

1Q2022 Analyst Presentation

19th May 2022

Strongest quarterly NWP
since 2016



SCAN ME

CONNECT WITH US



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Introducing TPM's new CEO, Jubin Mehta

Appointment effective 5th May 2022



Jubin brings with him a broad and extensive technical and leadership experience in the Financial Services and Technology space to transform Tune Protect Malaysia into a progressive organisation moving forward. He also leads the SME solution developments across the Group.

Jubin has more than 18 years of experience under his belt, most of which was in the banking industry particularly in ecosystem banking, supply chain financing, cross-border trade, SME banking and digital lending across India, Vietnam, and Malaysia. His experience in the last 5 years has been in the Financial Technology field notably bootstrapping an innovative data analytics company and Consulting with Axiata Digital and Courts Mammoth for projects in the digital lending space.

He is a graduate of Bachelor in Commerce from the Delhi University and Master in Business Administration (Marketing major) from the Management Development Institute of India.

What we committed to achieve by 2023 and where we currently



✓ Achieved ● On-track ● Room for improvement

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

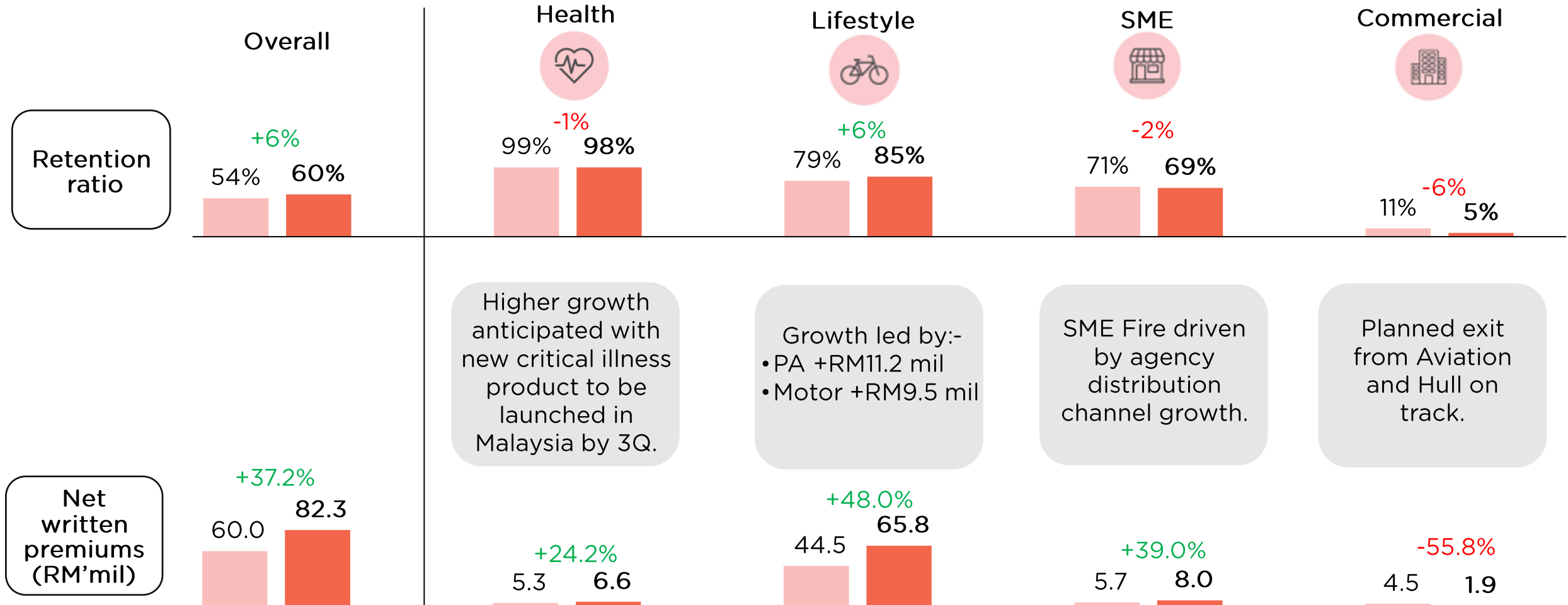
To be inducted into FTSE4Good Bursa Malaysia Index



Highest quarterly NWP since 2016

Preferred segments growth saw an improvement in retention ratio

 Retention upwards towards 70% in all LOB



Tenang PA Care contributed close to 50% of Lifestyle NWP growth

Aligned with our ESG commitment towards supporting B40¹ segment



RM9.7 mil
generated via
digital and other
partners since its
launch in mid-Feb'22



