



13th Annual AGM Group CFO Presentation



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What we committed to achieve by end-2023

✔ Achieved ● Not achieved

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

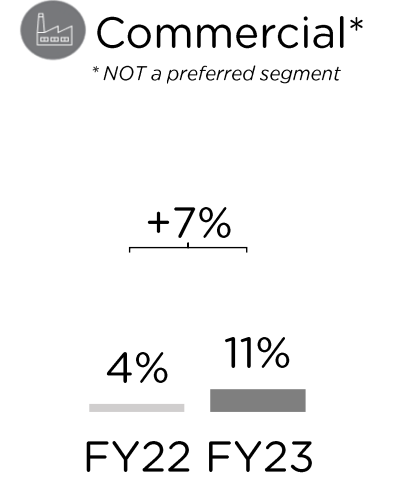
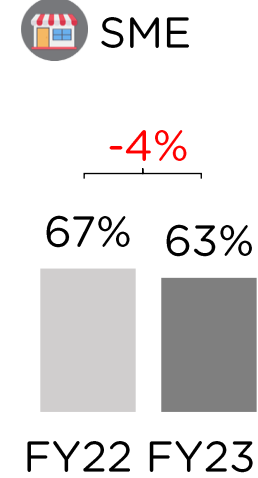
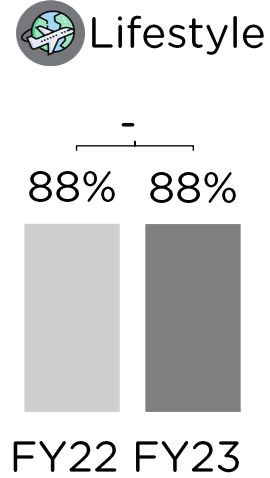
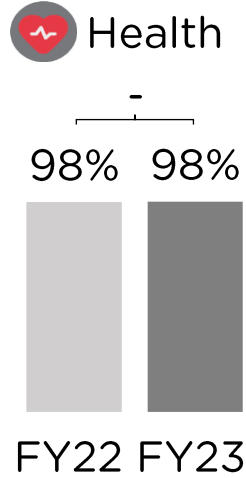
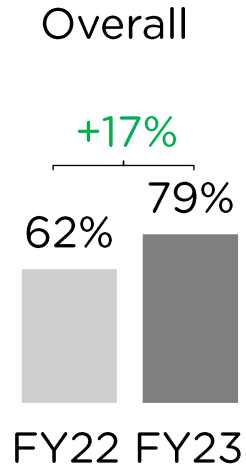




Retention upwards towards 70% in all LOB



Retention ratio

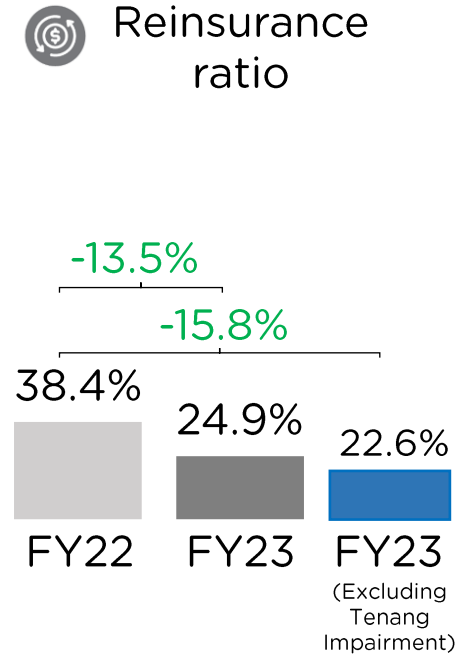
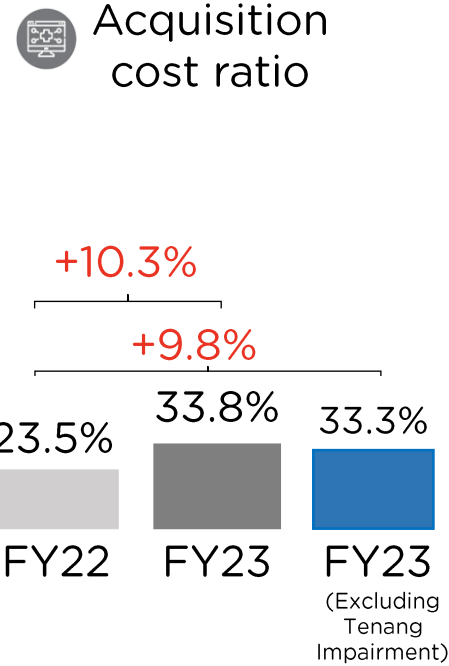
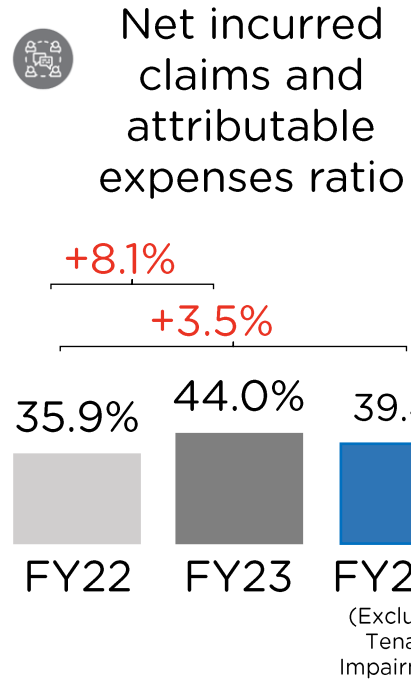
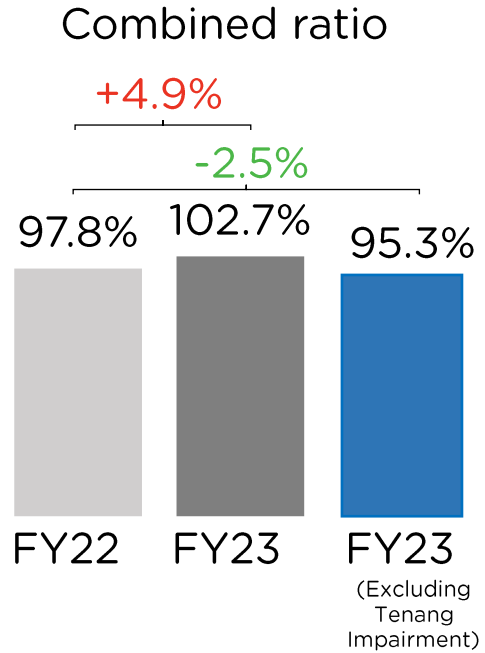


