

4Q2023 Analyst Presentation

29th Feb 2024

Excluding the one-off
Tenang impairment,
4Q23 and FY23's PAT
at RM3.5 mil and RM22.7 mil



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 Achieved
  Work-in-progress
  Pending

Evaluation excludes the one-off Tenang impairment

What we committed to achieve by end-2023

1

Retention upwards towards 70% in all LOB



2

More efficient organisation on a ratio basis



3

To evolve our tech arm as a profit centre



4

To grow our ASEAN presence



5

Mobile first company



6

To be a NPS leader in our preferred market



7

To be an employer of choice among insurers for millennial talents



8

To be inducted into FTSE4Good Bursa Malaysia Index





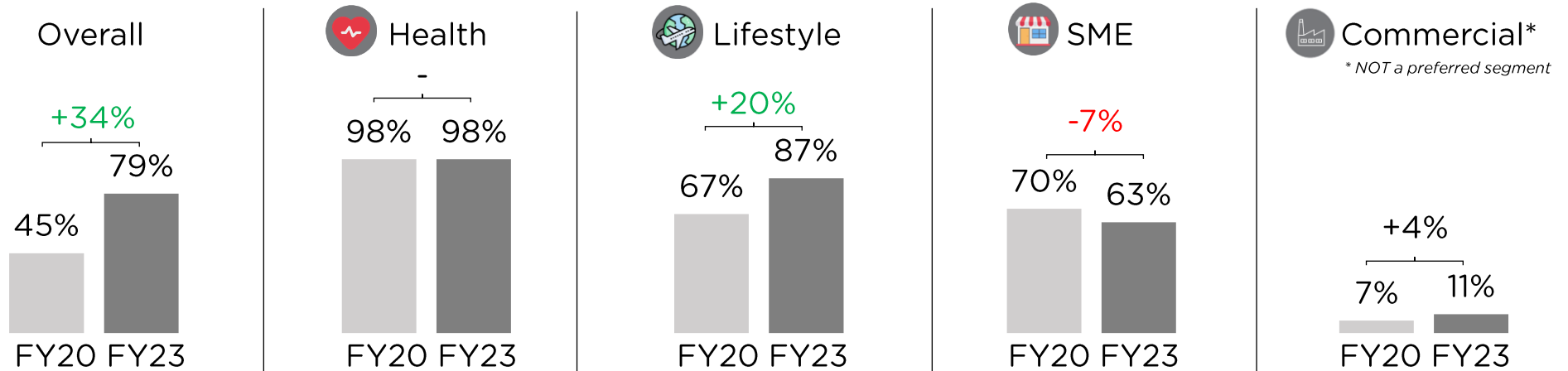
Retention upwards towards 70% in all LOB

FY23 vs FY20

3-year NWP CAGR of 26% 

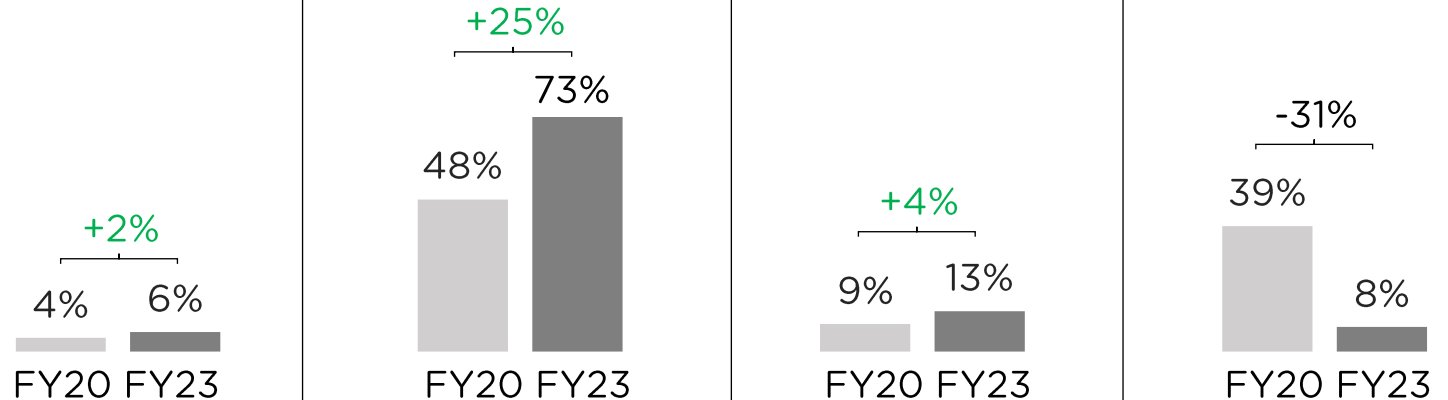


Retention ratio



- SME: Mainly due to low-sum insured and low retention Bond and Liability accounts.
- Commercial: Fully exited low retention large corporate account; left with high retention corporate fire in our book.

GWP mix

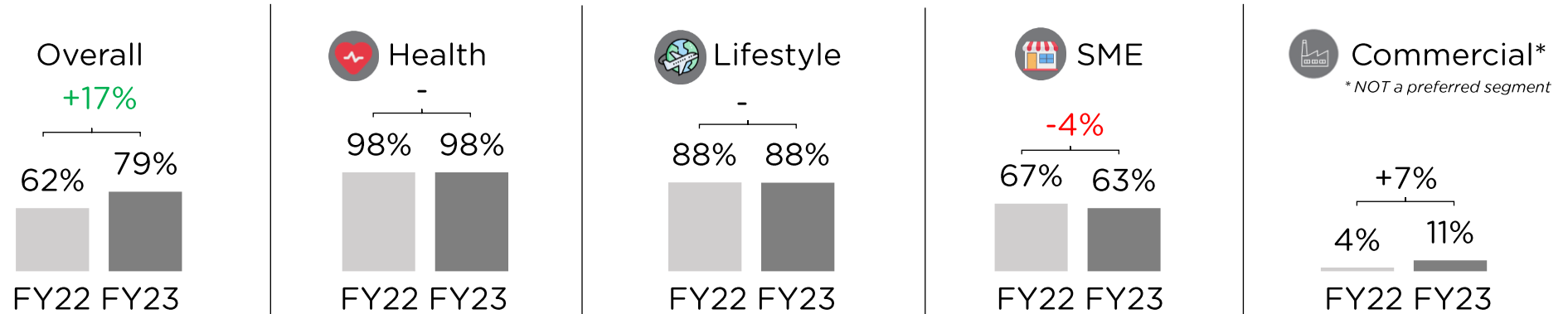


2023 NWP just slightly lower yoy despite the absence of Tenang business FY23 vs FY22

 Retention upwards 
towards 70% in all
LOB

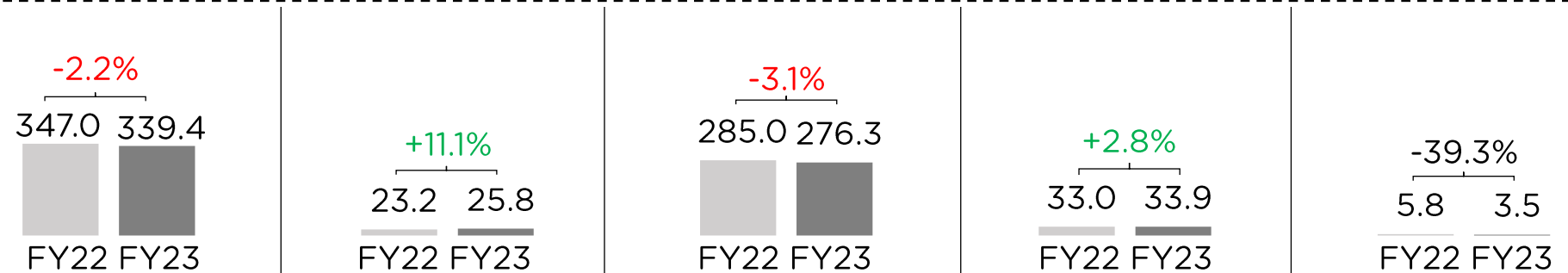


Retention ratio



- SME: Recorded a drop in SME business from low sum-insured Liability and Engineering accounts.
- Commercial: Fully exited low retention large corporate account; left with high retention corporate fire in our book.

NWP (RM'mil)



- Health growth led by **foreign worker** segment.
- Motor NWP up by 72% YoY, led by **intermediaries** and **partnerships channel** growth.
- Travel NWP up by 9% YoY, led by **AirAsia** and **VietJet**.

