

# 1Q21 Analyst Presentation

Diversification continues while  
recovery is still underway



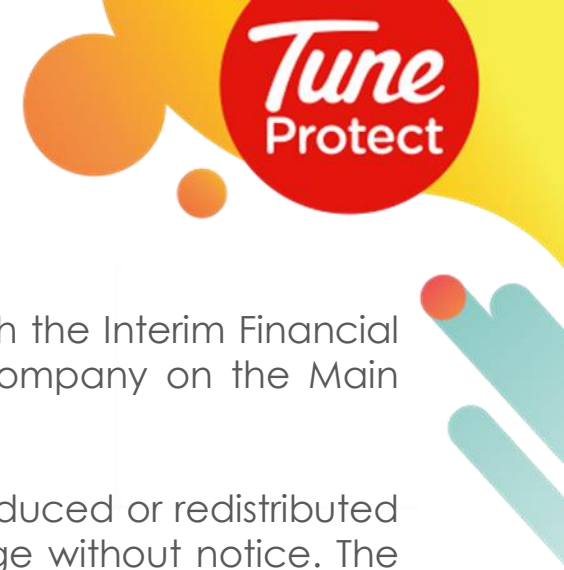
28 May 2021



SCAN ME

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# Executive Summary

Recovery underway with highest GWP and NEP recorded since 2Q20.

Tune Protect Group (RM'mil)	1Q21	4Q20	QoQ	1Q20	YoY
Gross written premiums	110.4	82.2	+34.3%	113.2	-2.4%
Net earned premiums	56.4	52.8	+6.7%	58.4	-3.4%
Underwriting profit/(loss)	0.8	(6.3)	>100%	2.7	-70.1%
Realised/ Unrealised investment gains/(losses)	(25.3)	(3.1)	>-100%	(5.7)	>-100%
Profit/(loss) after tax	(20.5)	1.6	>-100%	2.8	>-100%

## 1Q21 vs 4Q20 (QoQ)

- We continue to observe recovery:-
  - GWP recorded its 2<sup>nd</sup> consecutive QoQ growth;
  - NEP recorded its 3<sup>rd</sup> consecutive QoQ growth;
  - **Underwriting profit** of RM0.8 mil.
- **Broad-based growth** from both TPM and TPR primarily driven by Fire segment and the Middle East travel respectively.
- LAT mainly stemmed from fair value losses on investment.

## 1Q21 vs 1Q20 (YoY)

- Marginal decrease in GWP mainly from Motor which was partially offset by the Middle East travel.
- Bottomline mainly impacted by fair value losses on investment.

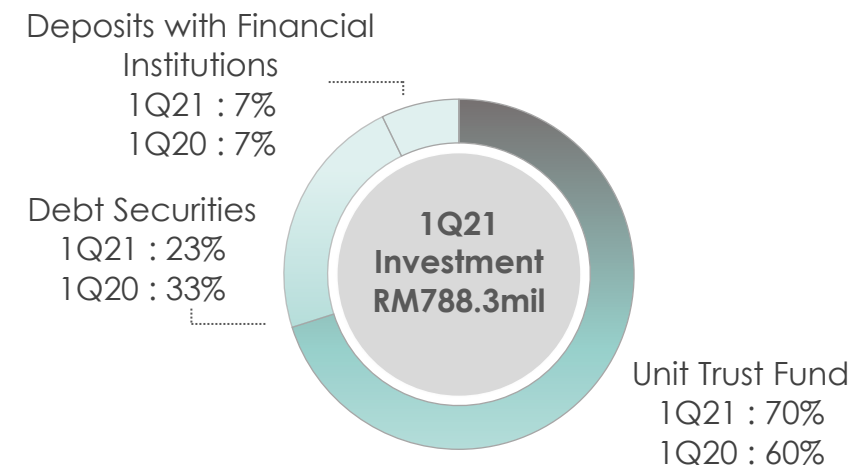
# Fair Value Losses

Fair value losses correlated to rising bond yields.

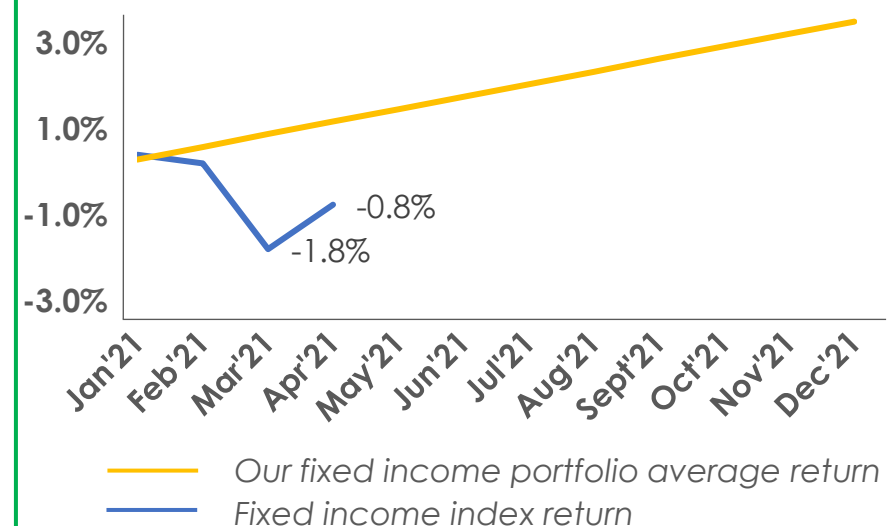
Tune Protect Group (RM'mil)	1Q21	4Q20	QoQ	1Q20	YoY
Realised gains/(losses)	3.3	8.8	-62.6%	0.7	>100%
Fair value gains/(losses)	(28.6)	(11.9)	>-100%	(6.4)	>-100%
Investment gains/(losses)	(25.3)	(3.1)	>-100%	(5.7)	>-100%

