



Tune Protect Group Berhad (948454-K)
(formerly known as Tune Ins Holdings Berhad)

Interim Financial Statements

For the Quarter and Nine Months Ended 30 September 2015

Tune Protect Group Berhad (948454-K)
(formerly known as Tune Ins Holdings Berhad)

Condensed consolidated statement of financial position
As at 30 September 2015

	As at 30 Sept 2015 Unaudited RM'000	As at 31 Dec 2014 Audited RM'000
Assets		
Property and equipment	9,159	9,889
Investment property	2,859	2,879
Intangible assets	5,327	5,918
Investments in associates	49,894	46,722
Investments in a joint venture company	1,178	581
Goodwill	24,165	24,165
Investments	579,593	551,241
Reinsurance assets	258,482	259,281
Insurance receivables	158,139	87,120
Other receivables	103,910	81,862
Cash and bank balances	23,741	21,700
Total assets	1,216,447	1,091,358
Equity		
Share capital	75,176	75,176
Share premium	173,343	173,343
Merger deficit	(13,838)	(13,838)
Available-for-sale reserves	(4,389)	(4,012)
Employee share option reserve	4,443	2,169
Foreign currency translation reserve	5,313	1,461
Retained earnings	187,516	172,401
Equity attributable to owners of the parent	427,564	406,700
Non-controlling interests	38,812	38,511
Total equity	466,376	445,211
Liabilities		
Insurance contract liabilities	586,114	539,239
Deferred tax liabilities	8	620
Provision for taxation	52	38
Insurance payables	110,180	66,762
Retirement benefits	522	792
Other payables	53,195	38,696
Total liabilities	750,071	646,147
Total equity and liabilities	1,216,447	1,091,358
Net assets per ordinary share attributable to owners of the parent (RM)	0.57	0.54

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

Tune Protect Group Berhad (948454-K)
(formerly known as Tune Ins Holdings Berhad)

Condensed consolidated statement of comprehensive income
For the period ended 30 September 2015

	Note	Current quarter		Cumulative quarters	
		3 months ended		9 months ended	
		30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
		RM'000	RM'000	RM'000	RM'000
Operating revenue		121,046	109,510	347,546	324,972
Gross earned premiums		115,615	104,805	330,773	310,490
Premiums ceded to reinsurers		(34,872)	(36,919)	(112,956)	(117,900)
Net earned premiums		80,743	67,886	217,817	192,590
Investment income	7	5,431	4,705	16,773	14,482
Realised gains and losses		(947)	484	(280)	5,454
Fair value gains and losses		74	315	(120)	613
Fees and commission income		5,706	7,488	21,690	22,871
Other operating income		6,029	443	7,975	1,610
Other revenue		16,293	13,435	46,038	45,030
Gross claims paid		(45,539)	(32,558)	(121,214)	(115,616)
Claims ceded to reinsurers		21,226	8,670	57,224	49,773
Gross changes to contract liabilities		(5,947)	(23,927)	(25,928)	(9,270)
Change in contract liabilities ceded to reinsurers		(8,692)	16,109	(1,591)	(7,372)
Net claims		(38,952)	(31,706)	(91,509)	(82,485)
Fee and commission expenses		(20,100)	(19,435)	(59,247)	(54,530)
Management expenses		(23,047)	(16,597)	(63,727)	(49,328)
Other operating expenses		(151)	(23)	(151)	(166)
Other expenses		(43,298)	(36,055)	(123,125)	(104,024)
Share of results of associates		(1,545)	1,979	(472)	2,318
Share of results of a joint venture company		181	125	415	95
Profit before taxation	8	13,422	15,664	49,164	53,524
Taxation	9	(147)	1,260	(1,460)	(1,571)
Net profit for the period		13,275	16,924	47,704	51,953

Tune Protect Group Berhad (948454-K)
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Condensed consolidated statement of comprehensive income (contd.)
For the period ended 30 September 2015