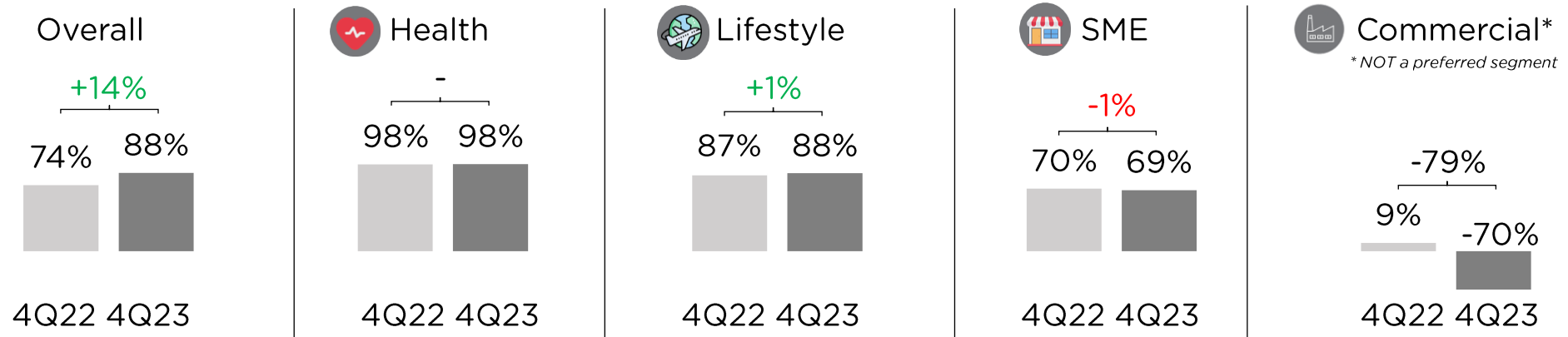


Travel and Motor led topline growth 4Q23 vs 4Q22

 Retention upwards
towards 70% in all
LOB

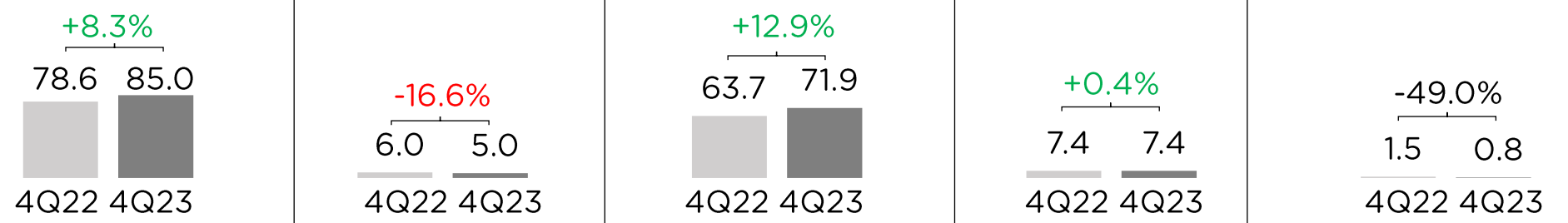


Retention ratio



• Commercial: Negative retention due to cancellation of a corporate account led to premiums reversal.

NWP (RM'mil)



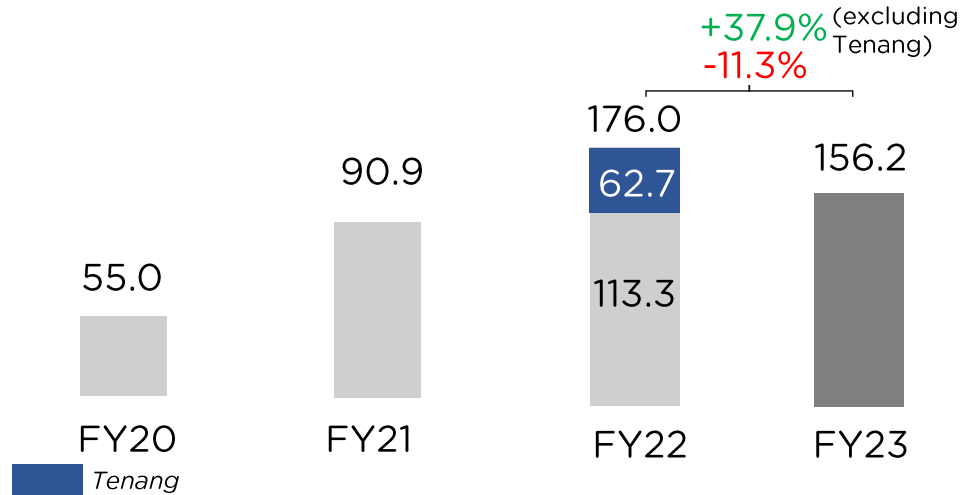
• Motor NWP up by 75% YoY, led by [intermediaries](#) and [partnerships channel](#) growth.
 • Travel NWP up by 14% YoY, led by [AirAsia](#), [VietJet](#) and [Air Arabia](#).



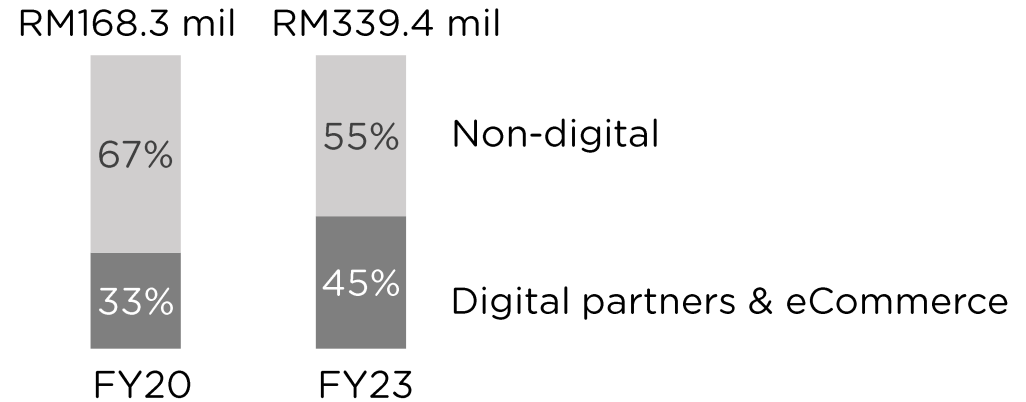
Digital partnerships: a growing segment and a significant contributor



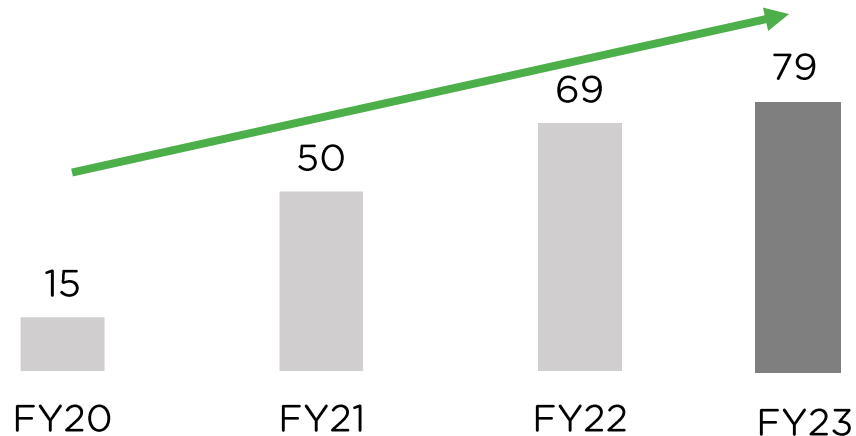
Digital partnerships & eCommerce NWP (RM'mil)



Total NWP split by digital vs non-digital



Number of digital partners



Key partners secured within the past 3 years



Our latest airline partner.



Distribution partner for the external warranty for mobile devices, laptop and tablet.



Distribution partner for FoodPanda and Shopee gig workers protection plan.

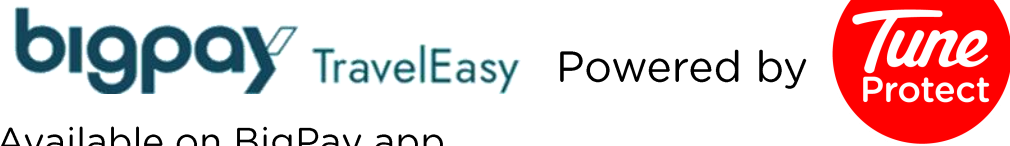


Offering SME Business Shield, SME EZY and PA Easy via CGC's affiliate link.

Insurance Simplified



Latest collaboration with BigPay to provide worry-free travel



Available on BigPay app



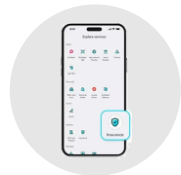
Worldwide coverage (Malaysia and beyond).



2 available plan (Basic plan and COVID Lite plan).



Travel inconveniences, medical expenses and Covid-19 coverage



5 easy steps to get covered in less than **3 minutes**.

○ Basic plan RM48.00

- Up to RM300,000 for medical expenses
- Up to RM300,000 for personal accident
- Up to RM3,000 for travel delay
- Up to RM5,000 for baggage & personal effects loss/damage
- Up to RM5,000 for loss of travel documents

○ COVID Lite plan RM63.00

- Up to RM100,000 for medical expenses due up to COVID-19 (stage 3-5)
- Up to RM500,000 for emergency overseas evacuation & repatriation due to COVID-19

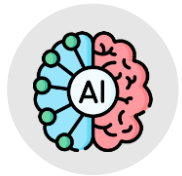


Introducing FLEXIOne: budget friendly insurance targeted at first time buyers



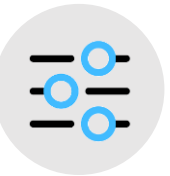
FlexiOne Covering

- medical (Flexi Medic)
- critical illness (Flexi Critical Illness)



Featuring “Tracy”, the first in market **virtual assistant** to guide through the end-to-end customer purchase journey, and an **AI plan recommender** that personalises and recommends the best-suited plan based on 3 simple questions.

Recommendation engine is our in-house developed intellectual property.



To **customise further**, customers can **adjust the price slider** to increase or decrease their premiums and coverage.

