

3Q2023 Analyst Presentation

23rd Nov 2023

3Q23 net written premiums up 22% YoY;
profitable bottom line driven by improved
underwriting performance and investments



SCAN ME

CONNECT WITH US



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What we committed to achieve by 2023 and where are we currently

✓ On-track

● Work-in-progress

● At risk

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

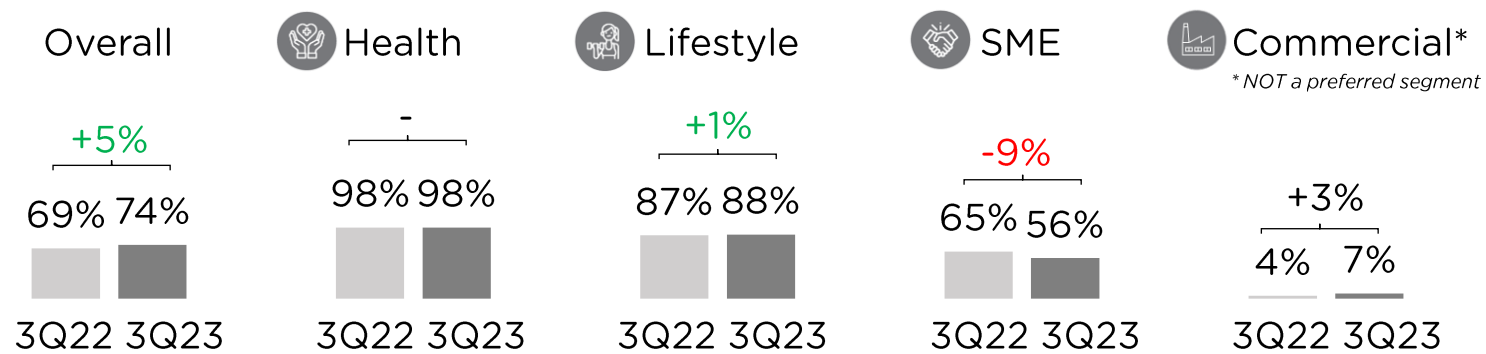


Travel, Motor and Health leading topline growth; 9M23 retention ratio remains ahead of our target

Retention upwards 
towards 70% in all
LOB




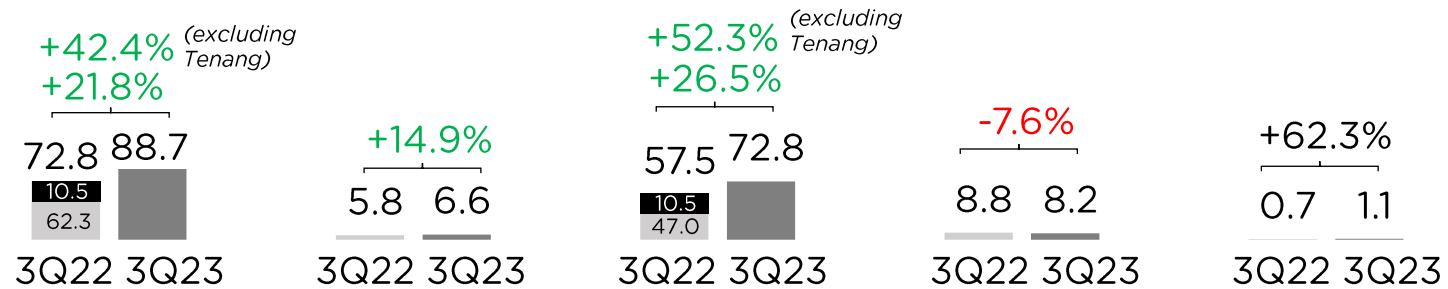
Retention ratio



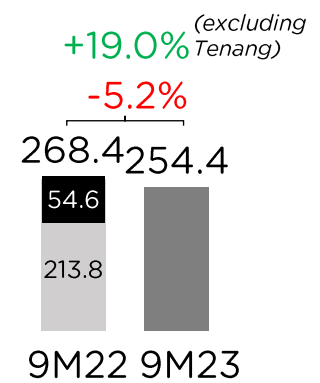
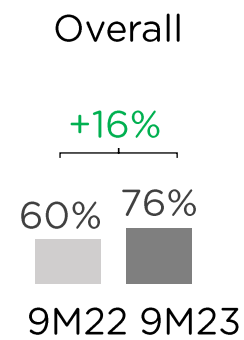
Commercial: The remaining accounts in the book are higher retention fire.

NWP (RM'mil)

 Perlindungan Tenang¹



- 3Q23 NWP growth more than compensated for the absence of Tenang business.
- Health growth led by **foreign worker** segment.
- Lifestyle growth led by **motor** (up 41.1% YoY) and **travel** (up 25.5% YoY).
- SME fell marginally due to lower engineering segment, offset by **SME fire** segment up by 114.1% YoY.

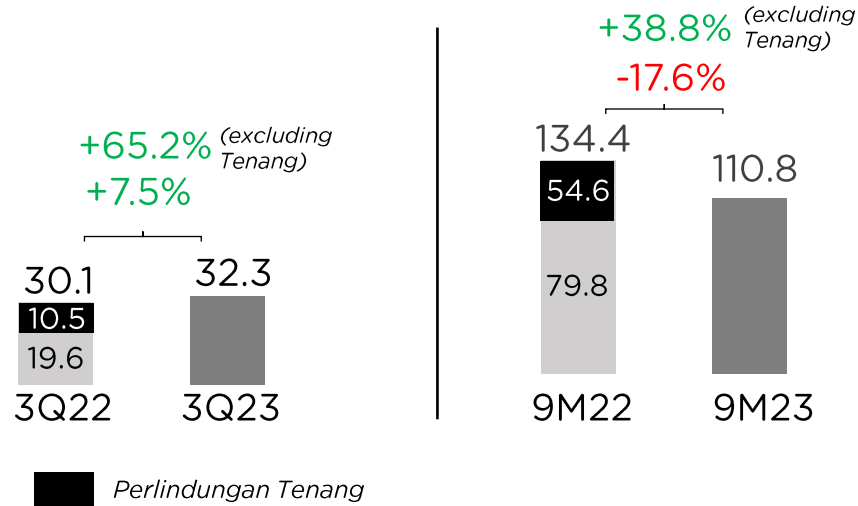


1. Perlindungan Tenang is a national initiative to provide simple and affordable insurance plans to the lower income group. Eligible individuals are given a RM75 voucher to redeem a Tenang insurance plan from participating insurers. It was discontinued in FY23.