Budget 2022 increased
the value of PTV² from
RM50 to **RM75**
for B40



Aligning with
the UN SDGs

Enhanced the social
safety net of
> 120K
under-served individuals
and families



Supported by our
best-in-class
**front-end
system**



Introduced
MarZ
to expedite the
processing and
issuance of policy



Capable of generating
more than
500K policies
in a day

Notes:-

1. Bottom 40 income group
2. Perlindungan Tenang Voucher

NWP contribution from digital partnerships & e-commerce was RM39.2mil in 1Q22, grew from RM29.3mil in 1Q21



New partners

Accumulated a total of **58** new partners to date

Carilar

FLEXIROAM

Langkawi Tourism Association

agoda | **COVER GENIUS**

MediSavers[®]
eMedicalCard

instahome[™]

doc
DOCTORONCALL
COM.MY

MEDIVEN[®]
MEDICAL INNOVATION VENTURES

DSA
DEFENCE SERVICES ASIA
EXHIBITION & CONFERENCE

MyDocLab



Existing partner



- Introduced new Travel plan for non-AirAsia flights
- Covid-19 pre-departure insurance coverage for SUPER+ pass subscribers > 65k subscribers in Mar'22

ECOWORLD
CREATING TOMORROW & BEYOND

Latest protection plan: EcoWorld Income Safe PA Plan, for home buyers.

Bjak

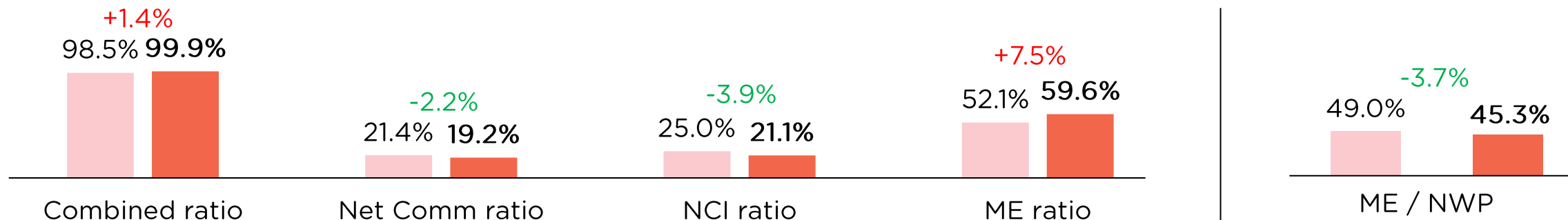
- Home Easy, a PA plan designed for homeowners & tenants
- Covid Travel Pass+, inbound Travel PA into Malaysia

Higher ME ratio due to timing effect

Claims experience continues to be at a manageable level



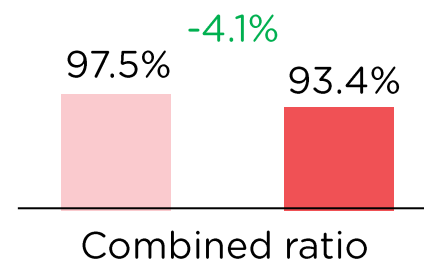
TPG



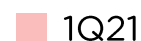
- Shift of portfolio mix toward retail lines has contributed to the improvement of Net Comm and NCI ratios.

- Driven by scaling up of IT capability and marketing at the Group.
- Growth in NWP (+RM22.3 mil) was higher than the increase in ME (+RM7.9 mil).
- NEP growth came in lower (+RM6.2 mil) due to timing effect.

TPM



- Improvement led by lower ME and NCI ratios.



Monetising our proprietary in-house technology

 To evolve our tech arm as a profit centre



Timeline

2021

3 

new markets activated with different insurance partners

Tech platform
Tech fees



2022



1st Malaysian insurer to obtain approval from Bank Negara to host core system on cloud



Introduced MarZ (*digital accelerator sitting on top of the legacy core system*) to expedite policy processing and issuance. Capable of generating more than 500K policies in a day



Corporate Day in 2H2022 with tech theme (healthtech and hyper-personalisation)

Did you know?

MarZ and Zeus* are currently being used in > 60 countries that we have presence in

* A travel tech platform

Mobile app deployed for Malaysia and Thailand

2021 policies issued (mil)

8.0

vs

10.0

MarZ and Zeus

Cover Genius

Customer count and policies issued (mil)

+35.7%

1.88

2.55

+35.5%

1.90

2.57

Customer count

Policies issued


1Q21

1Q22



Laid the foundation via our network of partnerships in Vietnam



We work with one of the largest insurance provider in Vietnam. **BAOVIET** 

The relationship has now grown to include multiple distribution partners.