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
Note	RM'000	RM'000	RM'000	RM'000
Other comprehensive income/(loss):				
Effect of post-acquisition foreign exchange translation reserve on investments in associates	1,477	-	3,852	-
(Loss)/Gain on fair value changes of AFS investments	(2,368)	233	(2,131)	381
Realised loss/(gain) transferred to profit or loss	1,096	(461)	280	(1,320)
Share of other comprehensive income of associates	-	246	(26)	609
Impairment loss of quoted equities reclassified to profit or loss	1,047	-	1,196	-
Deferred tax relating to components of other comprehensive income	60	65	233	153
Net other comprehensive income/(loss) for the period	1,312	83	3,404	(177)
Total comprehensive income for the period	14,587	17,007	51,108	51,776
Profit attributable to:				
Owners of the parent	12,862	16,166	45,486	49,760
Non-controlling interests	413	758	2,218	2,193
	13,275	16,924	47,704	51,953
Total comprehensive income attributable to:				
Owners of the parent	14,200	16,277	48,961	49,715
Non-controlling interests	387	730	2,147	2,061
	14,587	17,007	51,108	51,776
Earnings per share attributable to owners of the parent (sen per share)				
Basic	10	1.71	2.15	6.05
Diluted	10	1.71	2.14	6.60

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

Tune Protect Group Berhad (948454-K)
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Condensed consolidated statement of changes in equity
For the period ended 30 September 2015

	Attributable to the owners of the parent						Retained earnings	Total	Non-controlling interests	Total equity
	← Non-distributable →			Distributable						
	Share capital	Share premium	Merger deficit	Available-for-sale reserves	Employee share option reserves	Foreign currency translation reserves				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015	75,176	173,343	(13,838)	(4,012)	2,169	1,461	172,401	406,700	38,511	445,211
Net profit for the period	-	-	-	-	-	-	45,486	45,486	2,218	47,704
Other comprehensive (loss)/profit for the period	-	-	-	(377)	-	3,852	-	3,475	(71)	3,404
Total comprehensive income for the period	-	-	-	(377)	-	3,852	45,486	48,961	2,147	51,108
Grant of equity-settled share options to employees	-	-	-	-	2,274	-	-	2,274	-	2,274
Dividends on ordinary shares	-	-	-	-	-	-	(30,371)	(30,371)	(1,846)	(32,217)
At 30 September 2015	75,176	173,343	(13,838)	(4,389)	4,443	5,313	187,516	427,564	38,812	466,376
At 1 January 2014	75,176	173,343	(13,838)	(3,296)	-	-	129,087	360,472	37,133	397,605
Net profit for the period	-	-	-	-	-	-	49,760	49,760	2,193	51,953
Other comprehensive loss for the period	-	-	-	(45)	-	-	-	(45)	(132)	(177)
Total comprehensive (loss)/income for the period	-	-	-	(45)	-	-	49,760	49,715	2,061	51,776
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(2,177)	(2,177)
Dividends on ordinary shares	-	-	-	-	-	-	(29,018)	(29,018)	-	(29,018)
At 30 Sept 2014	75,176	173,343	(13,838)	(3,341)	-	-	149,829	381,169	37,017	418,186

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

Tune Protect Group Berhad (948454-K)
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Condensed consolidated statement of cash flows
For the period ended 30 September 2015

	Cumulative quarters	
	9 months ended	
	30 Sept 2015	30 Sept 2014
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	49,164	53,524
Adjustments for:		
Non-cash items	(466)	(1,392)
Non-operating activities items	<u>(31,111)</u>	<u>(257,233)</u>
Operating profit/(loss) before working capital changes:	17,587	(205,101)
Net change in operating assets	(54,297)	(24,536)
Net change in operating liabilities	<u>75,542</u>	<u>43,536</u>
Cash generated from/(used in) operating activities	38,832	(186,101)
Net interest received	4,655	13,170
Net dividend received	8,003	4,230
Rental received	275	264
Retirement benefits paid	(270)	(184)
Income tax paid	<u>(5,561)</u>	<u>(7,600)</u>
Net cash generated from/(used in) operating activities	<u>45,934</u>	<u>(176,221)</u>
Cash flows from investing activities		
Proceeds from disposal of property and equipment	4	13,005
Purchase of property and equipment	(676)	(4,391)
Purchase of intangible assets	(930)	(1,595)
Net cash outflow on investment in joint venture	-	(433)
Net cash outflow on investment in associates	-	(41,233)
Net cash used in investing activities	<u>(1,602)</u>	<u>(34,647)</u>
Cash flows from financing activities		
Dividends paid to non-controlling interests	(1,846)	(2,177)
Dividend paid	<u>(30,371)</u>	<u>(29,018)</u>
Net cash used in financing activities	<u>(32,217)</u>	<u>(31,195)</u>
Net increase/(decrease) in cash and cash equivalents		
	12,115	(242,063)
Cash and cash equivalents at beginning of period	<u>70,207</u>	<u>290,229</u>
Cash and cash equivalents at end of period	<u>82,322</u>	<u>48,166</u>
Cash and cash equivalents comprise:		
Fixed and call deposits (with maturity of less than three months) with licensed financial institutions	58,581	28,905
Cash and bank balances	<u>23,741</u>	<u>19,261</u>
	<u>82,322</u>	<u>48,166</u>

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

Tune Protect Group Berhad (948454-K)
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Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2015

1. Basis of preparation

The condensed consolidated interim financial statements, for the period ended 30 September 2015, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements should be read in conjunction with the Group audited financial statements for the financial year ended 31 December 2014.