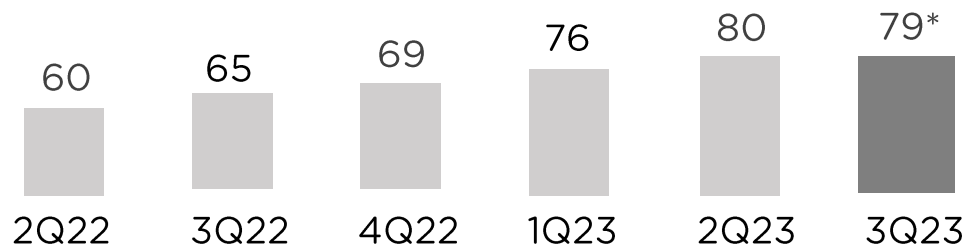
3Q23 NWP from partnerships & eCommerce recorded YoY growth, however 9M23 NWP continues to trail last year



Digital partnerships & eCommerce NWP (RM'mil)



Number of digital partners



* 3 partners dropped off during the quarter

New partnerships



- CGC provides guarantee cover and credit financing to MSMEs
- Offering SME Business Shield, SME EZY and PA Easy via affiliate link.



- TRUE, the fastest growing digital telco in Thailand.
- Bundling our travel Insurance with TRUE's inbound sim card for foreigners across all Thailand airports.



Various promotional campaigns on the eCommerce front and strategic tie-ups with partners



Spin & Fly campaign



Motor Easy campaign



Bronze for Excellence in Launch Marketing at the Marketing Excellence Awards 2023



Joint campaign with Funding Societies



Joint campaign with M+ Global



First insurer to collaborate with Credit Guarantee Corporation to introduce digital insurance solutions for MSMEs



Aligning with the UN SDGs and BNM's Financial Inclusion Framework (2023 to 2026)



Credit Guarantee Corporation

Provide guarantee cover and credit financing to MSMEs.



As at Dec'22, CGC had provided nearly **370 K MSMEs** with over **522 K guarantees** and financing valued at over **RM90.3 bil.**

(Source : CGC 2022 annual report)



Products

Three products available:-

- SME Business Shield
- SME EZY
- PA Easy



At imSME, a self-service customer portal powered by CGC.



Collaboration

We will also participate in CGC's **outreach programmes for MSMEs**, offering educational initiatives such as interactive workshops, training programs, and informative sessions.



Introduced newly enhanced AirAsia travel insurance: AirAsia Comprehensive Travel PLUS



Added **Cashless Hospital Admission services** for travellers departing from



Features



Access to **5,000 hospitals worldwide** in collaboration with Europ Assistance (a global assistance and insurance operator).



A hospital will be notified and arrange transportation, upon verification.



A guarantee letter will be issued directly to the hospital to ensure:-

- uninterrupted medical attention.
- **eliminating the need for claim submissions.**



Booked through AirAsia online and offline platforms, including:-

- Manage My Booking
- Online Check-in via the airasia MOVE app

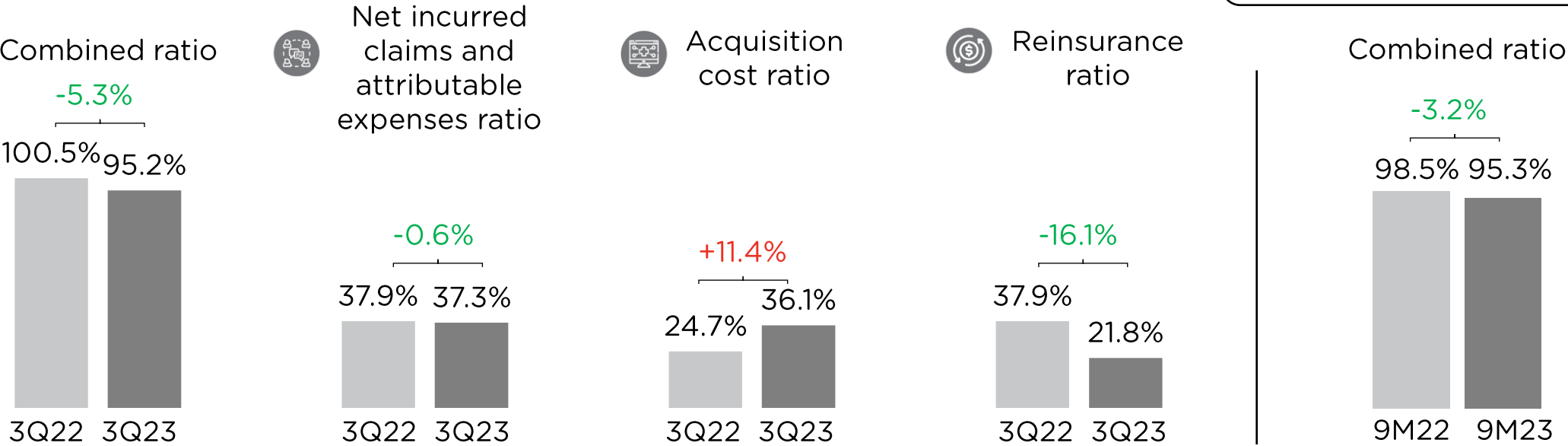


3Q23 and 9M23 combined ratio lower than 100%





More efficient organisation on a ratio basis



Note:-
1. Refer to appendix page 24 for the formula of each ratio.

Improved claims experience from motor, PA and travel segments, partially offset by lower insurance revenue (due to the exit from Commercial books).

Due to lower insurance revenue in 3Q23 and higher marketing spend. (acquisition cost ratio now includes other fixed acquisition costs such as employee costs).

Lower reinsurance cost in line with increased retention ratio through the exit from Commercial books.

Entering the next phase of our core system HYDRO replacement and TiPS implementation

