

## Short Term Pain, Long Term Gain

Digital Collaboration with AirAsia to boost performance recovery in second half

### 1Q FY17 Highlights (Year-on-Year)

- Profit After Tax at RM13.4 million, down 44.9%
- Operating Revenue at RM130.1 million, up 0.4%
- Net Earned Premiums at RM77.1 million, down 6.7%
- Gross Written Premiums at RM162.9 million, up 6.4%

Tune Protect Group Berhad ('Tune Protect' or 'the Group'; TUNEPRO, 5230) posted a lower profit after tax (PAT) at RM13.4 million, down 44.9% year-on-year for the first quarter of 2017 (1Q2017) compared to 1Q2016, recording flattish operating revenue of RM130.1 million which was up marginally by 0.4%.

"We've had some setbacks this quarter that has taken a hit on our PAT. We had higher motor claims resulting from inflationary costs. Additionally, we made higher investments in human capital and technology as well as for marketing and promotion to support our digital initiatives. We also recorded lower Net Earned Premiums from our Digital Global Travel business, a residual effect from the change in the online travel booking regulation late last year," Group CEO of Tune Protect, Razman Hafidz Abu Zarim said.

He added that the Group will review its motor franchise business via better franchise workshop arrangements to manage its claims cost.

To address the decline in its Digital Global Travel business, the Group launched a new collaboration with AirAsia after its Annual General Meeting earlier today, to leverage AirAsia's technology to digitalise insurance.

"Our main objective is to make it easier for travellers to purchase and claim insurance, and personalise our offerings according to their individual needs. We are excited with the plans that we have under this collaboration as it is an important component to help us achieve our goal of becoming an ASEAN digital insurer. This collaboration will drive our digital transformation and allow us to offer the right product to the right customers at the right time and the right price," he added.

Among the many initiatives to be launched under this umbrella include a one-click payment option with BIG Pay and fast track claims process, introduction of bundled insurance, Annual pass, Family plan and Migrant plan; which are designed to increase demand for travel insurance, and introduction of flexible and dynamic premiums based on travellers' data and market demands.

“We expect that growth in NEP from our online travel bookings will moderate in the second half, with the initiatives launched under this collaboration, as well as the expanded destinations and passenger traffic of our airline partners,” Razman added.

“We will continue to enhance our digital capabilities and focus on delivering excellent customer experience through our Direct-to-Consumer business that has consistently recorded over 100% year-on-year increase in the number of policies sold,” he said.

“Additionally, we are encouraged by the growth of our general insurance entity, Tune Protect Malaysia, that closed its books with a 10% increase in gross written premiums (GWP). We are excited with the prospects of the detariffication of motor and fire insurance and are looking at new initiatives such as usage-based insurance, on-demand insurance and launching new online products - Motor and Home insurance – in the months to come,” he added.

While continuing to look for a suitable acquisition in Indonesia to expand its ASEAN footprint, the Group will focus on catering to the growing demand for Shariah-compliant protection. The recent approval from Labuan Financial Services Authority for a retakaful window presents an opportunity for the Group to accelerate its growth in this business segment.

“Despite a challenging start to 2017, we will continue to pursue attractive opportunities to deliver further growth,” said Razman.

Moving forward, the Group remains committed to its three strategic pillars – to lead in product innovation and differentiation, widen distribution channels and expand reach, as well as to deliver exceptional customer experience – to strengthen its position as a leading digital insurer.

- END -

**Contact for journalists:**

Tune Protect Group Berhad, Media Relations  
Sabrina Gregory, phone: +603 2056 6350  
E-mail: [media@tuneprotect.com](mailto:media@tuneprotect.com)

**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](http://www.tuneprotect.com)