

## Tune Protect Records Strongest Quarter Yet; Solid Close for FY15

Q4 2015	FY 2015
<ul style="list-style-type: none"> <li>• Operating Revenue up 4.1% QoQ</li> <li>• Gross Written Premium grows by 13.9%</li> <li>• Net Earned Premium climbs 15.6%</li> <li>• Profit After Tax rises by 4.3% to RM25.2mil</li> </ul>	<ul style="list-style-type: none"> <li>• Operating Revenue up 6.5% YoY</li> <li>• Gross Written Premium grows 8.9%</li> <li>• Net Earned Premium rises 13.8%</li> <li>• Profit After Tax declines 4.2%, to RM72.9mil <i>(1.5% growth when excluding one-off sale of building in 2014)</i></li> </ul>

“Once again, we have grown ahead of our markets. We are proud of our achievement for 2015, which would have been stronger when we exclude the one-time charges such as the one-time sale of our building, rebranding, and others. The fourth quarter result is our strongest yet this year, boosting the Group's profits for the full year to RM72.9 million. The consistency of our performance despite a difficult year demonstrates that Tune Protect has transformed into a more resilient business, and our efforts as an innovative player in the industry, leading the insurance market digitally, is bearing fruit,” said Junior Cho, Chief Executive Officer of Tune Protect Group Berhad.

Tune Protect Group Berhad ('the Group'; TUNEPRO, 5230) today announced its earnings for the fourth quarter (Q4) and fiscal year ended 31 December 2015 (FY15). Q4 recorded the strongest result for the year, posting Profit After Tax (PAT) of RM25.2 million, driven mainly by higher profits from the Global Travel Business and Tune Insurance Malaysia Berhad (TIMB).

For the full year, the Group closed its books with an increase of 6.5% in Operating Revenue (OR) driven mainly by the general insurance business. The Group attributed its higher earned premium to the expansion of its franchise dealership in the motor class of business, stronger demands in Malaysia for travel and growth in fire class of business.

Gross Written Premium (GWP) grew by 8.9% while Net Earned Premium (NEP) rose by 13.8% to RM303.8mil.

### Global Travel Business

Q4 2015	FY 2015
<ul style="list-style-type: none"> <li>• Operating Revenue up 19.3% QoQ</li> <li>• Gross Written Premium rises 24.5%</li> <li>• Net Earned Premium climbs 19.4%</li> <li>• Profit After Tax grows 19.4%</li> </ul>	<ul style="list-style-type: none"> <li>• Operating Revenue up 15.7% YoY</li> <li>• Gross Written Premium increases by 22.2%</li> <li>• Net Earned Premium rises 15.8%</li> <li>• Profit After Tax grows by 15.0%</li> </ul>

Global Travel Business achieved commendable results, recording double-digit growth in GWP and NEP, bolstered by stronger demands from Malaysia and Thailand. GWP grew

22.2%, which translated to a 15.8% NEP and 15.0% PAT increase, YoY. Travel policy count increased 8.3% YoY, recording 8.3 million policies issued.

### Tune Insurance Malaysia Berhad (TIMB)

Q4 2015	FY 2015
<ul style="list-style-type: none"> <li>• Operating Revenue up 3.8% to RM113.3mil, QoQ</li> <li>• Gross Written Premium rises 14.0%</li> <li>• Net Earned Premium grows 13.2%</li> <li>• Profit After Tax up 17.4%</li> </ul>	<ul style="list-style-type: none"> <li>• Operating Revenue up 6.3% YoY</li> <li>• Gross Written Premium grows 9.0%</li> <li>• Net Earned Premium rises 12.5%</li> <li>• Profit After Tax up 3.9%, <i>(up 28.8% excluding one-off sale of building in 2014)</i></li> </ul>

Notwithstanding the decline in consumer confidence post GST implementation, our Malaysian general insurance entity recorded a commendable 9% growth in GWP YoY, much higher than the general insurance industry average of ~2.3%. NEP rose 12.5% to RM179.9mil from a higher premium retention ratio especially from the motor class of business, which resulted in a 28.8% increase in PAT to RM23.0mil (excluding the one-time sale of building).

### Overseas Associates and Joint Venture

Our Middle East joint venture continued to show healthy growth with expansion through new offline B2B agents in markets such as Iraq, Lebanon, Kuwait, Oman, Qatar and the United Arab Emirates. PAT soared, recording more than 100% increase over same period last year, largely contributed by sales from its airline partner.

In Thailand, whilst the industry average growth hovered around 1.6%, our associate company achieved more than 100% top line growth, mainly from its motor and travel businesses. However, higher investments in marketing and brand building have resulted in a disappointing loss of RM2.8mil, YoY.

### Outlook

"In 2016, we anticipate that we can continue this remarkable growth trajectory. The global travel industry is expected to remain healthy and we are optimistic that our Global Travel business will continue to grow. Our priorities continue to be in increasing product and brand awareness whilst driving improvement on take-up rate. In addition, we plan to expand our multiple distribution channels and extend our product offerings through travel agencies across the region.

"While the general insurance industry is forecasted to remain in slow steady growth after an industry growth rate of 2-3% in 2015, we are confident that TIMB will continue to outpace the average industry growth. Our focus is to continue improvement in our underwriting profitability but also to maintain growth in the profitable product classes of business. We continue to look to improve our penetration into other customer segments

to ensure a well-balanced customer profile with our expansion into the Bumiputera market.

“We look forward to reaping the benefits of our marketing investments in Thailand which we expect to see a turnaround in profitability for 2016. While we continue to maintain steady growth in our core business of travel insurance and corporate, we will also enhance our direct retail partnerships – growing our collaboration with AIS, one of the leading telecommunication providers in Thailand. We look forward to securing a bank partner as part of our 2016 strategy.

“Our Middle East joint venture is geared to further expand into 5 new markets across all online and offline channels and we will continue to strengthen our distribution and reach through intensified customer engagement and marketing activities such as media exposure, travel fairs, and direct-to-consumer marketing.

“Our Direct-to-Consumer business though still small in contribution, has been growing steadily with a search market share in travel of 6% as of year end and with 10-fold growth in digital sales. We are encouraged with the results and are committed to intensifying our efforts in owning the digital space through more innovative products and services centred around expanded use of technology. Our strategy includes investing in branding and marketing initiatives to drive brand awareness, increasing social engagements and strengthening the footprint of our online insurance business. We will continue to test in emerging digital business models that would help us gain stronger insights into our customers to ultimately meet the evolving insurance needs of our customers,” Junior concluded.

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**About Tune Protect Group Berhad**

**Tune Protect Group Berhad** (formerly known as Tune Ins Holdings Berhad) was incorporated in 2011 and listed on the main market of Bursa Malaysia in 2013. In 2015, it was renamed to Tune Protect Group Berhad. Through its subsidiaries, it is an underwriter, directly and via reinsurance, of general and life insurance products across the Asia-Pacific region. The Group operates an online insurance business via Tune Direct (M) Sdn Bhd and sells insurance products to customers through online partners. Another core business is its general insurance, which is currently operational in Malaysia and Thailand, through subsidiaries Tune Insurance Malaysia Berhad and Tune Insurance Public Company Limited Thailand. For further information, please visit [www.tuneprotect.com](http://www.tuneprotect.com)