 To evolve our tech arm as a profit centre



Core system HYDRO replacement

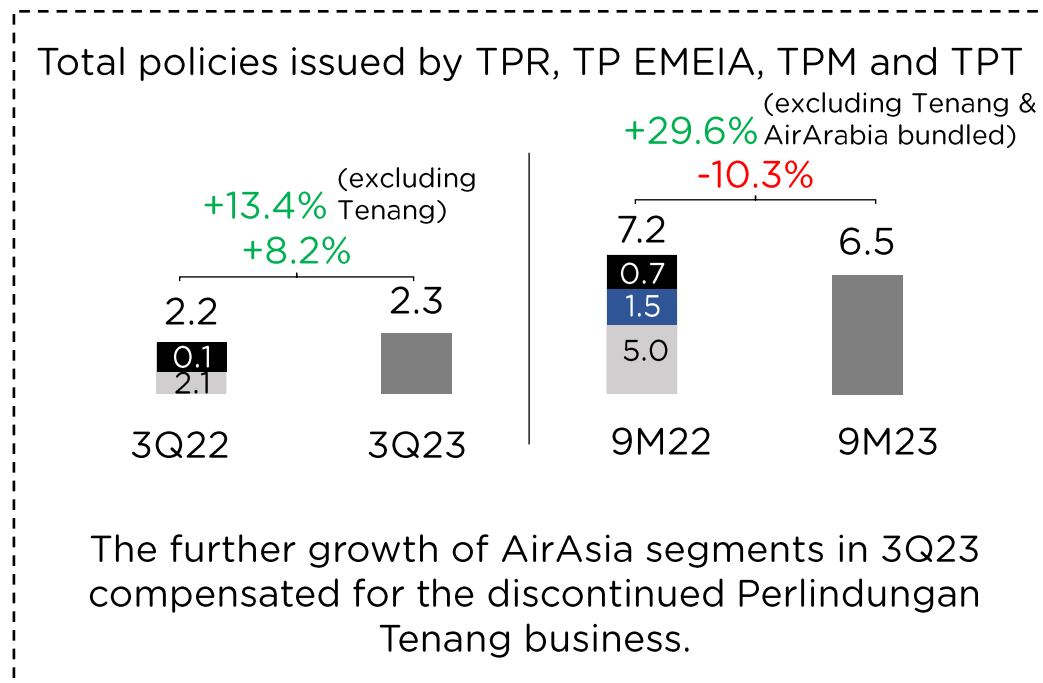


Next phase

- ✓ Immediate policy processing
- ✓ Automated workflow
- ✓ Centralised customer record
- ✓ Speed-to-market

Tune Integrated Producer System (TiPS)

- One stop point of sales: quotation, payments, endorsement and renewals.
- One stop service counter: claims, sales dashboard and statement.
- Online learning: self-enrolled e-learning for distributors/intermediaries.
- Next phase
 - Phase 1: distributors/intermediaries



 Perlindungan Tenang ran until 3Q22
 AirArabia bundled ran until 1Q22


Vietnam is fast becoming a major contributor to our topline after Malaysia and Thailand


vietjet Air



- Contributed 15% of total GWP from Vietnam in 3Q23.
- A total of 80.7 K policies issued in 3Q23.
- Bundled SKY CARE insurance ([schedule of benefits](#)) extended until 1Q24 (from initially 4Q23).


• Activation roadmap:-

● Activated: Vietnam 

● Launching by 4Q23: Indonesia 

● Launching in 2024: By 1Q24

India 

Japan 

South Korea 

Beyond 1Q24

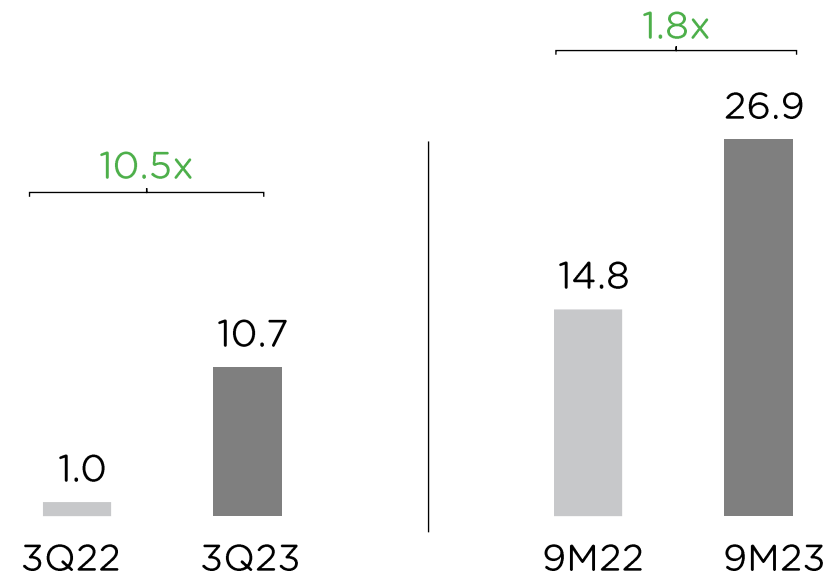
Thailand 

Malaysia 

Singapore 

Cambodia 

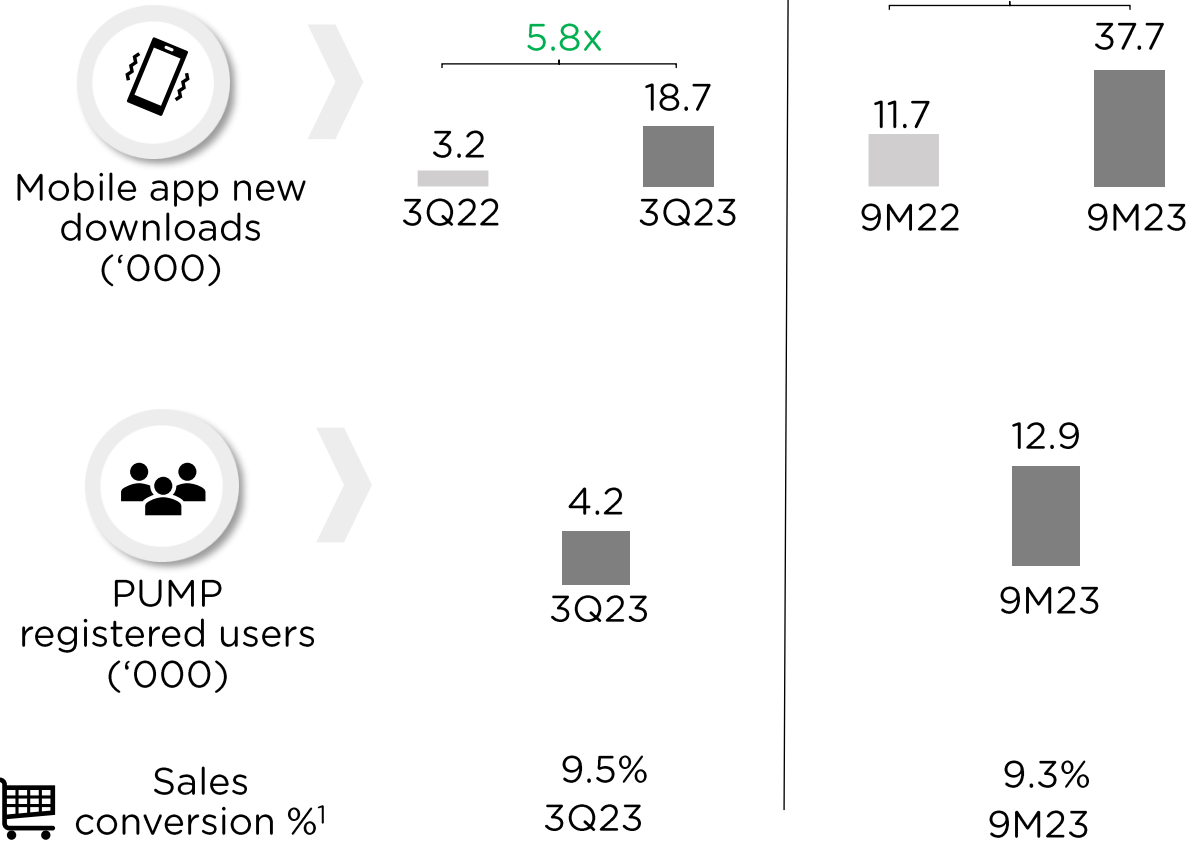
Total GWP contribution from Vietnam (RM'mil)