The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group since the last financial year ended 31 December 2014.

2. Changes in accounting policies

2.1 Adoption of Amendments to MFRSs and IC Interpretations

The Group adopted the following Amendments to MFRSs and IC Interpretations which are applicable to its financial statements effective for annual periods beginning on or after 1 January 2015:

- Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions
- Annual Improvements to MFRS 2010 - 2012 Cycle
- Annual Improvements to MFRS 2011 - 2013 Cycle

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

2.2 Standards issued but not yet effective

At the date of authorisation of the condensed report, the following Standards were issued but not yet effective and have not been adopted by the Group:

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Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2015

2. Changes in accounting policies (cont'd.)

2.2 Standards issued but not yet effective (cont'd.)

Description	Effective for annual period beginning on or after
MFRS 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10)	1 January 2016
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	1 January 2016
MFRS 127 Separate Financial Statements - Equity Method in Separate Financial Statements (Amendments to MFRS 127)	1 January 2016
MFRS 128 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 128)	1 January 2016
Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
MFRS 15 Revenue from Contracts	1 January 2018
MFRS 9 Financial Instruments	1 January 2018

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group upon the initial application, other than for MFRS 9 Financial Instruments. It is not practicable to provide a reasonable estimate of the effect of MFRS 9 until the Group undertakes a detailed review. The Group is in the process of assessing the financial implications for adopting the new standard.

3. Change in estimates

There were no changes in estimates that have had a material effect in the current interim results.

4. Changes in composition of the Group

There were no changes in composition of the Group in the current interim results.

Tune Protect Group Berhad (948454-K)
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Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2015

5. Segment information

The Group is organised into business units based on their products and services, and has four business segments as follows:

Investment holding and others	: Investment holding operations and other dormant subsidiaries
Collective investment schemes	: Funds managed through collective investment schemes
General reinsurance business	: Underwriting of all classes of general reinsurance business
Life reinsurance business	: Underwriting of all life reinsurance business
General insurance business	: Underwriting of all classes of general insurance business

	Investment holding and others		Collective investment schemes		General reinsurance		Life reinsurance		General insurance		Adjustments and eliminations		Consolidated	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Cumulative quarters 9 months ended													
Operating revenue														
External	135	262	12,399	6,306	43,725	43,312	8	66	291,279	275,026	-	-	347,546 ⁴	324,972
Inter-segment	27,992	22,791	-	-	48,550	37,335	244	216	7,382	3,345	(84,168)	(63,687)	-	-
	<u>28,127¹</u>	<u>23,053</u>	<u>12,399</u>	<u>6,306</u>	<u>92,275²</u>	<u>80,647</u>	<u>252³</u>	<u>282</u>	<u>298,661³</u>	<u>278,371</u>	<u>(84,168)</u>	<u>(63,687)</u>	<u>347,546</u>	<u>324,972</u>
Segment profit/(loss)	<u>15,242</u>	<u>17,310</u>	<u>11,114</u>	<u>5,916</u>	<u>45,757</u>	<u>40,705</u>	<u>164</u>	<u>117</u>	<u>14,710</u>	<u>15,168</u>	<u>(37,823)</u>	<u>(25,692)</u>	<u>49,164</u>	<u>53,524</u>
Segment assets	<u>320,946</u>	<u>288,178</u>	<u>441,972</u>	<u>308,087</u>	<u>111,308</u>	<u>99,458</u>	<u>11,038</u>	<u>11,326</u>	<u>971,847</u>	<u>874,918</u>	<u>(640,664)</u>	<u>(496,267)</u>	<u>1,216,447</u>	<u>1,085,700</u>
Segment liabilities	<u>16,499</u>	<u>3,450</u>	<u>170</u>	<u>57</u>	<u>33,208</u>	<u>22,481</u>	<u>25</u>	<u>605</u>	<u>748,692</u>	<u>661,767</u>	<u>(48,523)</u>	<u>(20,846)</u>	<u>750,071</u>	<u>667,514</u>

¹ investment income

² included investment income of RM1,029k

³ included investment income of RM11,443k

⁴ included investment income of RM16,773k

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Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2015

6. Seasonality of operations

The Group is subject to seasonal fluctuation in the general reinsurance business. Within an annual cycle, quarter 4 should typically be the best for TPG travel business as this will coincide with peak holiday demand as well as benefit from additions to the airlines fleet occurring during the year.

