

9th Annual General Meeting



Looking Beyond

Presentation to shareholders by
How Kim Lian,
Group Chief Financial Officer
Tune Protect Group Berhad
4th August 2020

The Focus for 2020 and Beyond

GAIN to nurture thriving and sustainable business



Go ASEAN and Beyond

Digital insurer

- Strive towards attaining digital insurance license

Acquisition or JV or Strategic Partnerships

- Capture emerging market growth
- Win new regional airlines, B2B and partnerships

Diversify

- Expand reinsurance business beyond travel to a wider retail/personal lines portfolio
- Offer solutions across product, customer experience and digitisation

AirAsia (AA) Ecosystem

Airline Business

- Enhance bundled plans
- Introduce new and differentiated products to cater to wider segments of travellers
- Penetrate new markets and business verticals

Lifestyle and Digital Business

- Leverage on airasia.com to cross sell other products in addition to travel across their new key pillars of businesses
- Explore medical tourism and umrah market opportunities

Insurtech & Digital Capabilities

Use of open APIs

- Extend technology solutions to insurance partners and strategic clients using open APIs

Data driven organisation

- Use data to drive various Artificial Intelligence / Machine Learning models to serve customers better

Cloud Technology

- Move towards cloud to leverage tools ecosystem

Product Innovation

- Core Modernisation
- Build capabilities to deliver faster and innovative products across Line of Business

National Business

Balance Portfolio Mix

- Focus on healthy motor non-motor mix
- Drive strong non motor retail vs commercial business

Growth in Digital

- Strengthen digital retail offerings
- Expand online to mobile for direct-to-consumer (D2C)

New initiatives

- Secure more affinity and digital tie-ups
- Innovate and provide complete solutions driven by customer needs

2019 Milestones

Progressing in our transformation journey



Go ASEAN and Beyond

Broadened our presence with partnerships in key markets

INDONESIA

- Asuransi Buana (travel association & agents)
- Adira (AA takaful travel)

THAILAND

- Srikrung (724insure aggregator)
- TieThai (e-visa-on-arrival)

VIETNAM

- BaoViet (insurer)
- A leading e-wallet provider

MIDDLE EAST

- Oman - SalamAir (airline partner)
- Takaful Hajj + Umrah

AirAsia (AA) Ecosystem

Airline Revenue Optimisation

- 4 markets
- RM2.9m incremental premium
- 7% contribution to AA travel premium of 4 markets

Takaful travel

- Indonesia - Standard plan and Umrah/Hajj plan – via AA Travel & Service Centres

Offline channel

- Macau
- Sri Lanka
- Bangladesh
- Maldives

Insurtech & Digital Capabilities

White Label

- Digital assets consolidation
- Housing our
 - ❑ technology assets
 - ❑ Intellectual property
 - ❑ IT personnel

Develop in-house capability

- Travel Pricing Platform (ZEUS)
- API connectivity
- Platform fee generation

Flight delay instant claims notification

- First launched in Vietnam

National Business

Portfolio Rebalancing

- Motor portfolio rationalisation
- Expanding non-motor, retail and SMEs
- Operational efficiencies

Product Innovation

- Pay-As-You-Drive
- Foreign Worker PA
- Business Shield
- Auto Buddy



2019 at a glance

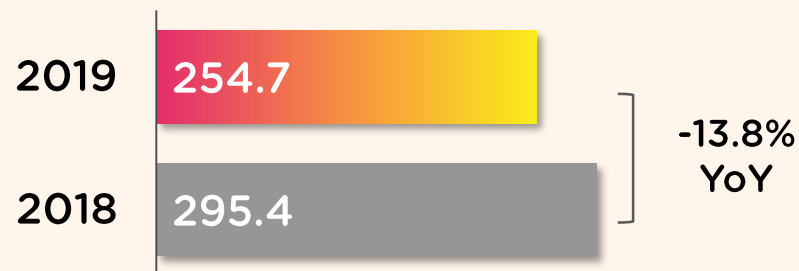
Focus was on sustainability of profitable business