- SME: Lower retention due to increased weightage on **Liability** and **Engineering** accounts.
- Commercial: **Fully exited low retention large corporate account**; left with high retention corporate fire in our book.





More efficient organisation on a ratio basis



Higher NCI and Acquisition Cost ratios mainly attributable to lower Insurance Revenue (denominator) as a result of **fully exiting low retention large corporate account.**

Lower reinsurance cost in line with increased retention ratio as we **fully exited low retention large corporate account.**

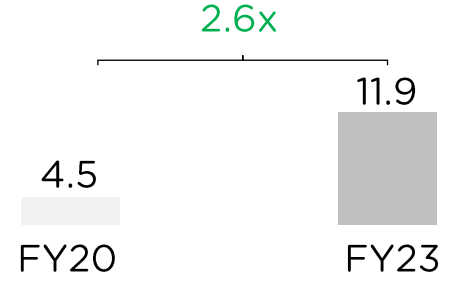


3 To evolve our tech arm as a profit centre ●

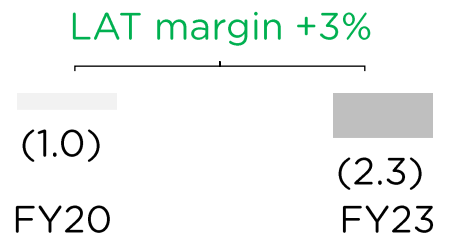


- 3 new markets activated using and paying for our tech.
- Launched our digital accelerator platform sitting on top of the legacy core system. Enabled us to churn out policies and products at a much faster pace.
- 1st insurer to move its core system on cloud after obtaining BNM's approval. Partnering with SAP, Serole and Huawei. Core system phase 1 gone live. Currently in phase 2 focusing more on retail products.
- Using our in-house travel tech platform, we recently onboarded VietJet Air and Fly Jinnah.

Revenue (RM'mil)



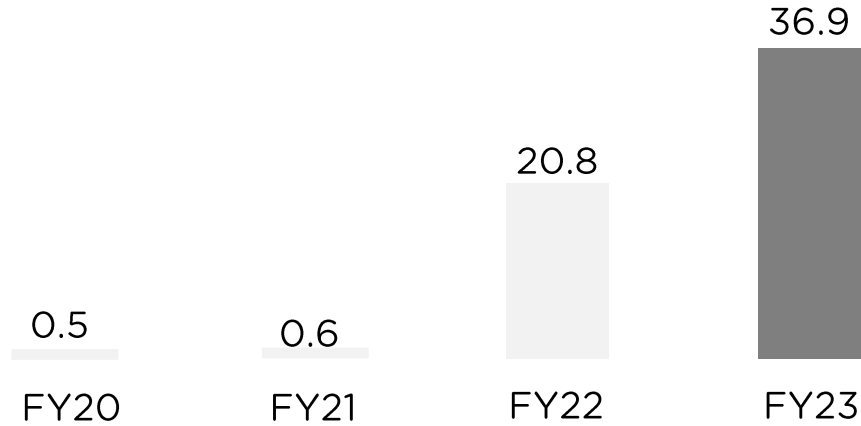
Loss after tax (RM'mil)



Expanding our ASEAN presence



GWP contribution from Vietnam (RM'mil)



