

3Q21 Analyst Presentation

17th November 2021

**Investment weighed on results;
Poised for stronger recovery as economy reopens**



Global Banking & Finance Awards

Best Online Insurance Company Thailand 2021



Insurance Simplified

MSWG-ASEAN Corporate Governance Award 2020

1. Excellence Award for CG Disclosure
2. Industry Excellence Award (Financial Services)



SCAN ME

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3Q21 Executive Summary

Registered double digit GWP and NWP growth with further anticipation of borders reopening amidst the dampened investment sentiment



Tune Protect Group (RM'mil)	3Q21	3Q20	YoY
Gross written premiums	89.9	78.0	+15.2%
Net written premiums	43.2	39.0	+10.9%
Net earned premiums	44.0	43.2	+1.9%
Underwriting profit/(loss)	0.3	(9.5)	>100%
Combined ratio	99.4%	122.1%	-22.7%
Net investment income ¹	2.9	17.9	-84.1%
Share of results ²	(3.0)	(0.3)	> -100%
Profit/(loss) after tax	(0.8)	5.1	> -100%

Notes:-

1. Aggregate of investment income, realised gains and losses & fair value gains and losses.

2. Share of results of an associate (TPT) and a joint venture company (TP EMEIA).

- Turned in an **underwriting profit of RM0.3 mil** reversing the losses incurred in the same quarter last year owing to:
 - **travel growing 170% YoY** particularly in the Middle East, partly offset by lower TPM NEP from higher cession of commercial business; and
 - favourable **claims experience**.
- Lower NCI contributed to the **overall marked reduction in Combined ratio** by 22.7%.
- 3Q21 recorded a marginal loss after tax of RM0.8 mil mainly from:
 - lower net investment income; and
 - Thai associate, TPT's RM3.1 mil share of losses arising from a group PA account.

3Q21 Investment

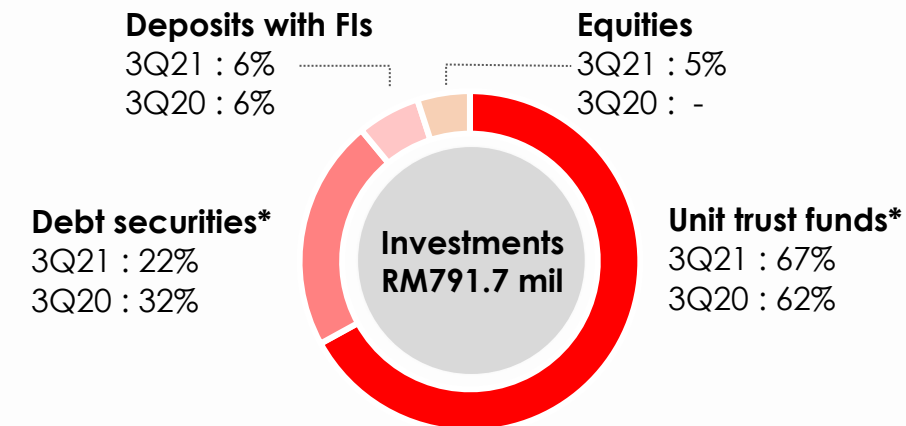
Unexpected fixed income market volatility led to fair value losses



RM'mil	3Q21	3Q20	YoY
Investment income	7.9	9.9	-20.0%
Realised gains / (losses)	(1.4)	3.4	> -100%
Fair value gains / (losses)	(3.6)	4.6	> -100%
Net investment income	2.9	17.9	-84.1%

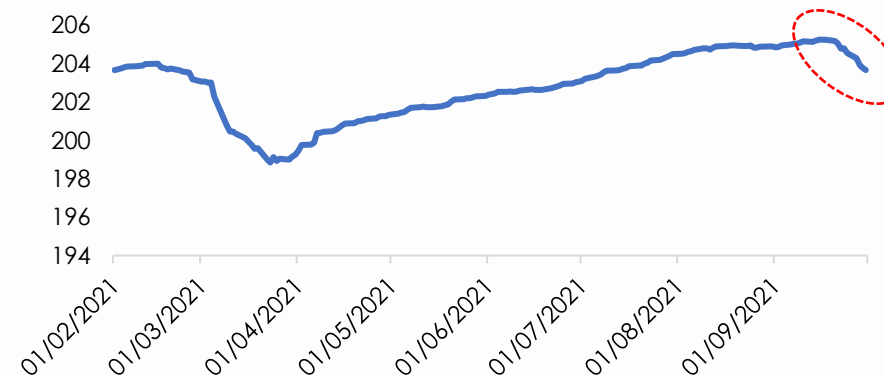
- Realised losses of RM1.4 mil stemming from the partial disposal of fixed income funds to **fund our equity investment**.
- The gradual fixed income market recovery over the past 6 months took an unforeseen turn towards the end of Sep as **US treasury yields increased sharply**, driven by:-
 - expectation of QE tapering as soon as November; and
 - the possibility of an earlier increase in Fed Funds Rate thereafter.
- Expected to complete our **equities allocation of up to 10%** by 4Q21.
- Market volatility is expected to continue going into 4Q21 and 2022. We are repositioning for a more **defensive portfolio mix** by re-allocating 15% of our longer duration corporate bonds to short duration government bonds.

