



1Q2024 Analyst Presentation

24th May 2024

Lower insurance revenue
due to decision to exit
from Commercial line of
business

CONNECT WITH US



SCAN ME

Insurance Simplified



Legal Disclaimer



This presentation has been prepared by Tune Protect Group Berhad (“Company”) in connection with the Interim Financial Statements (unaudited) for the financial period ended 31 March 2024 and announced by the Company on the Main Market of Bursa Malaysia Securities Berhad on 24 May 2024.

Information contained in this presentation is intended solely for your reference and may not be reproduced or redistributed to a third party, in whole or in part in any manner whatsoever. Such information is subject to change without notice. The company disclaims any warranty, express or implied, including, but not limited to merchantability or fitness for a particular purpose and makes no warranty to the fairness, accuracy or completeness of the information contained herein. The Company shall not be liable for any expenses, losses or damages incurred by, or action taken against you in reliance on information contained herein.

The presentation and information herein do not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities of the Company. Neither the Company nor its subsidiaries / associates are acting as your financial consultant or agent. The onus is on the respective individual to form his or her own independent assessment of the information contained therein and should not regard such content as advice relating to legal, accounting, and taxation or investment matters but should instead consult his or her own advisers.

In addition, the information may contain projections and forward-looking statements that reflect the Company’s current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risk factors and may change over time therefore undue reliance should not be placed on them. No assurance or warranty is given that future events will occur, that projections will be achieved, or that the Company’s assumptions are correct. Actual results may differ from those projected. The Company does not assume or undertake any obligation to update or revise any projections and forward-looking statements or departures from them, except as expressly required by applicable laws.



1Q24 Financial Overview (MFRS 17)

TPG (RM'mil)	1Q24	1Q23	YoY
Insurance revenue	① 94.6	121.8	-22.3%
Net incurred claims and other expenses	② (57.1)	(48.0)	18.8%
Amortisation of insurance acquisition cash flow	(32.1)	(32.3)	-0.9%
Allocation of reinsurance premiums	③ (14.8)	(35.8)	-58.7%
Net Insurance service result	(9.3)	5.6	> -100%
Combined ratio	109.8%	95.3%	14.5%
Total investment income	9.4	9.3	0.8%
Total other income and expenses	(4.4)	(10.1)	-56.4%
Share of results	0.3	(1.0)	> 100%
Profit/(loss) after tax	(3.9)	3.2	> -100%

Note: Amounts presented may not foot due to rounding

1Q24 vs 1Q23

- ① Relatively lower **insurance revenue in 1Q24** as 1Q23 still contains Commercial business carried over from FY2022. Excluding the FY2022 Commercial book earned in 1Q23, **YoY NWP of the Group would have grown by 18%**.
- ② 1Q23 benefited from reserve releases from Tenang PA and Motor carried forward from FY2022. **Excluding these one-off impact, the increase in net incurred claims and other expenses will reduce to 7.5%, mainly attributable to the increase in Motor weightage in business mix.**
- ③ The decision to gradually exit from the Commercial business resulted in lower insurance revenue as well as **saving in reinsurance premiums.**



1Q24 Retention Ratio and NWP breakdown (MFRS 4)