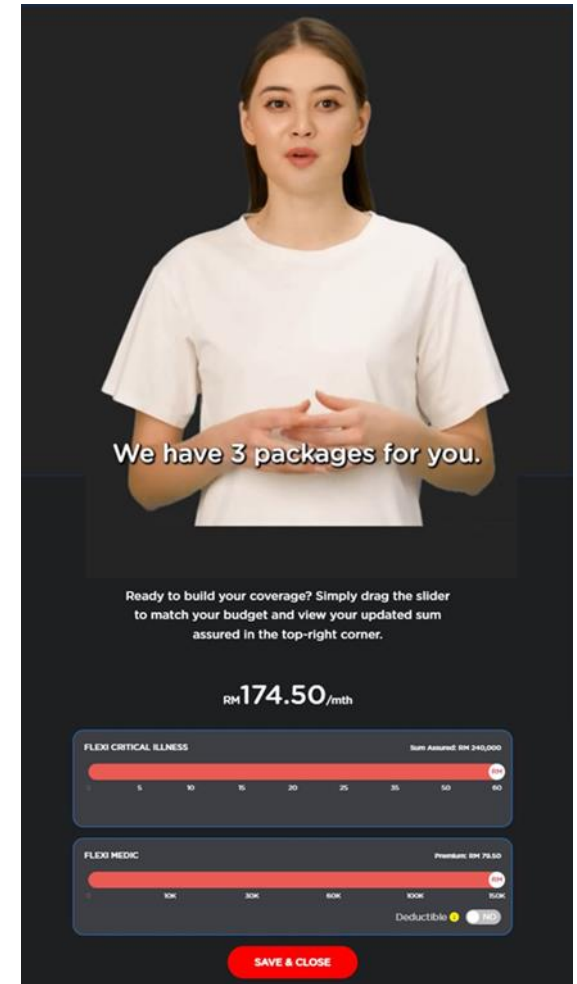


Options to **upgrade or downgrade insurance plan at any time*** according to their budget and needs.

** Adjustment request to premiums and sum insured will be reflected in the upcoming month.*



Premiums start from as low as RM5 per month.



Various promotional campaigns and strategic tie-ups with partners



12.12 campaign



Go Car-raazy campaign



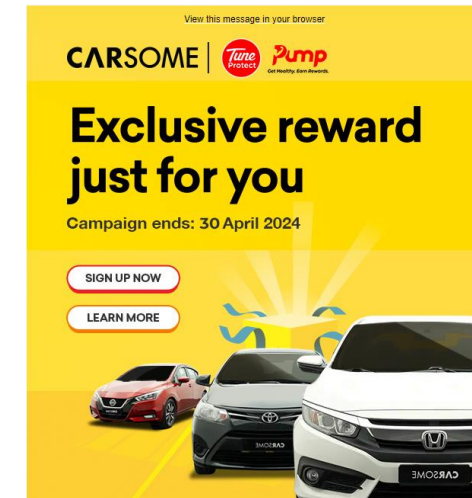
Joint campaign with Segi Fresh



Chinese New Year campaign



Official insurance partner for The Music Run



Joint campaign with Carsome

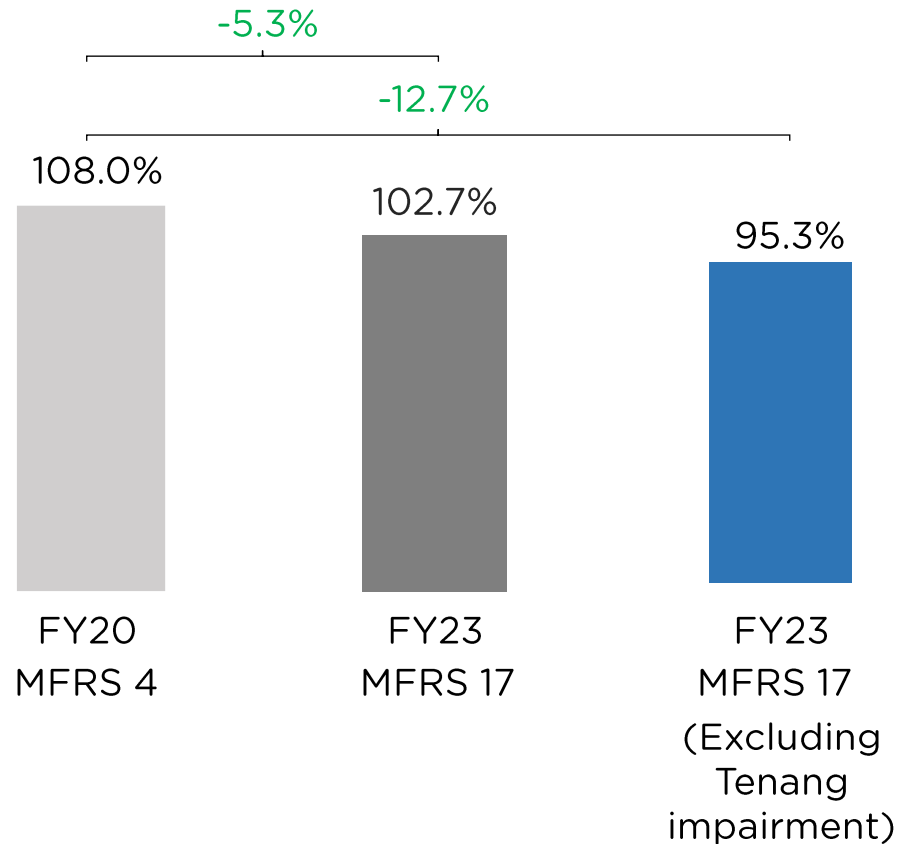




More efficient organisation on a ratio basis



Combined ratio



Driven by:-

- Increased retention ratio through the reduction of large commercial premiums.

The transition from MFRS 4 to MFRS 17 takes effect from financial period 1/1/2023.



3 To evolve our tech arm as a profit centre ●



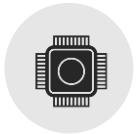
3 new markets activated using and paying for our tech.



Launched our digital accelerator platform sitting on top of the legacy core system. Enabled us to churn out policies and products at a much faster pace.



1st insurer to move its core system on cloud after obtaining BNM's approval. Partnering with SAP, Serole and Huawei. Completed core system phase 1 replacement. Currently in phase 2 focusing more on B2C products.

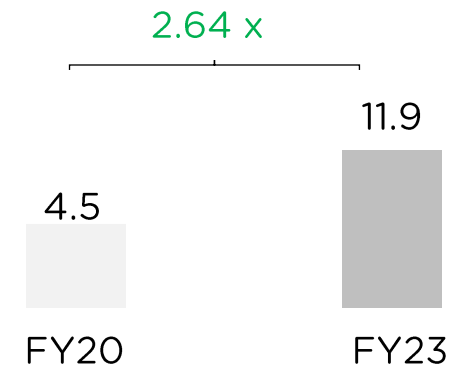


Using our in-house travel tech platform, we recently onboarded Salam Air, FlyArna and VietJet Air.



In-house built AI model which analyse data and offer personalised insurance plan.

Revenue (RM'mil)



Tech the backbone to our organisation



Travel B2B
activated across
multiple market in
the Middle East, Asia
and Europe.



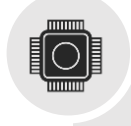
3-3-3 promises,
PUMP, mobile app
features all powered
by our **in-house
tech**.



Mobile app, data,
core system all run
on **cloud**.



Enhanced **cyber security
landscape**, multiple layer
of protection, covering
infrastructure, on cloud
and on premise.



Partners from various
industries (for e.g. ride
hailing, ecommerce,
super app) integrated
with our **restful API**.



Integrated with AirAsia
BIG system, where you
can **earn loyalty points**
when u buy insurance
from us.



Entering the Middle East market with a “lifestyle portal”



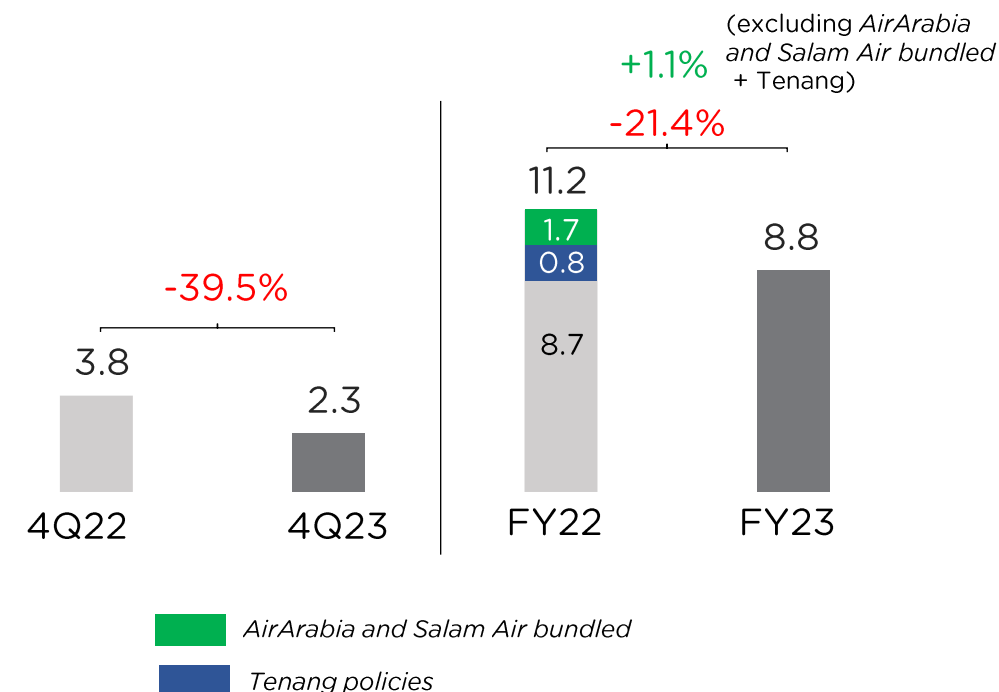
To evolve our tech arm as a profit centre



Tech solution

- In the final stages of deploying a “lifestyle portal” for our business partners in the Middle East.
- Facilitates **travel** and **non-travel related products**.
- Focusing on **enhancing our offering** and **develop niche areas** to support our local insurance partners.
- An insurance partner in the **U.A.E** and another in **Bahrain** have agreed to come onboard.
- Powered by **low-code builder tools** technology.
 - Able to build **UI** and **UX faster**.
 - Integrate with API to connect with any **3rd party API** at **restful backend**.
 - **Responsive applications** that can be deployed to anywhere with responsive UI that **fit every device**.
- Targeting go live by 1Q24.