- 1Q21 debt securities and fixed income funds make up 83% of the total investment portfolio, up from 54% in 4Q20.
- Fair value losses coming from debt securities/fixed income funds mainly due to the surge in global bond yields driven by:-
  - the sell-off of US government bonds;
  - inflationary expectations.
- **Fair value losses partially reversed** in April and a further gradual rebound is expected in 2Q21 to 3Q21.
- Excluding the impact of net investment losses, 1Q21 would have recorded a **PAT of RM5.2 mil.**
- We maintain a weighted fixed income portfolio credit rating of at least **AA**.

## Investment Portfolio Mix



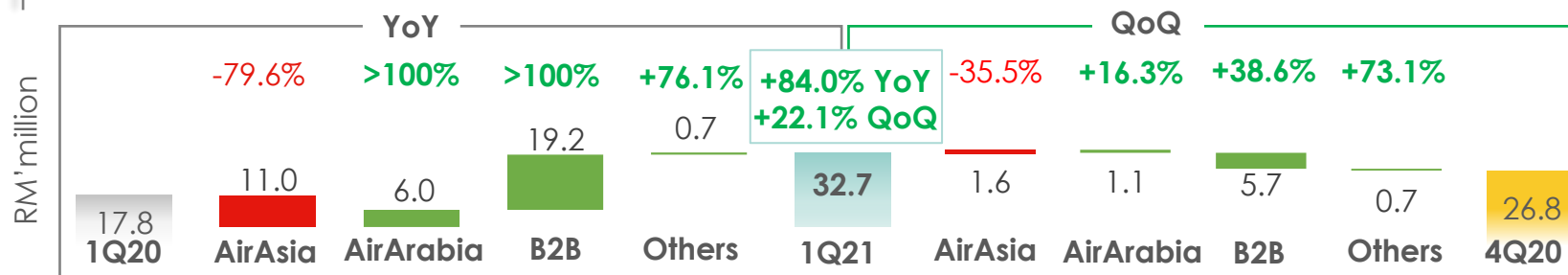
## Our fixed income portfolio average return vs index return



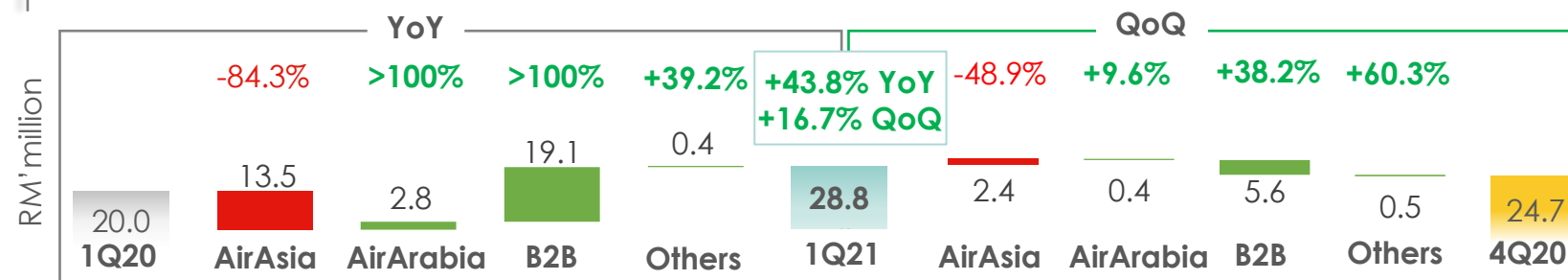
# Tune Protect Re

YoY and QoQ topline growth driven by the Middle East travel segment.

