, and TPG.
 4. Source : Customer NPS from ClearlyRated and Partner NPS from Statista.

Transactional NPS

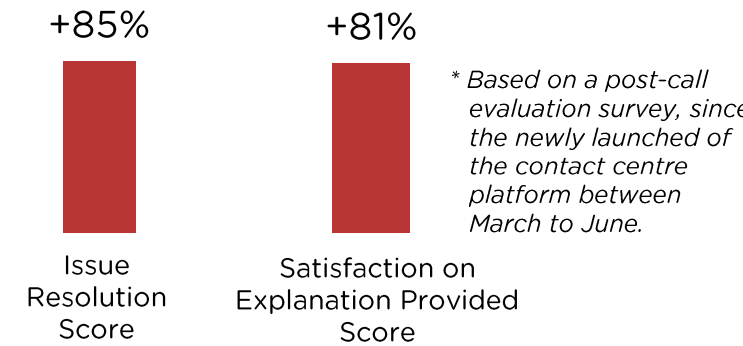
1Q23 as baseline



From our survey:-

- All customers indicated it is easy to navigate our app / website.
- 79% purchased within 3-5 mins.

Customer Satisfaction*



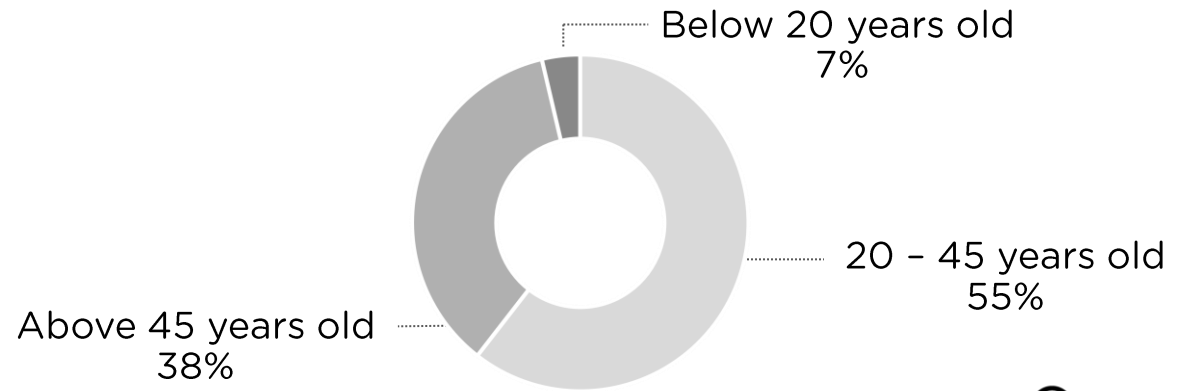
Customer tracking metrics



	Unique active customer count (mil)	Average active policy per customer ²	Average product per customer ³	Customer Vintage (years) ⁴	Average premium per active customer (RM) ⁵
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
2Q23	↓ 1.40	↑ 1.41	↑ 1.15	↑ 6.02	↑ 191.73

Due to expiration of Tenang policies

Customer age division

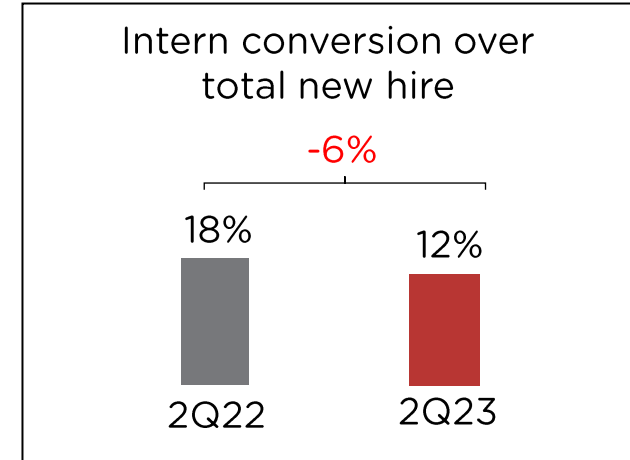
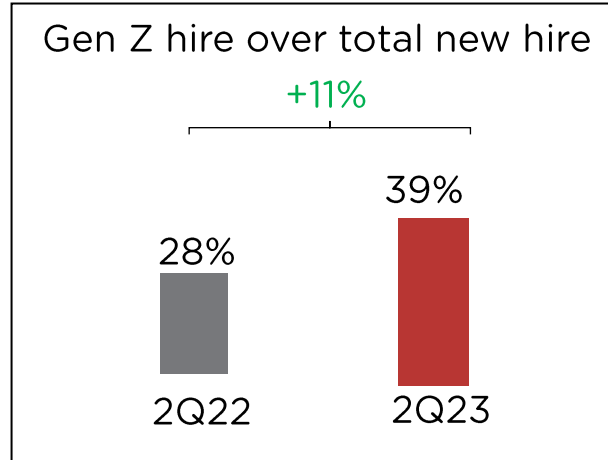
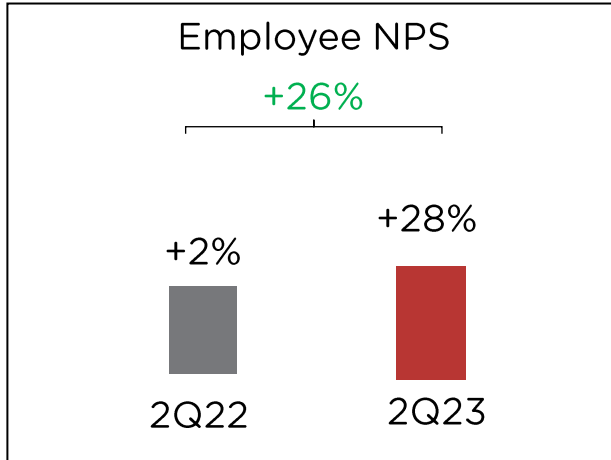