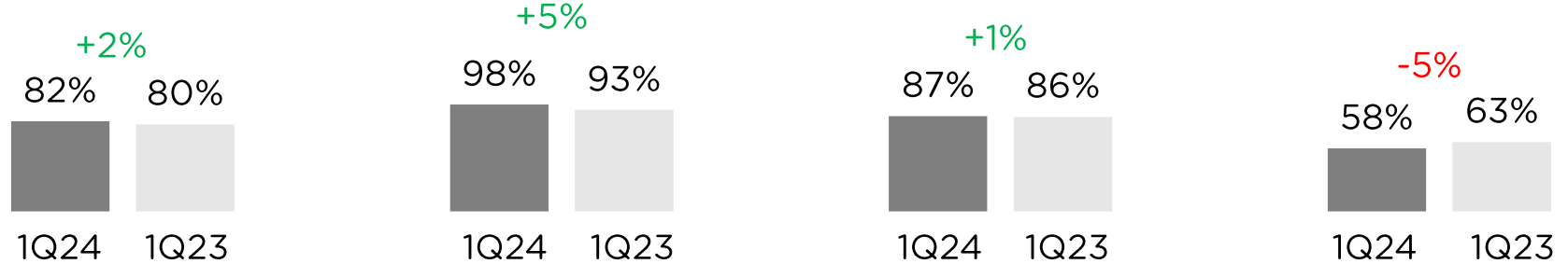
Overall

Health

Lifestyle

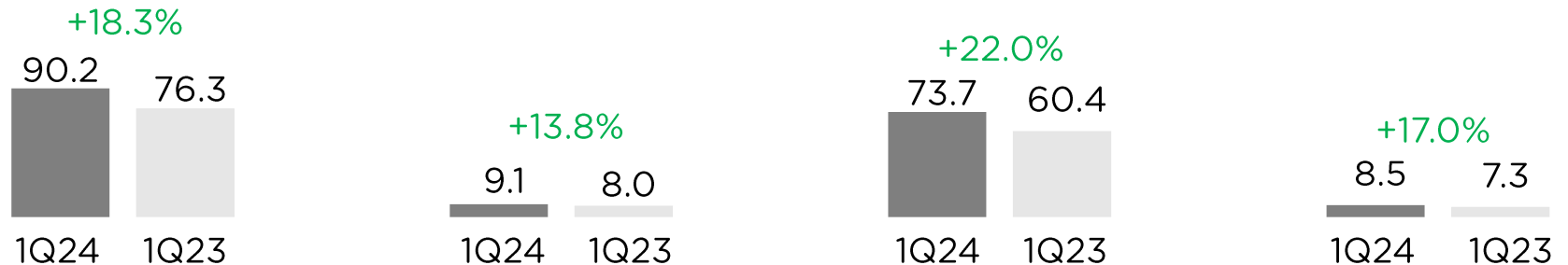
SME

Retention ratio



- SME: Lower retention ratio due to increase weightage in **Property** segment (with lower retention).

NWP (RM'mil)

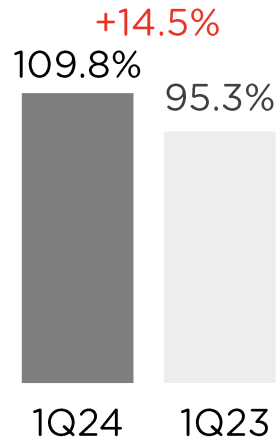


- Health: driven by **Foreign Worker** up by 14.0%.
- Lifestyle: driven by **Motor** up by 31.6% YoY and **Travel** up by 17.5% YoY.
- SME: driven by **Engineering** up by 76.4% YoY and **Property** up by 15.7% YoY.

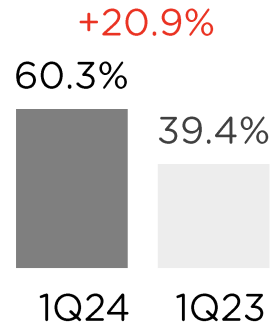


1Q24 Combined Ratio (MFRS 17)

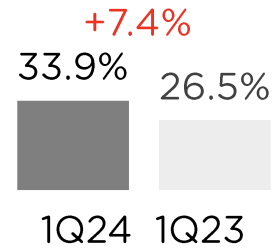
Combined ratio



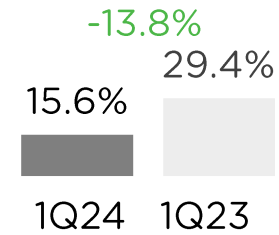
Net incurred claims and attributable expenses ratio



Acquisition cost ratio



Reinsurance ratio



Note:-

1. Refer to appendix page 14 for the formula of each ratio.

Higher **claims and expense ratio** mainly due to lower insurance revenue (due to exit from Commercial business) and the increase in Motor weightage to overall business mix.

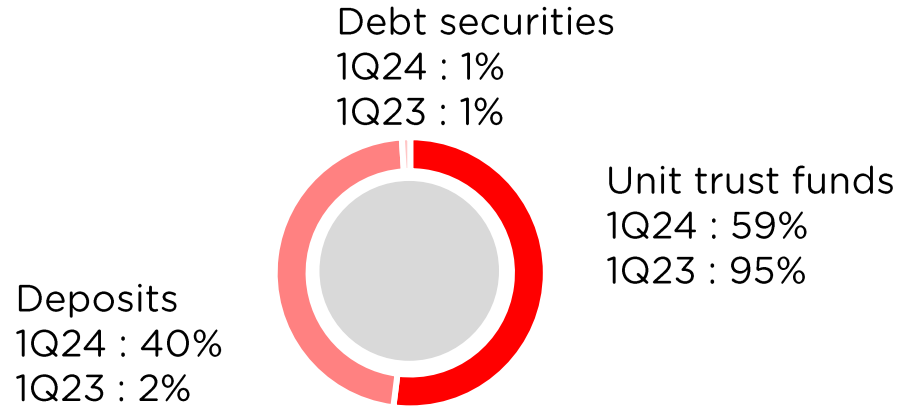
Acquisition cost ratio increased by 7.4% despite of a reduction in absolute acquisition costs mainly due to lower insurance revenue as a result of the exit from Commercial business.