Investment portfolio mix as of 30 Sep 2021



* Debt securities and fixed income funds make up 86% of the total portfolio.

BPAM¹ Corporate Bond (3 – 7 years) Index

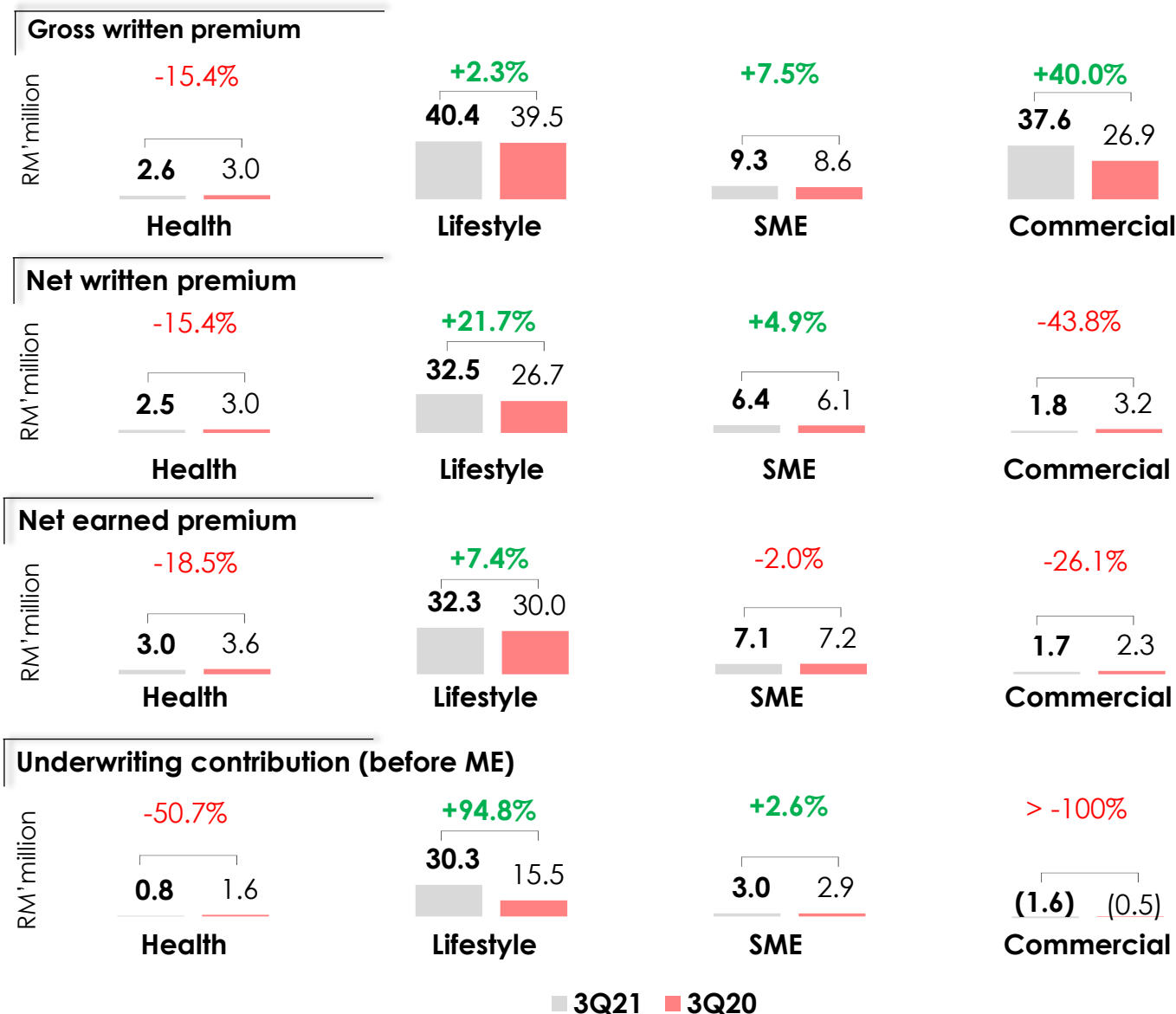


Note 1: Bond Pricing Agency Malaysia

3Q21 Financials



Lifestyle pillar showing good traction courtesy of travel



- Travel is still the leading contributor to our topline and we expect the **pace of recovery to increase** in the months to come supported by:-
 - the reopening their borders within ASEAN; and
 - more countries making travel insurance mandatory.
- Anticipate better contribution from **non-Travel Lifestyle, Health and SME** with more products being launched in 2022.
- Higher commercial line was contributed by Aviation and Marine Hull.
- 3Q21 overall retention ratio stood at 48%
 - Lifestyle: 80%
 - SME: 69%
 - Health: 98%

Health 3Q21 Highlights

Innovative digital health insurance solution is our key value proposition to customer



HEALTH

Vaccine insurance

- add-on to the existing inbound product for travellers to U.A.E.

Launched in Oct'21



Perlindungan Tenang Voucher

- our own perlindungan tenang product



By 1Q22

Budget 2022

RM75



RM50



Lifestyle 3Q21 Highlights



While travel is our main contributor, we are diversifying to cater towards a holistic lifestyle protection



LIFESTYLE

iTravel

- satisfy Singapore's visa and Schengen area* requirements

Launched in Oct'21



myHomePlus

- natural disaster coverage
- premium as low as THB 400/year



* Comprises of 26 countries in European Union

Partnerships with Qoala

- Jakarta-based digital insurance marketplace
- to distribute Motor Easy
- next – PA Easy

Launched in Oct'21



Pet travel cover

- provides pet owner peace of mind

Launched in Nov'21



Upcoming (4Q21)

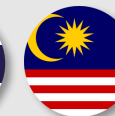
- Pet health
- Eyewear



Covid Travel Pass

- via AirAsia
- satisfy MY & TH entry requirements

Launched in Nov'21



Our latest partners:-

- Malaysia Healthcare Travel Council
- We are the first insurance partner for the Langkawi travel bubble project










Ready For The New Travel

We are well-equipped to recapture the recovery of travel industry via our product innovation



Timeline

2Q20	<ul style="list-style-type: none">AirAsia Travel Protection with Covid-19 coverage	