## Gross Written Premium



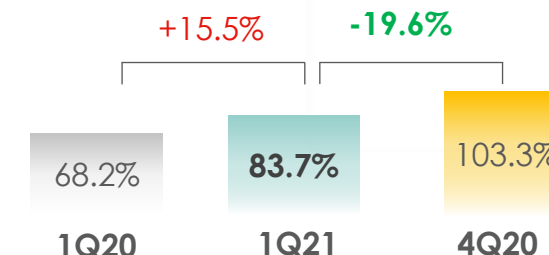
## Net Earned Premium



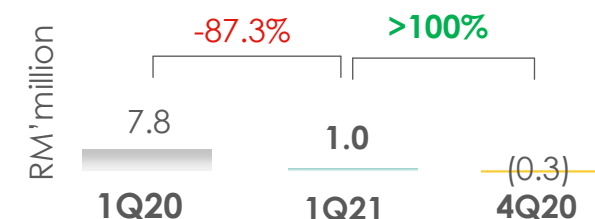
### 1Q21 vs 4Q20 (QoQ)

- Bamboo Airways** has started contributing to the topline with RM0.3 mil.
- Excluding the impact of net investment losses, 1Q21 PAT would be RM6.4 mil.

## Combined Ratio



## Profit/(Loss) After Tax



### 1Q21 vs 1Q20 (YoY)

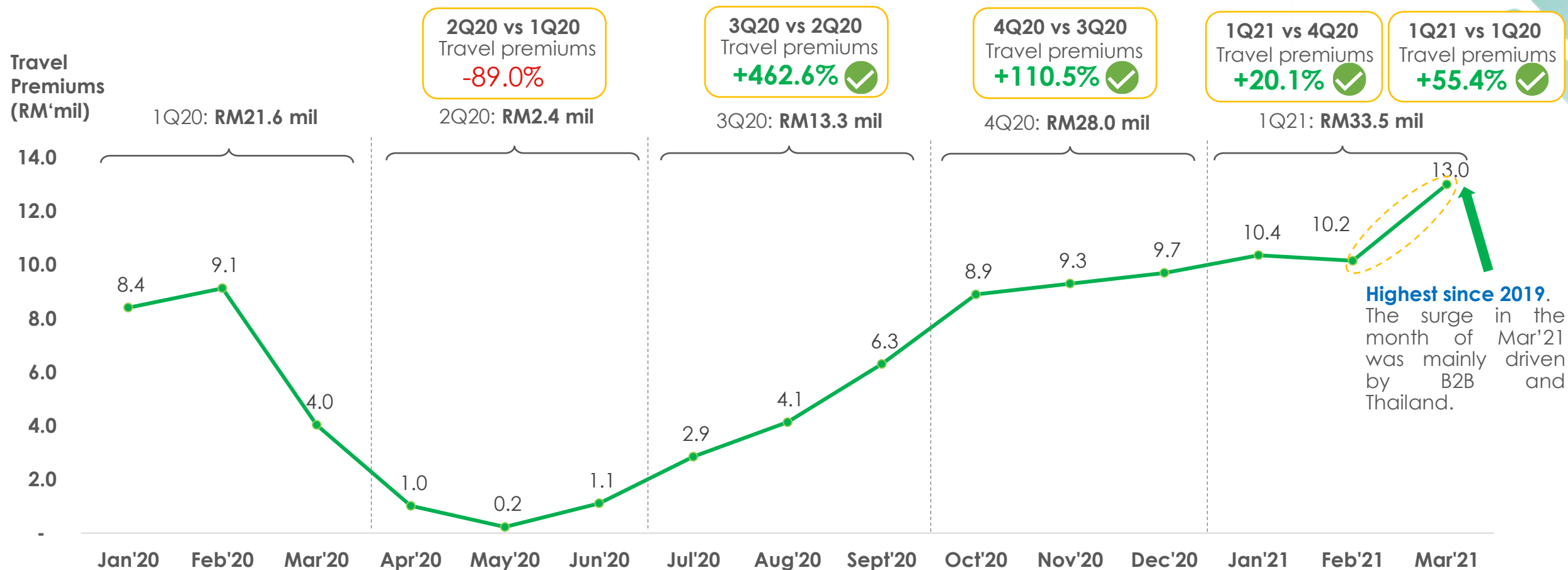
- Growth in the Middle East** region led by B2B followed by AirArabia and Salam Air from:-
  - Covid-19 Plus Extension products;
  - Bundled Covid-19 cover

# Travel Premiums Trend

The Middle East driving travel recovery.



GWP Mix	1Q20	1Q21	4Q20
AirAsia	78%	9%	16%
Middle East & Others	22%	91%	84%



— Travel premiums (consolidation of TPR + TPM travel)

Amounts presented may not foot due to rounding



# Travel Braces for Vaccine-Powered Revival

Vaccination and easing travel restriction are key to restarting global travel.