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

Key partners



Largest insurance provider



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



Leading low-cost carrier

VietJet activation roadmap

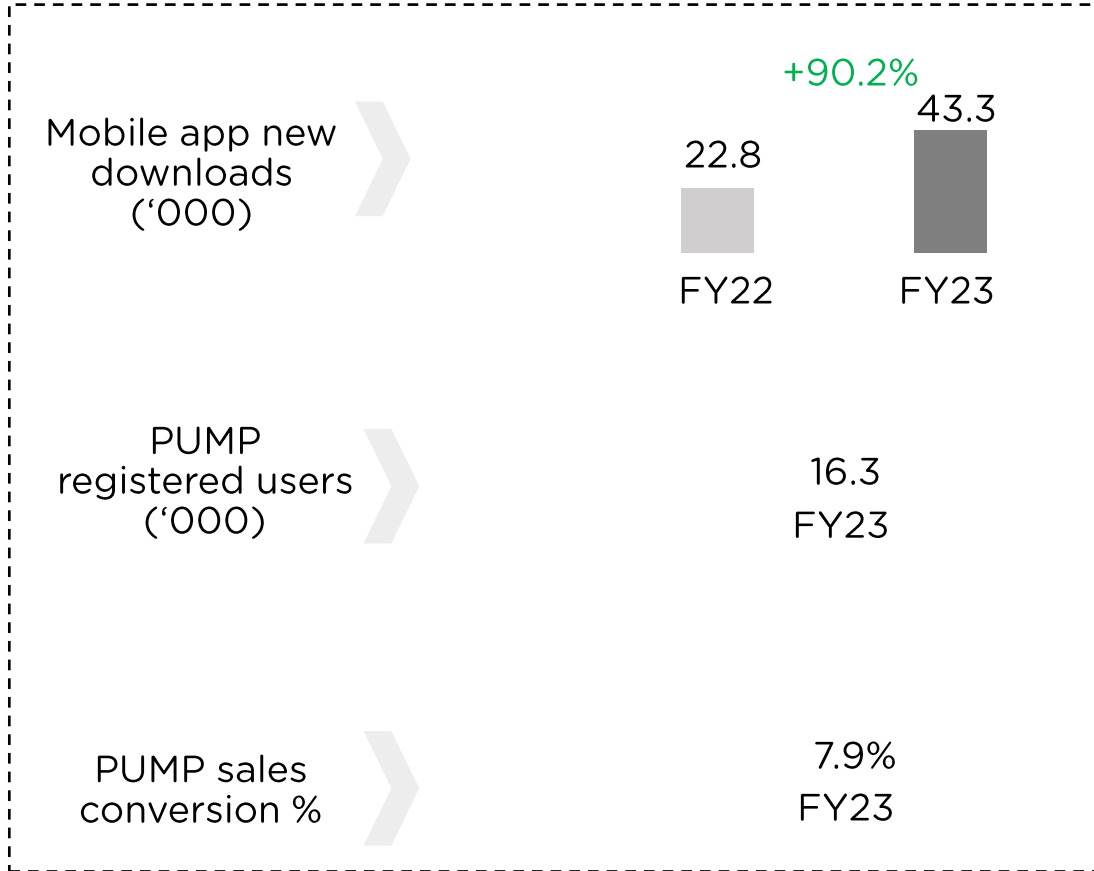
- Indonesia 
- Thailand 
- India 
- Malaysia 
- Japan 
- Singapore 
- South Korea 
- Cambodia 



5 Mobile first company



 Malaysia mobile app was launched in Sep'20.

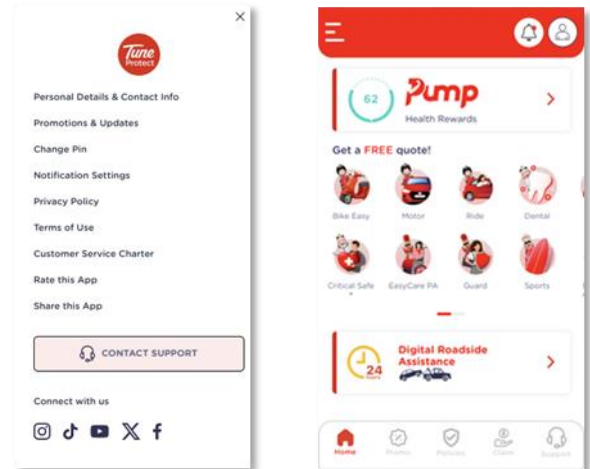


 Thailand mobile app was launched in Mar'22.

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



PUMP was launched in Nov'22.



6 To be a NPS leader in our preferred market

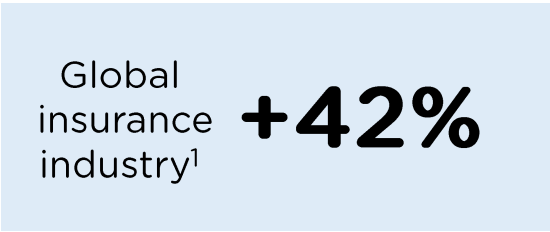
Customer NPS



Apr'21
(baseline)