3Q20 to 4Q20	<ul style="list-style-type: none">Covid-19 Plus for AirArabia, Salam Air, B2BCovid-19 assistance cover bundled with AirArabia and Salam Air ticketiSafe (Covid-19 cover)iPass (inbound travel insurance)	  
1Q21	<ul style="list-style-type: none">Expanded iPass to AirAsia, Dayin Mitra, B2B and LyHour	
2Q21	<ul style="list-style-type: none">Covid-19 cover with Lyhour	
4Q21	<ul style="list-style-type: none">Covid Travel Cover via AirAsia satisfying MY & TH travel requirements	 

Overview

- Our products are available in 21 countries.
- Satisfy countries' mandatory Covid-19 coverage requirements:-
 - Malaysia – USD 80K
 - Thailand – USD 50K*
 - Singapore – SGD 30K
 - Indonesia – USD 100K

* Revised downwards from USD 100K since 1st Nov.

Claims experience

- Healthy single digit loss ratio which led to:-
- higher releases of claims reserve; and
 - higher retention of premiums

Reopening of International Borders in ASEAN



Flight booking upward trend is expected to continue in 4Q21 and beyond

Vietnam



- Domestic flight resumed since Oct.
- To **welcome international tourists** starting from Dec.

Philippines



- **Easing its quarantine requirements** at 8 famous tourists spots.
- AirAsia posted **167% YoY growth** in number of passengers in 3Q21.

Singapore



- Travellers from 14 countries can enter the country **without any quarantine**.
- Malaysia-Singapore **vaccinated travel lane** to start from 29th Nov onwards.

Malaysia



- Langkawi bubble open to international tourists on 22nd Oct; **no quarantine required**.
- AirAsia doubled the number of passengers carried in Sep'21 vs Aug'21.

Thailand



- **Waived quarantined requirements** for fully vaccinated tourists from > 60 countries.
- AirAsia's **load factor** for popular destinations routes is **as high as 90%**.

Indonesia



- **Reopened Bali** to fully vaccinated tourists from 19 countries starting from 4th Nov.
- AirAsia Indonesia has **started resuming flights**, starting with Jakarta-Bali.



ESG and Budget 2022



Growing allocation towards sustainability by the government resonates with our commitment towards building a sustainable future

Environment



- Pledged to exit coal both in terms of our **underwriting** and **investments** by 2030.
- All key policies and processes on track to be embedded with **sustainability elements** by end 2021.