Notes:-

1. Inclusive of TPR, TP EMEIA, TPM and TPT.
2. Number of active policy / unique active customer
3. Number of product by nature / unique active customer
4. Duration of active customer since the inception of the first policy
5. Total GWP / active customer base

Significant improvement in employee NPS

To be an employer of choice among insurers for millennial talents 



Asia Pacific University career fair



Hackathon on customer loyalty engagement with Asia Pacific University and Google



UCSI career fair

ESG commitments remain on track



Commitments

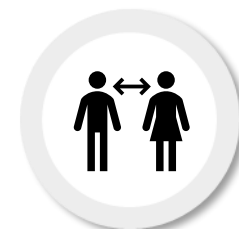
Progress



Environment

Zero coal in underwriting and investments by 2030

✓ Aligning our management of climate risk and opportunities to the Bank Negara Malaysia Climate Risk Management and Scenario Analysis policy document.



Social

Charity elements in our online products

Total of 6,000 CSR hours committed over the next 3 years

✓ Digital life insurance product curated for lower income group, Millennials and Zillennials launching in 4Q23.
✓ 3,542 CSR hours or 59% completed as of 1H23.



Governance

50% women leadership team by 2023

50% of critical roles will have successors identified from within by 2023


✓ Women in leadership: 41%
✓ Women on Board: 50% (significantly higher than the Malaysia average of [25%](#))


Transitioning into MFRS 17


Timeline

2023

1st Jan: MFRS 17 adoption effective date

25th May:  First unaudited financial statements in accordance with MFRS 17 disclosure

 Analyst deck

 Management/
BOD reporting

Continue with MFRS 4 disclosure for FY2023 quarterly results¹

Comparative financials are restated to MFRS 17.

31st Dec 2022

- Loss after tax restated to RM34.6 (down **RM 0.5mil**).
- Retained earnings restated to RM267.2 mil (**up RM 3.0mil**).

To ensure a smooth transition and consistent guidance disclosure as per our 8 market commitments (2021 - 2023).

2024

1Q2024 onwards  Financial statements

 Analyst deck

 Management/
BOD reporting

MFRS 17 disclosure

Unveiling our next 3-year strategic plan (2024 - 2026) with KPIs aligned with MFRS 17.

2Q23 financial overview based on MFRS 4



TPG (RM'mil)	2Q22	2Q23	YoY	1H22	1H23	YoY
Net written premiums	113.3	89.4	-21.1%	195.6	165.7	-15.3%
Net earned premiums	79.5	86.3	+8.5%	142.0	167.5	+17.9%
Underwriting contribution ¹	11.8	36.1	> 100%	39.5	62.0	+56.6%
Underwriting profit/(loss)	(10.0)	(2.4)	-76.1%	(9.9)	(9.4)	-5.2%
Combined ratio	112.7%	102.8%	-9.9%	107.0%	105.6%	-1.4%
Net investment income/(loss) ²	(6.1)	8.7	> 100%	(7.8)	18.0	> 100%
Share of results ³	(6.9)	0.1	> 100%	(9.3)	(0.1)	-99.4%
Profit/(loss) after tax (MFRS 4)	(21.5)	7.1	> 100%	(24.2)	10.5	> 100%
Profit/(loss) after tax (MFRS 17)	(25.7)	11.2	> 100%	(27.4)	14.4	> 100%