Policies issued by TPR, TP EMEIA, TPM and TPT (mil)

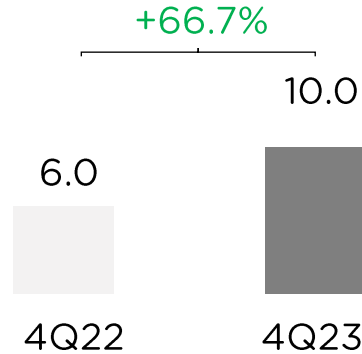




Expanding our ASEAN presence



GWP contribution from Vietnam (RM'mil)



0.5
FY20

0.6
FY21

20.8
FY22

+77.4%
36.9
FY23

GWP grew by **74x** within 3 years

Key partners



Largest insurance provider



Most popular e-wallet in Vietnam ([source](#))

vietjet Air

Leading low-cost carrier

VietJet activation roadmap

- Indonesia 
- India 
- Japan 
- South Korea 
- Thailand 
- Malaysia 
- Singapore 
- Cambodia 

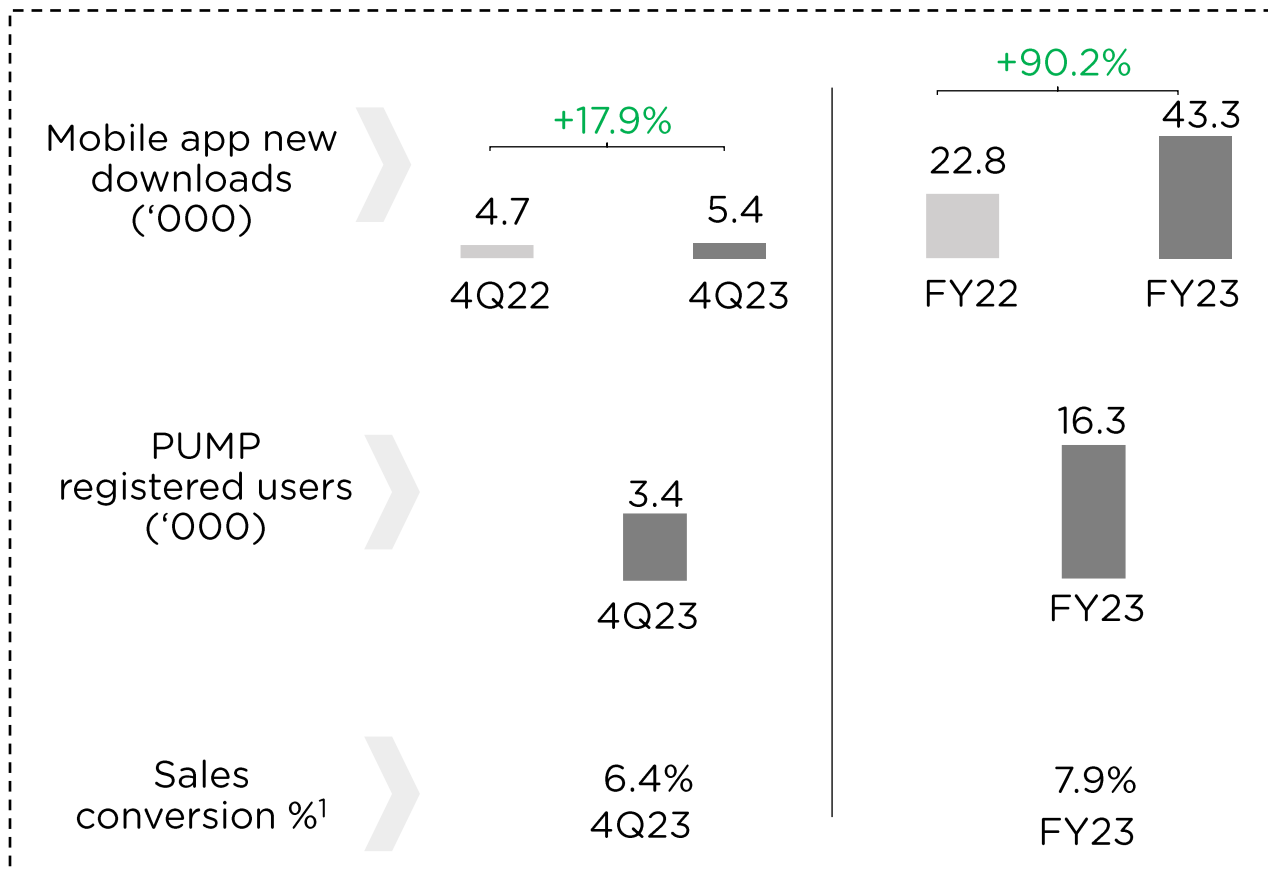
Insurance Simplified



 Malaysia mobile app was launched in Sep'20.

 Thailand mobile app was launched in Mar'22.

PUMP was launch in Nov'22.



Note:-

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

Latest mobile app enhancement

1. First notification of loss to simplify motor claim processing.
2. New PUMP customer journey to improve activation.
3. Windscreen damage add-on.
4. Biometric fingerprint authentication.
5. A refreshed and engaging onboarding experience.
6. Firebase Analytics for enhanced insights into signup, login, and PUMP screens interactions.

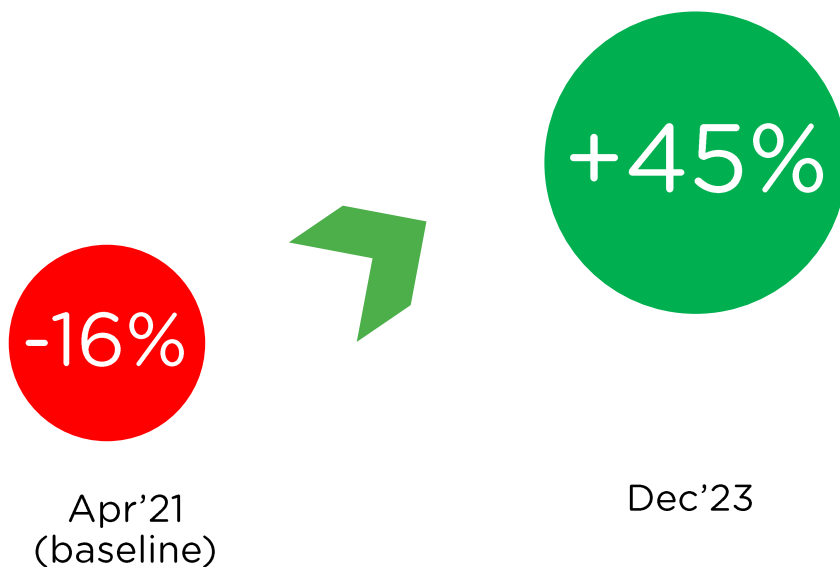


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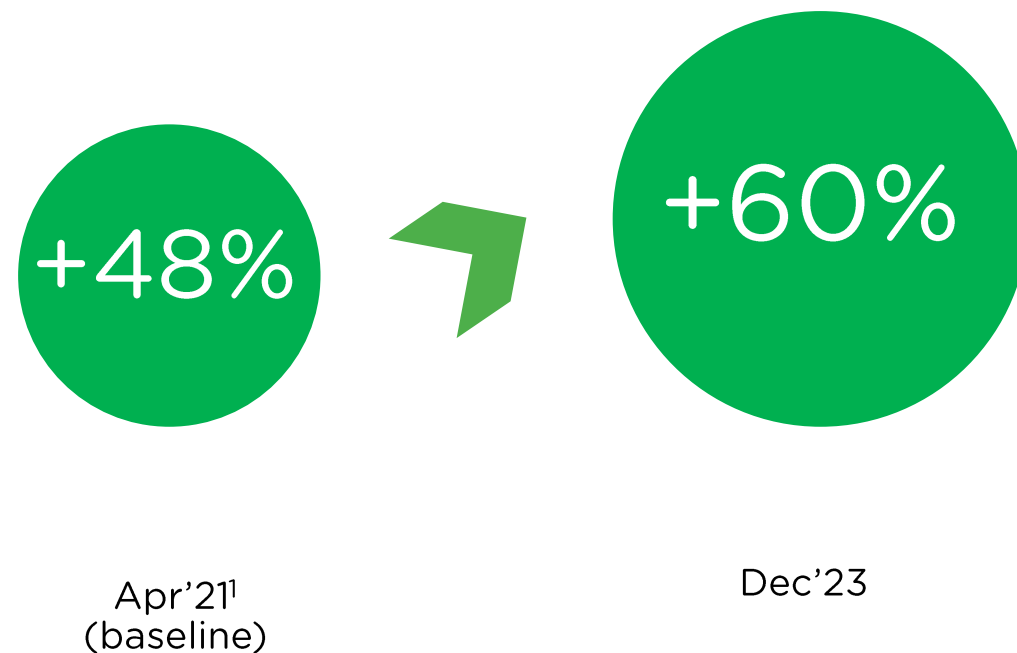
To be a NPS leader in our preferred market ✓