Encouraging registration and sales conversion from PUMP



Statistics for Malaysia and Thailand



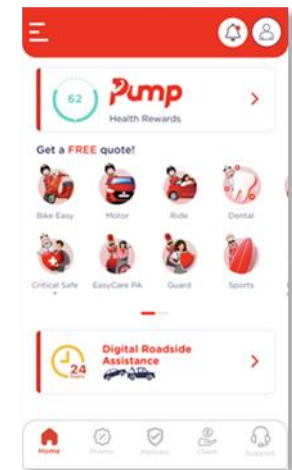
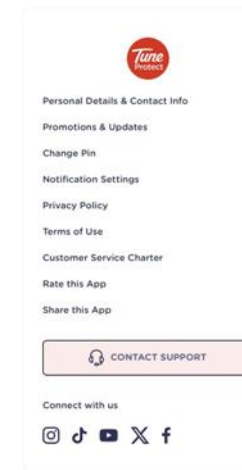
Note:-

1. Number of customers that purchased at least 1 policy after registered PUMP.

Enhanced our mobile app

- New UI/UX
- Simplified registration and login
- Integrated auto assist
- Added new product: Motor Easy bundle
- Improved security standards

Entire mobile and web app have been migrated from on premise to cloud



Driving our 3-3-3 aspirations via various customer experience initiatives

6

To be a NPS leader in our preferred market

✓



We are one of the top 5 general insurer for customer satisfaction

Based on an independent study done by



Latest initiatives

Cashless payment

- As part of our digital transformation journey, we have officially transitioned into **cashless payment** for all walk-in customer across all locations in Malaysia.
- Reduced manual cash handling and enhanced customer experience.



Launched new touchpoint, **Transactional NPS survey** for the customer excellence team on the resolution of cases from email and social media.



Commissioned by



Shortlisted for CX Asia Excellence Awards 2023
Category: Best Customer Experience Award



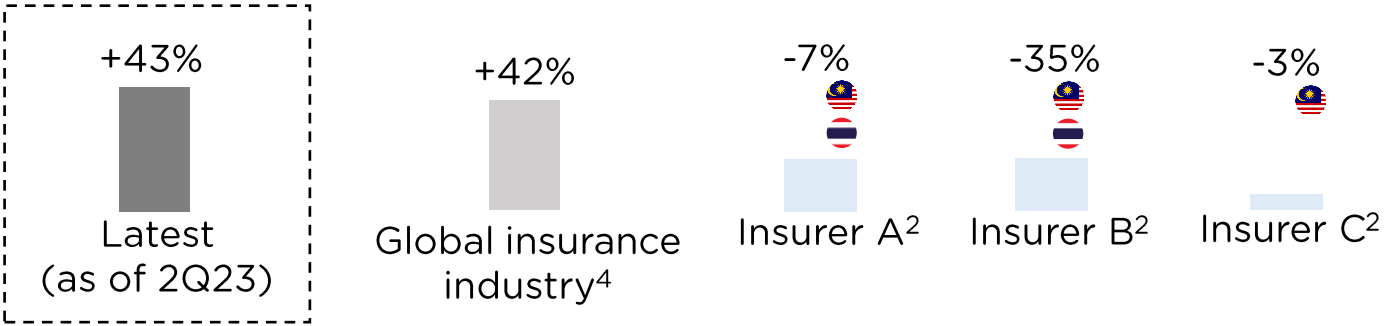
Leader in customer NPS versus regional peers

6

To be a NPS leader in our preferred market



Customer NPS¹

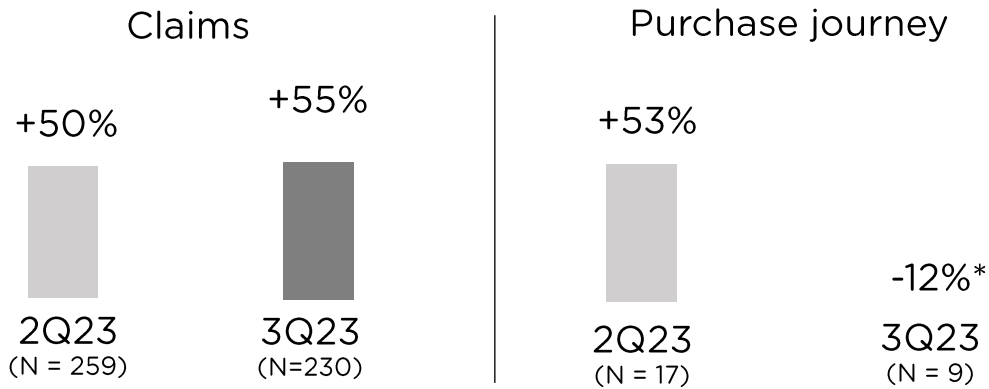


Partner NPS³

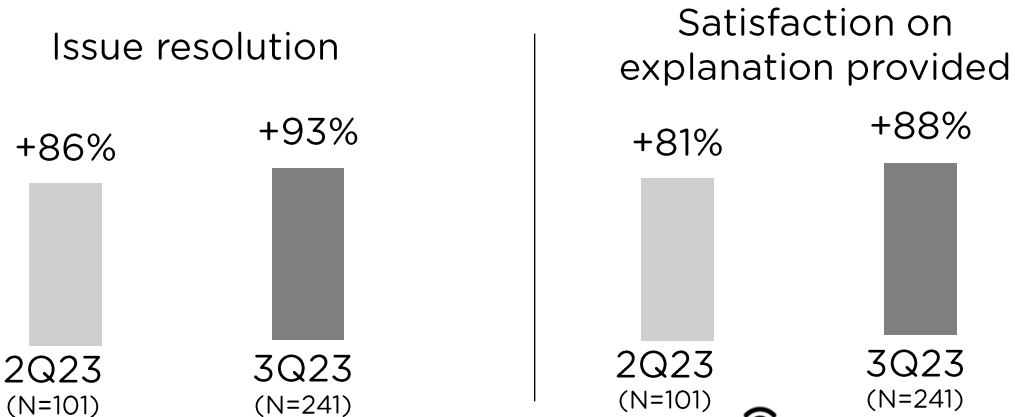


- Notes:
- 1. Customers of TPM and TPT (N = 376).
 - 2. Source : Survey from InsightClubz. Insurer A and B customer NPS are overall NPS based on Malaysian and Thailand consumers while the Insurer C is based on Malaysian consumers only.
 - 3. Partners of TPM, TPR, TPT, TP EMEA, and TPG (N = 394)
 - 4. Source : Customer NPS from ClearlyRated and Partner NPS from Statista.