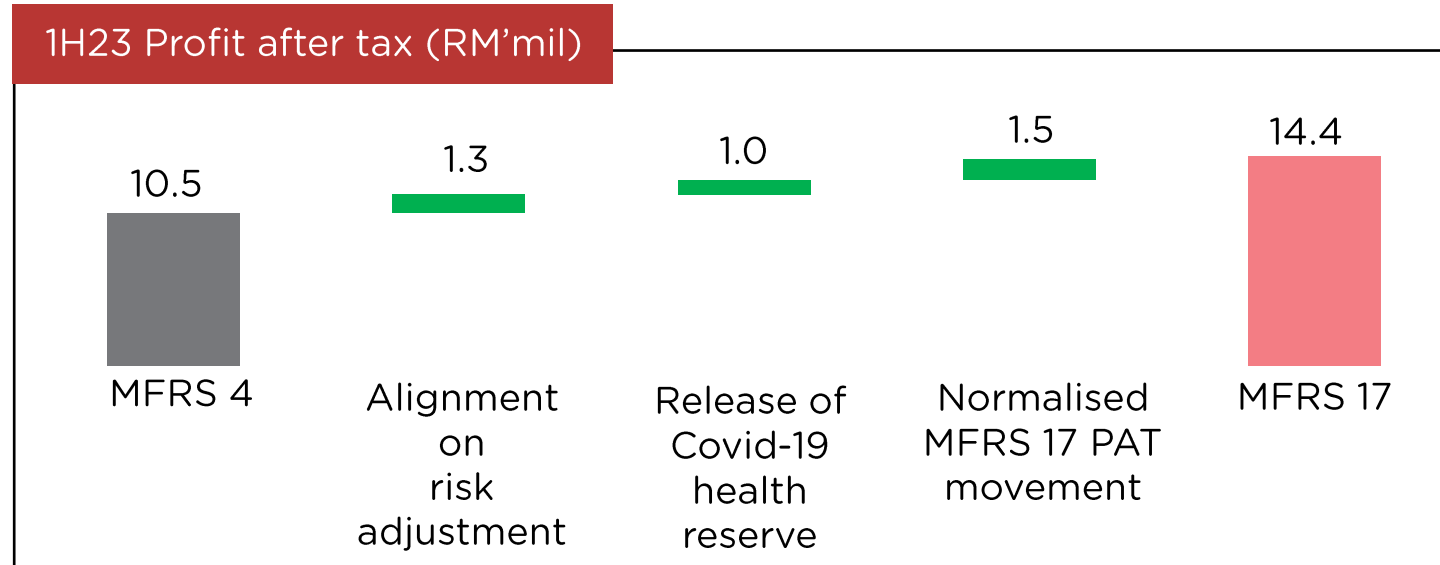
Notes:-

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).

2Q22 vs 2Q23

- Preferred segments AirAsia Travel, Motor and Health contributing positively to the topline.
- Our Motor strategy yielded better claims experience.
- Underwriting result and combined ratio inching closer to our target.
- Investment portfolio is expected to deliver stable returns for the rest of the year.
- Profitability 2x QoQ.

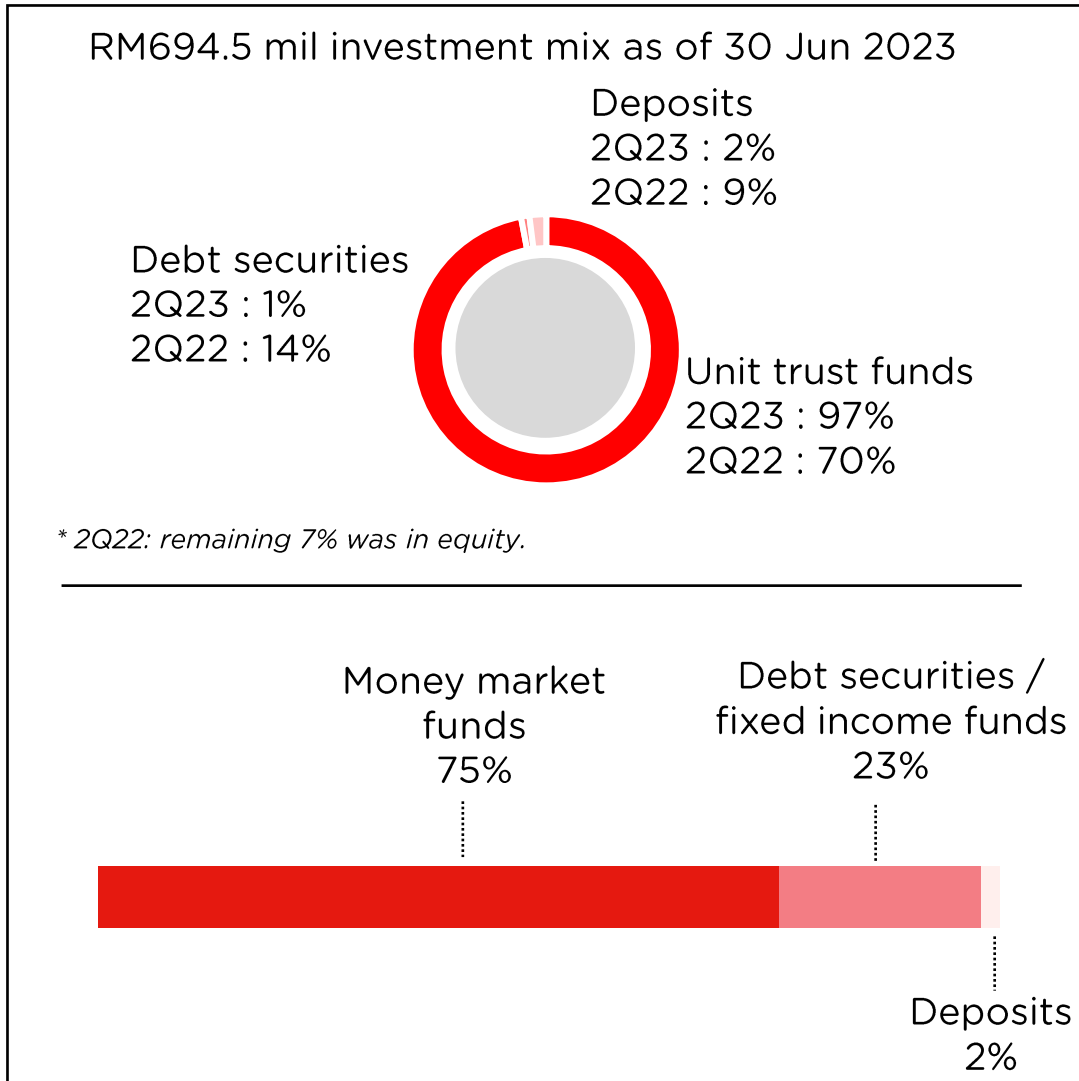
Bottom line reconciliation between MFRS 4 to MFRS 17



Positive variance of RM 3.9 mil profit after tax between MFRS 4 and MFRS 17 was mainly due to:-

- Changes to risk adjustment subsequent to alignment with market practice and auditor's view.
- Release of additional loss reserves provided for Covid-19 Health product.