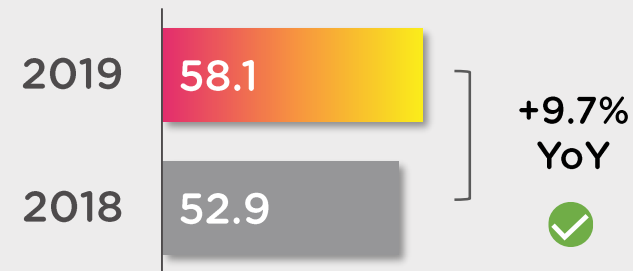
Gross Written Premiums (RM mil)



Net Earned Premiums (RM mil)



Profit After Tax (RM mil)



Earnings Per Share

6.74 sen ✓
FY2018: 6.59 sen

Shareholders' Equity (RM mil)



Return on Equity

9.1 %
FY2018: 9.4 %

2019 Profitability

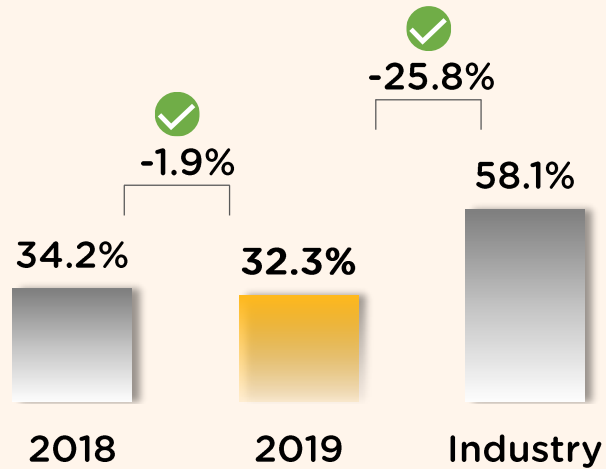
A decent 2019 performance on the back of continuous product portfolio rebalancing, net claims improvement & operational efficiencies



Profitability Drivers

Net Claims improved

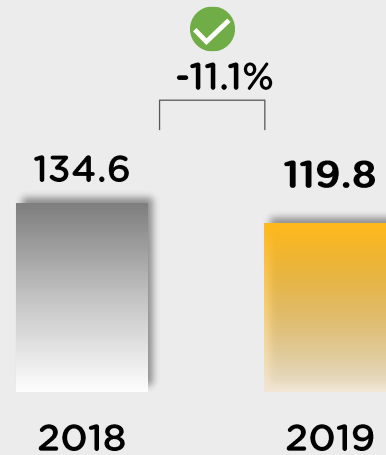
Favourable claims experience from our portfolio rebalancing.



Net Claim Incurred ratio

Lower Management Expense

Operational efficiencies and enhanced credit control collections led to lower management expenses.



Management Expenses (RM'mil)

Investment

Maintained prudent investment mandate.

Investment income up **RM2.4m**
▲ 8.3% YoY ✓

Realised gain up **RM2.8m**
▲ >100% YoY ✓

Fair value gains up **RM6.9m**
▲ >100% YoY ✓

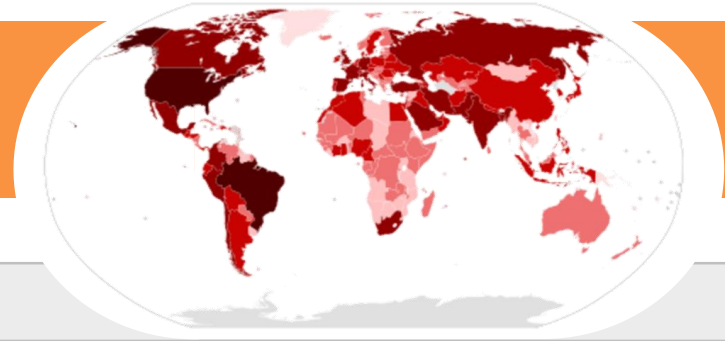
Global impact of COVID-19

The tourism and travel industry have been the sector hardest hit by the COVID-19 pandemic

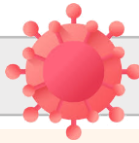


COVID-19 PANDEMIC

The pandemic is affecting over 200 countries around the world disrupting global trade and impacting economies.