Secured



2nd largest e-hailing company in Vietnam after Grab



Leading e-wallet provider in Vietnam



Full-fledge carrier established since 2017



Popular online travel agent



In the pipeline

Largest commerce marketplace platform

Largest marketplace player

Giant digital payment

Leading travel airline

Mobile-first approach to create the best experience

More features to be introduced in the coming quarters



TuneTOUCH, provides access to protection with ease at user's fingertips:-

- access to policy online
- purchase and transact online
- submit and check claim status
- access to medical services, myEliteDoctor (2nd medical opinion) and Health2GO (telemedicine consultation)



Enhancement to be made in 2Q and 3Q:-










- healthtech – fitness and wellness tracking and doctor consultation
- reward system – earn rebate points
- hyper-personalisation – tailored protection to suit customer specific lifestyle needs



Both entities accumulated **> 6,000** downloads in 1Q22, **7.5x** growth from 1Q21

Improved conversion ratio and SEO ranking



	Conversion ratio ¹	SEO ranking ²
Travel 	2.8%  7% to 15%	Not found  1st
Motor 	3.3%  2%	Not found  5th
Health 	0.7%  1% to 8%	1st  1st

Notes:

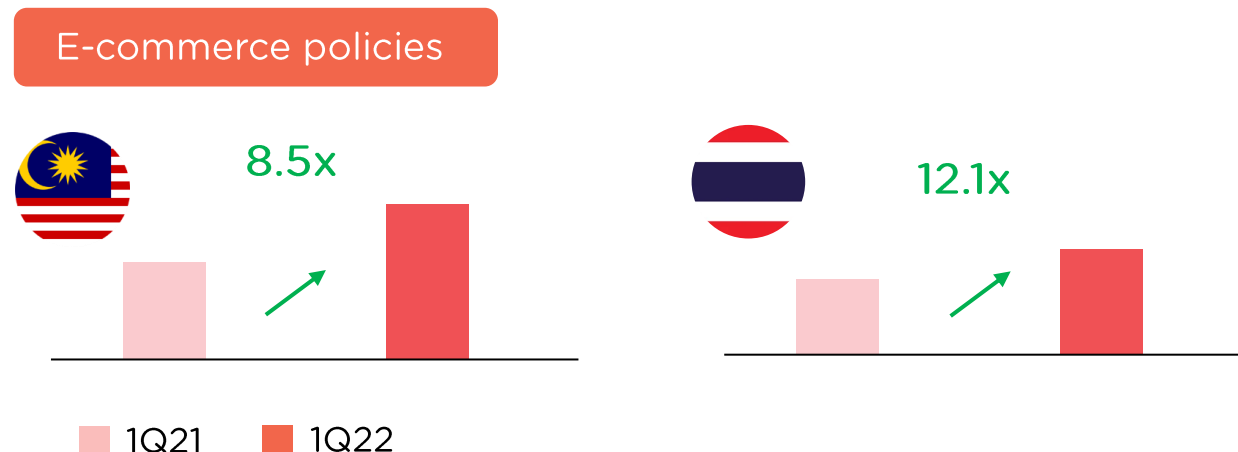
1. Conversion ratio = number of visitors to our website that made a purchase. Comparison between Apr'21 to Mar'22.
2. SEO ranking = our website page ranking in Google search engine results. Comparison between July'21 to Mar'22.

What did we improve on?

- streamlined the UX to make customer journey more intuitive
- enabled chat function throughout purchase journey
- optimised search title and description

Next

- significantly increase our digital presence via digital marketing
- introduce monthly instalment feature for our Health products