Expected to continue delivering favourable investment returns going forward



Money market



Fixed income

Strategy and Outlook

- Generating an annualised yield of 3.7%.
- With OPR increasing to 3.0% and BNM likely done for the year, the bond market has rallied significantly, our portfolio benefited from it.
- We will continue to maintain our conservative asset allocation for now. However, we will constantly assess our portfolio and remain vigilant on capital market developments.

Comparison with listed insurtech players



Company description



US-based insurer powered by AI for instant policy issuance and claim processing

No.1 customer satisfaction for its rental insurance



Known for its personalised car insurance coverage based on customer driving scorecard



India's largest insurance aggregator with 93% market share

Quarterly statistics	2Q23 ¹	2Q23 ¹	2Q23 ¹	1Q24 ¹
(i) Quarterly revenue ³	USD 19.6 mil	USD 87.8 mil	USD 77.8 mil	USD 61.1 mil
(ii) Revenue growth ³	-21.1%	2.3x	+31.9%	2.2x
(iii) Profit/(loss) after tax	USD 1.5 mil	(USD 67.2 mil)	(USD 36.7 mil)	(USD 1.4 mil)
(iv) Market capitalisation	USD 69.1 mil	USD 1.1 bil	USD 129.6 mil	USD 4.0 bil
(v) Price-to-book	0.6x	1.4x	0.6x	6.3x
(vi) Customer counts	1.4 mil	1.9 mil	N/A	N/A

Notes:-
 1. Extracted from respective latest available quarterly financial statements: Tune Protect's, Lemonade's and Root's 2Q23 and Policy Bazaar's 1Q24.
 2. Policy Bazaar stats derived from its listed entity PB Fintech
 3. Revenue definition: Tune Protect Group, Lemonade & Roots = NWP, Policy Bazaar = Insurance Broker services
 4. Based on exchange rate of 1 USD = 4.50 MYR and 1 USD = 82.85 INR