Customer NPS



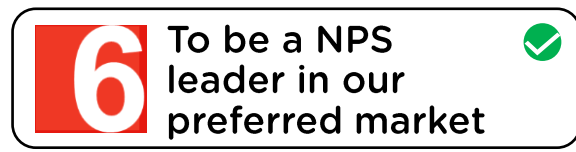
Partner NPS



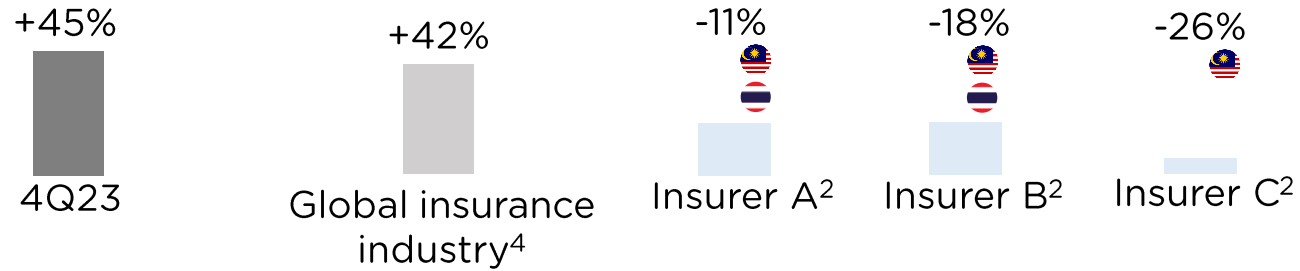
1. Apr'21 partner NPS was of TP EMEA's partners only and later expanded to Group-wide partners starting from 2022.



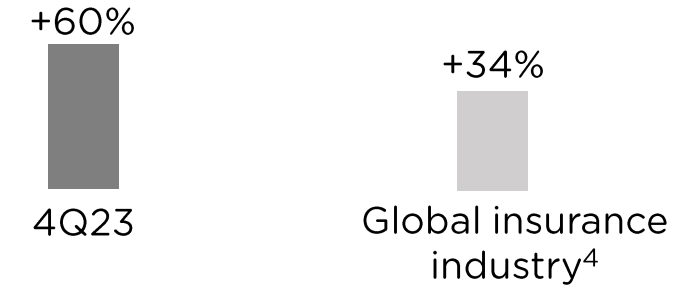
Leader in customer and partners NPS



Customer NPS¹



Partner NPS³



Notes:

1. Customers of TPM and TPT (sample size= 653).

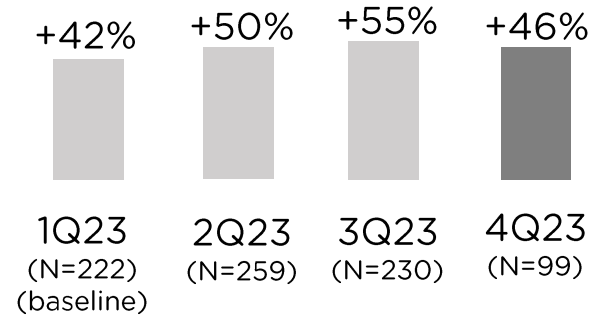
2. Source : Survey from InsightClubz. Insurer A and B customer NPS are overall NPS based on Malaysian and Thailand consumers while the Insurer C is based on Malaysian consumers only.

3. Partners of TPM, TPR, TPT, TP EMEIA, and TPG (sample size = 361)

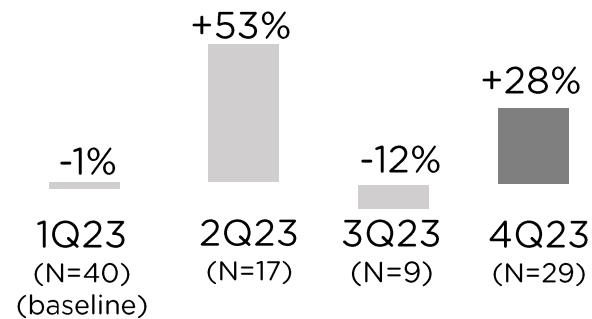
4. Source : Customer NPS from ClearlyRated and Partner NPS from Statista.

Transactional NPS

Claims

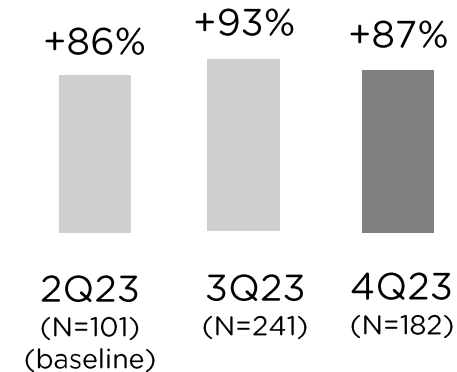


Purchase journey

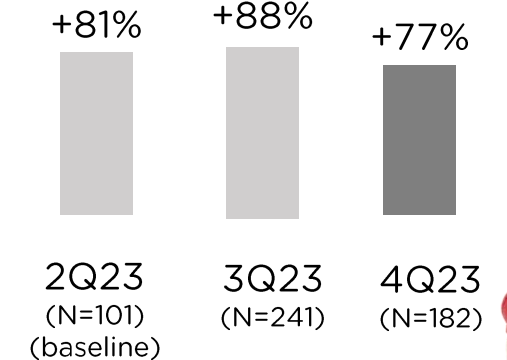


Customer Satisfaction

Issue resolution



Satisfaction on explanation provided

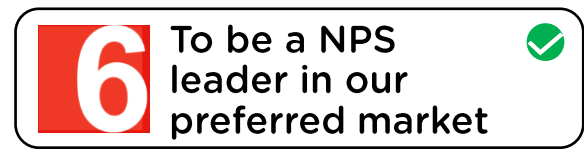
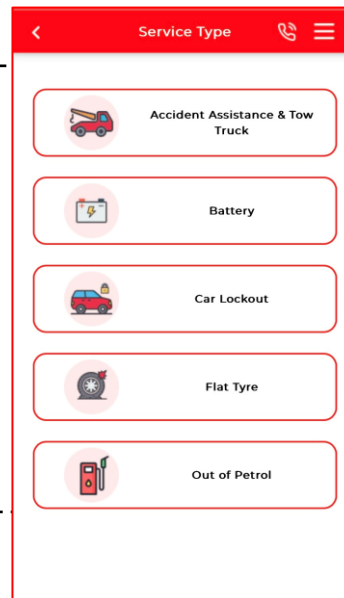


Latest CX initiatives and awards

Compensation for MYAirlines travellers

- For our Tune Protect Travel Insurance policyholder and had their MYAirlines flights will be eligible for a **goodwill compensation**.
- Capped at RM200 per traveler.

- **Digital roadside assistance** feature. Towing geolocation & preferred panel workshop selection.
- **First Notification of Loss for claims** launched in Jan'24. All in single tap via our mobile app to provide our customers a swift & seamless support on the go.



Recipient of



Claims Initiative of the Year



for the second consecutive year

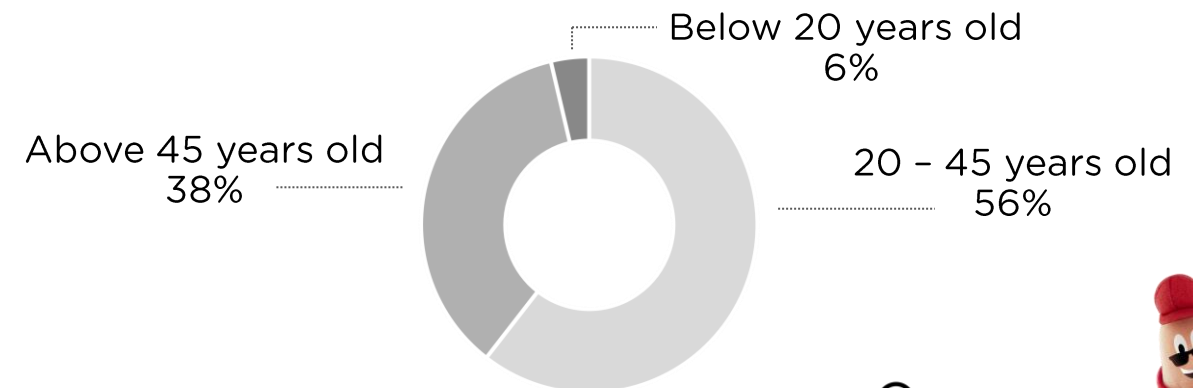


Customer tracking metrics



	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
4Q23	1.28	1.43	1.19	6.36	206.21

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





To be an employer of choice among insurers for millennial talents 



Employee NPS

-16%

Apr'21
(baseline)