## European Union

- **Reopening its borders** to travellers who have been fully vaccinated.
- Also set to **expand its “green list”** to include countries with low infection rate to enter. [Source](#)



## ASEAN

- **Vietnam** – expected to acquire 110 million vaccine doses in 2021. [Source](#)
- **Thailand** – accelerating vaccine rollout, including expanding to all foreigners. [Source](#)
- **Philippines** – opening its borders to vaccinated travellers. [Source](#)



## Malaysia

- **Expediting the immunisation program** with the arrival of new batches of vaccines, 500K of Sinovac & 559K of AstraZeneca. [Source](#)
- Acquiring another 8.2 million doses of Sinovac by end of June. [Source](#)

## Middle East

- **Saudi Arabia** – allowed its citizen to travel internationally. [Source](#)
- **U.A.E** – intends to lift quarantine rules from July onwards. [Source](#)

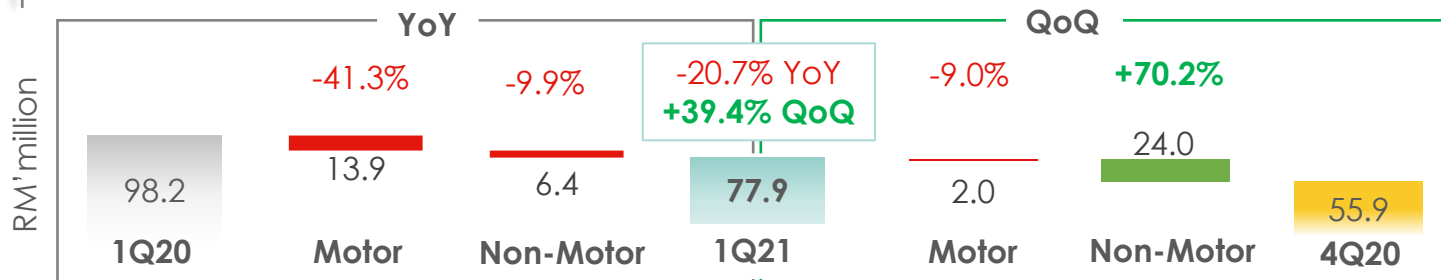


# Tune Protect Malaysia

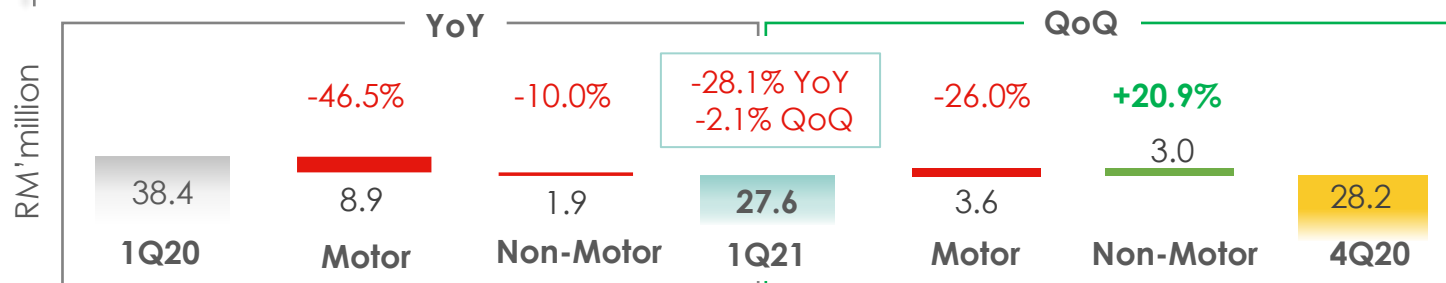


Strong QoQ growth in non-Motor contributed by Fire segment.

## Gross Written Premium



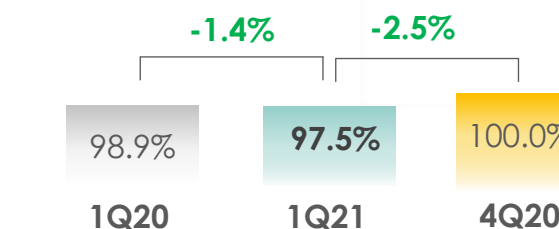
## Net Earned Premium



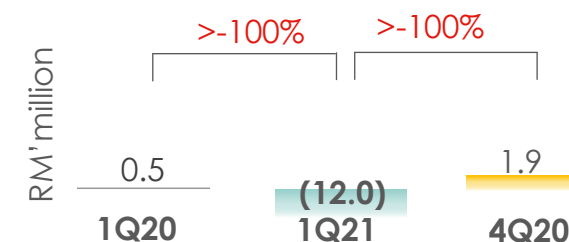
### 1Q21 vs 4Q20 (QoQ)

- **Topline growth** led by Fire.
- **Improvement in Combined Ratio** – better ME ratio and Net Commission ratio.
- Excluding net investment losses of RM14.4 mil, 1Q21 LAT would turn to PAT of RM2.4 mil.