Appendix

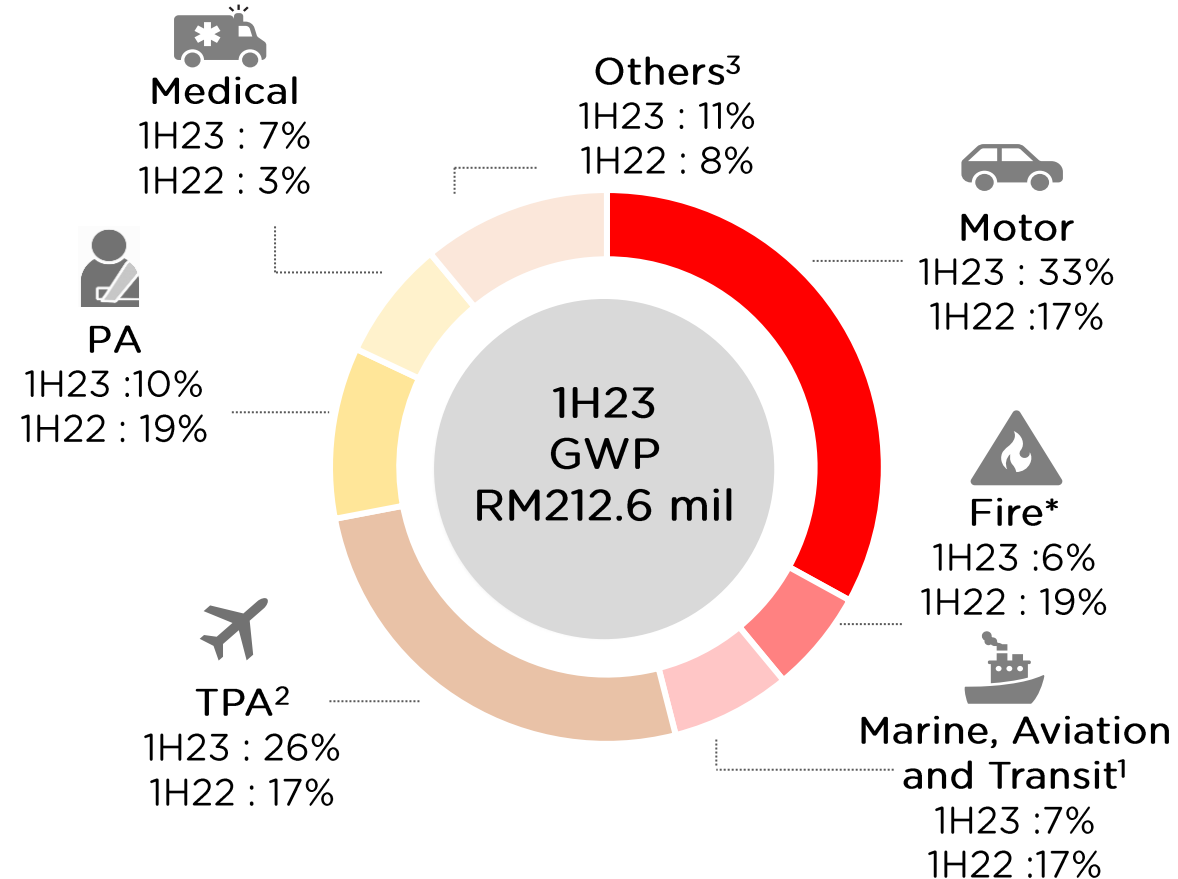
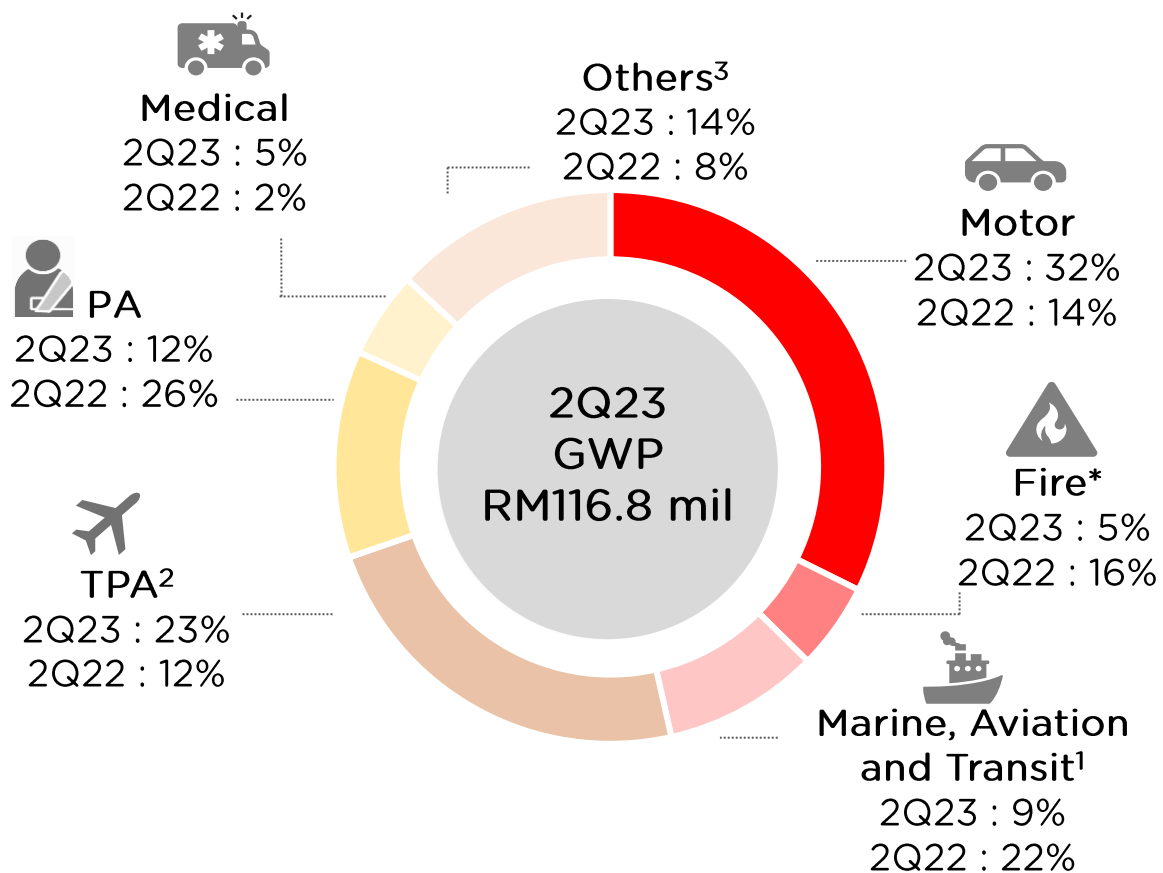


TPG – Financial Snapshot (MFRS 4)



Income Statement (in RM'000)	2Q22	2Q23	YoY	1Q23	QoQ	1H22	1H23	YoY
Gross written premiums	207,355	116,754	-43.7%	95,866	21.8%	344,581	212,620	-38.3%
Net written premiums	113,345	89,435	-21.1%	76,278	17.2%	195,628	165,713	-15.3%
Net earned premiums	79,470	86,259	8.5%	81,215	6.2%	142,005	167,474	17.9%
Investment income	4,848	4,276	-11.8%	3,595	18.9%	9,771	7,023	-28.1%
Realised gains / (losses)	236	481	> 100%	(1,431)	> 100%	35	(950)	> -100%
Fair value gains / (losses)	(11,197)	3,941	> 100%	8,000	-50.7%	(17,586)	11,941	> 100%
Net fees & commission	(26,904)	(21,355)	-20.6%	(17,356)	23.0%	(38,893)	(38,711)	-0.5%
Net claims	(34,641)	(24,619)	-28.9%	(33,888)	-27.4%	(47,822)	(58,507)	22.3%
Management expenses	(27,943)	(42,679)	52.7%	(36,968)	15.4%	(65,193)	(79,646)	22.2%
Underwriting profits/(loss)	(10,018)	(2,394)	-76.1%	(6,997)	-65.8%	(9,903)	(9,390)	-5.2%
Share of results of an associate	(6,876)	51	> 100%	(181)	> 100%	(9,372)	(130)	> 100%
Share of results of a JV	(9)	42	> 100%	35	20.0%	62	77	24.2%
Profit/(loss) after tax	(21,505)	7,067	> 100%	3,455	> 100%	(24,159)	10,522	> 100%
Net commission ratio	33.9%	24.8%	-9.1%	21.4%	3.4%	27.4%	23.1%	-4.3%
Net claim incurred ratio	43.6%	28.5%	-15.1%	41.7%	-13.2%	33.7%	34.9%	1.2%
Management expenses ratio	35.2%	49.5%	14.3%	45.5%	4.0%	45.9%	47.6%	1.7%
Combined ratio	112.7%	102.8%	-9.9%	108.6%	-5.8%	107.0%	105.6%	-1.4%
Combined ratio (based on MFRS 17 presentation)	105.0%	95.3%	-9.7%	95.4%	-0.1%	97.3%	95.4%	-1.9%