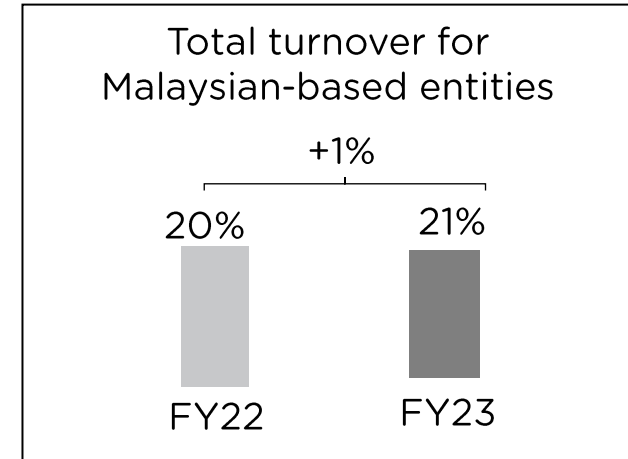
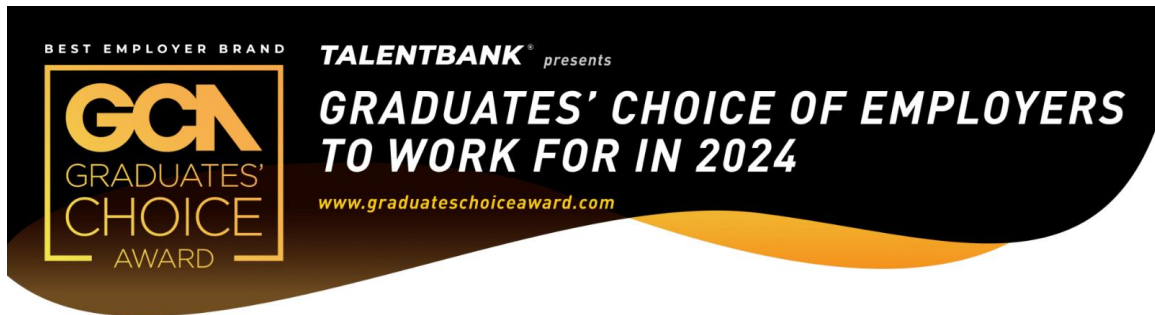
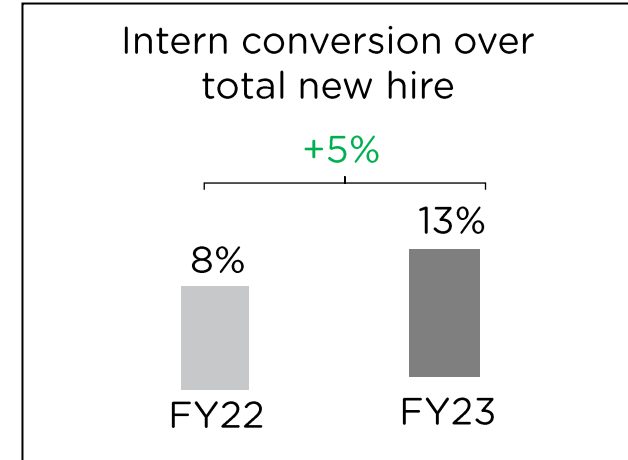
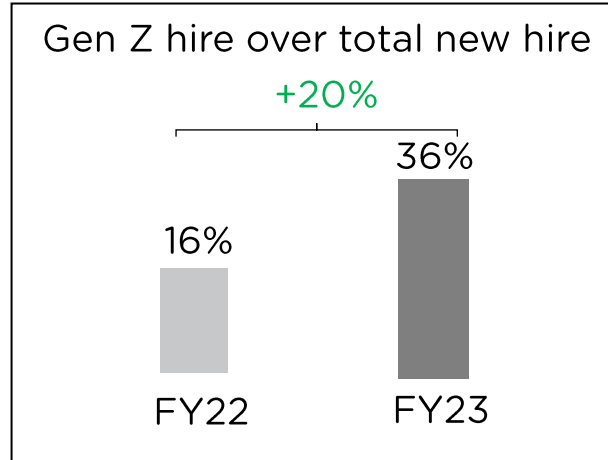
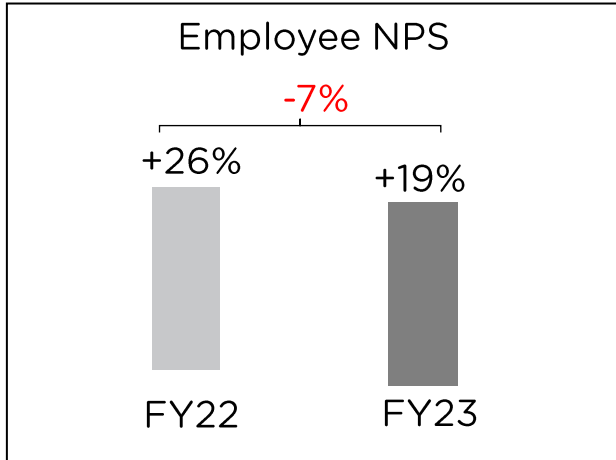
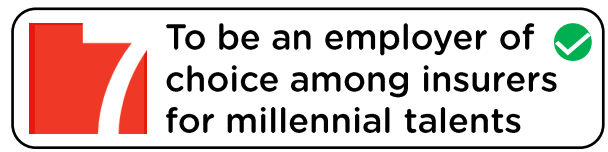


+19%

Dec'23



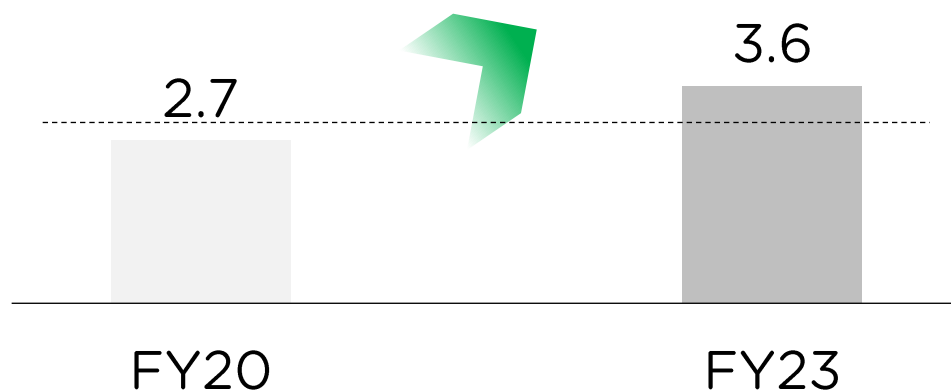
Chosen as one of the Malaysia's top employers by Talentbank



We have been named one of Malaysia's top employers by Talentbank

We are one of two insurance companies on the list.



FTSE4Good ESG Rating

2.9 the
minimum
rating to be a
FTSE4Good
constituent

Inducted into
**FTSE4Good Bursa
Malaysia Index**
since Dec'21.
Remain the only insurer on the index.



ESG commitment made in 2020



Zero-paper organisation for in-control processes by the end of 2021



Completed the review and embed sustainability elements in our policies and processes by the end of 2021



Adopted NPS, for both customers and employees, as a measure of success



For new products sold via our Direct-to-Consumer channels, we pledge to contribute to charity



By 2023, 50% of our critical roles will have successors identified from within



By 2023, 50%* of our leadership team will be women

*43% in end-2023



Key challenges and what we could have done better



Travel
recovery



The recovery of travel took longer than we expected.
Despite recorded 3-year topline CAGR of 19.4%, it is below our budgeted growth.

White Label
monetisation



Majority of the tech resources have been dedicated to support in-house requirements.
We are running multiple executions at same time for e.g. cloud migration, core system replacement and cyber security enhancement.

Perlindungan
Tenang



Regulatory challenges
and understanding the
underserved segments.