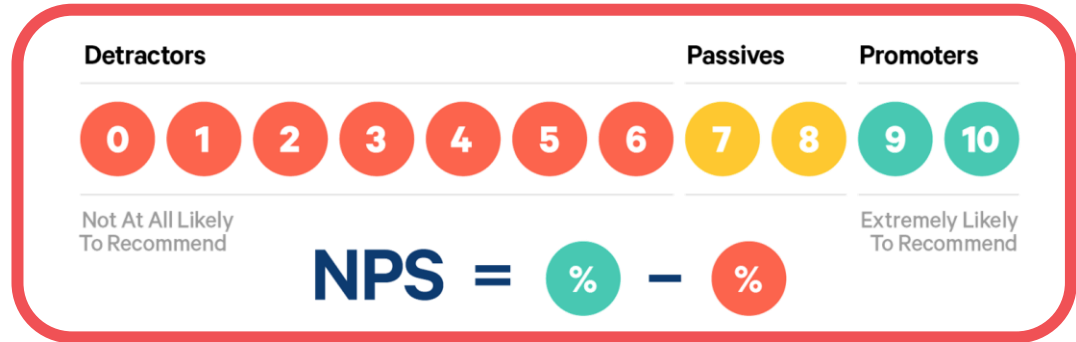


Customer experience tracking metrics established

To be a NPS leader in our preferred market



	Dec'21	2022 target
<p>Overall customer NPS</p>	14%	17%
<p>Partner NPS</p>	78%*	To be determined*






* Only TP EMEA's partners.
2022 target is to be determined as we are planning a group wide partners roll-out.

CX tracking metrics

<p>Unique customer count</p> <p>1.5 million</p>	<p>Average active policy per customer¹</p> <p>1.22</p>	<p>Average product per customer²</p> <p>1.04</p>	<p>Customer vintage³</p> <p>30 months</p>	<p>Average premium per active customer⁴</p> <p>RM136</p>
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- Notes:-
1. Number of active policy / unique active customer
 2. Number of product by nature / unique active customer
 3. Duration of active customer been with us since its first policy
 4. Total GWP / active customer base

Boosting our Gen Z hire and intern conversion

	Dec'21		2022 target
 Overall employee NPS	5%	↗	10%
 Intern conversion to permanent staffs	5%	↗	10%
 Gen Z hire over total new hire	13%	↗	20%



What are we doing?

- Internship programme enhancement
- Management apprenticeship programme

ESG commitments that stretch beyond 2022



Pillars

Environment



Zero coal in terms of underwriting and investments by 2030

Progress

Coal fired plants, tobacco manufacturers and weapons manufacturers will be excluded from coal underwriting guidelines by 1st June 2022.

Social



Charity elements in our online products

As our e-commerce channel gets bigger, our charity allocation to Yayasan Chow Kit will grow in tandem.

Governance



50% women leadership team by 2023

- 37% of our leaders are women (31% in Dec'21).
- Our Board women composition increased from 33% to 43% with the recent appointment of Dr Grace.



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

Targeting 25% for 2022.

1Q22 Financial Overview

Timing effect led to lower NEP recorded



TPG (RM'mil)	1Q21	1Q22	YoY
Net written premiums	60.0	82.3	37.2%
Net earned premiums	56.4	62.5	10.9%
Underwriting profit	0.8	0.1	-86.0%
Combined ratio	98.5%	99.9%	1.4%
Net investment loss ¹	(20.6)	(1.7)	-91.9%
Share of results ²	(0.2)	(2.4)	> -100%
Loss after tax	(20.5)	(2.6)	-87.1%

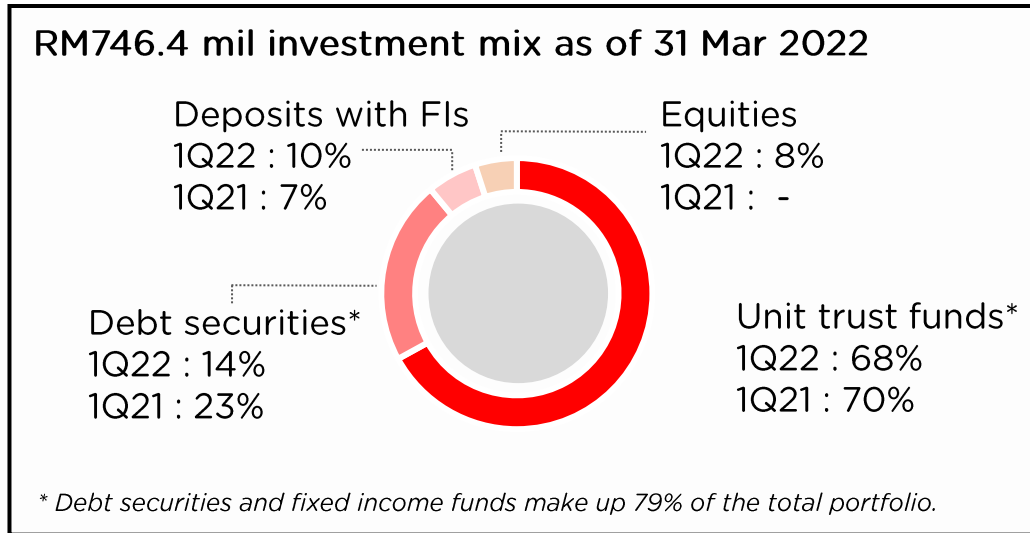
Notes:-

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).

