



Tune Protect Remains Resilient to Record Double Digit Growth in Profit After Tax for the Fourth Quarter of 2018

Tune Protect Group Berhad ('Tune Protect' or 'the Group'; TUNEPRO, 5230) announced its Profit After Tax (PAT) of RM11.2 million with Operating Revenue (OR) of RM140.4 million and Gross Written Premiums (GWP) of RM103.4 million for the fourth quarter of 2018 (4Q2018). Meanwhile for the year ended 31 December 2018 (FY2018), PAT of RM52.9 million was reported with OR of RM566.1 million and GWP of RM519.0 million.

Full year Group GWP marginally increased by 0.2% year-on-year (YOY) despite 4Q2018 GWP being down 12.4% due to portfolio restructuring within its subsidiary Tune Protect Malaysia (TPM). OR for 4Q2018 and FY2018 marked increases of 1.4% and 4.3% YOY respectively largely due to better investment income.

The Group recorded an increase of PAT of 21.1% in 4Q2018 and 5.8% YOY for FY2018. However, if excluding the impact incurred for the one-off voluntary separation scheme (VSS) completed by TPM in December 2018, PAT for 4Q2018 and FY2018 record a higher increase of 51.8% and 11.5% YOY respectively.

Digital Global Travel's earnings recovered in 4Q2018 and remains a significant contributor to the Group. GWP for this business segment charted an increase of 25.9% in 4Q2018 and 10.9% YOY due to increase in product bundling sales, Middle East business, as well as contribution from the other airlines segment. 4Q2018 PAT registered a 20.2% growth from lower unrealised forex loss but recorded a decrease of 0.9% for the full year.

Meanwhile for the **Malaysia General Insurance** business, a GWP decrease of 19.2% and 2.2% YoY was recorded for the quarter and the full year respectively due to portfolio restructuring strategies including rationalisation of the motor portfolio as well as the shift of business focus to non-motor, retail and SMI businesses in ensuring future long-term sustainable profit. Due to the one-off VSS expenditure, a decrease in PAT by 67.5% YOY and 7.1% was recorded for 4Q2018 and FY2018 respectively. However, excluding the impact of the VSS, PAT for 4Q2018 records a lower decrease by 16.7% YOY and FY2018 increases by 5.4% YOY respectively.

The Group's **overseas venture in the EMEIA** (Europe, Middle East, India and Africa) contributed an increase in the share of results of joint venture by more than 100% for both the quarter and full year arising from AirArabia and the B2B main markets. As for **Thailand**, the share of results of associate decreased by 23.7% and 27.2% for 4Q2018 and FY2018 respectively underpinned by lower investment income due to weaker equity performance.

Strategic Transformation to Deliver more GAIN

The Group continues to deliver on its current initiatives and will introduce new business drivers aimed at growth.

*"To support our vision of being a leading digital insurer, we will focus on four key transformation pillars represented by the acronym GAIN. This stands for **Global** business, **AirAsia**, **Insurtech** capabilities and **National** business to help us drive and deliver successful change not just within the organisation but for our customers as well as stakeholders",* said **Group Chief Executive Officer of Tune Protect, Khoo Ai Lin**.



Growing Global Business and Leveraging the AirAsia Ecosystem

In 2019, the Group continues to focus on its global journey by venturing into more markets and forging more **partnerships within the ASEAN region**. In the pipeline, Tune Protect will be partnering with an Indonesian insurer in an exclusive arrangement with a renowned travel association to cater to the growing travel industry in Indonesia that is targeted to be finalised in 1Q2019.

The Group recently went **live with Dynamic Pricing 2.0** (an optimisation and customisation of Travel and Lifestyle protection leveraging AI and analytics) in seven core markets for AirAsia passengers. Customers will be offered personalised travel and lifestyle protection plans based on their segmented profiles which consider travel patterns and behaviours, as well as lifestyle preferences via a real-time optimisation basis.

In its pursuit to **enhance customers' experience**, the Group is now providing value-added services through affinity partnerships. In 4Q2018, two such value-added services were offered to AirAsia Tune Protect travel protection policyholders. First with **ROKKI, the inflight entertainment solutions** brand to provide complementary inflight WiFi Chats plans, and second with **DoctorOnCall** to provide complementary medical consultations with seamless prescription claims.

For 2019, the Group aims to drive incremental growth through sales from other relevant channels and by venturing beyond travel products.

Progress in the Insurtech Space and Increasing National Business

Many initiatives have been laid out to strengthen the Group's position as a leading digital insurer in the region. Among others, the Group intends **to collaborate with insurtech companies** in the region to gather the best tools and expertise needed as the industry moves towards digital transformation.

"As we continue our journey in the insurtech space, we want to change the way policyholders view protection by leveraging data analytics and technology to provide for their needs accordingly", said **Khoo**. *"We will be expanding and leveraging our capabilities with homegrown talents together with acquired capabilities through collaborations and partnerships",* she added.

On-demand protection products continue to be rolled out with their latest offering '**Pay-As-You-Drive' (PAYD)**. Through this plan, policyholders will receive a refund of up to 20% at the point of expiry based on the amount of mileage driven. While the product has been available since January 2019, marketing plans to increase awareness of PAYD are scheduled for 2Q2019.

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About Tune Protect Group Berhad

Tune Protect Group Berhad (TPG) was incorporated in 2011 and listed on the main market of Bursa Malaysia in 2013. As a leading digital insurer in the region and with the motto 'Protection Made Easy', TPG offers affordable, yet comprehensive online protection plans to suit individual needs. By leveraging AirAsia, TPG has established a strong foothold in the travel and retail insurance space globally with strategic plans to enhance these businesses. The Group also has a strong focus to move beyond insurance by embracing insurtech and to include product differentiation such as on-demand products as part of its diversified portfolio. On the global front, through its subsidiaries and associates in Thailand and United Arab Emirates, the Group underwrites general insurance business directly and via the reinsurance business.

For more information on Tune Protect Group, visit their website at <https://www.tuneprotect.com/>

This press release is issued on behalf of Tune Protect by Suppagood PR. For interview opportunities, or more information please contact via email, call, text or what's app:

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