

Tune Protect kick-start 2016 on a high, posting stellar double-digit growth ahead of market in the first quarter

Q1 FY16 Highlights

- Operating Revenue up 16.5% QoQ
- Gross Written Premium grows by 34.7%
- Net Earned Premium climbs 25.2%
- Profit After Tax rises by 41.2%

Tune Protect Group Berhad ('the Group'; TUNEPRO, 5230) started the year on a strong note, delivering stellar results for its first quarter (Q1) of the financial year.

"Overall, we are very pleased with the tremendous achievement as this demonstrates the Group's stability while operating in a volatile economic environment. We continue to deliver double-digit growth across the board, posting a 16.5% increase in operating revenues (OR) Quarter-on-Quarter (QoQ), which is attributable to the increase in gross earned premiums and investment income. Net earned premiums (NEP) grew 25.2% to RM82.6 mil boosted by the increase of RM12.3 mil from our General Insurance business across the Motor, Medical and Fire classes, and an increase of RM4.3 mil from Global Travel business. Profit After Tax (PAT) soared by 41.2% in Q1," said Junior Cho, CEO of Tune Protect Group Berhad.

"We are encouraged by the solid start to the year and we are confident in maintaining our healthy growth track through 2016. While we expect to see continued macroeconomic weakness and currency volatility for Malaysia and neighbouring ASEAN linger for the remainder of the year, we anticipate that our strategy will ensure resiliency during this period," he added.

Global Travel continues its profitability streak posting strong double-digit growth for both OR (+15.3%) and PAT (+10.0%), a result from consistent execution of ROI-driven, customer-focused marketing initiatives. The Group expects to maintain the current growth trend in line with the continued growth of passengers travelled on its airline partners.

The **General Insurance** entity in Malaysia (Tune Insurance Malaysia Berhad or TIMB) delivered an underwriting margin of 14.1% due to improvements in claims, with a growth of 17.9% in OR. PAT jumped 164.8%, boosted by higher NEP of 33.7% QoQ. The Group also took deliberate actions to improve its product portfolio and in the first quarter, the Group Medical class of business posted an underwriting profit, proving that correct measures were taken in driving improved profitability.



The **Thailand associate** (Tune Insurance Public Company Limited or TIPCL) posted solid growth of 87.0% in PAT as result of re-balancing its product portfolio, higher gross written premiums (GWP), and lower marketing and advertising expenses.

The Group's **Middle East JV** (Tune Protect Commercial Brokerage LLC or TPCB) continues to post strong top line growth despite recent socio-political uncertainties and impact of low prices. GWP grew by 31.4% as a result of continuous business expansion and partnerships in the region. The Group is confident that further expansion of its Business-to-Business partnerships and new product launches will drive TPCB on stronger profit contribution over the previous year.

Q1 also recorded growth for the Group's **Digital/Direct-to-Consumer** business. Policies sold grew by more than 100% as a result of various partnership programmes launched and higher purchases through the digital platforms. Its market share for online search for 'travel insurance' also grew by almost double the volume recorded in the preceding quarter, to 11.9%.

Looking ahead, the Group remains confident that it will maintain continued growth for the remainder of the year.

Global Travel will benefit from continued growth with the recent full ratification of ASEAN Open Skies which will drive increased capacity and new routes for passengers, in addition to continued efforts by governments to implement visa waiver.

"We anticipate that our General Insurance entities will continue to outpace the industry average with new product innovation and expanded channel partnerships," Junior said.

The Direct-to-Consumer business will continue to gain traction in line with the liberalisation of the sector in 2017, with more acceptance and adoption of online insurance. The Group will continue to strengthen its online insurance business footprint, focused on increasing profitability by growing its market share in the digital market and increasing partnership activities.

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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