Impact from COVID-19



ECONOMIC

- ❑ Negative GDP projected!¹

Global: **-5.2% to -4.9%**,

Malaysia: **-3.8% to 0.5%**

Note 1: Various sources



TOURISM & TRAVEL

- ❑ Widespread border closures & lockdown measures resulting in reduced travel.
- ❑ Hotels, airlines & travel related businesses most impact.



GENERAL INSURANCE

- ❑ Adverse impact on Travel PA.
- ❑ Minimal claims exposure from business interruption and travel insurance policies as pandemic is not covered as a standard clause.

Some positive developments in 2H2020

Cautiously optimistic as new normal sets in



TOURISM & TRAVEL

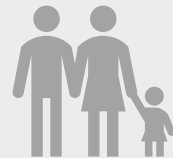
- ❑ Easing of **domestic travel** worldwide.
- ❑ **Stimulus** packages e.g. Thailand USD718m to revive the tourism industry (Jul to Oct).
- ❑ Expectations of **international borders** opening up in stages in the **2H of 2020**.
- ❑ Governments, airlines and airports making health and travel insurance **mandatory** such as UAE, Oman, a Middle Eastern Airline and a regional airport.



NON-TRAVEL

GENERAL INSURANCE

- ❑ A **new norm** in **shopping behaviour** emerging. Shift in consumer purchasing habits leaning towards online.
- ❑ Opportunity in the thriving **e-commerce** space (rider & package protection)
- ❑ Consumer prioritising **personal, health** and **wellness** protection.



DIGITISATION

- ❑ Expect more interests in **digital products** especially **usage based & on-demand** types.
- ❑ Changes in value proposition, customer experience & increased personalisation - **digitise** the way products are sold and customer is serviced.



Management's response to the pandemic

Part of our recovery plan encompasses less reliance on travel business while we focus on other opportunities to drive growth



Diversify delivery channels - leveraging on the new normal opportunities

Affinity & Digital partnerships - Take advantage of partnership customer base and delivery channels to reach out to end customers

- E-commerce - airasia.com
- E-Wallet - E-Wallet provider (Vietnam)
- Loyalty management - Big Loyalty
- Community app - Ecoworld
- Logistic - Teleport

Digital enhancement

- Enhance agility through Open API
- Direct Channel - New mobile app (Buy & claims function)

Optimisation of management efficiency

- Freeze hiring and replacement except for critical roles
- Reprioritise marketing spend
- Reduce office rental, 3rd party professional fees and other office expenses

The new normal. An impetus to innovate our solutions

- Covid products/ Products bundling
- Enhanced PAYD (*Cater to those with reduced commute due to work-from-home arrangements*)
- Airlines/ Airports travel product coverage (*to tap into the new group policy arrangement with airlines/airports for travellers*)
- Takaful - Askrida Indonesia
- Launched Instant Claim Notification with Baoviet

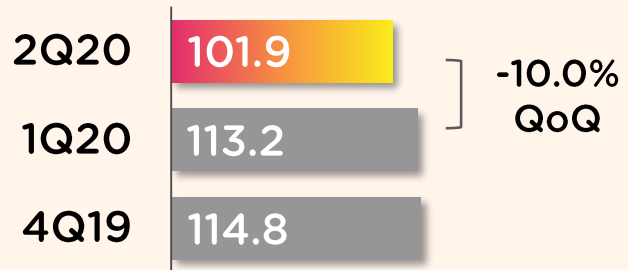


Quarter-on-quarter recovery

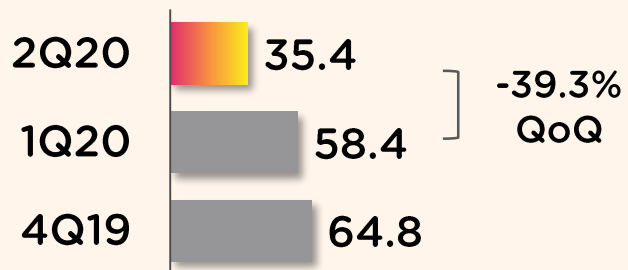
Sustainability in the midst of weathering the impact of COVID-19