## Combined Ratio



## Profit After Tax



### 1Q21 vs 1Q20 (YoY)

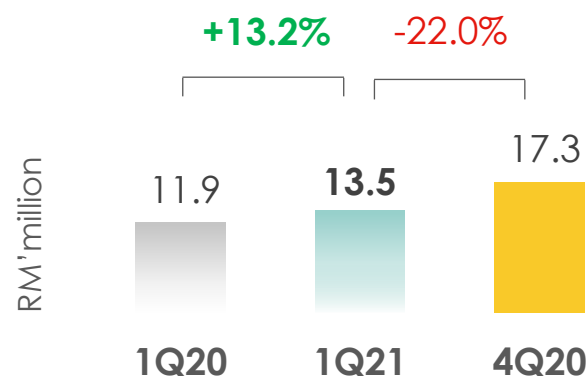
- Jan/Feb 2020 was pre-MCO nevertheless March 2021 GWP was significantly above last year.
- 1Q21 GWP was lower due to Motor & Travel.
- **Combined Ratio improved** 1.4% YoY and **underwriting profit up** 69.4% YoY to RM0.7 mil as we continued to witness lesser claims.



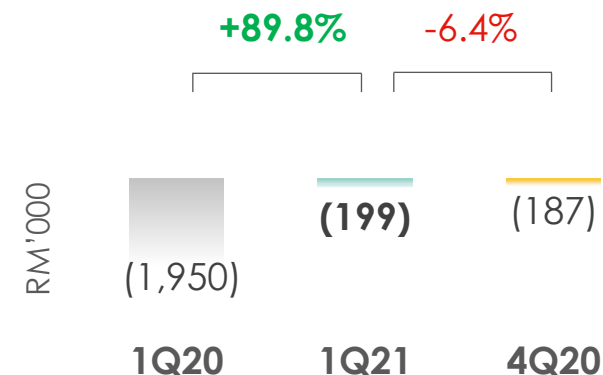
# Tune Protect Thailand

Making progress in the Health space.

## Gross Written Premium



## Share of results



- 1Q21 GWP was higher YoY from one commercial account. Lower QoQ as Travel was mainly impacted by the Covid-19 outbreak in Thailand however we witnessed a strong rebound in the month of March.
- Further diversifying into Health:-
  - launching new **Telemedicine + Teleconsultant service** for all key retail products by 2Q21;
  - partnership with a major hospital group to be an exclusive distributor for the new **Covid-19 vaccine cover** by 2Q21.

GWP Mix	1Q20	1Q21	4Q20
Travel	69%	51%	57%
Others	31%	49%	43%

- Offered a 2<sup>nd</sup> job opportunity to a batch of Thai AirAsia Allstars employees impacted by the pandemic. We have enrolled 15 AirAsia Allstars from various backgrounds, i.e. pilot and cabin crew to, assist us in engaging with AirAsia's customers.

# Health and Lifestyle pillar

More to come from both pillars.

## Health

## Lifestyle

### Launched

**PRO-Health Medical** on 4 March 2021

Targeting millennials

B2C channel

Cashless admission/  
mobile app based



**Home Easy and Home Shield** on 20 May 2021

Cheapest online home insurance<sup>1</sup>



Residential building  
and home content  
protection

### In the pipeline



PRO-Health Medical - **lite version**



**Telemedicine** + **Teleconsultant**



Covid-19 **vaccine cover**

### Products

Pet insurance

Eyewear protection

e-wallet protection

### Partners

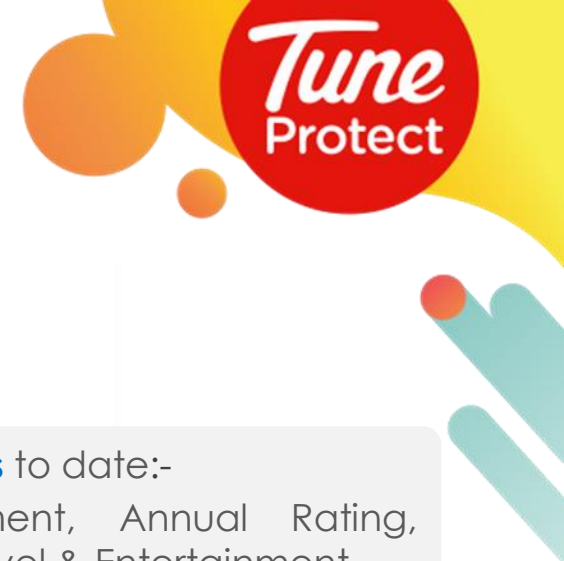
Ride-hailing

Travel search  
engine/online agents

Airport transfer

Note: -

1. For Home Easy only - more than 40% savings in premium based on current houseowner insurance plans available online in Malaysia.



# Sustainability Commitments

Critical component of our business to ensure we deliver value to stakeholders.

## Sustainability Pillars

## Our Commitments

## Where are we now?

### Governance

Embed sustainability elements in our policies and processes



- Policies embedded with **sustainability elements** to date:-
  - Investor Relations, Sustainability, Investment, Annual Rating, Procurement, Product Development and Travel & Entertainment.

### Our Business

Adopt NPS as a measure of success



- By Jun'21 - baseline analysis and establish metrics for **customers & employees NPS**.
- By 4Q21 - commence performance tracking.

### Our Environment

Zero paper for in-control processes



- Introduced **Betsy.TheBot** (AI Robot) to auto-generate personal documents and emails to staff.
- By Jun'21 - consolidating paperless initiatives and perform prioritisation (including digitalisation of business card).