Transactional NPS 1Q23 as baseline



Customer Satisfaction 2Q23 as baseline



* The reduction in sample size from 17 (2Q23) to 9 (3Q23) could have impacted the NPS score.

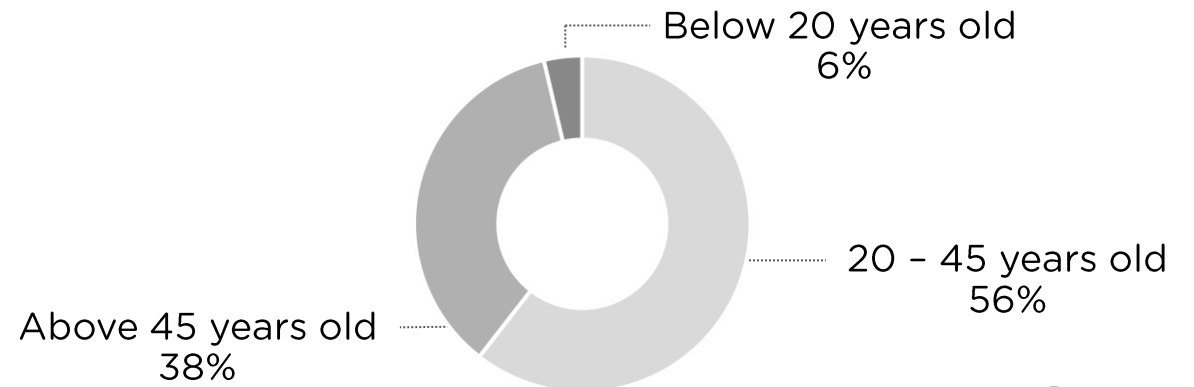
Customer tracking metrics



	Unique active customer count (mil)	Average active policy per customer ²	Average product per customer ³	Customer Vintage (years) ⁴	Average premium per active customer (RM) ⁵
1Q22	1.00	1.41	1.24	5.15	335.79
2Q22	1.73	1.28	1.15	5.33	220.82
3Q22	1.92	1.25	1.10	5.51	202.28
4Q22	1.92	1.25	1.09	5.69	204.17
1Q23	1.82	1.27	1.10	5.90	184.77
2Q23	1.40	1.41	1.15	6.02	191.73
3Q23	↓ 1.28	↑ 1.46	↑ 1.18	↑ 6.20	↑ 204.5

Due to expiration of Tenang policies

Customer age division

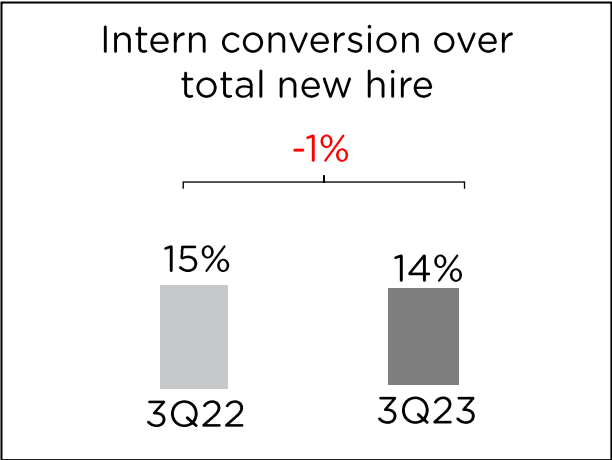
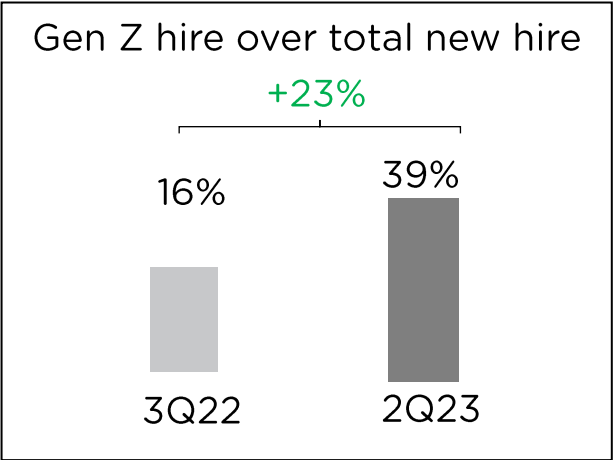
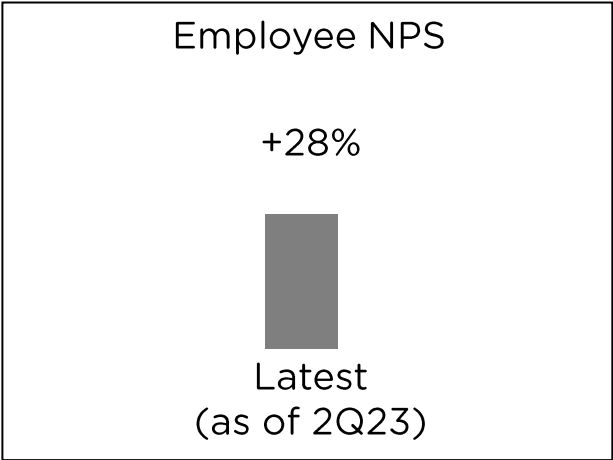


Notes:-

1. Inclusive of TPR, TP EMEIA, TPM and TPT.
2. Number of active policy / unique active customer
3. Number of product by nature / unique active customer
4. Duration of active customer since the inception of the first policy
5. Total GWP / active customer base

Constantly refining to compete with the best talents

To be an employer of choice among insurers for millennial talents



INTI Nilai student engagement event



At the National Human Capital Conference & Exhibition 2023



ESG commitments remain on track



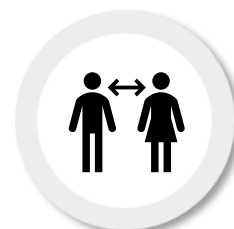
Environment

Commitments

Zero coal in underwriting and investments by 2030

Updates

- ✓ Achieved zero coal target in our underwriting portfolio in Aug'23, 7 years ahead of our commitment to phase out coal-based risk in our underwriting by year 2030.