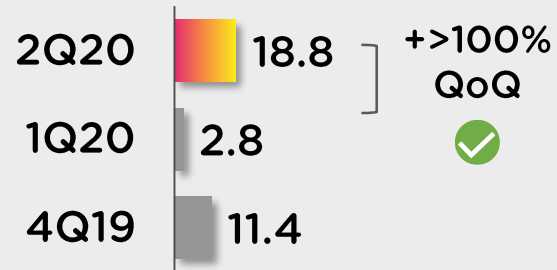
Gross Written Premiums (RM mil)



Net Earned Premiums (RM mil)



Profit After Tax (RM mil)

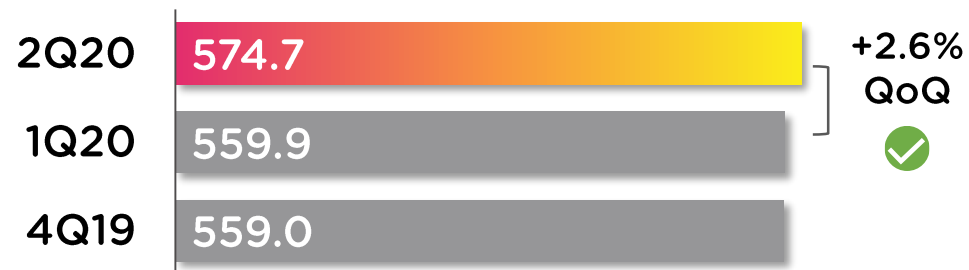


2Q20 Earnings Per Share

1.68 sen ✓

1Q20: 0.33 sen
4Q19: 1.42 sen

Shareholders' Equity (RM mil)



2Q20 Annualised ROE

8.8% ✓

1Q20: 1.8%
4Q19: 7.6%

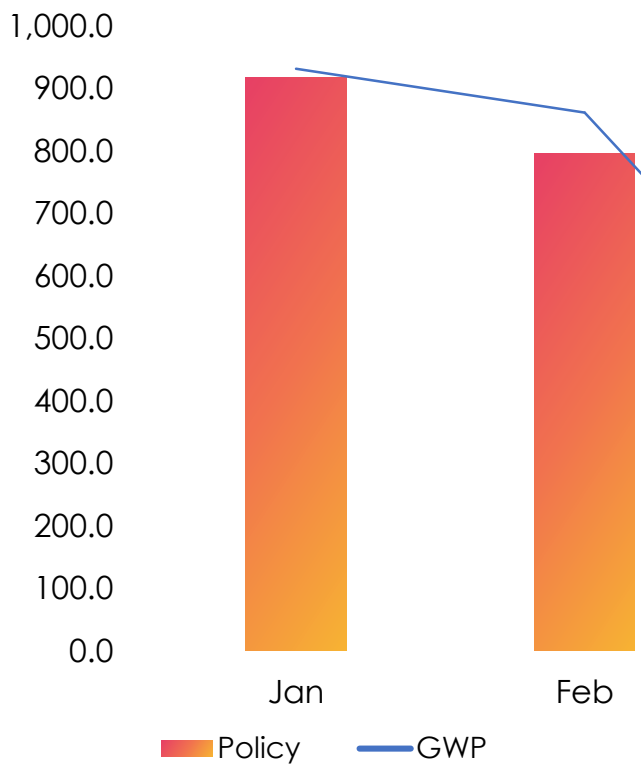
Travel Insurance Trend for 1H2020

Steady growth in the last 3 months (from Apr'20) attributed to tentative signs of recovery in some of the domestic markets in Asia Pacific coupled with our initiatives with airline partners