Dec'23



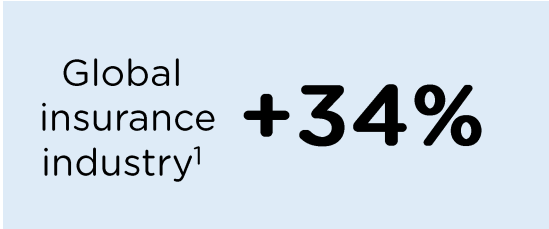
Partner NPS



Apr'21
(baseline)



Dec'23





To be an employer of choice among insurers for millennial talents



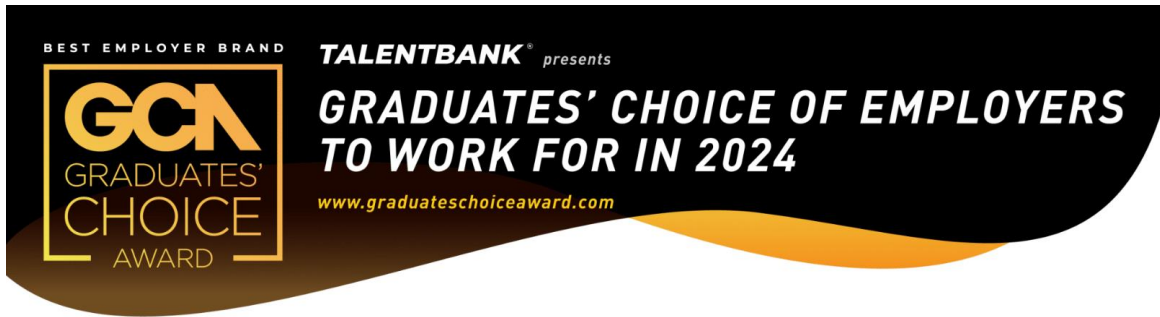
Employee NPS



Apr'21
(baseline)



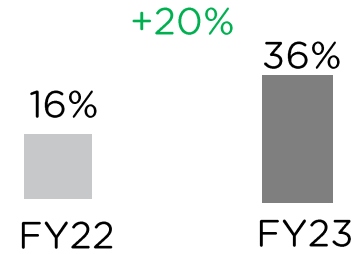
Dec'23



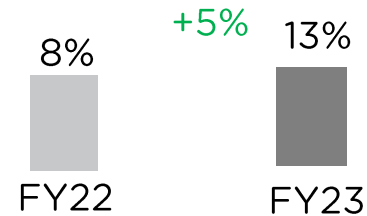
We have been named one of Malaysia's top employers by Talentbank

We are one of two insurance companies on the list.

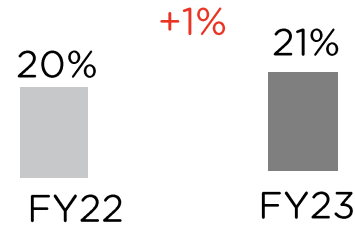
Gen Z hire over total new hire



Intern conversion over total new hire



Total turnover for Malaysian-based entities



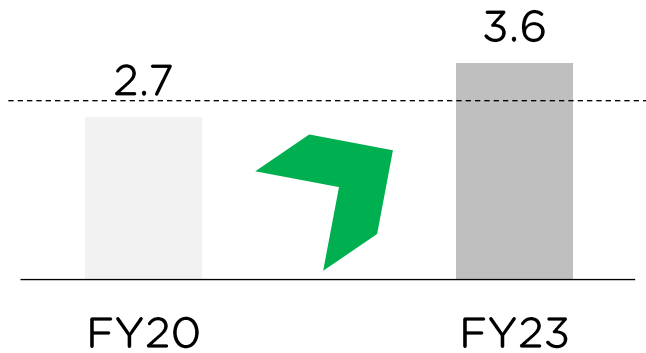
8

To be inducted into FTSE4Good Bursa Malaysia Index




FTSE4Good ESG Rating

2.9 the minimum rating to be a FTSE4Good constituent




Inducted into
FTSE4Good Bursa Malaysia Index
 since Dec'21.
 The only general insurer on the list.

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 online 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



FY2023 and 1Q24 financial overview



TPG (RM'mil)	FY2023	FY2022	YoY	1Q24	1Q23	YoY
Insurance revenue	374.1	481.9	-22.4%	94.6	121.8	-22.3%
Net incurred claims and other expenses	(164.8)	(172.9)	-4.7%	(57.1)	(48.0)	18.8%
Amortisation of insurance acquisition cash flow	(126.3)	(113.5)	11.2%	(32.1)	(32.3)	-0.9%
Allocation of reinsurance premiums	(93.1)	(184.9)	-49.6%	(14.8)	(35.8)	-58.7%
Net insurance service result	(10.0)	10.6	> -100%	(9.3)	5.6	> -100%
Combined ratio	102.7%	97.8%	4.9%	109.8%	95.3%	14.5%
Combined ratio (excluding Tenang impairment)	95.3%	97.8%	-2.5%		N/A	
Total investment income	32.2	0.9	> 100%	9.4	9.3	0.8%
Profit/(loss) after tax	0.2	(34.6)	> 100%	(3.9)	3.2	> -100%
Profit/(loss) after tax (excluding Tenang impairment)	22.7	(34.6)	> 100%		N/A	