### Our People & Community

Charity/sustainability elements in our new products



- Charity allocation of RM6 per policy sold to Yayasan Chow Kit:-
  - **PRO-Health Medical**
  - **Home-Easy**

50% women in Leadership Team  
50% critical roles will have successors from within



- **40% women** in BOD and ExCom (as of Apr'21).
- Defined default key & critical roles in Succession Planning Framework.



Thank You  
Appendix



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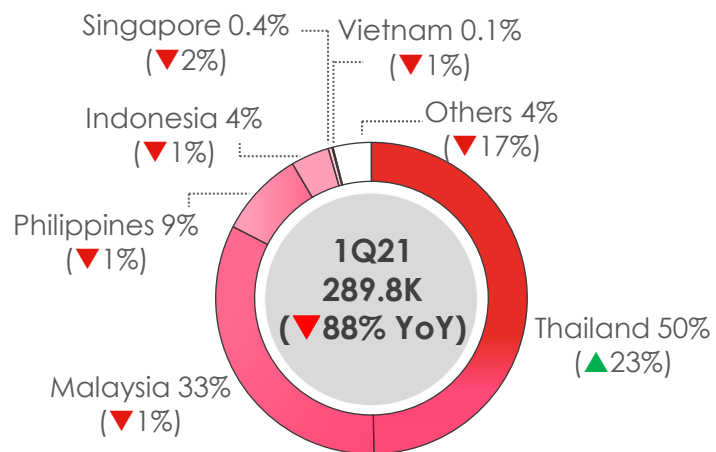
# Financial Snapshot

Income Statement (in RM'000)	1Q21	1Q20	YoY	4Q20	QoQ
Gross written premiums	110,425	113,154	-2.4%	82,244	34.3%
Operating revenue	117,449	122,356	-4.0%	117,232	0.2%
Gross earned premiums	112,754	115,042	-2.0%	110,452	2.1%
Investment income	4,695	7,314	-35.8%	6,780	-30.8%
Investment income (excluding MMIP)	5,476	7,894	-30.6%	5,698	-3.9%
Net earned premiums	56,376	58,372	-3.4%	52,848	6.7%
Net fees & commission	(12,069)	(7,958)	51.7%	(9,905)	21.8%
Net claims	(14,096)	(22,869)	-38.4%	(5,021)	>100%
Management expenses	(29,388)	(24,798)	18.5%	(44,257)	-33.6%
<b>Underwriting profits/(loss)</b>	<b>823</b>	<b>2,747</b>	<b>-70.0%</b>	<b>(6,335)</b>	<b>&gt;100%</b>
Share of results of an associate	(199)	(1,950)	89.8%	(187)	-6.4%
Share of results of a JV	-	94	-100%	3,908	-100%
Profit after tax	(20,533)	2,772	>-100%	1,610	>-100%
<b>Profit after tax &amp; minority interest</b>	<b>(15,449)</b>	<b>2,500</b>	<b>&gt;-100%</b>	<b>1,017</b>	<b>&gt;-100%</b>
Basic EPS (sen)	(2.06)	0.33	>-100%	0.14	>-100%
Net commission ratio	21.4%	13.6%	7.8%	18.7%	2.7%
Net claim incurred ratio	25.0%	39.2%	-14.2%	9.5%	15.5%
Management Expenses ratio	52.1%	42.5%	9.6%	83.7%	-31.6%
<b>Combined Ratio</b>	<b>98.5%</b>	<b>95.3%</b>	<b>3.2%</b>	<b>111.9%</b>	<b>-13.4%</b>
ROaE (annualised)	n.a.	1.8%	n.a.	0.7%	n.a.
ROaA (annualised)	n.a.	0.6%	n.a.	0.2%	n.a.

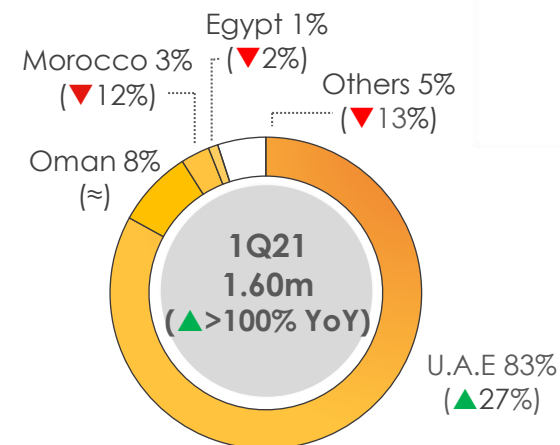
Amounts presented may not foot due to rounding