GWP and Number of Policy for Travel Insurance Business

Policies '000



Height of Covid-19 pandemic

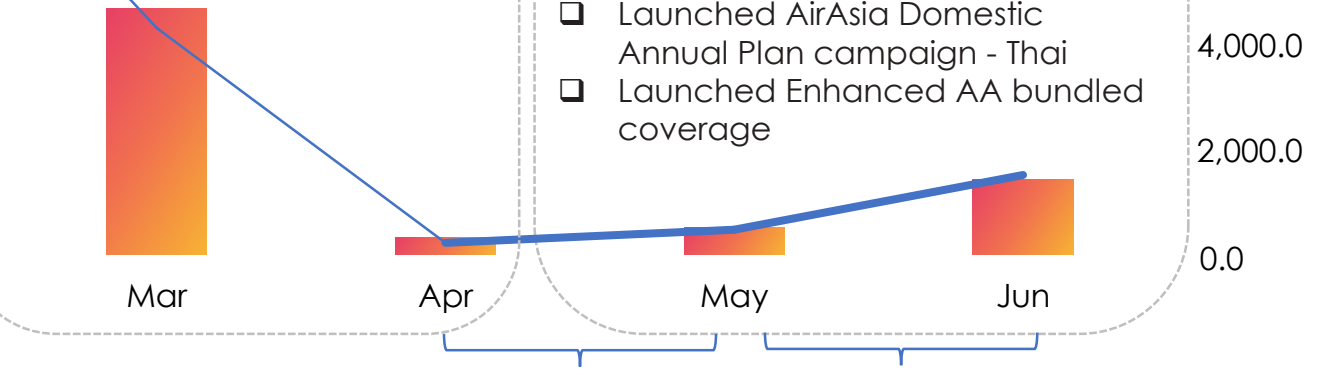
Airline partners suspension / hibernation in our key markets

Country	Started from
Malaysia	18 March
Thailand	26 March
Indonesia	24 April
Singapore	23 March
Middle East	Mar / Apr

Gradual resumption of domestic travel & various initiatives implemented

- ❑ Resumption of domestic travel for Thai, Msia & Indo
- ❑ Launched AirAsia Unlimited pass
 - Msia & Thai domestic
- ❑ Launched travel plan with added Covid-19 protection
 - Msia & Middle East (selected markets)
- ❑ Launched Annual Plan with added Covid-19 protection
 - Msia & Thai
- ❑ Launched AirAsia Domestic Annual Plan campaign - Thai
- ❑ Launched Enhanced AA bundled coverage