FY2023 vs FY2022

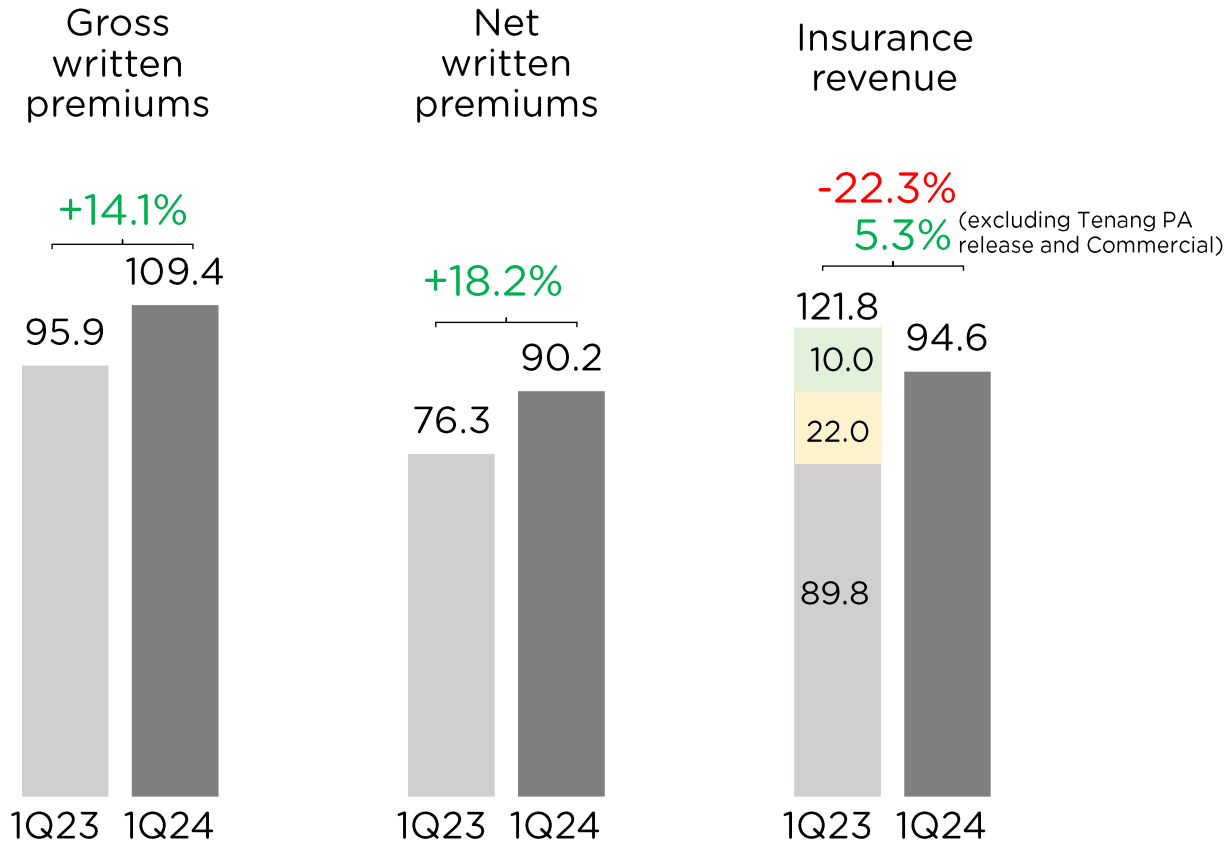
- Lower **insurance revenue** FY2023 due to one-off impairment from Tenang and the exit from Commercial business.
- Net insurance service result turned negative partially attributable to Tenang PA receivable impairment.

1Q24 vs 1Q23

- Lower insurance revenue due to the exit from Commercial business and discontinuation of Tenang PA.
- Higher net incurred claims and other expenses due to discontinuation of Tenang PA and increased Motor weightage.
- **Saving in reinsurance premiums** arising from the gradual exit from the Commercial business.



1Q2024 Insurance revenue



1Q23 insurance revenue contains:-

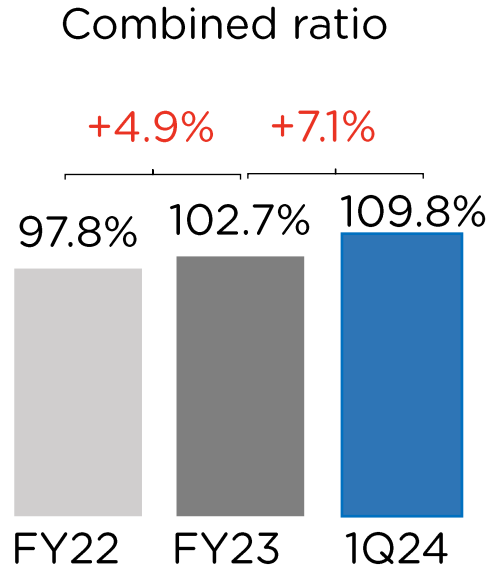
- Unearned reserve releases from Tenang PA.
- Commercial business carried over from FY2022.

Excluding these impacts, 1Q24 **insurance revenue** would have **grown by 5.3 YoY%**.