- 11% NEP growth did not keep pace with the 37% growth in NWP due to the timing effect in recognising earned premiums resulting in lower underwriting profits.
- Net investment loss down by 92% due to significant fair value losses experienced during the same quarter last year.
- TPT's bottom line impacted by claims arising from Omicron.

Maintaining a defensive stance against market volatility



1Q22 market update

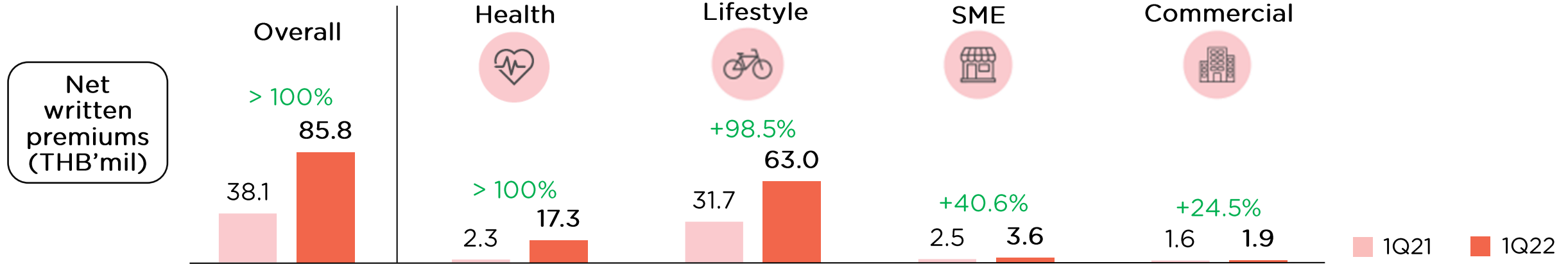
- FOMC hiked 50bps on 4th May and guided for several more 50bps hikes for subsequent meetings. Quantitative Tightening is also expected to begin on 1st Jun 2022.
- Risk aversion is apparent across emerging markets. No meaningful recovery is expected in Malaysia's bond market until US treasuries settle down.
- Equity markets are being driven by fears of slowing growth and even a recession. With an uncertain outlook, investors are likely to stay on the sidelines.

Our stance/response

- Expect recovery in both bond and equity markets when the uncertainties on the Russian-Ukraine conflict dissipate and the aggressiveness of Fed is clarified and priced in fully, which is most likely by 2H2022.
- Meantime, our portfolio remains on the defensive and is shielded from extreme volatility as we have reduced our overall fixed income duration to around 3 years.

1Q22 TPT Overview

Encouraging topline growth; losses hampered by claims due to effects of Omicron



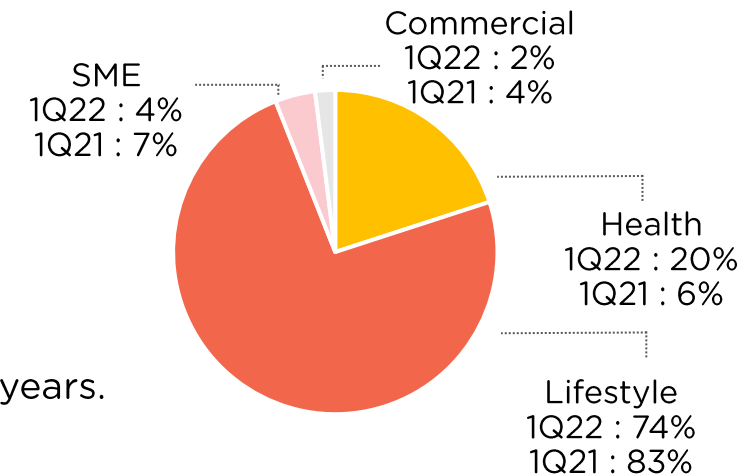
1Q22 key highlights

- NWP grew by 125.5% YoY, predominantly from retail segment:-
 - Lifestyle up 2x
 - Health up by 8x
 - D2C channel grew by 9x (mobile and website)
 - Overall retention ratio up 11% YoY to 49%.
- Losses arising from local Covid-19 products claims. Stopped all relevant products.

Outlook

- Well positioned for travel recovery via diverse network that we have built over the last 2 years. AirAsia recovery will be an added growth advantage (contributed 9% to the total GWP).
- 22 key partners with > 65 mil customer leads for cross-sell and upsell opportunities.

