

## Strong first quarter in line with increased focus on digital sector

Tune Protect Group Berhad ('Tune Protect' or 'The Group'; TUNEPRO, 5230) posted its Gross Written Premiums (GWP) of RM171.3 million with Operating Revenue (OR) of RM142.9 million and Profit After Tax (PAT) of RM18.2 million for the first quarter of 2018.

Strong first quarter results were attributed to positive top-line growth with GWP and OR increasing by 5.2% and 9.8% year-on-year respectively. The 36.3% growth in PAT was achieved due to improvements in underwriting performance, better collections, more efficient processing of claims and Digital Global Travel's lower marketing expenses. GWP growth was contributed primarily from the Digital Global Travel business and growth in the existing Motor portfolio in the General Insurance business.

With an **increased focus on the digital sector**, Digital GWP increased by 13.0%, outpacing non-digital growth which was recorded at 3.7% this quarter. The total number of customers and policies issued for the digital sector increased by 73.8% and 90.8% year-on-year respectively with the GWP representing 16.8% of The Group total. The growth is largely attributed to the Digital Global Travel business and Tune Protect's direct-to-consumer products available at [www.tuneprotect.com](http://www.tuneprotect.com).

"We continue to be confident in the **growing strength of our digital sector**, and we are diligent in optimising algorithms to further personalise offers leading to higher take-up rates. Our investment strategies have also yielded favourable results thus expanding our OR," said **Group Chief Executive Officer of Tune Protect, Razman Hafidz Abu Zarim**.

**Digital Global Travel** business recorded their highest quarter since 3Q2016 with a recorded GWP of RM29.1 million. This increase is mainly contributed by both comprehensive and bundled insurance in the Air Asia segment.

For **Malaysia**, the **General Insurance Business** achieved 4.2% GWP growth to RM155.1 million and 20.3% PAT growth to RM9.5 million driven by higher underwriting profit of RM7.1 million year-on-year. The growths were derived from the Motor portfolio, followed by Personal Accident and Travel. PAT was significantly higher due to stronger underwriting profit, following improved claims processing and collections. Despite Net Earned Premiums (NEP) for Motor decreasing by 22.5% due to the higher Quota Share, Non-Motor NEP grew 10.0% in line with the company's aspiration to grow the more profitable segments of the business.



For **Thailand**, the **General Insurance Business** achieved 24.7% PAT year-on-year growth due to higher GWP from Travel portfolio and lower net claims incurred.

The Group has recently **secured their 5th airline partner**, Kuwait based Wataniya Airways, a low-cost carrier that flies to 10 countries across the Middle East. This closely followed the launch of Cambodia Angkor Air partnership that went live on 23 March 2018 for the Cambodia, China and Vietnam markets via B2B channels.

Other initiatives as announced prior in the year have also come into fruition. Tune Protect Malaysia is now the **first panel insurer on board FOMEMA's** newly-launched online web portal. FOMEMA is the appointed agency by the Government of Malaysia to manage, monitor and supervise the mandatory comprehensive health and medical screening programme, servicing more than 1 million foreign workers employed in the country per year.

Also making good progress is **The Group's initiative to invest in a P2P Insuretech company based in the UK**. "This investment will solidify Tune Protect as a key player in the Insuretech space, and provides an exciting opportunity to bring knowledge and technology to the ASEAN region. Insuretech is a welcome disruption to the industry and will allow us to harness the power of big data, maximise transparency, and improve the experience for the end consumer. We are positive that this deal will be inked and implemented by 2Q2018," added Razman.

Additionally, we launched our first Takaful Travel products in Bahrain via B2B channels on 10 May 2018, utilising our **Retakaful window** that was approved last year. The Group is looking forward to launching the same products in other Middle East countries and Indonesia within the year.

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**About Tune Protect Group Berhad**

**Tune Protect Group Berhad** was incorporated in 2011 and listed on the main market of Bursa Malaysia in 2013. 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 protection online, directly as well as through online partners. For further information, please visit [www.tuneprotect.com](http://www.tuneprotect.com)