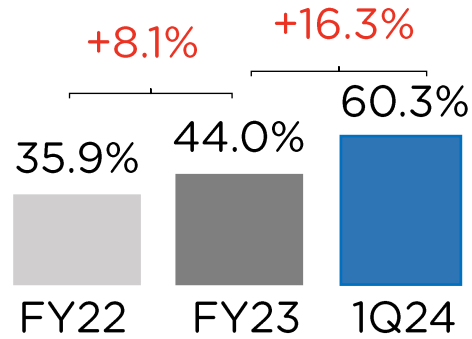
- Unearned reserve releases from Tenang PA
- Commercial business



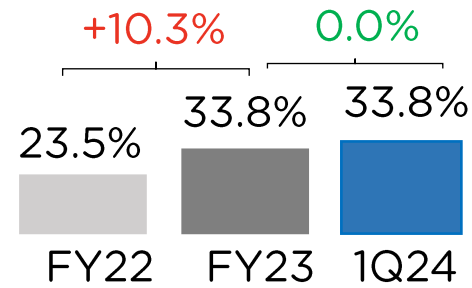
1Q24 Combined Ratio



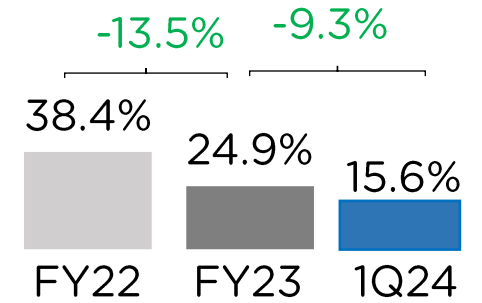
Net incurred claims and attributable expenses ratio



Acquisition cost ratio



Reinsurance ratio



Higher claims and expense ratio and acquisition ratio mainly due to lower insurance revenue as a result from the **exit from Commercial business and discontinuation of Tenang PA**.

Excluding the impact from the one-off changes in Insurance Revenue, the **adjusted 1Q24 Net incurred claims and attributable expenses ratio would be 45%**, comparable to 1Q23.

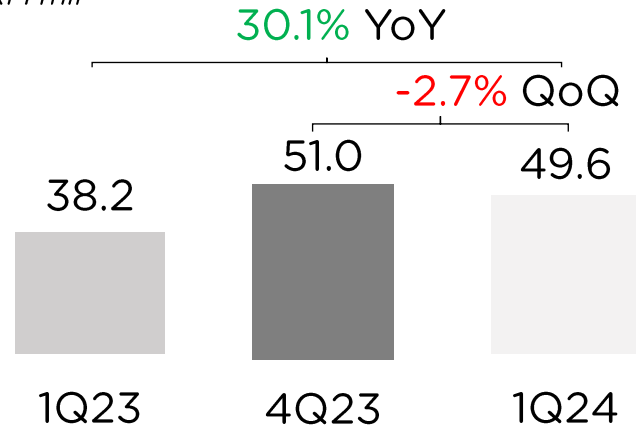
Lower **reinsurance ratio** is in line with management decision to gradually exit Commercial business.



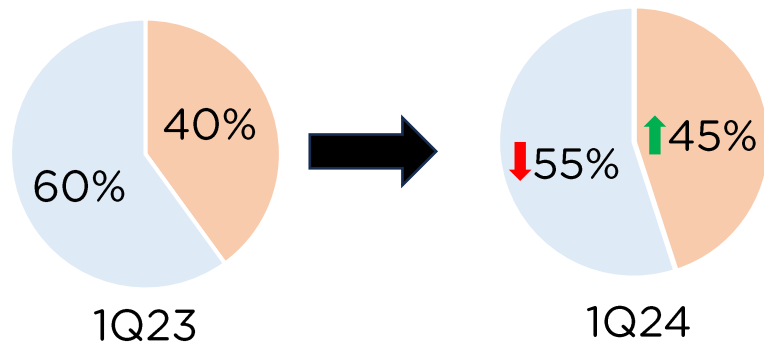
To grow our Non-Motor portfolio aggressively

