

Full Year: Tune Protect Exceeds Profits Expectation Group to focus on excellent Customer Experience and Takaful in 2017

Q4 FY16 Highlights (Quarter-on-Quarter)

- Operating Revenue up 4%
- Gross Written Premium grew 7%

FY16 Highlights (Year-on-Year)

- Operating Revenue up 8%
- Gross Written Premium increased by 6%
- Profit After Tax climbed 19%

Tune Protect Group Berhad ('the Group'; TUNEPRO, 5230) today reported full year (FY2016) results with a 24% increase in pre-tax profits, boosted mainly by the General Insurance operations in Malaysia.

For the 12 months ended 31 December 2016, the Group exceeded its target for post-tax profits recording RM87 million as compared to the RM85 million target set internally for the financial year. The **General Insurance** entity in Malaysia (Tune Protect Malaysia) bolstered the Group result, achieving a 74% growth in post-tax profits to RM40 million as compared to RM23 million in 2015. This is attributed to our focus on underwriting profitable classes of business, particularly workers' compensation. The boost in profit was also strengthened by Tune Protect Malaysia's increased share of profits from the Malaysian Motor Insurance Pool (MMIP).

"As previously shared, we are making tremendous inroads into digital insurance and the numbers of our digital business further proves our claims. The Group has strengthened its **Direct-to-Consumer business** and although the numbers are still relatively modest, the business achieved close to 500% growth that amounts to 7,506 in total policies issued in 2016. Total Gross Written Premium (GWP) for the group's airline-independent travel insurance, Tune Protect Travel Easy, soared encouragingly by more than 426% to record RM440,000 in total sales for the full year," said Razman Hafidz Abu Zarim, Group CEO of Tune Protect.

"On the back of airline booking system upgrades and new regulatory implications to ancillary services, the Group's **Travel Reinsurance** business operated in a challenging environment throughout 2016. However, despite the various challenges the business is making good progress to get back on track through a few initiatives such as the roll out of dynamic pricing for our AirAsia travel insurance to all markets, product innovation such as fare bundling, campaign optimisation, streamlining our regional travel insurance program, as well as growing our business offline," he added.

On its overseas contribution, although GWP declined as the associate exited non profitable portfolios, **Tune Protect Thailand** (Thailand associate) continues to record profitability as a result of more prudent spending. The Group's share of profits increased more than 100% to RM3 million for FY2016.

“Getting Tune Protect Thailand back in the black was no minor feat. However, we were able to turn the business around within this short time by refocusing our business. We are committed to our operations in Thailand as part of our strategy to grow in ASEAN. The regional market is of great potential and our current numbers says it all – ASEAN contributes to more than 85% of our Travel Reinsurance business. We strive to build a name for ourselves as a global brand and expanding our footprint foremost within ASEAN into new markets such as Indonesia is an integral part of the plan,” acknowledged Razman.

Its associate, **Tune Protect UAE** (JV in the Middle East) also recorded solid growth for the full year, up 50% to RM13 million in GWP. The Group’s share of profits increased by over 100% to RM1 million, contributed by new market expansions and product enhancements.

Outlook 2017

For 2017, Tune Protect anticipates that its digital business will continue to flourish with the increased adoption of purchases through digital channels by consumers. In line with this, the Group is focusing its effort in product innovation, customer experience and channel innovation to deliver its brand promise of Insurance Made Easy.

“2017 will be the start of a massive transformation process for Tune Protect, where we will put our strategy into gear to reinforce our claim as a digital insurance provider. With digital technology as the catalyst of growth, our sights are set to deliver on our promise of making insurance easy to understand, buy, and claim. To this end, we are looking to improve our processes such as automating claims, enhance the User Experience and User Interface design of our online channels, and offer Usage-Based insurance and On-Demand insurance, among others.

“What matters the most is that we constantly deliver excellent customer experience throughout our interaction with customers,” Razman explained.

Addressing the topic of new ventures, Razman shared that Tune Protect is looking at adding Takaful to our product range.

“Sharia compliant offering is something that we have set our sights for some time and I believe it is opportune for us to start making headways into offering Takaful protection,” he explained.

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About Tune Protect Group Berhad

Tune Protect Group Berhad was incorporated in 2011 and listed on the main market of Bursa Malaysia in 2013. In 2015, it was renamed Tune Protect Group Berhad. Through its subsidiaries and associates in Malaysia, Thailand and United Arab Emirates, it underwrites, directly and via reinsurance, general insurance business. The Group also offers insurance products online, directly as well as through online partners. For further information, please visit www.tuneprotect.com