Lower **reinsurance ratio** is in line with management decision to gradually exit Commercial business.

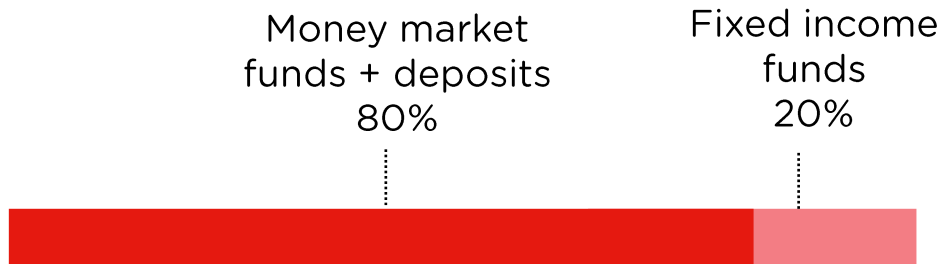


1Q24 Investment

RM741.7 mil investment as of 31st Mar 2024



Breakdown by investment type



Strategy and Outlook

- Our conservative investment strategy implemented since early 2023 remains in place.
- Any change in MMF yields moving forward will likely be influenced by BNM's OPR decision as well as the general liquidity requirements of the banking system.
- The **investment performance** for FY2024 is expected to be **relatively stable** considering the investment mix of our portfolio.



Expected to continue benefit from travel rebound

- International travel ended 2023 at 88% of pre-pandemic levels and is expected to **surpass pre-COVID level** in 2024.
- **Middle East:** the only region to overcome pre-pandemic levels with arrivals 22% above 2019.
- **Asia Pacific:** reached 65% of pre-pandemic levels and is expected to achieve a full recovery in 2025.

Outlook

Source: [UN Tourism](#)



AirAsia Group and AAX Group



Expected to expand its **operational aircrafts** from **230** at the end of 2023 to **249** by the end of 2024, an **increase of 8%**



Expanding India, China, Japan and South Korea routes capacity leveraging on strong demand and visa free arrangement.



VietJet

Expected to expand its **operational aircrafts** from **105** at the end of 2023 to **123** by the end of 2024, an **increase of 17%**

2023: **32 new international routes**.

2024: **increasing routes**, to cities in their destination countries e.g. **Japan, Australia, Laos, China and Indonesia**.



AirArabia

Expected to expand its **operational aircrafts** from **71** at the end of 2023 to **79** by the end of 2024, an **increase of 11%**

120 Airbus A320 family **aircraft** on order with delivery starting in 2025.

2024: expected to **add new routes** for its operating hub in the **UAE, Morocco, Egypt and Pakistan**.

Our partners' expansion plan

Our plan


- Market activation to offer travel insurance for **VietJet's high traffic international routes**;
- Expand activation for **hospital cashless admission** in markets outside Malaysia and Thailand;
- Focus on activating **offline agents** and **travel B2B** in the ASEAN Region;
- Securing **airline partner** and **OTAs** to offer travel insurance solutions in their purchase journey/platform;
- Offering **parametric solution** for instant relief ie. flight delay, baggage loss or delay.



Managing claims and Motor mix within preferred & profitable segments



1 Managing Motor claims


 Turn-around or termination of **poor performing portfolios**.


 Enhancing **fraud claims** preventions.

3 Growing new channels for better economies of scale


 Premiums from **POS Malaysia** distribution grew by **109% YoY**.

2 Growing preferred & profitable lines with lower loss ratio


 Mid to high sum-insured Motor segment (> RM50,000) premiums grew by **19.6% YoY**.

 Overall Motorcycle premiums grew by **62% YoY**.