7. Investment income

	Current quarter 3 months ended		Cumulative quarters 9 months ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Rental income from investment property	95	91	275	264
Interest income:				
- available-for-sale financial assets	302	1,097	907	3,611
- loan and receivables	4,037	3,455	12,079	9,822
- fair value through profit or loss financial assets	748	-	2,731	-
Dividend income:				
- available-for-sale financial assets	210	154	660	911
- fair value through profit or loss financial assets	39	-	120	-
	5,431	4,797	16,772	14,608
Net (amortisation of premiums)/accretion of discounts on investments	-	(92)	1	(126)
	5,431	4,705	16,773	14,482

8. Profit before taxation after charging/(crediting) the following:

	Current quarter 3 months ended		Cumulative quarters 9 months ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Depreciation of property and equipment	423	487	1,218	1,104
Depreciation of investment property	7	8	21	21
Amortisation of intangible assets	484	410	1,435	1,175
Allowance for/(Reversal of) impairment losses of insurance receivables	9	-	(211)	137

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Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2015

8. Profit before taxation after charging/(crediting) the following: (contd.)

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Realised losses/(gains) on disposal of:				
- property and equipment	-	(23)	1	(4,134)
- available-for-sale financial assets	947	(461)	279	(1,320)
Realised losses/(gains)	947	(484)	280	(5,454)
Fair value (gains)/losses on financial assets carried at fair value through profit & loss	(74)	(315)	120	(613)
(Gain)/Loss on foreign exchange- realised	(443)	119	(624)	123
(Gain)/Loss on foreign exchange- unrealised	(2,458)	(331)	(3,326)	230

9. Taxation

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000
Income tax (expense)/benefit	(205)	1,203	(2,158)	(2,237)
Deferred tax benefit	58	57	698	666
	(147)	1,260	(1,460)	(1,571)
Effective tax rate	-1%	8%	-3%	-3%

The Group's effective tax rate is lower than the statutory tax rate mainly due to certain subsidiaries based in Labuan have elected to be taxed at RM20,000 per entity in accordance with Section 7(1) of the Labuan Business Activity Tax Act, 1990 and higher tax exempt income from collective investment schemes.

10. Earnings per share

Basic earnings per share are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period.

Tune Protect Group Berhad (948454-K)
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Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2015

10. Earnings per share (contd.)

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2015	2014	2015	2014
Profit net of tax attributable to owners of the parent (RM'000)	12,862	16,166	45,486	49,760
Weighted average number of ordinary shares in issue ('000)	751,760	751,760	751,760	751,760
Effects of dilution- Employees' Share Option Scheme ('000)	-	3,800	-	1,811
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	751,760	755,560	751,760	753,571
Basic earnings per share (sen per share)	1.71	2.15	6.05	6.62
Diluted earnings per share (sen per share)	1.71	2.14	6.05	6.60

11. Share capital and share premium

During the three months ended 30 September 2015, there were no movement in share capital and share premium.

12. Dividends

The final single tier dividend of 4.04 sen per ordinary share of RM0.10 each on 751,759,980 ordinary shares for the financial year ended 31 December 2014, amounting to RM30,371,103 was approved by shareholders on 5 June 2015 and was paid on 3 July 2015.

No interim dividend has been declared for the financial period ended 30 September 2015.

Tune Protect Group Berhad (948454-K)
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Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2015

13. Capital commitments

	As at 30 Sept 2015 RM'000	As at 31 Dec 2014 RM'000
Approved and contracted for:		
- Property and equipment	481	-
Approved but not contracted for:		
- Property and equipment	6,926	7,867
	7,407	7,867

14. Contingencies

There were no contingent assets or liabilities as at the date of this report.

15. Related party transactions

Details of the relationship between the Group and its related parties are as described below.