TPG – Portfolio Mix by GWP



* Reduction in Fire GWP was due to the exit of low retention accounts, the remaining Fire accounts in the book are higher retention corporate fire. Fire retention ratio increased from 11% in 2Q22 to 58% in 2Q23 and 13% in 1H22 to 59% in 1H23.

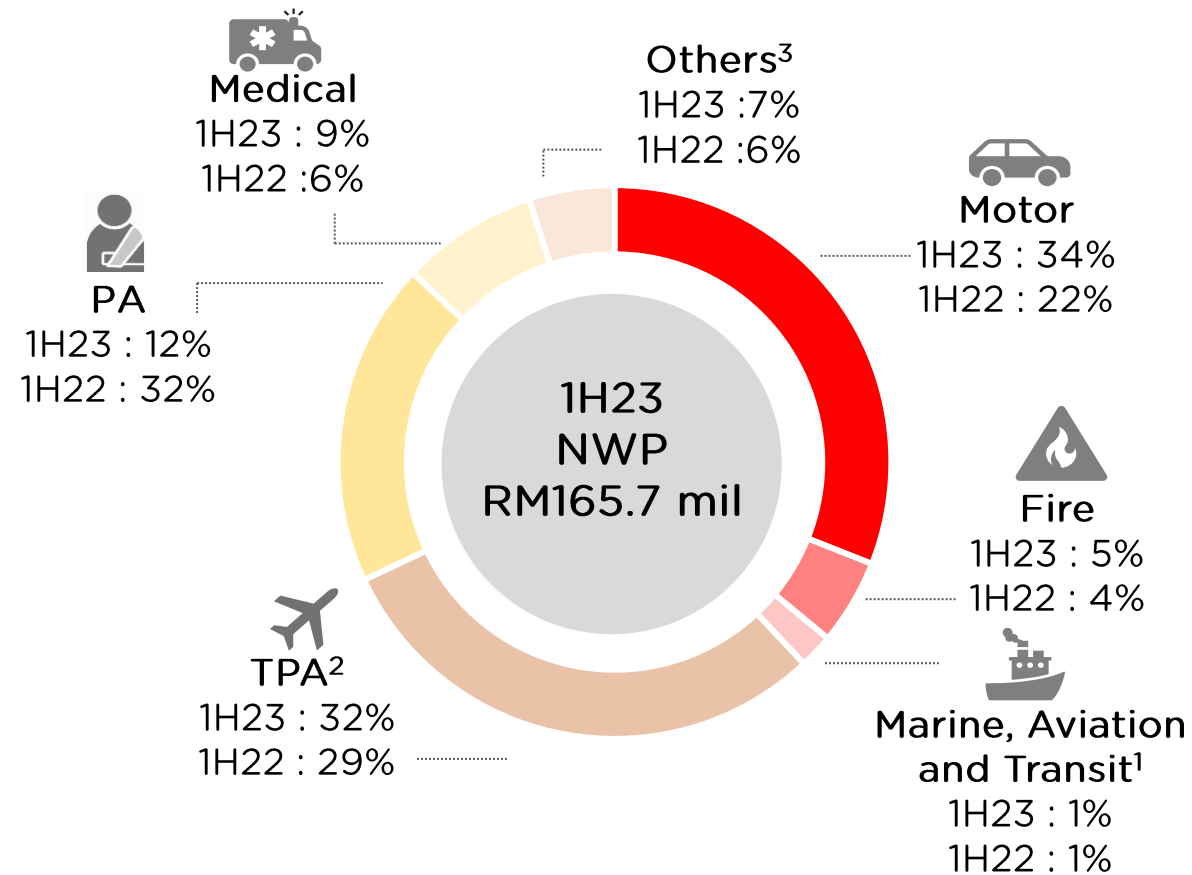
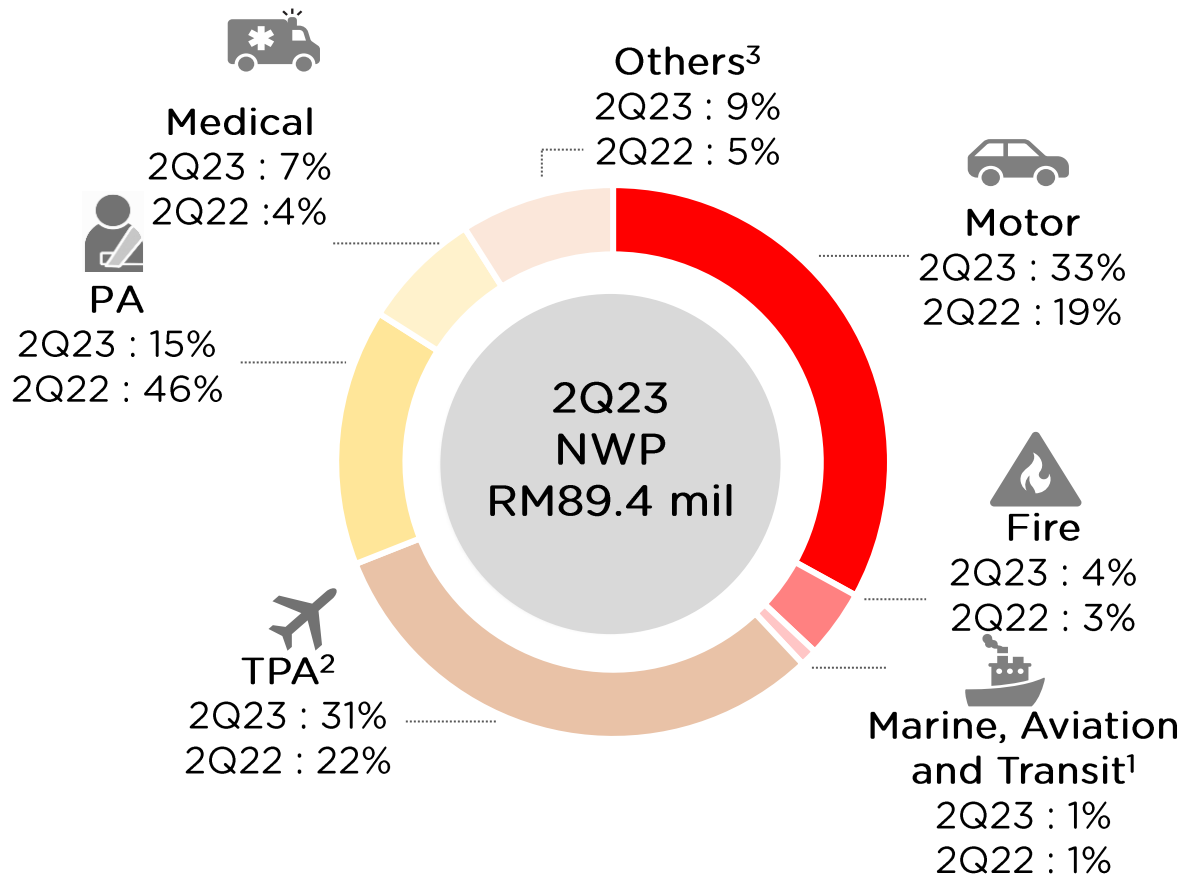
Notes:-