Portfolio mix



Comparison with listed insurtech players



Lemonade™



Root
Insurance Co



policybazaar.com



Company description

Malaysia
market



Thailand
market



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:-

(i) 1Q22 revenue³

RM 108.6 mil

THB 175.9 mil

USD 110.6 mil

USD 187.2 mil

INR 1,963.7 mil

(i) Revenue growth³

+39.5%

+73.2%

+45.9%

-7.5%

+42.9%

(ii) Profit/Loss after tax

RM 1.4 mil

(THB 40.1 mil)

(USD 74.8 mil)

(USD 76.4 mil)

(INR 2,980.2 mil)

(iii) Market Cap

RM 330.8 mil

USD 1.19 bil

USD 313.0 mil

INR 247.8 bil

(iv) Price to Book

0.6x

1.8x

1.1x

14.6x

Notes:-

1. Extracted from the respective companies' latest 1Q22 quarterly financial statements except for Policy Bazaar 4Q21 (1Q22 not out yet).

2. Policy bazaar stats derived from its listed entity PB Fintech

3. Revenue definition: Tune Protect Group, Lemonade & Roots = GWP, Policy Bazaar = Insurance Web Aggregator revenue

An Overview

Growth traction

Malaysia business 1Q22
NWP grew **+77%** YoY



Tech-led business model

In-house tech utilised
across **> 60 markets**



Customer centricity

1.5 million unique
customers to date



Thailand business
1Q22 NWP **2X** YoY

Broad-based growth in all preferred lines

Health



Tune Protect Re has started
reinsuring selective health risk

Lifestyle



SME



What's to come...

Greater **diversification** by TPR in
Non-Travel Lifestyle by 2H22



Meaningful growth to come
from Vietnam in FY22

A proven tech platform that has
evolved beyond Travel i.e. MarZ.

MarZ currently activated in 3 markets.
Vietnam next in the pipeline.

Activation of MarZ with a Tenang
PA distribution partner will observe
greater traction in 2Q22.
> 500k policies generated in 1 day.

What's to come...

Rearchitected Mobile App in 2H22.

- Healthtech
- Telematics / Motor-tech



8 million policies sold
in 2021 despite lockdowns

Customer pledge

3

minutes
to buy

3

hours customer
response time

3

working days
claim payout

What's to come...