Motor gross written premiums

RM'mil



● Motor : ● Non-Motor mix



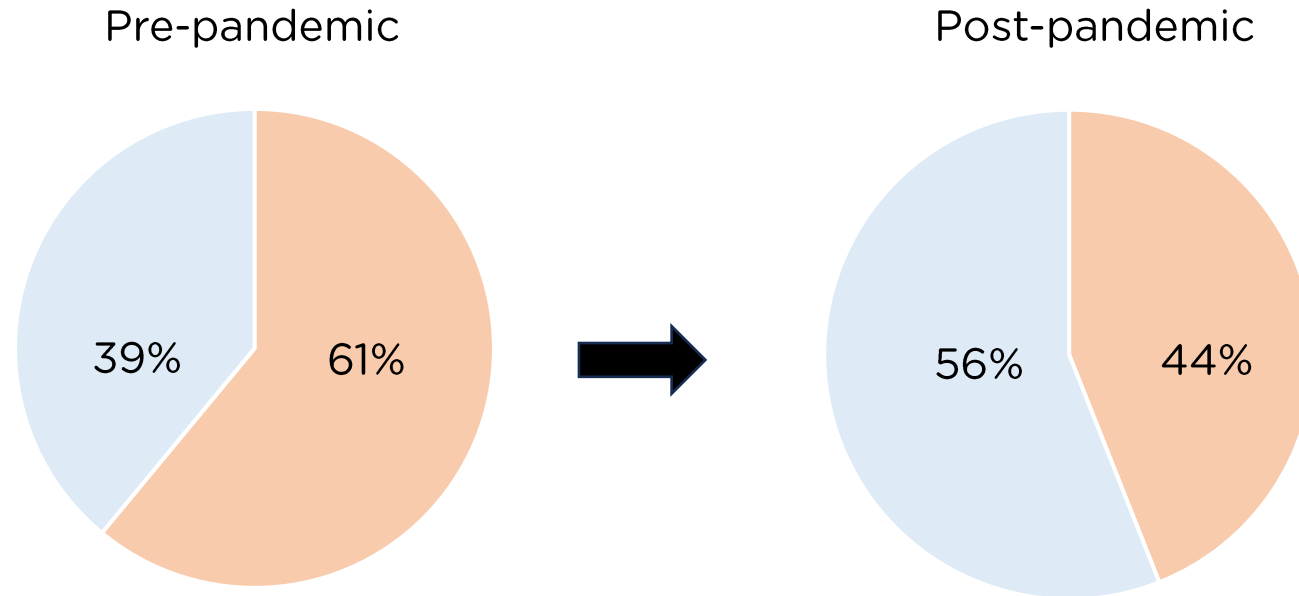
- ❶ Non-Motor portfolio growth was moderate however came below expectations, mainly attributable to Travel.
- ❷ To rebalance Motor portfolio focusing on more profitable sub-segments such as mid to high sum-insured Motor and Motorcycle.
- ❸ Reprioritise our efforts in Travel which is our core competency, to strengthen our position as a regional player.



There is a shift in the behavior of traveler post-pandemic

We observed more passengers booked their flight through airline indirect channels, which our penetration rate is relatively lower.

Our strength are in airline direct online channels.



● Airline direct online channels



● Airline indirect channels (e.g. travel agents/ online travel agent)



Going deep into the travel ecosystem and tapping into key regional players



1 Our existing airline partners

 Airline direct online channels

Airline indirect channels

 Travel agents

 Online travel agent (OTA)

✓ Increase take-up rate and optimise price for bundled insurance on routes where passengers are more willing to spend on insurance.

✓ Working with our airline partners to increase our penetrate rate of airline indirect channels. Incentivise them to sell more our travel products by bundling insurance with tour package.

2 Lifestyle/travel-related operators



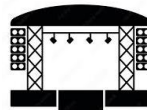
Airbnb



Hotel chains



Cruise



Concert
or
festival



Airport
lounge

✓ Penetrate deeper into the travel ecosystem beyond airline.



Our key growth focuses

Emphasis on profitable growth



Balancing profitability vs topline growth.



Improve cost efficiency through:

- Centralisation of backend functions to improve economy of scale.
- Focus on ROI in re-prioritisation of initiatives.
- Prioritise initiatives with shorter ROI duration.



Update management KPI framework to better align Management rewards to “profitable growth”.

Focus on cross countries/ regional businesses



An established network of 45 insurance partners across 50 markets.



Access to extensive customer pool through existing affinity partners’ network. E.g. In 2023, existing 6 airline partners carries >150million passengers, in addition to >2,600 travel agency network.



Provide one-stop service from tech to reinsurance and offer consistent customer experience and extensive global product offerings.

Champion regional travel ecosystem



Focus on increasing take-up rate through existing distribution channels. i.e. To focus on travel agency and online travel agency channels within our existing exclusive distribution partners.



Going deeper into travel ecosystem targeting regional players in areas such as travel agencies, hotel chain, cruises and event organisers.