(1) Consist of Aviation, Marine Cargo, Marine Hull and Offshore Oil.

(2) Consist of group total Travel.

(3) Consist of Bonds, Engineering, Liabilities, Workers Compensation and Others.

TPG – Portfolio Mix by NWP



Notes:-

(1) Consist of Aviation, Marine Cargo, Marine Hull and Offshore Oil.

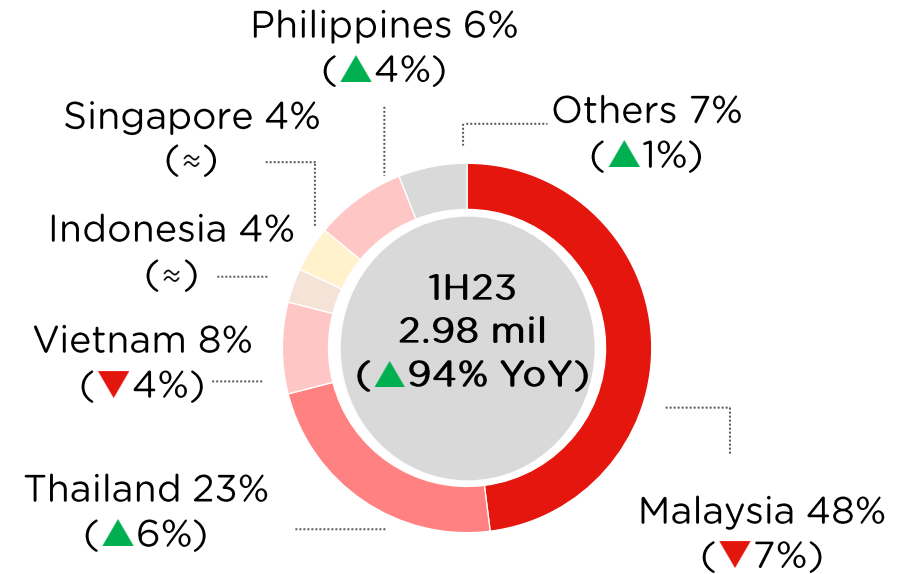
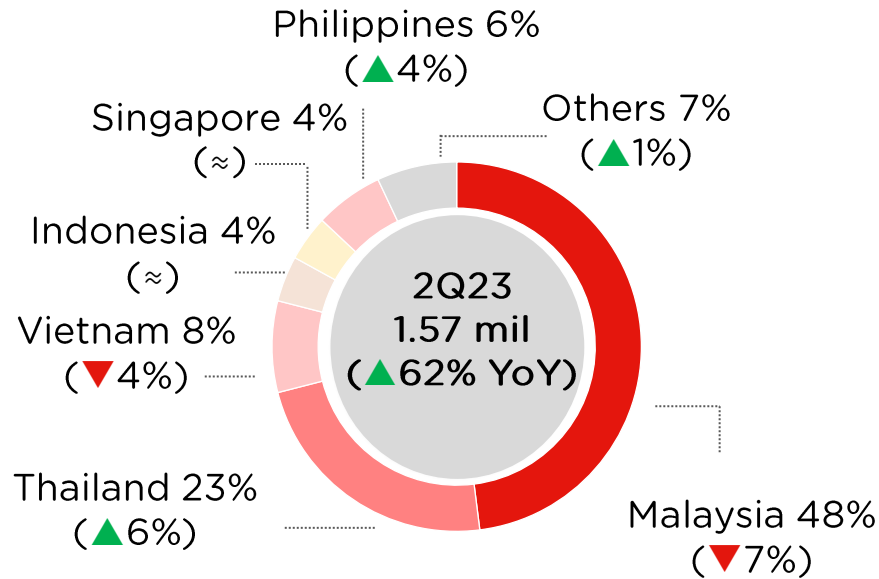
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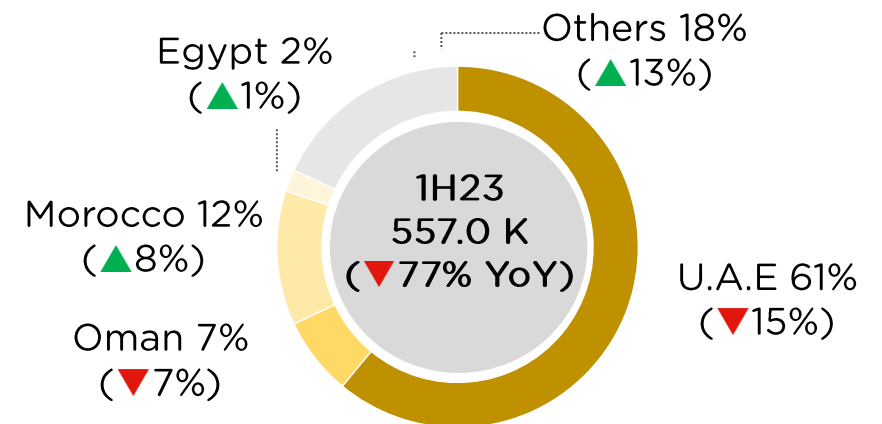
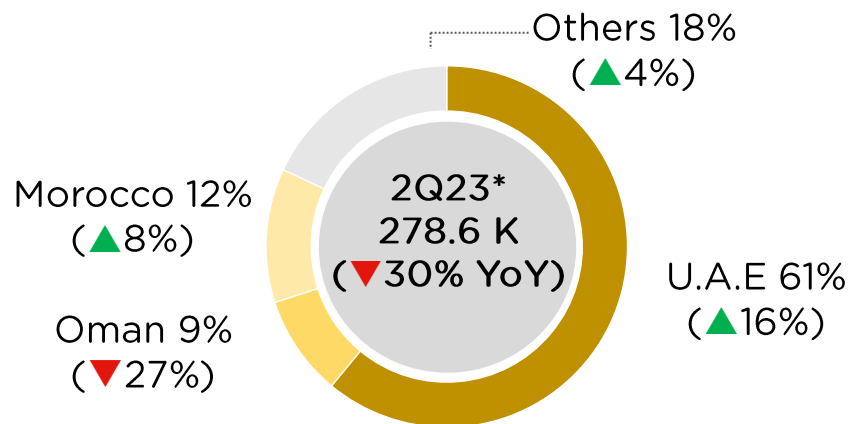
TPR & TP EMEIA - Policies Issued and Countries Mix



AirAsia & others



Middle East



Abbreviations

AI	Artificial Intelligence	ME	Management Expenses	ROaE	Return On Average Equity
ASEAN	Association of Southeast Asian Nations	MFRS	Malaysian Financial Reporting Standards	SME	Small and Medium Enterprise
B2B	Business-to-Business	NCI	Net Claims Incurred	TPA	Travel Personal Accident
BNM	Bank Negara Malaysia	NEP	Net Earned Premium	TP EMEA	Tune Protect Europe, the Middle East, India, and Africa
BOD	Board of Directors	NPS	Net Promoter Score	TPG	Tune Protect Group
CSR	Corporate Social Responsibility	NWP	Net Written Premium	TPM	Tune Protect Malaysia
ESG	Environmental, Social and Governance	OPR	Overnight Policy Rate	TPR	Tune Protect Re Ltd
FV	Fair Value	PA	Personal Accident	TPT	Tune Protect Thailand
GWP	Gross Written Premium	P&L	Profit and Loss	U.A.E	United Arab Emirates
INR	Indian Rupee	QoQ	Quarter-On-Quarter	USD	US Dollar
JV	Joint Venture	RM	Ringgit Malaysia	YoY	Year-on-Year
LOB	Line of Business	ROaA	Return On Average Assets		

About Tune Protect Group

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/> or email us at IR@tuneprotect.com

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