Premium RM' 000



Policies growth (M-o-M): +58.4% ✓
 GWP growth (M-o-M): +93.6% ✓

Policies growth (M-o-M): +172.9% ✓
 GWP growth (M-o-M): +215.0% ✓

2Q20 positive lever of profits

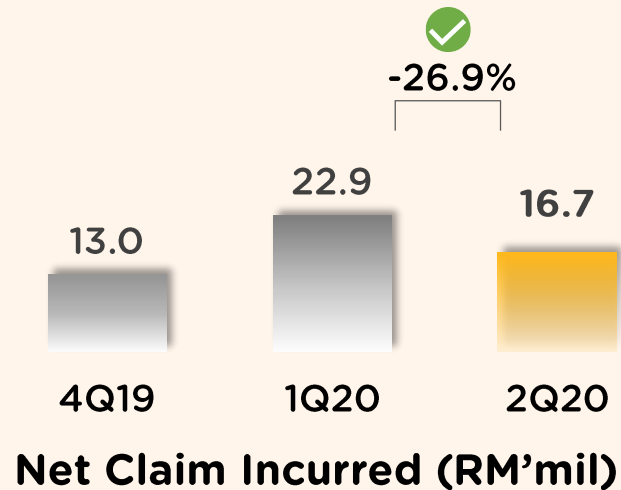


Proactive management of our investments saw a rebound in 2Q20 profits

Profitability Drivers

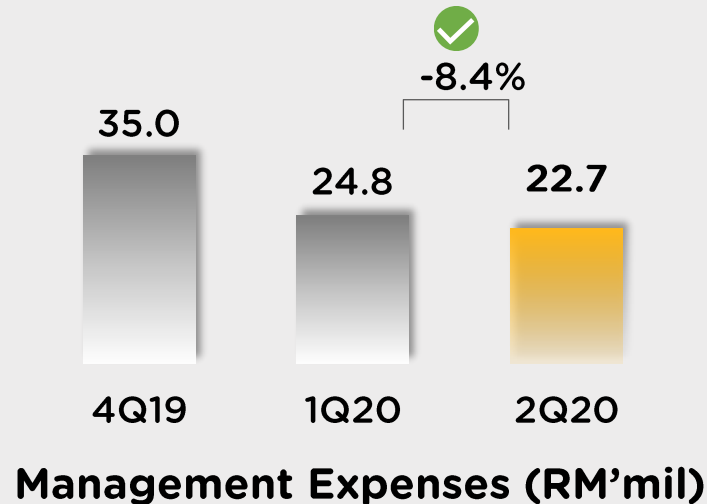
Net Claims improved

Our general insurance business claims ratio improved to 52.8% in 2Q20. (53.2% in 1Q20; 60.8% in 2Q19)



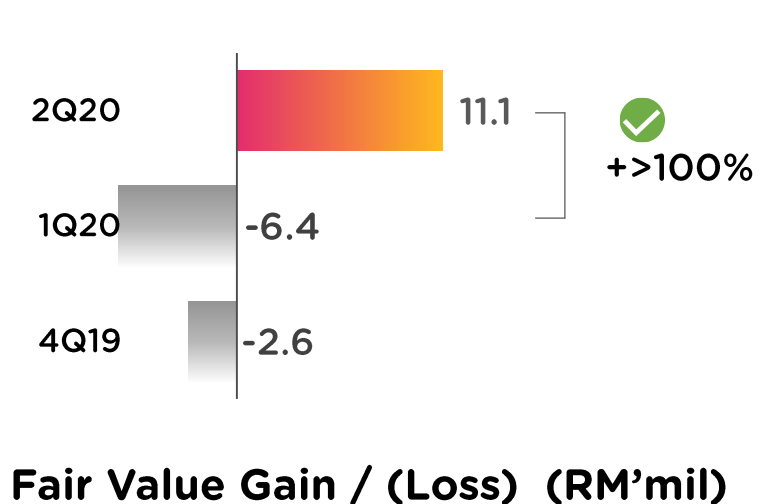
Lower Management Expense

Initiatives to better manage ME has resulted in the gradual reduction of ME by RM2.1 million QoQ.



