



For Immediate Release

Tune Ins Holdings Berhad Posts Strongest Quarter Results

<u>4Q14</u>	<u>Full Year 2014</u>
<ul style="list-style-type: none">• Operating Revenue up 12.0%• Profit After Tax up 7.9% QoQ, at RM24.1mil• Global Travel's Profit After Tax at RM17.7mil• Malaysia operations' Net Earned Premium up 25.1% QoQ• Overseas ventures' profit contribution at 5.7%	<ul style="list-style-type: none">• Operating Revenue up 14.3%• Profit After Tax up 4.9% YoY, at RM76.1mil• Global Travel's Profit After Tax at RM58.4mil• Malaysia operations' Net Earned Premium up 12.8% YoY• Overseas ventures' profit contribution at 5.0%

Wednesday, 25 February 2015

for immediate release

Tune Ins Holdings Berhad ("TIH") announced a record high 4Q2014 results, posting the highest Profit After Tax ("PAT") of RM24.1mil for the quarter and RM76.1mil for the year to end Y2014 on a strong note.

The Global Travel business continued to post healthy PAT quarterly and yearly growth of 7.6% and 9.3% respectively over same period last year, despite many industry challenges during the middle of the year.

In addition, TIH also achieved the highest Operating Revenue ("OR") since its Initial Public Offering where OR rose to RM118.5mil, a 12.0% increase over the same period last year, whilst for the full year, it achieved RM443.5mil, a 14.3% increase from the year before. The stellar performance is mainly contributed by strong Gross Earned Premium ("GEP") growth from Fire, Travel and Marine classes of business. GEP achievement was RM113.0mil for the quarter and RM423.5mil for the year, which translates to 14.1% and 15.2% growth against the preceding quarter and year, respectively.

Net Earned Premium ("NEP") also climbed significantly, with a Quarter-on-Quarter ("QoQ") growth of 14.8% and Year-on-Year ("YoY") growth of 11.2%, again, backed by steady growth of its Malaysian operations, Tune Insurance Malaysia Berhad ("TIMB").

TIH's Chief Executive Officer ("CEO"), Junior Cho said, "I am pleased with our 4Q2014 performance as it was the best quarter for the Group. Despite a slow 3Q2014, we bounced back and delivered a strong closing for the year with RM76.1mil."

Global Travel Business

After a decline in sales in the last two quarters, 4Q2014 saw a sharp rebound, driven by strong performance from the Malaysia travel market and slight improvement in take up rate ("TUR") from neighbouring Thailand. Profit posted by Global Travel business was RM17.7mil for the quarter and RM58.4mil for the year respectively, of which the latter translates to a YoY growth of 9.3%. Travel business also achieved higher underwriting margins and managed to lower its expense ratio, a result of prudent underwriting and cost efficiencies.



Junior shared, "In 2014, our global travel business was impacted by geopolitical uncertainties and airplane tragedies in the ASEAN region and issues with a Travel partner's online booking engine page. This impact was evident in the slowdown in our travel business in both 2Q and 3Q2014. In December 2014, the booking engine page was rectified and we have seen a recovery in ASEAN travel for 4Q2014. I am pleased to say that we were able to close the year with near 8 million policies issued."

Malaysia : Tune Insurance Malaysia Berhad ("TIMB")

TIMB enjoyed a steady 4Q14, achieving RM85.8mil and RM378.1mil in Gross Written Premium for the quarter and year, on the back of strong contributions from Fire and Marine classes of business. Its Net Earned Premium for the quarter increased a high 25.1% QoQ to complete the year at RM149.2mil.

After a weaker 3Q2014 due largely to higher than expected claims and management expenses related to staff union payout, TIMB ended the year with a decent PAT of RM6.7mil for the quarter and RM20.5mil for the year. The TIH subsidiary made a sharp turnaround in 4Q2014, generating underwriting profits of RM12.5mil for the quarter, which is 244.8% above the preceding quarter. This is before factoring the Malaysia Motor Insurance Pool ("MMIP") portion.

Junior explained, "Our General insurance business has managed to sustain its performance despite having to deal with its many challenges such as the MMIP which we contribute equally to, but affects a substantial part of our profits. We also took several big claims hits in 2Q14 and 3Q14 especially on our otherwise profitable Fire portfolio. However, 4Q14 returned us to the positive and the business is now back on track."

Overseas Associates and Joint Venture

Tune Insurance Public Company Limited and Permpoonsub Broker Company Limited ("Tune Insurance Thailand")

Tune Insurance Thailand delivered a profit of THB26.5mil (RM2.8mil) in 4Q14 on the back of continuous growth in its traditional General insurance and Travel insurance businesses and bad debt reversals post acquisition. The AirAsia portfolio contributed more than a third to the GWP for the quarter.

TIH's share of profit from its Thai associate, with which it holds a 49% equity interest, is THB13.0mil (RM1.4mil) for the quarter and THB36.3m (RM3.7mil) since acquisition.

Tune Protect Commercial Brokerage LLC ("Tune Protect")

TIH's Middle East North Africa ("MENA") business achieved a quarterly GWP of USD470,300 (RM1.6mil) and full year of USD1.3mil (RM4.2mil), with over 125,000 Travel policies issued under the Tune Protect brand, for the year.

Junior said, "The performance is a positive indication of our strategy to diversify both geographically and in respect of travel partners in the MENA region. Tune Protect is performing very well, building on the foundations established through our Asian travel business. Tune Insurance Thailand and Tune Protect contributed to 5% of FY2014 TIH profits which is a major accomplishment in line with our expansion strategy.



Outlook

With Y2014 closing on a strong note, Junior, is positive about the Group's performance in Y2015, despite headwinds from global and regional economic macro indicators and the recent AirAsia Indonesia incident.

"While we have seen some softness in travel business earlier in the year, we are now seeing a recovery. I believe that there is tremendous opportunity for TIH in Y2015 and we will be disciplined in executing our business strategy."

Junior has set several key priorities for Y2015, which include higher TUR, impactful global marketing, travel partnership diversification, product innovation, and channel digitalisation.

"For Y2015, both Global Travel and TIMB will focus on quality growth both top and bottom line. Global Travel will focus on improved TUR and more diversified travel partnerships while TIMB will look to expand existing and new profitable classes of business. For our MENA and Thailand entities, I expect to see higher contribution to our earnings. In addition, we will be rolling out a number of digital and marketing initiatives to further our reach directly to customers as part of our digital strategy. This is in line with our aspiration to be the best digital insurer in ASEAN. To support this ASEAN expansion, we remain optimistic with our expansion plans into Indonesia by mid-2015."

Junior added, "In December 2014, we were awarded 'Best of the Best' and 'Best Under a Billion' awards from Forbes Asia based on shareholders' return, sustainable sales and net income growth. I am proud of this achievement. We are excited with our Y2015 plans as we will continue to be the 'Best of the Best'."

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

Helen Avadiar

Mobile: +6016 2410858

Email: media@tuneinsurance.com