Tune Protect
Ventures

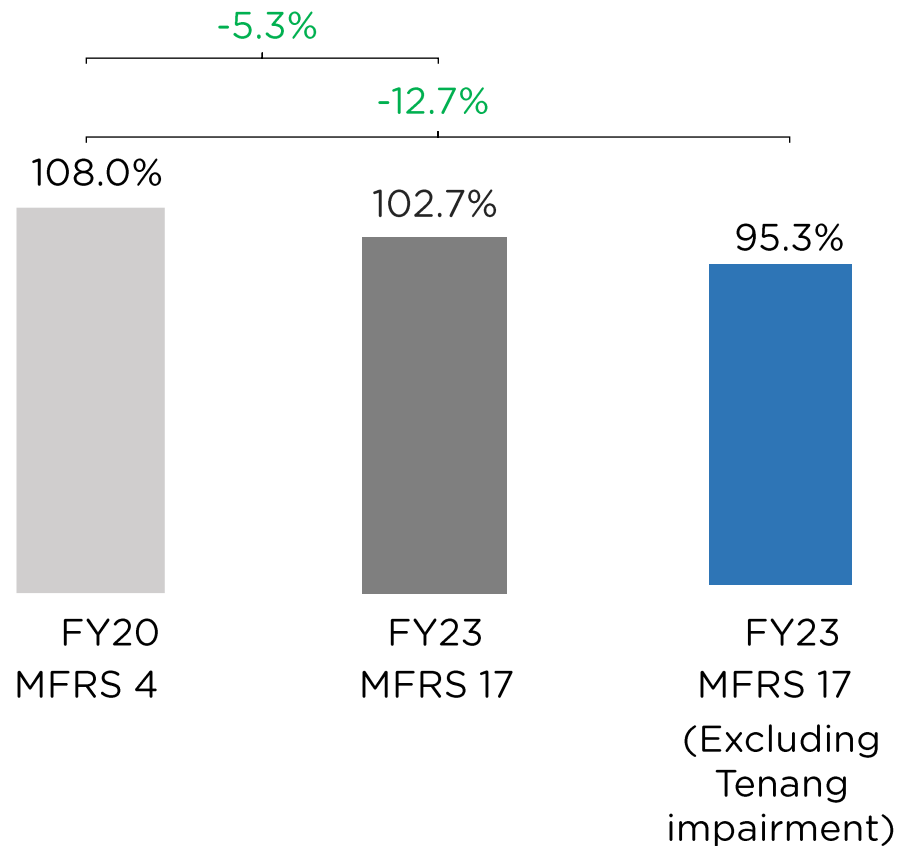


Unable to gain
significant traction



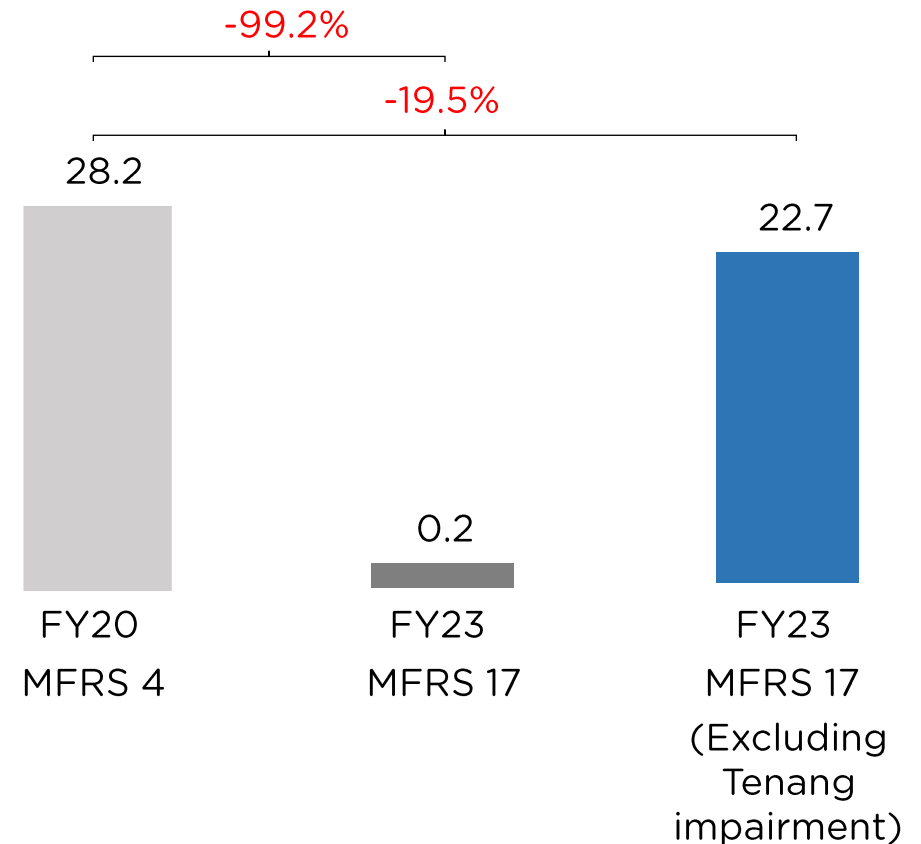
Excluding Tenang one-off, FY23 combined ratio would have been at 95.3%

Combined ratio



Improved profitability inline with post-Covid travel recovery

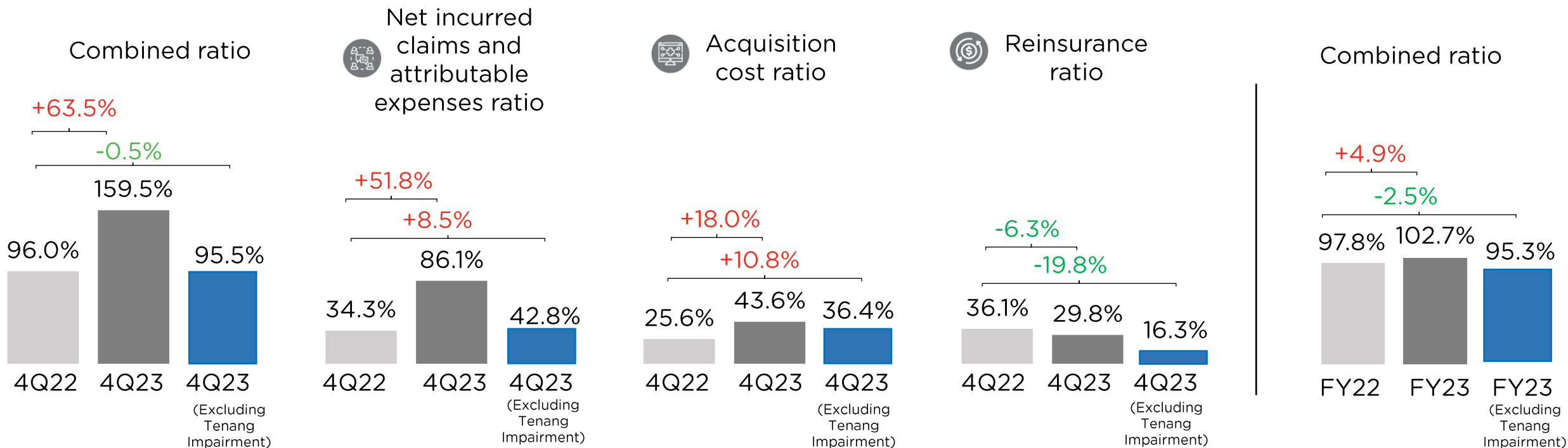
Profits After Tax (RM'mil)



More conservative investment portfolio with approximately 80% AUM in FD/MMF



Excluding Tenang one-off, combined ratio would have been below 100%



Note:-
1. Refer to appendix page 31 for the formula of each ratio.

Higher NCI and Acquisition Cost ratios mainly attributable to lower Insurance Revenue as a result of the strategy to gradually exit Commercial business.

Lower reinsurance cost in line with increased retention ratio through the reduction of large Commercial business.

4Q/FY23 financial overview



TPG (RM'mil)	4Q23	4Q22	YoY	FY23	FY22	YoY
Net Insurance service result	(25.6)	5.2	> -100%	(10.0)	10.6	> -100%
Combined ratio	159.5%	96.0%	63.5%	102.7%	97.8%	4.9%
Total investment income	① 7.3	9.7	-24.6%	③ 32.2	0.9	> 100%
Total other income and expenses	② (4.2)	(8.5)	-50.4%	④ (19.3)	(28.5)	-43.3%
Share of results	(0.2)	(1.9)	-91.6%	⑤ 0.3	(16.6)	> 100%
Profit/(loss) after tax	(18.9)	3.0	> -100%	0.2	(34.6)	> 100%
Profit/(loss) after tax (excluding Tenang impairment)	3.5	3.0	17.9%	22.7	(34.6)	> 100%

Note:-

1. Amounts presented may not foot due to rounding

4Q22 vs 4Q23

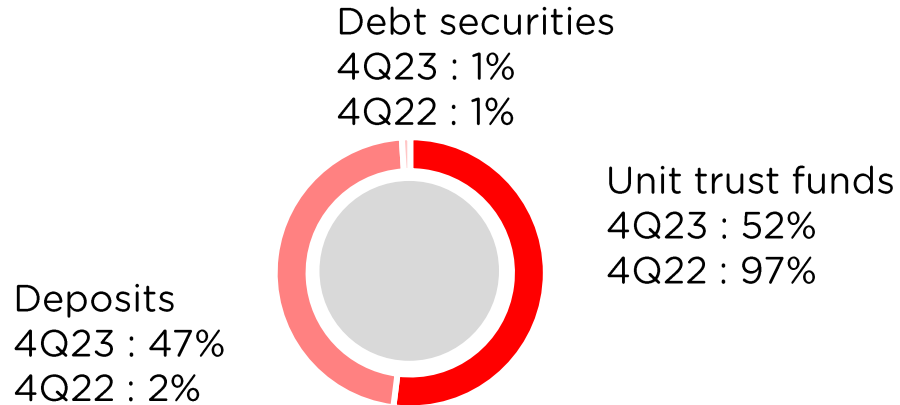
- ① In 4Q22, strong rebound of equity fund performance following the announcement of China re-opening and market expectation that US rate hike will peak in 2023. Adopted more conservative investment strategy in 2023 to reduce volatility in investment return.
- ② In 4Q22, there was an old reinsurer SOA credit balance written back of RM2 mil which related to pre-MFRS 17 cut off period. In addition, growth in White Label also reduced quarterly net losses by RM1.0mil compared to 4Q22. White Label losses in 4Q23 was approximately RM737 K.

FY22 vs FY23

- ③ FY22 suffered from losses in equity fund portfolio and volatility in the FI portfolio. FY23 the Group adopted more conservative investment strategy with approximately 80% portfolio invested in MMF/FD.
- ④ In FY23, new yearly time spend analysis reduced non-insurance cost allocation by approximately RM2.2 mil. Commencement of the Digital Life Sandbox initiative in 1Q23 also resulted in the reduction of RM3.3 mil in Other Opex to Insurance Service Expense. And lastly White Label growth and reinsurer SOA credit balance write back reduced Other Opex by RM3.5m.
- ⑤ Reinsurance litigation impairment provision and high claim reserving from unfavorable Covid situation adversely impacted TPT's performance in FY22.



RM724.4 mil investment as of 31 Dec 2023



Breakdown of unit trust funds



Strategy and Outlook

- A broad market rally in 4Q2023 boosted the returns of our **fixed income funds** to **> 6%** for the FY23.
- Our **money market funds** which forms around 78% of overall portfolio continue anchor overall returns with yields between **3.8% - 3.9%**.
- Clarity for 2024 outlook remains firmly guided by evolving data on inflation and labour market in the United States which influences the Fed's decision on when to start cutting rates.
- Back home, **OPR** is expected to **remain unchanged** for the foreseeable future. Any change in OPR is likely to be dependent on the impact of subsidy rationalization which is expected to be implemented in 2H2024.