Social



- to enhance the social safety net for the B40, we will be launching our own **Perlindungan Tenang product** by 1Q22.

Governance



- Budget 2022 – mandatory for all PLCs to appoint at least 1 woman to its Board.
- We are currently **above MCGG recommendation of at least 30% women Board** representation.

MSWG-ASEAN Corporate Governance Award 2020

- Excellence Award for CG Disclosure*
- Industry Excellence Award

* We ranked top 12 for top 100 companies for CG Disclosure.



Appendix



Global Banking & Finance Awards

Best Online Insurance Company Thailand 2021



MSWG

1. Excellence Award for CG Disclosure
2. Industry Excellence Award (Financial Services)



Insurance Simplified



SCAN ME

TPG – Financial Snapshot

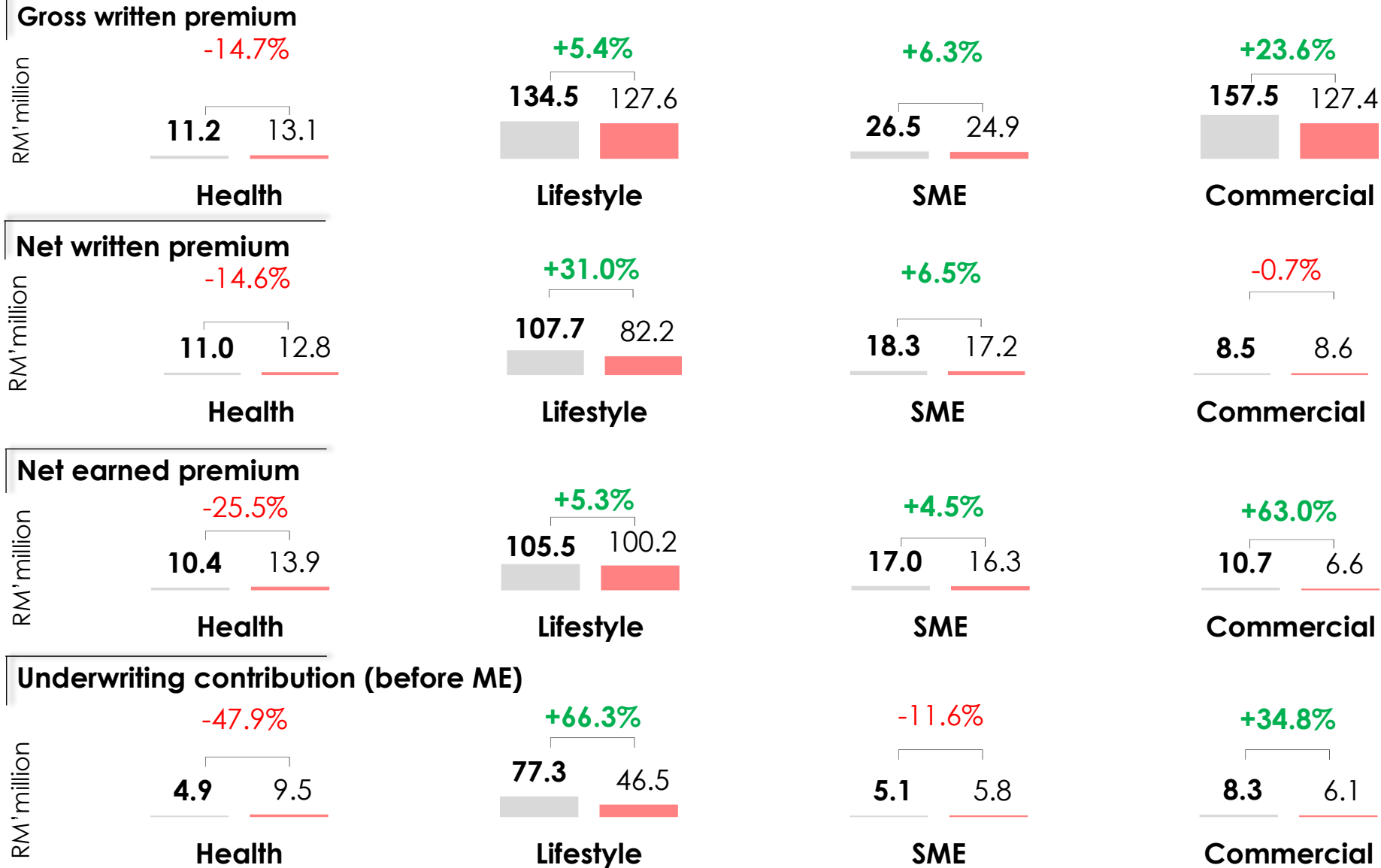


Income Statement (in RM'000)	3Q21	3Q20	YoY	2Q21	QoQ	9M21	9M20	YoY
Gross written premiums	89,858	77,999	15.2%	129,366	-30.5%	329,649	293,039	12.5%
Net written premiums	43,197	38,966	10.9%	42,313	2.1%	145,469	120,806	20.4%
Net earned premiums	44,023	43,211	1.9%	43,235	1.8%	143,634	137,032	4.8%
Investment income	7,903	9,878	-20.0%	4,545	73.9%	17,143	25,075	-31.6%
Realised gains / (losses)	(1,443)	3,410	> -100%	114	> -100%	1,979	5,949	-66.7%