Social

Charity elements in our online products

Total of 6,000 CSR hours committed over the next 3 years

- ✓ Contributing RM0.50 to the organisation of customers' choice for every Motor, Bike or Travel policy purchased between October to December 2023.
- ✓ 4,582 CSR hours or 76% completed as of 9M23.



Governance

50% women leadership team by 2023

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

- Women in leadership: 42% (as of 3Q23)
- ✓ Women on Board: 50% (significantly higher than the Malaysia average of [25%](#))
- ✓ 50% of our critical roles' successors are identified from within.

Expected to incur between RM3.5 mil to RM5.0 mil in compliance-related investment



E-invoicing



A requirement by LHDN to set-up e-invoicing capabilities by Aug'2024.

Climate Risk Management and Scenario Analysis



Engaging consultants to conduct Scenario Analysis on climate-related risk in 2024, part of BNM requirement.

BNM Policy Document of Risk Management in Technology (RMiT)



Technology process and infrastructure enhancements as per BNM RMiT Policy Document:-

- Group-wide annual system assessment
- DevSecOps: software development controls and monitoring
- Enhancements of on-premise servers
- Risk assessment by external service providers

3Q23 financial overview



TPG (RM'mil)	3Q23	3Q22	YoY	9M23	9M22	YoY
Insurance revenue	106.9	126.3	-15.3%	331.1	350.4	-5.5%
Net Incurred claims and other expenses	(39.9)	(47.8)	-16.6%	(127.7)	(127.7)	-
Amortisation of insurance acquisition cash flow	(38.6)	(31.2)	23.7%	(107.5)	(79.9)	34.7%
Allocation of reinsurance premiums	(23.3)	(47.9)	-51.4%	(80.3)	(137.5)	-41.6%
Net Insurance service result	5.2	(0.7)	> 100%	15.6	5.4	> 100%
Combined ratio	95.2%	100.5%	-5.3%	95.3%	98.5%	-3.2%
Total investment income	6.8	(1.1)	> 100%	24.9	(8.9)	> 100%
Total other income and expenses	(2.5)	(7.4)	-66.5%	(15.1)	(20.0)	-24.7%
Share of results	(0.5)	(0.9)	-42.9%	0.5	(14.7)	> 100%
Profit/(loss) before tax	9.0	(10.0)	> 100%	25.8	(38.2)	> 100%

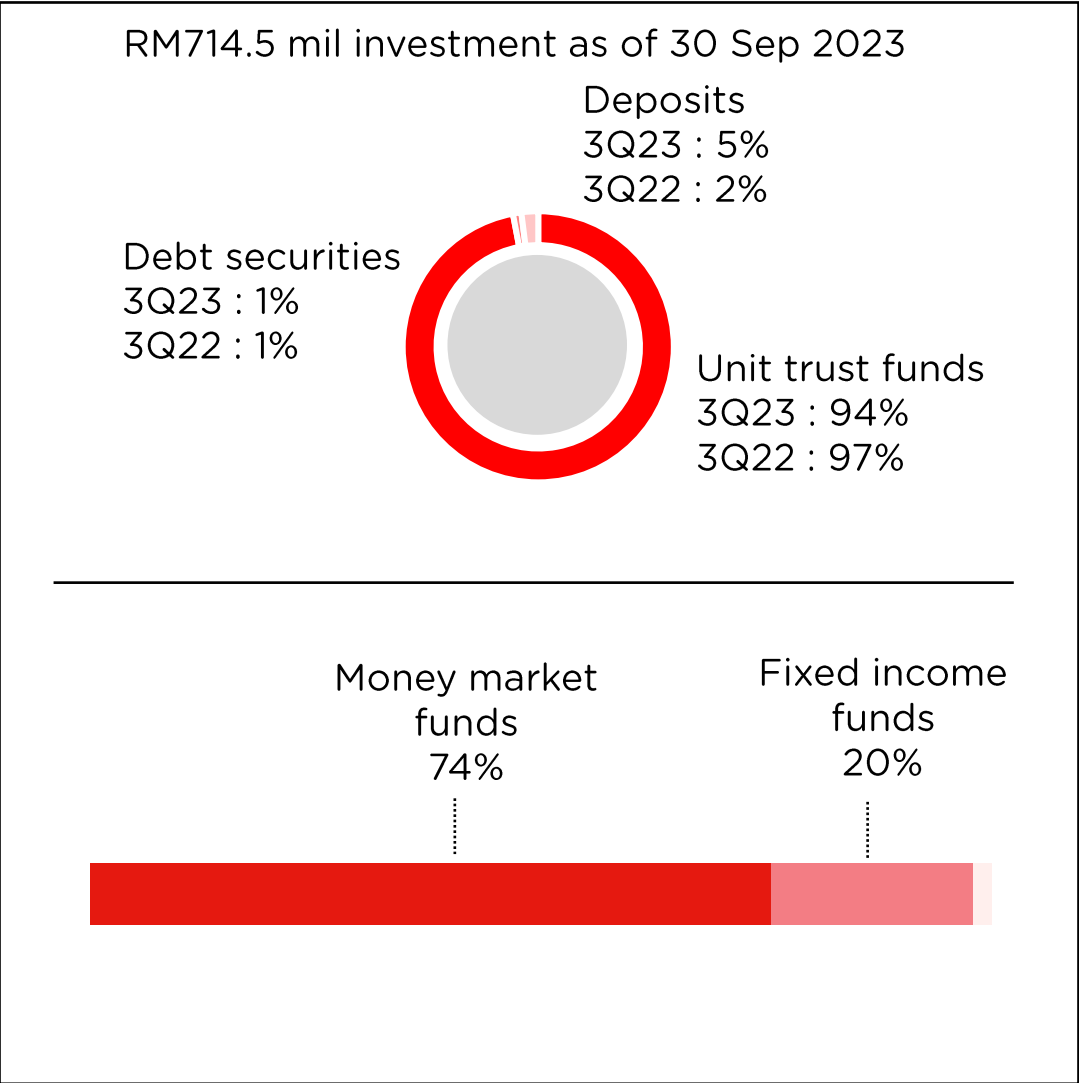
Note:-

1. Amounts presented may not foot due to rounding

3Q22 vs 3Q23

- YoY 15.3% decline in insurance revenue mainly due to decision to gradually **exit from Commercial books** since FY2022. This is also in line with the **lower allocation of reinsurance premium**.
- **Improved combined ratio to 95.2%** due to better claim experience mainly from Motor, PA and travel segments.
- Coupled with **better investment performance** with more prudent portfolio mix and increased money market fund weightage. We recorded a 4th consecutive quarter of **profitability**.