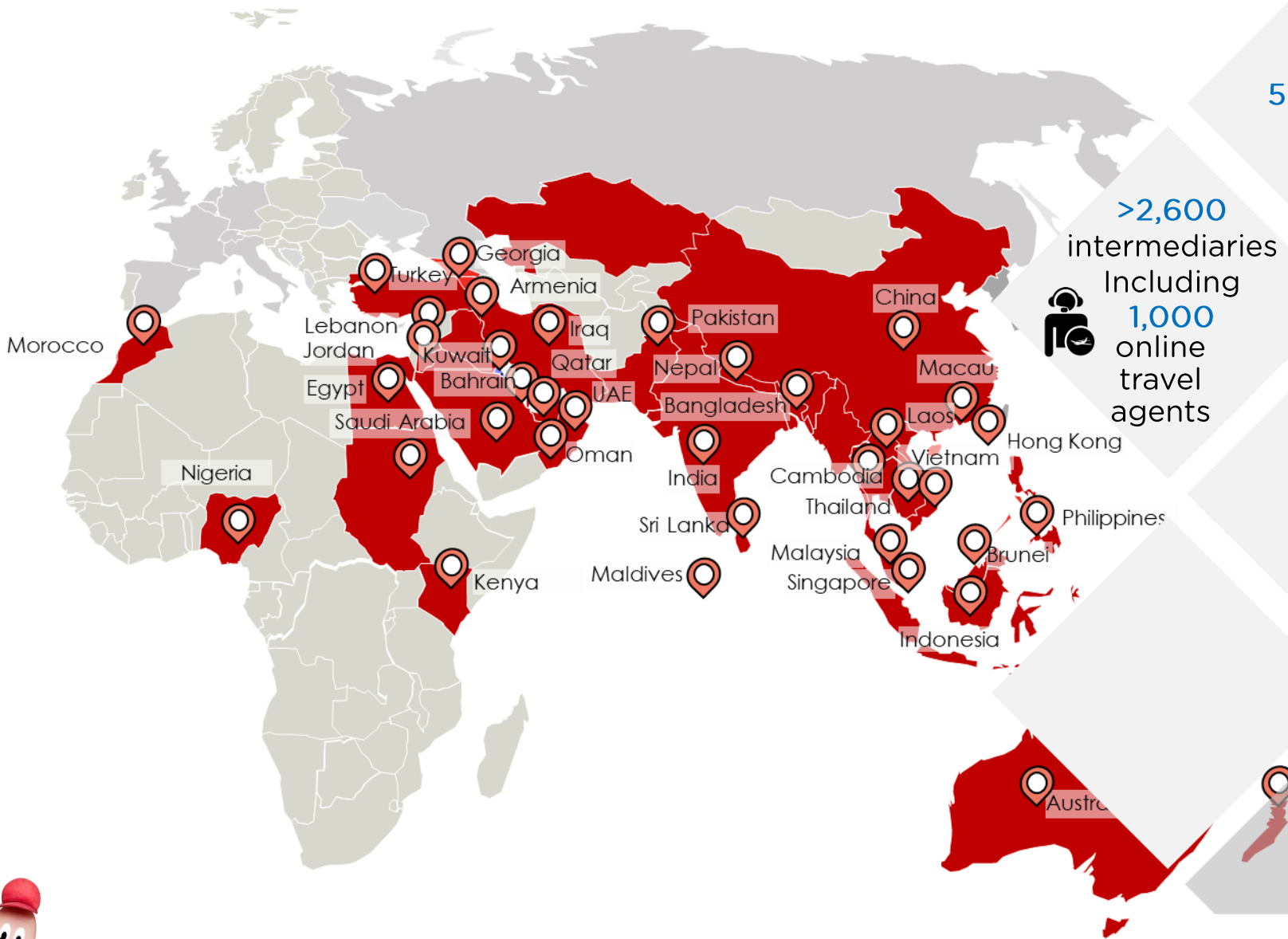


Rollout “global” innovative travel products to maintain market leading position and consistent customer experience.





Leveraging on our extensive regional network



Global footprint
50 countries



Global network of local underwriting partners
45

>2,600 intermediaries
Including **1,000** online travel agents



Customers' Net Promoter Score **+45%**



11 million policies per year

6 exclusive airline partners



Access to our partners' customers
>150 million





International travel is expected to further rebound

Travel outlook

- International travel ended 2023 at 88% of pre-pandemic levels and is expected to **surpass the levels 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.

Source: [UN Tourism](#)

AirAsia and AAX Group

VietJet

AirArabia

Fleet size



185 to 251
(end-2023 to end-2024)
An **increase of 35%**

105 to 123
(end 2023 to end 2024)
An **increase of 17%**

71 to 79
(end-2023 to end-2024)
An **increase of 11%**

Routes



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

Increasing route, to cities in their destination countries e.g. **Japan, Australia, Laos, China and Indonesia.**

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

Our airline partners' expansion plan



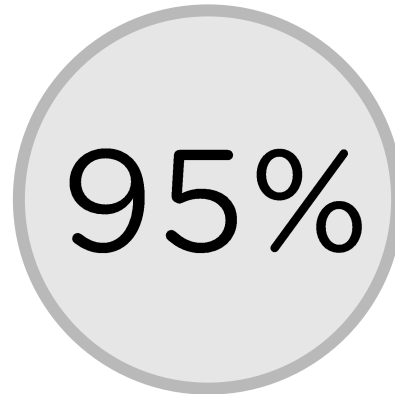
Net Written Premium



As at end-2023

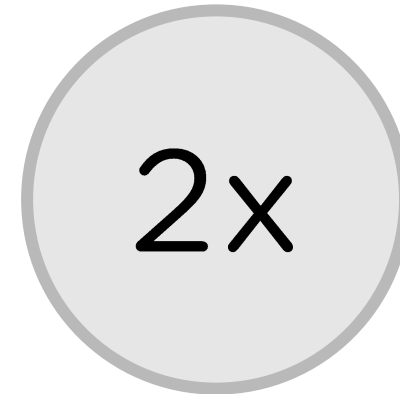
RM339 mil

Combined ratio



111.4%

Net Written Premium / Headcount



RM700 K

Note: Numbers are all in MFRS 4