# Tune Protect Re – Policies Earned and Issued

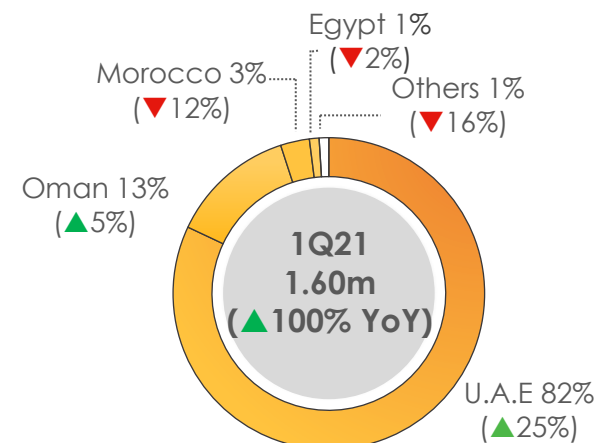
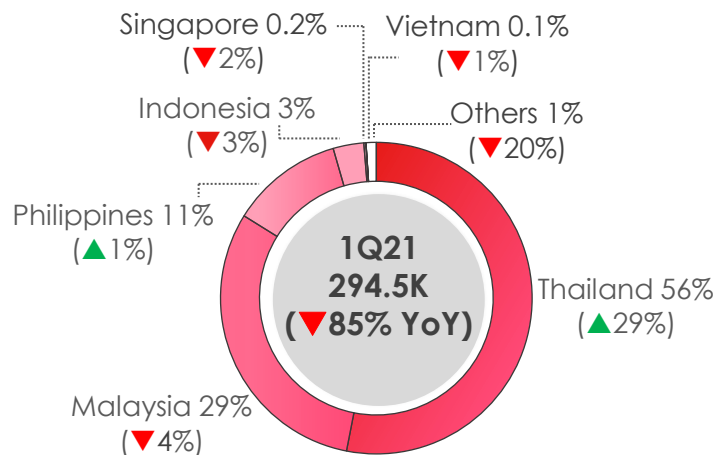
## Sold via AirAsia