Expected to continue delivering favourable investment returns going forward



Strategy and Outlook

- The Group has adopted a conservative investment strategy by investing close to 80% of its portfolio in money market funds and term deposits.
- BNM has again maintained the current OPR at 3.0% for the 3rd successive meeting, reiterating its stance that monetary policy remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects.
- Our conservative asset allocation continues to shield us from recent market volatility, and we remain vigilant on developments in both global and local capital markets.

Comparison with listed insurtech players



Company description



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

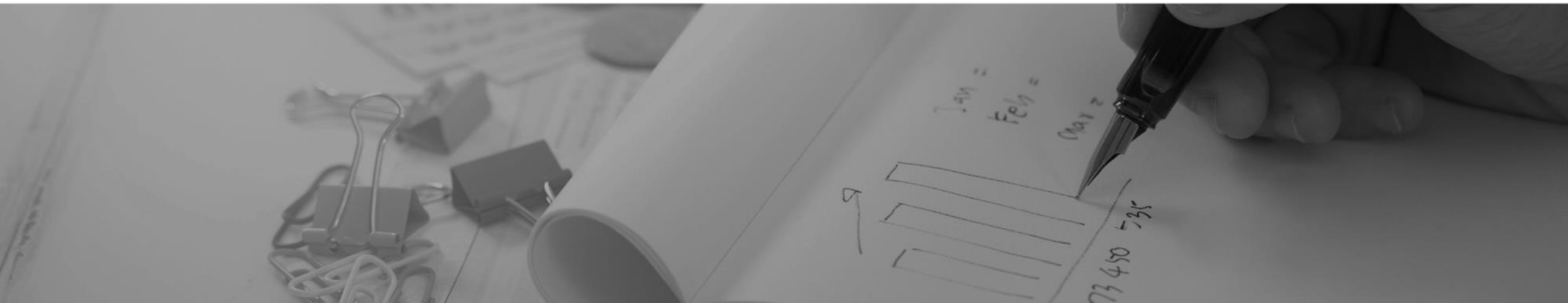


India's largest insurance aggregator with 93% market share

Quarterly statistics	3Q23 ¹	3Q23 ¹	3Q23 ¹	2Q24 ¹
(i) Quarterly revenue ³	USD 18.9 mil	USD 94.8 mil	USD 201.9 mil	USD 75.9 mil
(ii) Revenue growth ³	+21.8%	+25.6%	2.9x	2.3x
(iii) Profit/(loss) after tax	USD 1.4 mil	(USD 61.5 mil)	(USD 45.8 mil)	(USD 2.5 mil)
(iv) Market capitalisation	USD 65.7 ml	USD 1.1 bil	USD 141.4 mil	USD 4.0 bil
(v) Price-to-book	0.6x	1.6x	0.8x	5.8x
(vi) Customer counts	1.3 mil	2.0 mil	n.a.	15.0 mil

- Notes:-
1. Extracted from respective latest available quarterly financial statements: Tune Protect's, Lemonade's and Root's 3Q23 and Policy Bazaar's 2Q24.
 2. Policy Bazaar stats derived from its listed entity PB Fintech
 3. Revenue definition: Tune Protect Group, Lemonade & Root = NWP, except for Policy Bazaar = Insurance broker services
 4. Based on exchange rate of 1 USD = 4.70 MYR and 1 USD = 83.29 INR

Appendix



TPG – Financial Snapshot (MFRS 17)



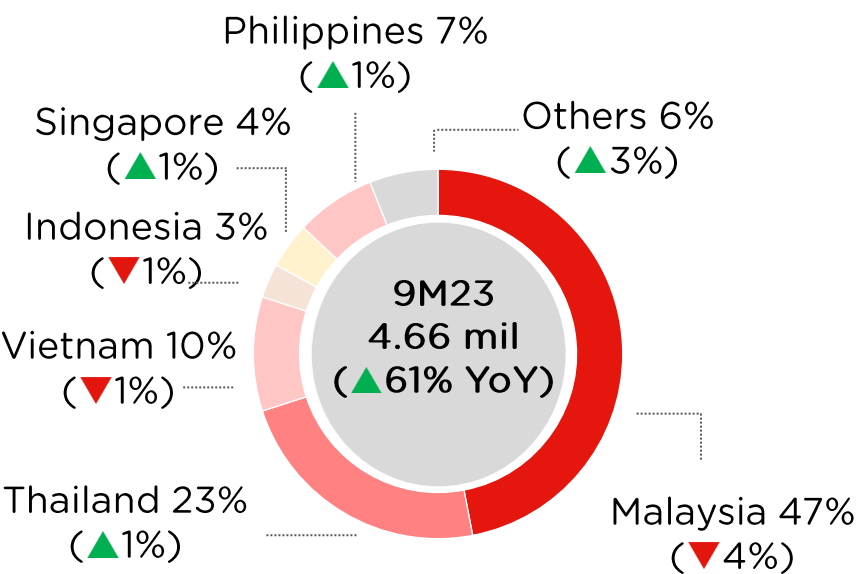
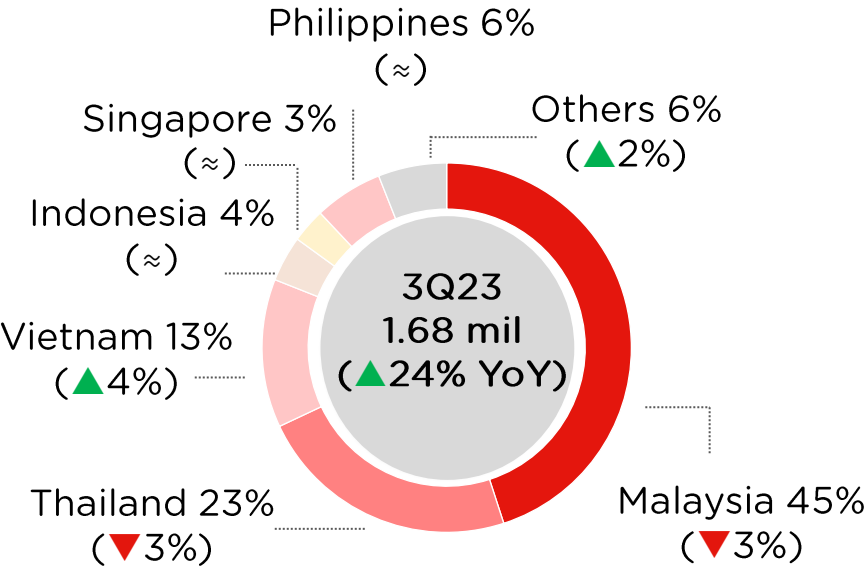
Income Statement (in RM'000)		3Q22	3Q23	YoY	2Q23	QoQ	9M22	9M23	YoY ^{otect}
Insurance revenue		126,251	106,941	-15.3%	102,303	4.5%	350,437	331,072	-5.5%
Incurring claims and other expenses	①	(16,185)	(49,392)	> 100%	(6,055)	> 100%	(98,929)	(123,556)	24.9%
Reversal/(loss) of onerous	①	(830)	1,337	> 100%	(1,556)	> 100%	(5,505)	1,237	> 100%
Amortisation of insurance acquisition cash flow	②	(31,216)	(38,599)	23.7%	(36,588)	5.5%	(79,850)	(107,527)	34.7%
Insurance service expenses		(48,231)	(86,654)	79.7%	(44,199)	96.1%	(184,284)	(229,846)	24.7%
Allocation of reinsurance premiums	③	(47,894)	(23,282)	-51.4%	(21,185)	9.9%	(137,506)	(80,299)	-41.6%
Amounts recoverable from reinsurers for incurred claims	①	(31,950)	9,738	> 100%	(32,480)	> 100%	(25,329)	(3,821)	-84.9%
Net expense from reinsurance contracts held		(79,844)	(13,544)	-83.0%	(54,025)	-74.9%	(162,835)	(84,120)	-48.3%
Insurance service result		(1,824)	6,743	> 100%	4,079	65.3%	3,318	17,106	> 100%
Net insurance financial result	①	1,147	(1,585)	> -100%	690	> -100%	2,047	(1,554)	> -100%
Total investment income		(1,110)	6,844	> 100%	8,698	-21.3%	(8,890)	24,858	> 100%
Total other income and expenses		(7,351)	(2,463)	-66.5%	(2,504)	-1.6%	(20,009)	(15,071)	-24.7%
Share of results of an associate		(924)	(540)	-41.6%	1,969	> -100%	(14,778)	362	> 100%
Share of results of a JV		46	39	-15.2%	42	-7.1%	108	116	7.4%
Profit/(loss) after tax		(10,236)	4,789	> 100%	11,174	-57.1%	(37,602)	19,141	> 100%
Net incurred claims and attributable expenses ratio ¹	①	37.9%	37.3%	-0.6%	38.5%	-1.2%	36.5%	38.5%	2.0%
Acquisition cost ratio ¹	②	24.7%	36.1%	11.4%	35.8%	0.3%	22.8%	32.5%	9.7%
Reinsurance ratio ¹	③	37.9%	21.8%	-16.1%	20.7%	1.1%	39.2%	24.3%	-14.9%
Combined ratio		100.5%	95.2%	-5.3%	95.0%	0.2%	98.5%	95.3%	-3.2%
RoaE		n.a.	2.8%	n.a.	7.1%	-4.4%	n.a.	3.8%	n.a.
RoaA		n.a.	1.2%	n.a.	2.9%	-1.8%	n.a.	1.6%	n.a.