Appendix



TPG – Financial Snapshot (MFRS 17)



Income Statement (in RM'000)		4Q22	4Q23	YoY	3Q23	QoQ	FY22	FY23	YoY
Insurance revenue		131,464	43,067	-67.2%	106,941	-59.7%	481,901	374,139	-22.4%
Incurring claims and other expenses	①	(26,409)	(8,739)	-66.9%	(49,392)	-82.3%	(125,338)	(132,295)	5.6%
Reversal/(loss) of onerous	①	478	-	-	1,337	-100%	(5,027)	1,237	> 100%
Amortisation of insurance acquisition cash flow	②	(33,691)	(18,768)	-44.3%	(38,599)	-51.4%	(113,541)	(126,295)	11.2%
Insurance service expenses		(59,622)	(27,507)	-53.9%	(86,654)	-68.3%	(243,906)	(257,353)	5.5%
Allocation of reinsurance premiums	③	(47,439)	(12,825)	-73.0%	(23,282)	-44.9%	(184,945)	(93,124)	-49.6%
Amounts recoverable from reinsurers for incurred claims	①	(17,973)	(27,113)	50.9%	9,738	> -100%	(43,302)	(30,934)	-28.6%
Net expense from reinsurance contracts held		(65,412)	(39,938)	-38.9%	(13,544)	> 100%	(228,247)	(124,058)	-45.6%
Insurance service result		6,430	(24,378)	> -100%	6,743	> -100%	9,748	(7,272)	> -100%
Net insurance financial result	①	(1,235)	(1,219)	-1.3%	(1,585)	-23.1%	812	(2,773)	> -100%
Total investment income		9,742	7,346	-24.6%	6,844	7.3%	852	32,204	> 100%
Total other income and expenses		(8,535)	(4,233)	-50.4%	(2,463)	71.9%	(28,544)	(19,304)	-32.4%
Share of results of an associate		(1,985)	(195)	-90.2%	(540)	-63.9%	(16,763)	167	> 100%
Share of results of a JV		45	33	-26.7%	39	-15.4%	153	149	-2.6%
Profit/(loss) after tax		2,987	(18,896)	> -100%	4,789	> -100%	(34,615)	245	> 100%
Net incurred claims and attributable expenses ratio ¹	①	34.3%	86.1%	51.8%	37.3%	48.8%	35.9%	44.0%	8.1%
Acquisition cost ratio ¹	②	25.6%	43.6%	18.0%	36.1%	7.5%	23.6%	33.8%	10.2%
Reinsurance ratio ¹	③	36.1%	29.8%	-6.3%	21.8%	8.0%	38.4%	24.9%	-13.5%
Combined ratio		96.0%	159.5%	63.5%	95.2%	64.3%	97.8%	102.7%	4.9%

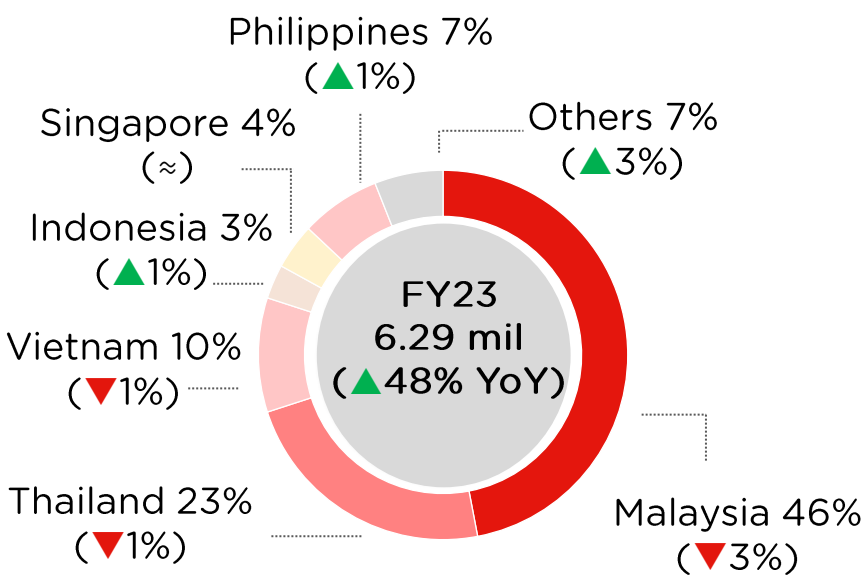
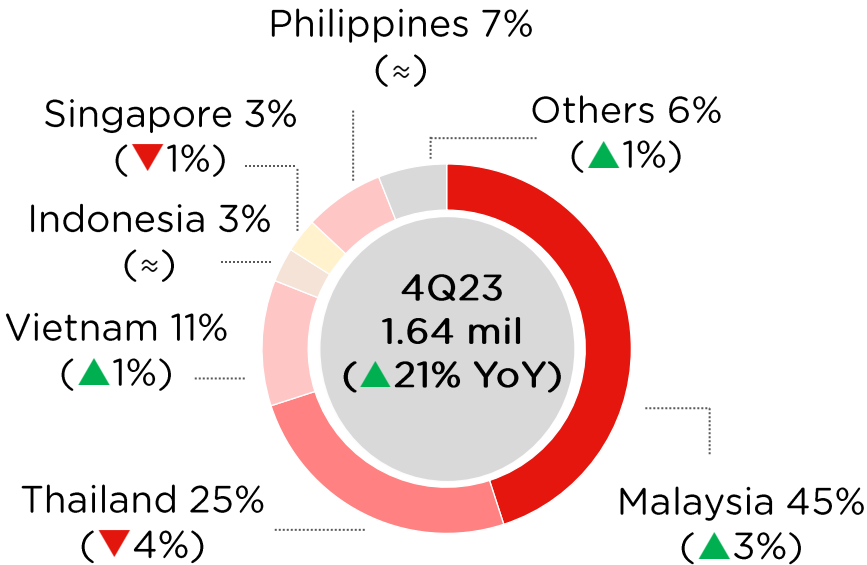
Notes:-
1. Each ratio are derived by aggregating their respective component indicated by the number above and divided by "Insurance revenue".
2. Amounts presented may not foot due to rounding



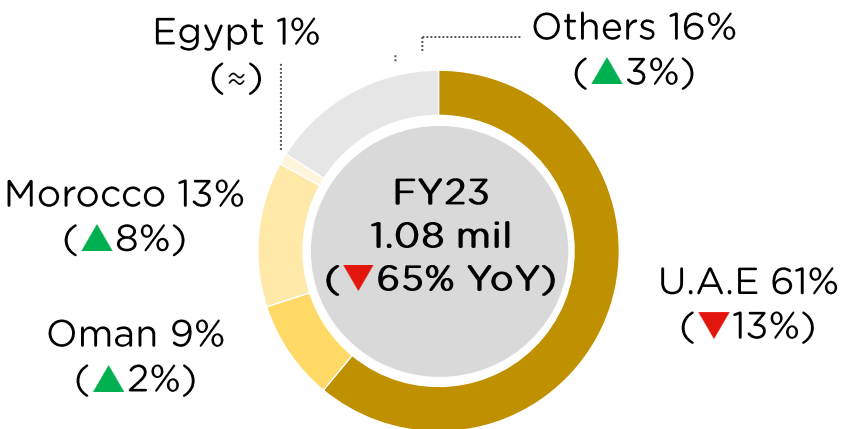
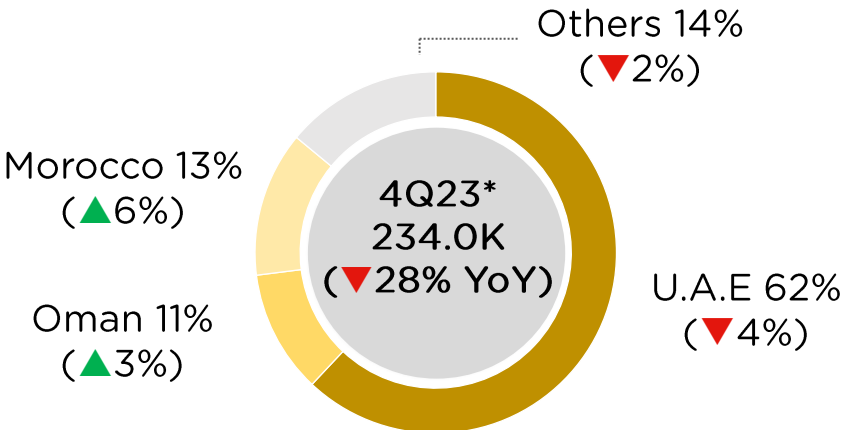
TPR & TP EMEIA – Policies Issued and Countries Mix



AirAsia & others



Middle East



Abbreviations

AI	Artificial Intelligence	MFRS	Malaysian Financial Reporting Standards	SOA	Statement of Advice
API	Application Programming Interface			TP EMEIA	Tune Protect Europe, the Middle East, India, and Africa
ASEAN	Association of Southeast Asian Nations	MMF	Money Market Funds	TPG	Tune Protect Group
AUM	Assets Under Management	NCI	Net Claims Incurred	TPM	Tune Protect Malaysia
B2B	Business-to-business	NEP	Net Earned Premium	TPR	Tune Protect Re Ltd
B2C	Business-to-customer	NPS	Net Promoter Score	TPT	Tune Protect Thailand
BNM	Bank Negara Malaysia	NWP	Net Written Premium	U.A.E	United Arab Emirates
CAGR	Compound Annual Growth Rate	OPR	Overnight Policy Rate	UI	User Interface
CX	Customer Experience	PA	Personal Accident	UX	User Experience
ESG	Environmental, Social and Governance	PAT	Profit After Tax	USD	US Dollar
FD	Fixed Deposits	QoQ	Quarter-On-Quarter	YoY	Year-on-Year
FI	Financial Institutions	RM	Ringgit Malaysia		
GWP	Gross Written Premium	ROaA	Return On Average Assets		
JV	Joint Venture	ROaE	Return On Average Equity		
LOB	Line of Business	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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