Fair value gains / (losses)	(3,621)	4,573	> -100%	8,977	> -100%	(23,203)	9,303	> -100%
Net fees & commission	(6,323)	(6,911)	-8.5%	(5,935)	6.5%	(24,327)	(12,951)	87.8%
Net claims	(5,174)	(16,629)	-68.9%	(4,437)	16.6%	(23,707)	(56,216)	-57.8%
Management expenses	(32,261)	(29,217)	10.4%	(25,155)	28.2%	(86,804)	(76,735)	13.1%
Underwriting profits/(loss)	265	(9,546)	>100%	7,708	-96.6%	8,796	(8,870)	>100%
Share of results of an associate	(3,095)	(377)	>100%	(1,190)	>100%	(4,484)	(1,702)	>100%
Share of results of a JV	119	54	>100%	-	100%	119	361	-67.0%
Profit/(loss) after tax	(782)	5,056	> -100%	17,836	> -100%	(3,479)	26,594	> -100%
Profit/(loss) after tax & minority interest	(1,661)	2,278	> -100%	14,249	> -100%	(2,861)	17,375	> -100%
Basic EPS/(LPS) (sen)	(0.22)	0.30	> -100%	1.90	> -100%	(0.38)	2.31	> -100%
Net commission ratio	14.4%	16.0%	-1.6%	13.7%	0.7%	16.9%	9.5%	7.4%
Net claim incurred ratio	11.8%	38.5%	-26.7%	10.3%	1.5%	16.5%	41.0%	-24.5%
Management expenses ratio	73.3%	67.6%	5.7%	58.2%	15.1%	60.4%	56.0%	4.4%
Combined ratio	99.4%	122.1%	-22.7%	82.2%	17.2%	93.9%	106.5%	-12.6%
ROaE (annualised)	n.a.	1.6%	n.a.	10.0%	n.a.	n.a.	4.1%	n.a.
ROaA (annualised)	n.a.	0.5%	n.a.	3.2%	n.a.	n.a.	1.4%	n.a.
Investment yield*	0.4%	2.2%	-1.8%	1.7%	-1.4%	n.a.	4.9%	n.a.

