

## Tune Protect on track to achieve strong growth by end 2016

Resilience key to positive results at first half of the year

### **Q2 FY16 Highlights** (Quarter-on-Quarter)

- Operating Revenue up 8.9%
- Net Earned Premium climbs 16.6%
- Profit After Tax rises by 72.0%

### **1H FY16 highlights** (Year-on-Year)

- Operating Revenue up 12.6% YoY
- Net Earned Premium climbs 20.8%
- Profit After Tax rises by 56.6%

Tune Protect Group Berhad ('the Group'; TUNEPRO, 5230) posted a 72.0% increase in the second quarter (Q2) Profit After Tax (PAT) at RM29.6 mil from a year earlier mainly due to higher New Earned Premium (NEP) and Investment Income. Operating revenue increased 8.9% to RM125.5 mil on higher contributions from the motor and travel class of businesses.

"We continue to deliver healthy results for the year to date, mainly from the stronger performance of our General Insurance business in Q2, aided by our share of profits from the Malaysian Motor Insurance Pool. This has resulted in the highest Underwriting Profit recorded thus far. The growth of our Global Travel business was more moderate, recording a 15.0% growth in underwriting profit for the 6-month period ending 30 June 2016," said Razman Hafidz Abu Zarim, Group CEO of Tune Protect Group Berhad.

**Global Travel** NEP posted a 9.0% increase for 1H which contributed to a 7.0% growth in PAT as compared to the same period of last year. GWP remain at a healthy 5.0% growth for 1H 2016 despite the softened economy. The Group expect to see a healthy growth in GWP throughout the second half of 2016, with more product and channel innovations, as well as customer loyalty programs.

Growth of the General Insurance entity in Malaysia (**Tune Protect Malaysia**) exceeded the industry average, posting GWP growth of 6.4% in 1H as compared to the previous year. The Group is on the right track with its strategy in growing profitable class of businesses and will maintain this course in the months to come.

**Tune Protect Thailand** (our Thailand associate) continue to make a commendable turnaround, doubling PAT to RM2.1 mil or an increase of 99.5% in 1H as a result from higher GWP (+2.3%) and lower marketing expenses.

The Group's Middle East JV (**Tune Protect UAE**) saw returns from its business expansion and launch of new markets, recording growth in Q2 and 1H at 63.5% and 48.6% respectively. With consistent strategies throughout the second half of the year, the Group is confident that Tune Protect UAE will be able to continue if not accelerate the growth of its business thus increasing its contribution to the overall group numbers.

On the Group's **Digital/Direct-to-Consumer business**, investments in performance marketing and retargeting are significantly driving growth, boosting GWP to over 20 fold in Q2 and more than 1000% for the first half. Tune Protect has also increased its market share of online search for 'travel insurance' to 17.0%.

Since rebranding in September 2015, Tune Protect has amplified its efforts in enhancing its brand presence in the digital space – from attracting the right talents to join the company, to launching innovative campaigns online. The Group celebrated the acknowledgement by the Global Brand Excellence Awards who named Tune Protect's Head of Marketing, May Tan, as one of Most Influential Brand Leaders. More recently, Tune Protect was acknowledged by the media industry when it won the Gold Award at the Malaysian Media Awards 2016 for its innovative zip-lock advertisement in conjunction with the launch of the Tune Protect brand name.

“Despite challenging macroeconomic operating conditions, we are highly encouraged by the results delivered by our General Insurance business including global travel PA in Malaysia, as well as contributions from Tune Protect Thailand and Tune Protect UAE, not forgetting our Digital business. This is a positive indication that we are on the right track, in line with our strategy to diversify our portfolio and balance our sources of income,” Razman said.

“The macroeconomic weakness and currency volatility is expected to continue on to the second half of the year. However, we anticipate regional travel to remain resilient as our airline partners continue to enjoy strong passenger growth. The general insurance industry is projected to maintain a single-digit growth,” he 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 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)