



For Immediate Release

Tune Ins Holdings Berhad Off To A Good Start For Y2015

1Q2015 vs 1Q2014 Highlights

- Operating Revenue at RM111.2 mil
- Profit After Tax at RM17.2mil
- Global Travel's Gross Written Premium up 16.9%
- Malaysian Operation's Net Earned Premium down 2.7%
- Overseas Ventures' Profit Contribution at 5.2%

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Tune Ins Holdings Berhad ("TIH" or the "Group") announced strong 1Q2015 results, posting Profit After Tax ("PAT") of RM17.2 mil, a 6.9% increase over the same period last year. This growth is exclusive of the one-time gain of RM4.3mil from the sale of a property ("One-Off Gain") in 1Q of last year. When including the One-Off Gain, PAT decreased by 15.7% year-on-year ("YoY").

Operating Revenue ("OR") and Net Earned Premium ("NEP") were RM111.2 mil and RM66.0 mil respectively, representing a 2.4% decrease and 2.8% increase over the corresponding period last year.

The Global Travel business posted strong growth with Gross Written Premium ("GWP") and NEP delivering YoY increases of 16.9% and 10.5% respectively, thanks to improved travel climate coupled with higher take-up rates ("TUR") across major markets.

Junior Cho, Chief Executive Officer of TIH said, "At the start of the year, we faced softness in travel within ASEAN due to the unfortunate QZ8501 incident but have seen a steady recovery towards the tail end of 1Q. We are very pleased with the Group's PAT of RM17.2 mil for the quarter, 88.1% of which was contributed by our strong Travel business. Overseas ventures contributions from namely Tune Insurance Public Company Limited ("TIPCL") and Tune Protect Commercial Brokerage LLC ("Tune Protect" or the "JV Company") stood at 5.2%."

Global Travel Business

Global Travel dominated the Group's earnings as evident from its double digit growth recorded on GWP and NEP. GWP achieved 16.9% growth, which translated to a 10.5% NEP and 2.2% PAT increase, YoY.

The strong top line growth is a result of improvements in TUR in main markets such as Malaysia, despite some softness in the travel sector during January and February 2015.

Junior explained, "Early last year, our Travel Business was impacted by geopolitical uncertainties in ASEAN. While the travel market recovered in 4Q of last year, we were faced with the unfortunate QZ8501 incident, which depressed consumer travel for the months of January and February. However, we have seen a recovery leading into March as evident in our Tune GenRe Limited ("TGR") entity, delivering top line double digit growth, amid increased consumer awareness and support."



“We believe that our ongoing effort in driving awareness and educating the public on the importance of Travel insurance, is paying off. Consumers have realised that our Travel product is comprehensive and flexible. For instance, our Travel Insurance do offer optional Lifestyle benefits such as Sports Equipment and Shopping Purchases cover, and these niche benefits are available through our travel partner’s online booking page.”

Malaysia : Tune Insurance Malaysia Berhad (“TIMB”)

GWP for TIMB contracted 10.4% YoY as select corporate accounts recorded lower premium income. However, this drop is only temporary as several short-term policies of major clients were issued ahead of Goods and Services Tax (“GST”) implementation in the quarter, with the premium income normalising once these policies are extended for the balance of 9 months, in 2Q2015.

The slight 2.7% YoY drop in NEP is a result of the new quota share arrangement on its Medical portfolio but was moderated by a higher retention of the Motor portfolio.

Junior said, “We had negotiated a new Quota Share arrangement on our Medical class which we believe will lead to improved profitability for this line of business, and help manage and contain the strain on bottom line in terms of higher reserving due to growth in Motor and other lines of business, as we continue on our growth journey.”

TIMB’s PAT delivered RM3.7 mil, increase of 33.8% YoY (excluding One-Off Gain), underpinned by higher investment income & lower claims liability and MMIP (“Malaysian Motor Insurance Pool”) provisioning.

Overseas Associates and Joint Venture

TIPCL and Permpoonsub Broker Company Limited (“Tune Insurance Thailand”)

Tune Insurance Thailand delivered a small PAT for the quarter, with TIH’s share at RM0.8 mil against slightly higher marketing and management expenses incurred as part of the associate’s brand building strategy.

While the existing corporate business portfolio has been stable for the quarter, the Thailand travel insurance business posted a top line growth of 22.9% YoY.

Furthermore, Tune Insurance Thailand continues to grow its alternative distribution channels, such as Boonterm top-up kiosks to distribute affordable insurance products and launched Tune Motion, an innovative “travel and personal accident insurance-in-one” product.

Tune Protect

The Tune Protect joint venture posted an exceptional quarter, whereby its 1Q2015 PAT exceeded its 2014 PAT, and currently serves travellers in over 25 markets across Middle East North Africa (“MENA”) region and European Union, with Armenia, Iraq and Lebanon recently joining the network.

Tune Protect is currently working to activate new countries and expand its access to offline travel agents and new B2B distribution channels in the MENA market.



Outlook

While TIH faced a challenging start to the year with a subdued ASEAN travel market related to the QZ plane incident and uncertainties related to the implementation of GST, the Group remains firm that it is on track to post continued strong growth in its businesses for both global travel and general insurance.

The Global Travel business is expected to maintain strong growth as the travel market continues to rebound. Its effort to diversify sales contribution from its airlines partnerships, remains on track where non-AirAsia partnerships now contribute to 8% of the travel portfolio, up from 2% the same period last year.

The Malaysia operations is on track for top line growth on a post-GST state and is expected to deliver improved underwriting margins as we see less strain from new business growth in the coming months.

The Indonesia acquisition is on schedule where earlier this month, TIH executed a Conditional Binding Offer ("CBO") with PT Asuransi Staco Mandiri ("ASM") and its shareholders for the acquisition of 50% + 1 share. Both Indonesian and Malaysian regulators are being engaged for their respective approvals, expected over the coming months.

"On where we are 2Q2015, we advanced further on our Indonesian acquisition by announcing the execution of the CBO, and we also anticipate the transaction to be completed within the next few months. In addition, we are also in discussion with several airlines and non-airline companies on forming strategic partnerships. I am confident that with our core businesses performing to plan and with new partnerships in the making, TIH will maintain its growth trajectory for Y2015," concluded Junior.

If you have further queries or require more information, kindly contact:

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