Investment fair value gain

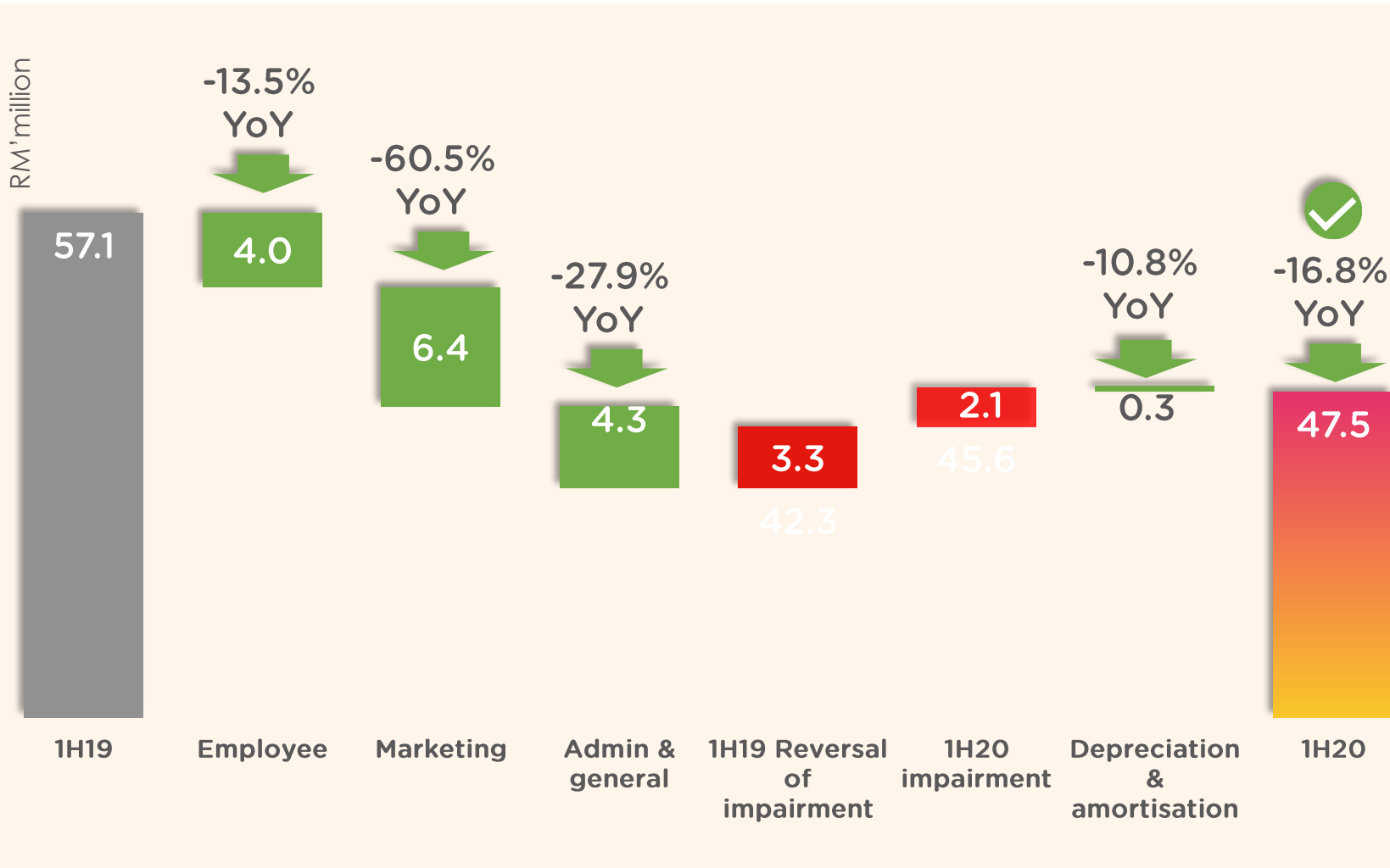
A knee-jerk reaction to the plunge in oil price and political instability in Malaysia in March was soon followed by a strong recovery in April.



Prudent Management Expense Measures



1H20 management expenses dropped 16.8% YoY



Catalyst driving ME improvement

Management has embarked on the following initiatives to better manage ME

- Reduced employee cost.
- Reprioritisation of marketing initiative to shift from brand generic marketing to campaign specific targeted marketing.
- Reduction in office rental, 3rd party consultants and other office expenses.

Global Travel

- We experienced the worst in 2Q20. (lockdown in all our markets)
- Expect moderate recovery in Travel segment with gradual re-opening of international borders.



New Window of Opportunity

- Travel: Observed trend where travel insurance becomes mandatory. (E.g. UAE & Oman)
- Digital Platform: New norms, Fast track to online purchases. New insurance demand on e-commerce and supply chain.



Diversification

- Leverage **ecosystem** to cross sell retail products in addition to travel product across their new key pillars of businesses.
- Strategic **partnerships** across insurance, partners, new airlines, B2B, affinity and digital partnerships.





Thank You

Responsible Actions, Sustainable Future