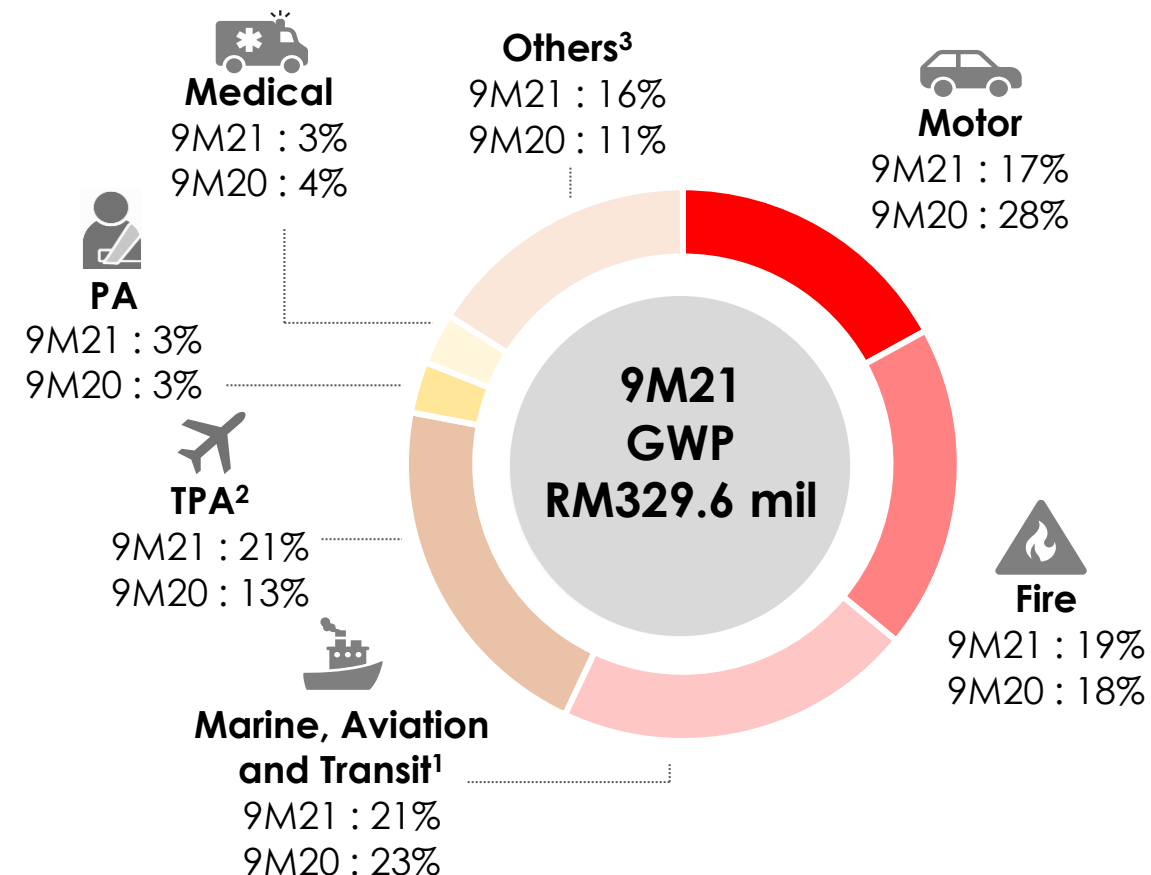
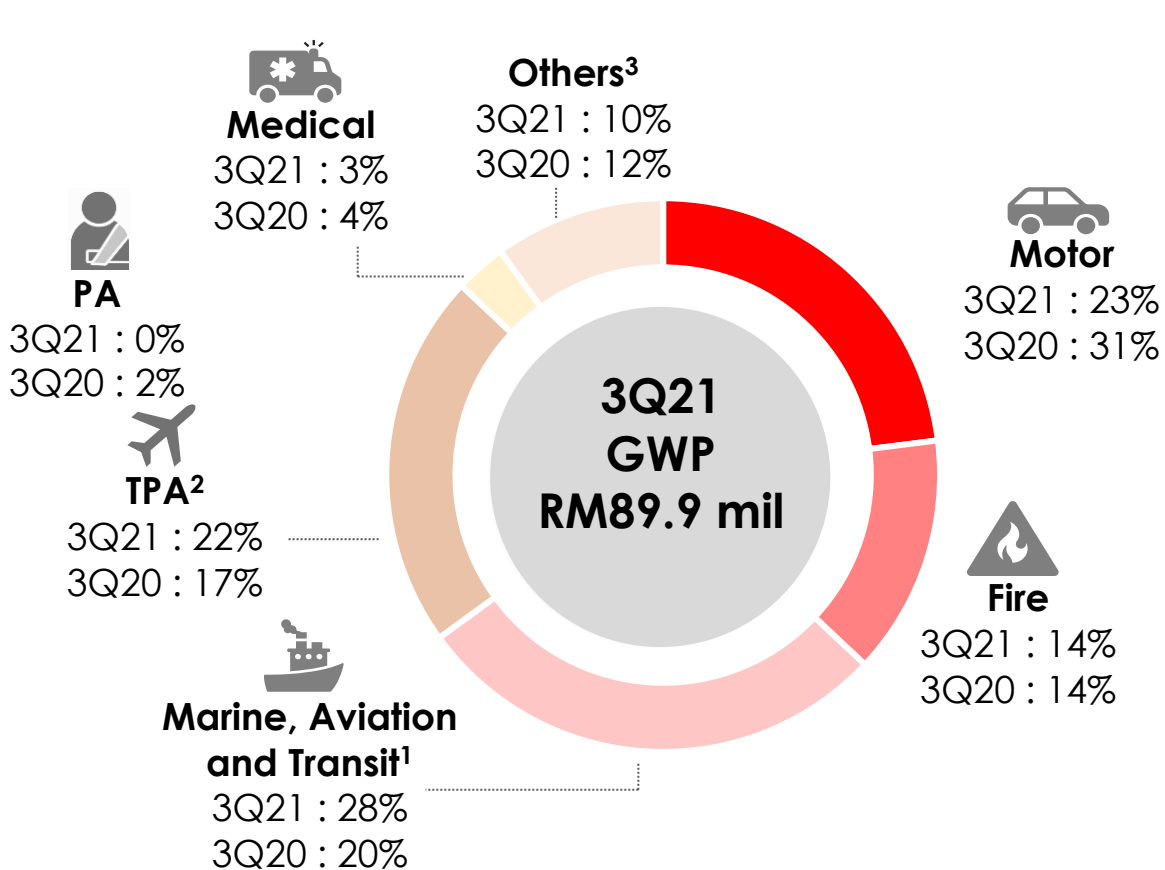
Amounts presented may not foot due to rounding