4 Repricing of certain segments

 **Repriced upward by approximately 10%** for Motor and Motorcycle segments in Feb'24 and Apr'24 respectively.

5 Promote up-selling Motor related add-ons

 Overall **Motor PA attachment rate increased** from 29% (1Q23) to 39% (1Q24).



Our key focuses

Cross regional / global businesses

Greater focus in growing cross countries/ regional businesses through reinsurance capability and established insurance partner network.

We have a network of 45 insurance partners across 30 markets.

Leveraging on the network, we can quickly onboard partners with cross regional presence, provide one-stop service from tech to reinsurance and offer consistent customer experience and extensive global product offerings.

Selective growth in high margin

Balancing profitability vs topline growth.

Improve cost efficiency through:

- Higher centralisation of backend functions to improve economy of scale;
- Focus on ROI in re-prioritisation of project/initiatives;
- Channel tech and branding investments towards initiatives with shorter ROI duration.

Update management KPI framework to give greater emphasis on “profitable growth” to management rewards.

Travel COE & ecosystem

Focus on customer analytics to increase take-up rate through existing distribution channels.

Expand existing distribution channels, going deeper in Travel ecosystem targeting regional players in areas such as travel agencies, hotel chain, cruises, event organisers and etc.

Develop/rollout “global” innovative Travel products to maintain market leading position.

Differentiation through take-up rate track record, tech capability and product innovation.



2026 target / KPIs

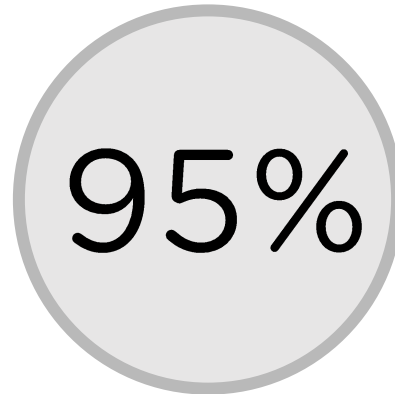
Net Written Premium



As at end-2023

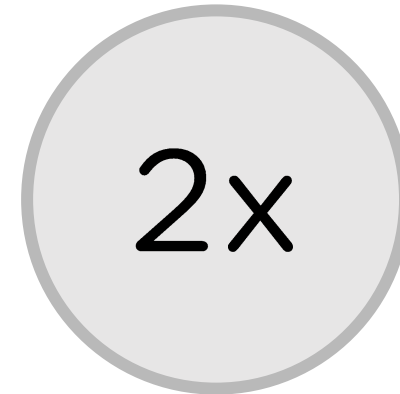
RM339 mil

Combined ratio



111.4%

Net Written Premium / Headcount



RM700 K

Note: Numbers are all in MFRS 4





Appendix



TPG – Financial Snapshot (MFRS 17)



Income Statement (in RM'000)		1Q24	1Q23	YoY	4Q23	
Insurance revenue		94,622	121,828	-22.3%	43,067	> 100%
Incurring claims and other expenses	①	(95,552)	(68,109)	40.3%	(8,739)	> 100%
Reversal/(loss) of onerous	①	848	1,456	-41.8%	-	100%
Amortisation of insurance acquisition cash flow	②	(32,062)	(32,340)	-0.9%	(18,768)	70.8%
Insurance service expenses		(126,766)	(98,993)	28.1%	(27,507)	> -100%
Allocation of reinsurance premiums	③	(14,801)	(35,832)	-58.7%	(12,825)	15.4%
Amounts recoverable from reinsurers for incurred claims	①	38,186	19,281	98.0%	(27,113)	> 100%
Net income/(expense) from reinsurance contracts held		23,385	(16,551)	> 100%	(39,938)	> 100%
Insurance service result		(8,759)	6,284	> -100%	(24,378)	-64.1%
Net insurance financial result	①	(553)	(659)	-16.1%	(1,219)	-54.6%
Total investment income		9,394	9,316	0.8%	7,346	27.9%
Total other income and expenses		(4,407)	(10,104)	-56.4%	(4,233)	4.1%
Share of results of an associate		236	(1,067)	> 100%	(195)	> 100%
Share of results of a JV		20	35	-42.9%	33	-39.4%
Profit/(loss) after tax		(3.9)	3.2	> -100%	(18,896)	-100%
Net incurred claims and attributable expenses ratio ¹	①	60.3%	39.4%	20.9%	86.1%	-25.8%
Acquisition cost ratio ¹	②	33.9%	26.5%	7.4%	43.6%	-9.7%
Reinsurance ratio ¹	③	15.6%	29.4%	-13.8%	29.8%	-14.2%
Combined ratio		109.8%	95.3%	14.5%	159.5%	-49.7%