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

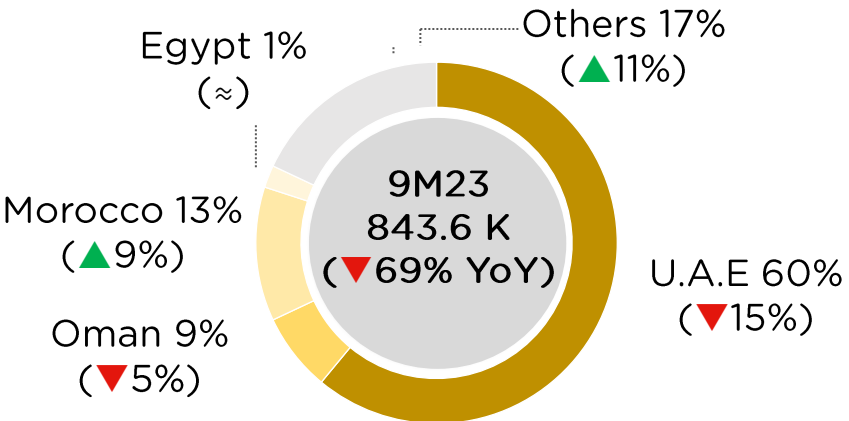
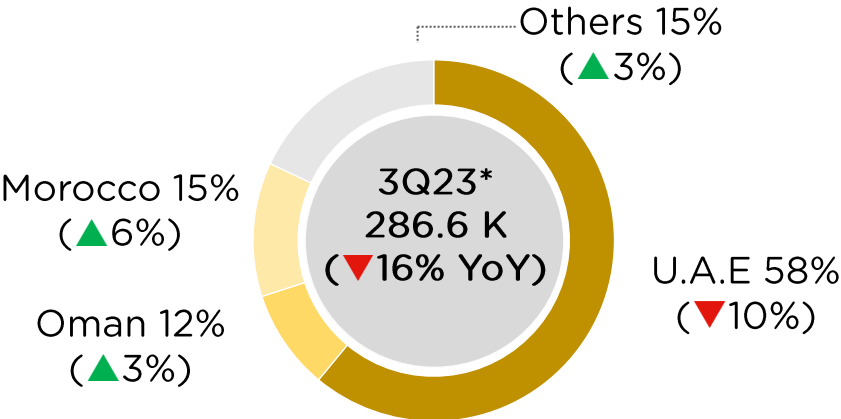
TPR & TP EMEIA – Policies Issued and Countries Mix



AirAsia & others



Middle East



Abbreviations

AI	Artificial Intelligence	MFRS	Malaysian Financial Reporting Standards	TP EMEIA	Tune Protect Europe, the Middle East, India, and Africa
ASEAN	Association of Southeast Asian Nations				
BNM	Bank Negara Malaysia	NEP	Net Earned Premium	TPG	Tune Protect Group
CGC	Credit Guarantee Corporation	NPS	Net Promoter Score	TPM	Tune Protect Malaysia
CSR	Corporate Social Responsibility	NWP	Net Written Premium	TPR	Tune Protect Re Ltd
CX	Customer Experience	OPR	Overnight Policy Rate	TPT	Tune Protect Thailand
ESG	Environmental, Social and Governance	PA	Personal Accident	U.A.E	United Arab Emirates
GWP	Gross Written Premium	QoQ	Quarter-On-Quarter	UN SDGs	United Nations Sustainable Development Goals
INR	Indian Rupee	RM	Ringgit Malaysia	USD	US Dollar
JV	Joint Venture	ROaA	Return On Average Assets	YoY	Year-on-Year
LOB	Line of Business	ROaE	Return On Average Equity		
MSME	Micro, Small and Medium Enterprise	SME	Small and Medium Enterprise		

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 49 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

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