12
 * Investment yield = $\frac{\text{Investment income} + \text{Realised gains / (losses)} + \text{FV gains / (losses)}}{\text{Investments}}$

TPG – 9M21 Financials



TPG – Portfolio Mix



Notes:-

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

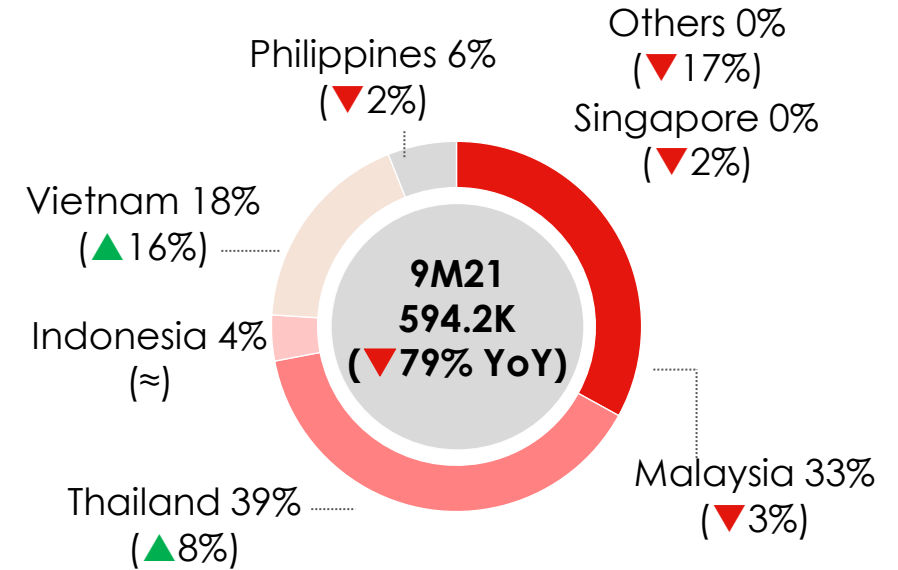
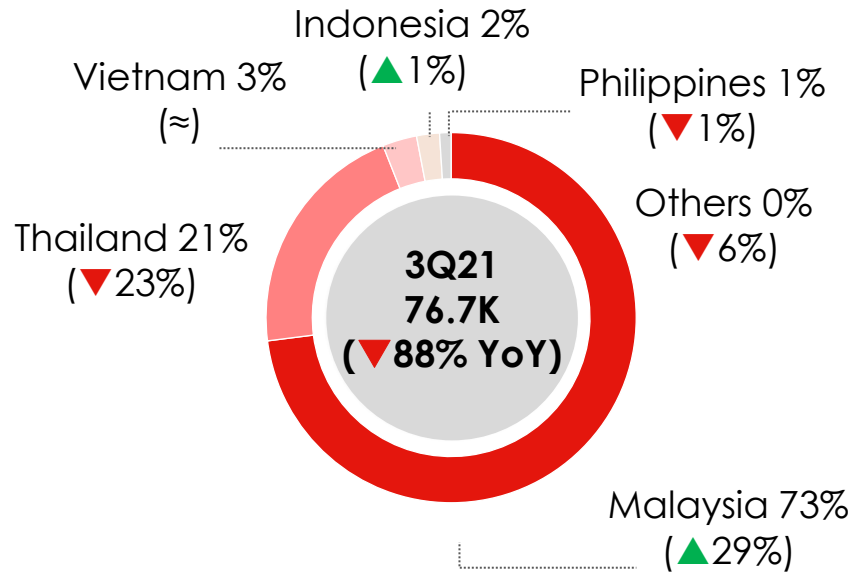
(2) Consist of group total Travel.