Getting closer to customer and data

Cross sell rate traction

Product holding duration

Thank You

Appendix



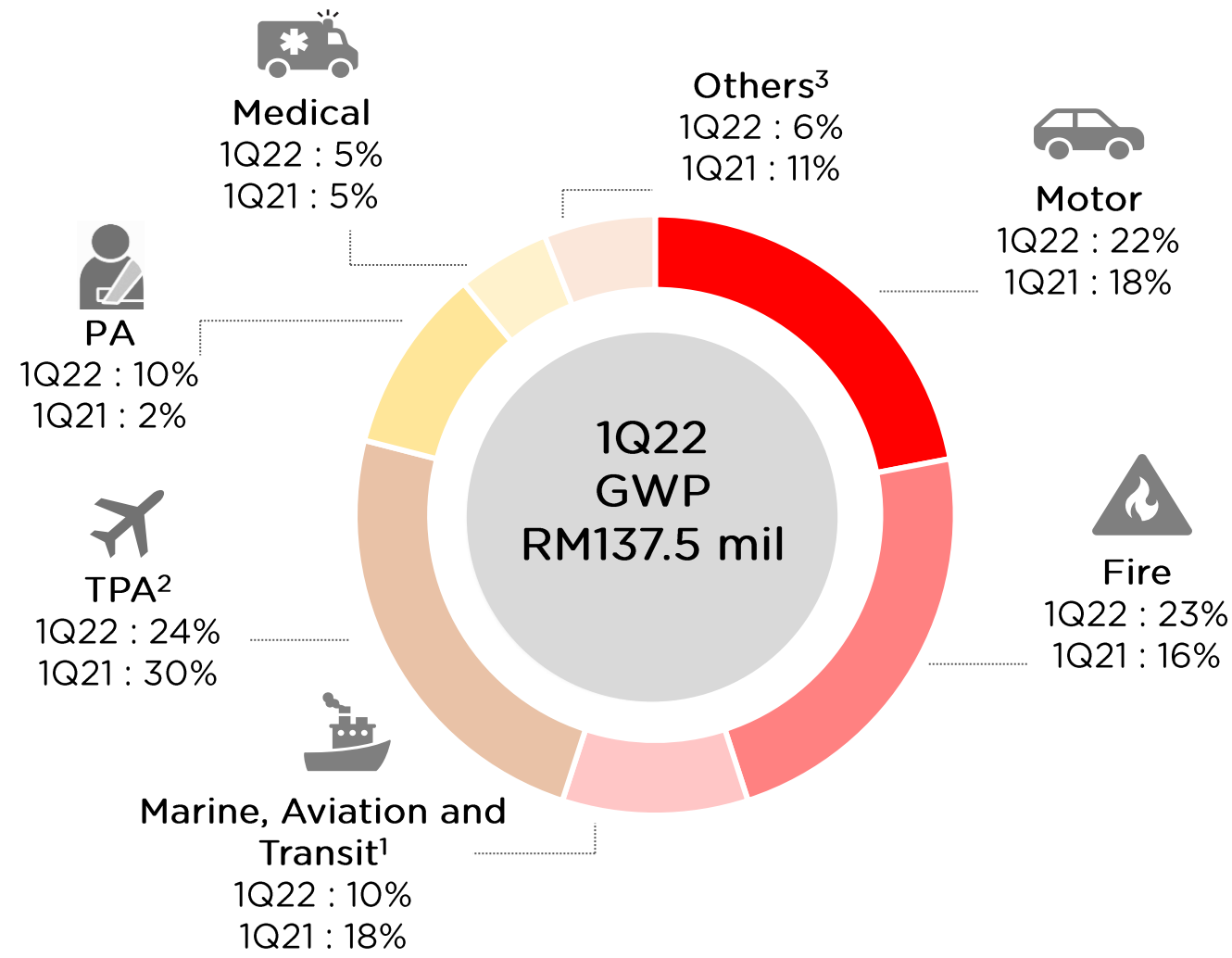
TPG – Financial Snapshot

Income Statement (in RM'000)	1Q21	1Q22	YoY	4Q21	QoQ
Gross written premiums	110,425	137,496	24.5%	79,310	73.4%
Net written premiums	59,959	82,283	37.2%	55,665	47.8%
Net earned premiums	56,376	62,535	10.9%	53,171	17.6%
Investment income	4,695	4,923	4.9%	5,302	-7.1%
Realised gains / (losses)	3,308	(201)	> -100%	(2,663)	-92.5%
Fair value gains / (losses)	(28,559)	(6,389)	-77.6%	(5,848)	9.3%
Net fees & commission	(12,069)	(11,989)	-0.7%	(8,628)	39.0%
Net claims	(14,096)	(13,181)	-6.5%	(14,190)	-7.1%
Management expenses	(29,388)	(37,250)	26.8%	(37,990)	-1.9%
Underwriting profits/(loss)	823	115	-86.0%	(7,637)	> 100%
Share of results of an associate	(199)	(2,496)	> 100%	(5,249)	-52.4%
Share of results of a JV	-	71	100%	73	-2.7%
Profit/(loss) after tax	(20,533)	(2,654)	-87.1%	(14,743)	-82.0%
Profit/(loss) after tax & minority interest	(15,449)	(2,973)	-80.8%	(12,129)	-75.5%
Basic EPS/(LPS) (sen)	(2.06)	(0.40)	-80.8%	(1.61)	-75.5%
Net commission ratio	21.4%	19.2%	-2.2%	16.2%	3.0%
Net claim incurred ratio	25.0%	21.1%	-3.9%	26.7%	-5.6%
Management expenses ratio	52.1%	59.6%	7.5%	71.5%	-11.9%
Combined ratio	98.5%	99.9%	1.4%	114.4%	-14.5%
ROaE (annualised)	n.a.	n.a.	n.a.	n.a.	n.a.
ROaA (annualised)	n.a.	n.a.	n.a.	n.a.	n.a.
Investment yield* (annualised)	n.a.	n.a.	n.a.	n.a.	n.a.