## Sold via Middle East B2B, AirArabia, Salam Air and Others



Policies Earned

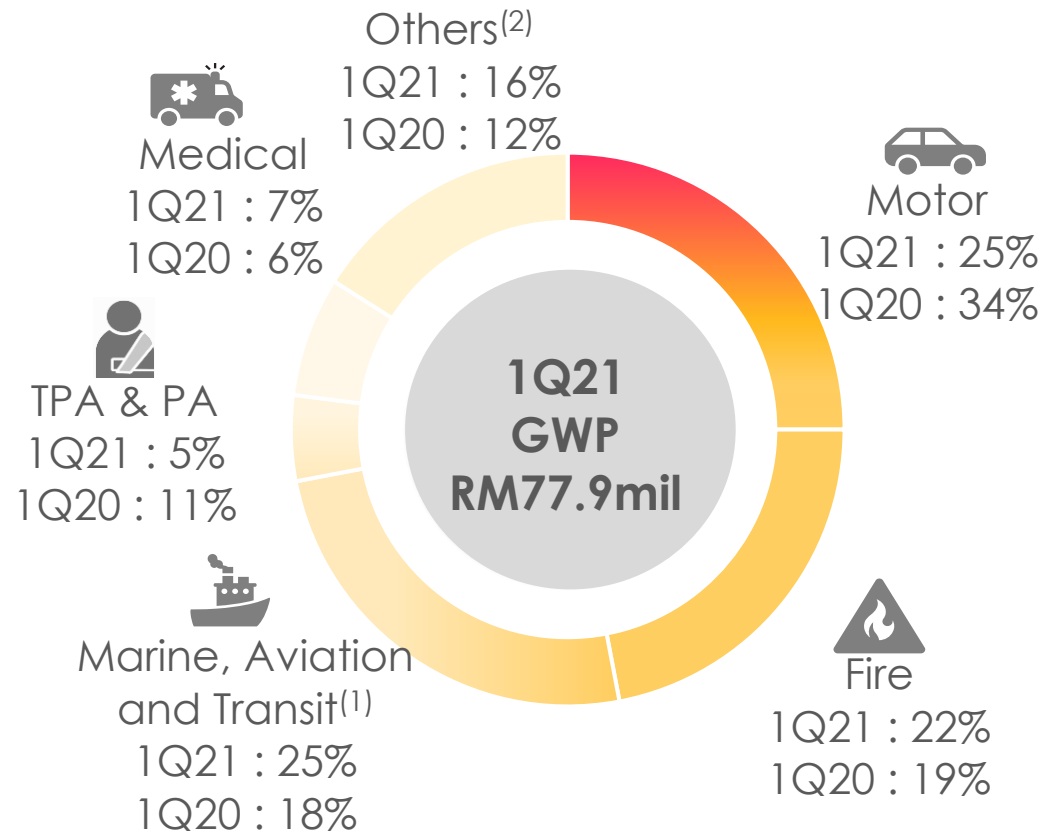


Policies Issued





# Tune Protect Malaysia – Portfolio Mix



Notes:-

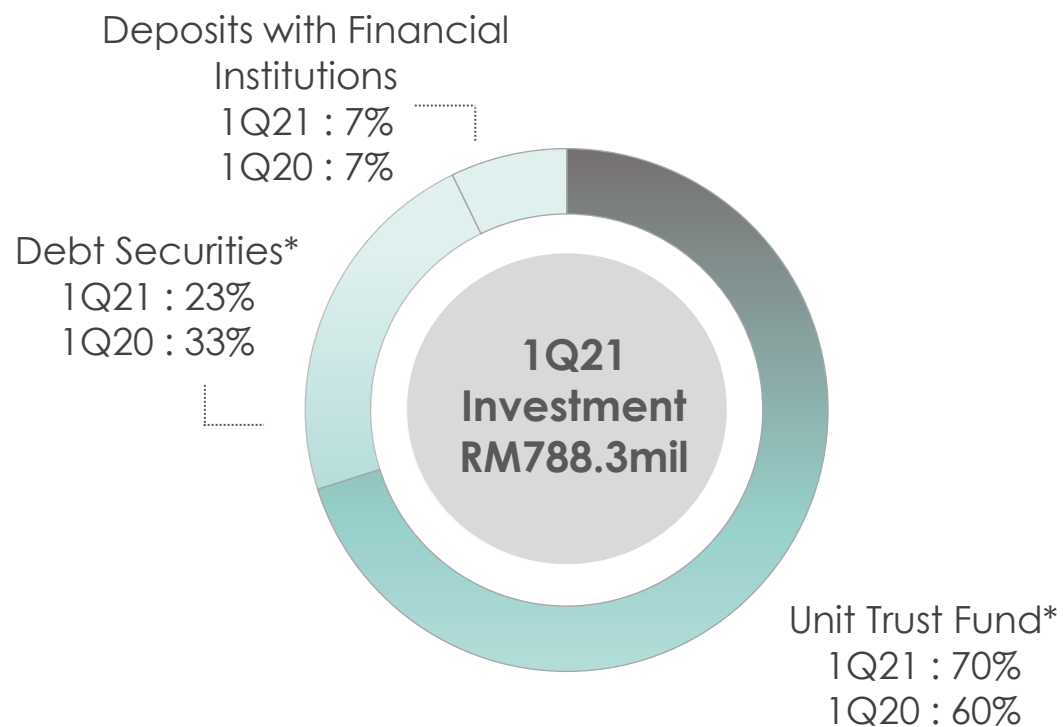
(1) Consist of Aviation, Marine Cargo, Marine Hull and Offshore Oil

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

# Tune Protect Group – Investment

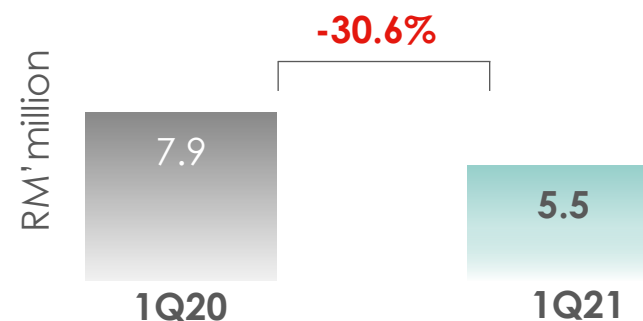


## Investment Portfolio Mix

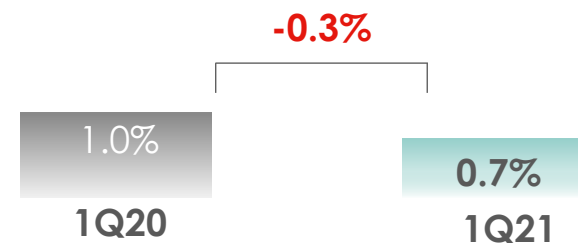


\* Debt securities and fixed income funds make up 83% of the total investment portfolio as at 31 March 2021.

## Investment Income<sup>(1)</sup>



## Investment Yield<sup>(2)</sup>



Notes:-

(1) Excluding share of MMIP investment income

(2) Investment yield = Investment income (including rental income & excluding share of MMIP investment income) / total investment

# Glossary



## Abbreviations

AI	Artificial Intelligence	NEP	Net Earned Premium
ASEAN	Association of Southeast Asian Nations	NPS	Net Promoter Score
B2B	Business-to-Business	PA	Personal Accident
B2C	Business-to-Consumers	PAT	Profit After Tax
BOD	Board of Directors	QoQ	Quarter-On-Quarter
EPS	Earnings Per Share	ROaA	Return On Average Assets
ExCom	Executive Committee	ROaE	Return On Average Equity
FY	Financial Year	SME	Small and Medium Enterprise
GWP	Gross Written Premium	TPA	Travel Personal Accident
JV	Joint Venture	TPG/Group	Tune Protect Group
LAT	Losses After Tax	TPM	Tune Protect Malaysia
MCO	Movement Control Order	TPR	Tune Protect Re Ltd
ME	Management Expenses	U.A.E	United Arab Emirates
MMIP	The Malaysian Motor Insurance Pool	YoY	Year-on-Year

## 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](mailto:IR@tuneprotect.com)

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