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

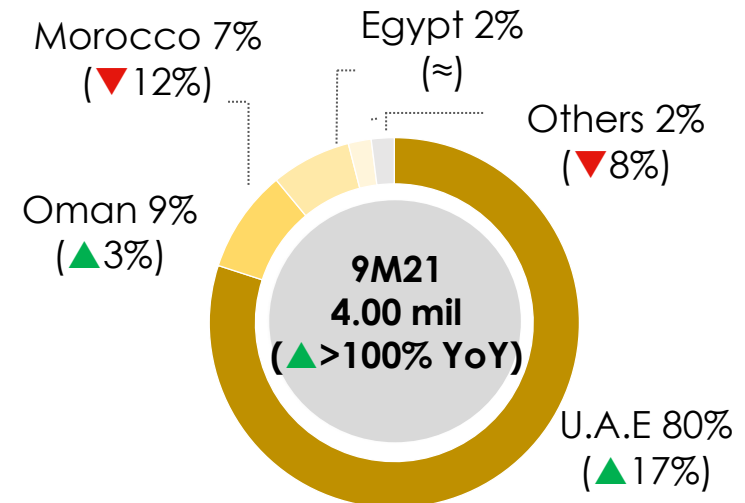
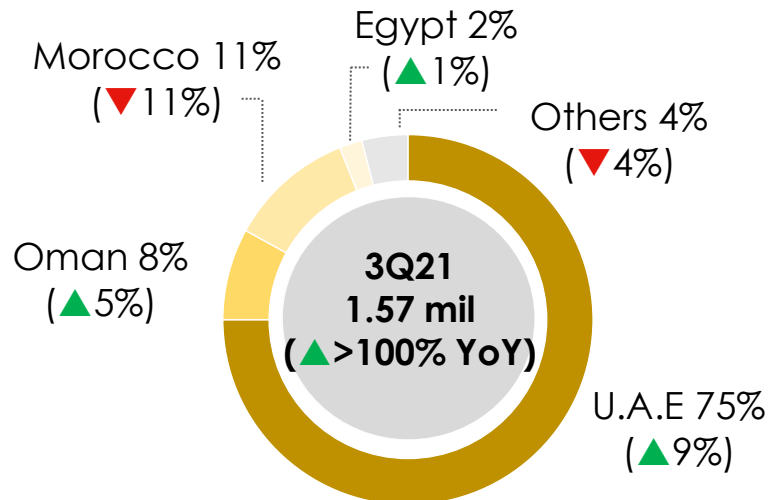
TPR & TP EMEA – Policies Issued



AirAsia & others¹



Middle East



Notes:-
(1) "Others" includes BaoViet business and Bamboo Airways.

Glossary



Abbreviation

ASEAN	Association of Southeast Asian Nations	MY	Malaysia	TH	Thailand
B2B	Business-to-Business	NCI	Net Claims Incurred	THB	Thailand Baht
B40	Malaysia's Bottom 40% Income Group	NEP	Net Earned Premium	TPA	Travel Personal Accident
CG	Corporate Governance	PA	Personal Accident	TPG/Group	Tune Protect Group
ESG	Environment, Social and Governance	PAT	Profit After Tax	TPM	Tune Protect Malaysia
EPS	Earnings Per Share	PLC	Public Listed Company	TPR	Tune Protect Re Ltd
FI	Financial Institution	QE	Quantitative Easing	TPT	Tune Protect Thailand
FY	Financial Year	RFID	Radio-Frequency Identification	U.A.E	United Arab Emirates
GWP	Gross Written Premium	QoQ	Quarter-On-Quarter	US	United States
JV	Joint Venture	ROaA	Return On Average Assets	USD	US Dollar
LPS	Loss Per Share	ROaE	Return On Average Equity	YoY	Year-on-Year
ME	Management Expenses	SGD	Singapore Dollar		
MSWG	Minority Shareholder Watch Group	SME	Small and Medium Enterprise		

About Tune Protect Group

Tune Protect Group Berhad (Tune Protect or the Group) is a financial holding company listed on the main market of Bursa Malaysia. Aspiring to be an ASEAN-based lifestyle insurer that everyone loves, Tune Protect aims to simplify consumer experience with best-in-class products and technology that complement their lifestyle needs. With its tagline "Insurance Simplified", Tune Protect offers an array of affordable protection plans to suit individual, SME and corporate needs via its insurance, reinsurance and marketing arms in Malaysia, Thailand and the United Arab Emirates. Tune Protect has established a strong foothold in the travel, lifestyle, health and digital insurance space globally with presence across more than 60 countries through strategic partnerships with local underwriters in these markets.

For more information on Tune Protect, visit their website at <https://www.tuneprotect.com/> or email us at IR@tuneprotect.com

3 key pillars definition

Health:- Medical & Health (Individual/Retail & Group Businesses inclusive)

Lifestyle:- Travel, PA, Fire & Home Content (Individual/Retail business)

SME:- Businesses related cover with a total sum insured not exceeding RM5 million

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