Amounts presented may not foot due to rounding

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

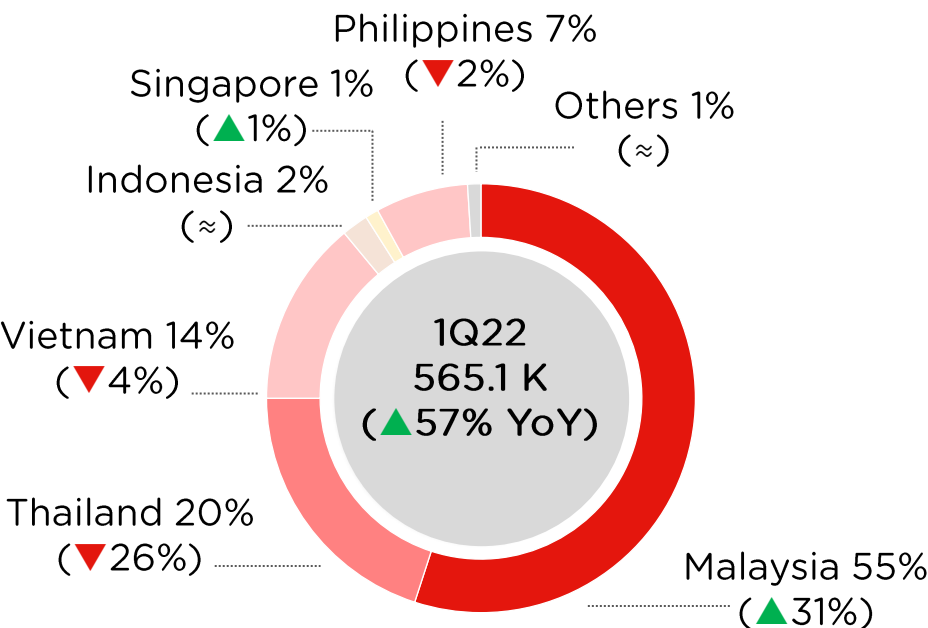
TPG – Portfolio Mix



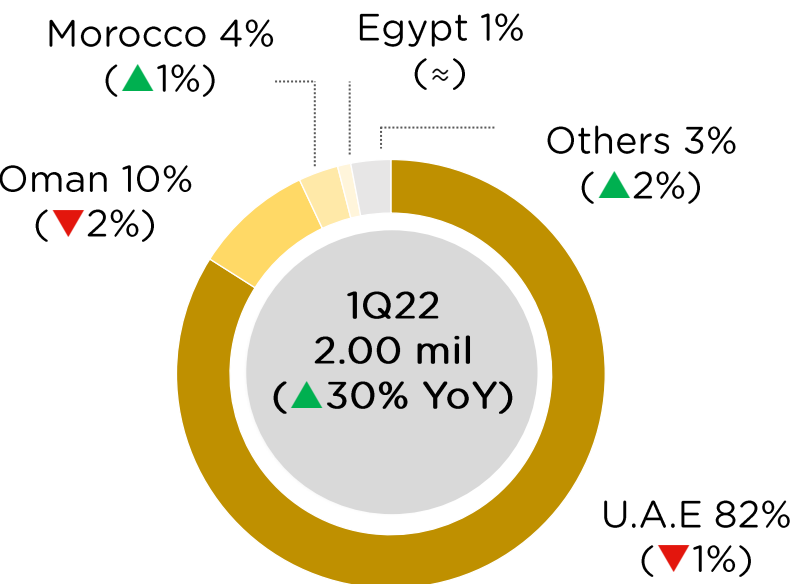
Notes:-
(1) Consist of Aviation, Marine Cargo, Marine Hull and Offshore Oil.
(2) Consist of group total Travel.
(3) Consist of Bonds, Engineering, Liabilities, Workers Compensation and Others.

TPR – Policies Issued

AirAsia & others¹



Middle East



Glossary

Abbreviations

AI	Artificial Intelligence	JV	Joint Venture	SME	Small and Medium Enterprise
ASEAN	Association of Southeast Asian Nations	LOB	Line of business	THB	Thailand Baht
B40	Bottom 40 income group	LPS	Loss Per Share	TPA	Travel Personal Accident
Bps	Basis points	ME	Management Expenses	TPG/Group	Tune Protect Group
CEO	Chief Executive Officer	NCI	Net Claims Incurred	TPM	Tune Protect Malaysia
D2C	Direct-to-Consumer	NPS	Net Promoter Score	TPR	Tune Protect Re Ltd
ESG	Environment, Social and Governance	NWP	Net Written Premium	TPT	Tune Protect Thailand
EPS	Earnings Per Share	PA	Personal Accident	U.A.E	United Arab Emirates
Fed	US Federal Reserve	PAT	Profit After Tax	UN SGDs	United Nations Sustainable Development Goals
FOMC	Federal Open Market Committee	QoQ	Quarter-On-Quarter	UX	User experience
GWP	Gross Written Premium	ROaA	Return On Average Assets	US	United States of America
IMF	International Monetary Fund	ROaE	Return On Average Equity	USD	US Dollar
IT	Information Technology	SEO	Search Engine Optimisation	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

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