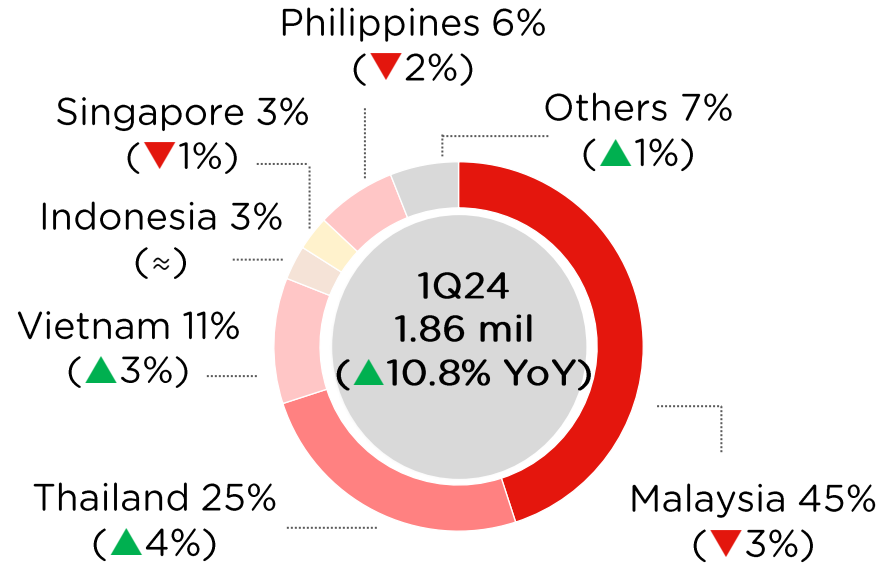
Notes:-
 1. Each ratio are derived by aggregating their respective component indicated by the number above and divided by "Insurance revenue".
 2. Amounts presented may not foot due to rounding



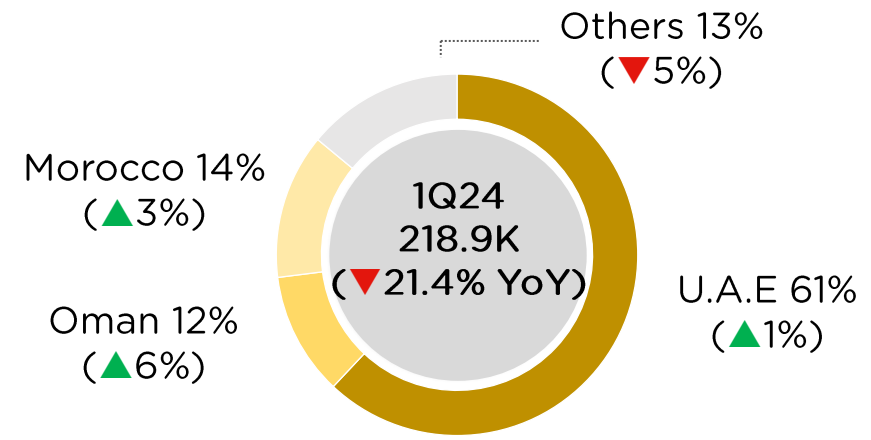
TPR & TP EMEIA – Policies Issued and Countries Mix



AirAsia & others



Middle East



* 1Q23: remaining 5% was in Egypt .



Abbreviations

BNM	Bank Negara Malaysia	OTA	Online Travel Agent
JV	Joint Venture	PA	Personal Accident
FY	Financial Year	RM	Ringgit Malaysia
KPI	Key Performance Indicator	ROI	Return on investment
MFRS	Malaysian Financial Reporting Standards	SME	Small and Medium Enterprise
MMF	Money Market Funds	TP EMEIA	Tune Protect Europe, the Middle East, India, and Africa
NCI	Net Claims Incurred	TPG	Tune Protect Group
NWP	Net Written Premium	TPM	Tune Protect Malaysia
OPR	Overnight Policy Rate	TPR	Tune Protect Re Ltd
		YoY	Year-on-Year

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 30 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

Connect With Us