Name of company	Relationship
AirAsia Berhad ("AAB")	Corporate shareholder of the Company
AirAsia X Berhad ("AAX")	Related company
PT Indonesia AirAsia ("PTAA")	Related company
SP&G Insurance Brokers ("SP&G")	Related company
Tune Group Sdn Bhd ("TGSB")	Related company

The following table provides information on the transactions which have been entered into with related parties during the following period:

	Current quarter 3 months ended		Cumulative quarters 9 months ended	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
AAB				
Fee and commission expenses	(4,564)	(2,806)	(12,024)	(8,501)
Data management fee	(23)	(39)	(74)	(147)

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Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2015

15. Related party transactions (contd.)

The following table provides information on the transactions which have been entered into with related parties during the following period: (contd.)

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
AAX				
Fee and commission expenses	(1,107)	(677)	(3,077)	(2,183)
PTAA				
Telemarketing commission expenses	(5)	(7)	(15)	(25)
Fee and commission expenses	(228)	(185)	(671)	(625)
TGSB				
Royalty fee	(2,917)	-	(8,209)	(1,000)
SP&G				
Brokerage fee	(133)	(138)	(1,457)	(1,444)

The related party transactions described above were carried out on the terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

16. Events after the reporting period

There has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group.

Tune Protect Group Berhad (948454-K)
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Explanatory Notes Pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A
For the period ended 30 September 2015

17. Performance review

17.1 Current quarter ("3Q15") against corresponding quarter in prior year ("3Q14")

	Investment holding and others		Collective investment schemes		General reinsurance		Life reinsurance		General insurance		Adjustments and eliminations		Consolidated	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Current quarter 3 months ended													
Operating revenue														
External	63	22	3,914	2,774	13,316	13,866	-	5	103,753	92,843	-	-	121,046	109,510
Inter-segment	17,532	11,281	-	-	17,317	12,180	62	-	2,561	1,775	(37,472)	(25,236)	-	-
	17,595	11,303	3,914	2,774	30,633	26,046	62	5	106,314	94,618	(37,472)	(25,236)	121,046	109,510
Segment profit/(loss)	12,245	9,248	3,473	2,624	16,502	12,139	41	136	2,920	3,287	(21,759)	(11,770)	13,422	15,664

Group/Consolidated

The Group's operating revenue increased by RM11.5 million from RM109.5 million in 3Q14 to RM121.0 million in 3Q15, mainly due to increase of RM10.8 million in gross earned premiums ("GEP") and RM0.7 million in investment income.

The decrease of RM2.2 million or 14% in Group's profit before tax ("PBT"), from RM15.7 million in 3Q14 to RM13.4 million in 3Q15 was mainly due to loss incurred by an associate in 3Q15 arising from higher marketing and advertising costs and personnel costs, higher royalty fee and rebranding costs due to change of name to "Tune Protect Group Berhad" ("TPG") and offset by unrealised foreign exchange gain for the quarter under review.

General reinsurance

Operating revenue of this segment increased by RM4.6 million from RM26.0 million in 3Q14 to RM30.6 million in 3Q15 mainly due to increase in GEP (including inter-segment) from the Malaysian market.

The increase of RM4.4 million in segment profit was mainly contributed by increase in net earned premiums from the Malaysian market.

General insurance

Operating revenue of this segment increased by RM11.7 million from RM94.6 million in 3Q14 to RM106.3 million in 3Q15, mainly due to increase in GEP of RM11.4 million mainly from the fire, motor and travel class of businesses.

The decrease of RM0.4 million in segment profit was minimal.

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17. Performance review (cont'd.)

17.2 Current year to date ("YTD 2015") against corresponding year to date ("YTD 2014")

	Investment holding and others		Collective investment schemes		General reinsurance		Life reinsurance		General insurance		Adjustments and eliminations		Consolidated	
	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Cumulative quarters 9 months ended													
Operating revenue														
External	135	262	12,399	6,306	43,725	43,312	8	66	291,279	275,026	-	-	347,546	324,972
Inter-segment	27,992	22,791	-	-	48,550	37,335	244	216	7,382	3,345	(84,168)	(63,687)	-	-
	<u>28,127</u>	<u>23,053</u>	<u>12,399</u>	<u>6,306</u>	<u>92,275</u>	<u>80,647</u>	<u>252</u>	<u>282</u>	<u>298,661</u>	<u>278,371</u>	<u>(84,168)</u>	<u>(63,687)</u>	<u>347,546</u>	<u>324,972</u>
Segment profit/(loss)	15,242	17,310	11,114	5,916	45,757	40,705	164	117	14,710	15,168	(37,823)	(25,692)	49,164	53,524

Group/Consolidated

The Group's operating revenue increased from RM324.9 million in YTD 2014 to RM347.5 million in YTD 2015. The increase of RM22.6 million was due to increase of RM20.3 million in GEP and RM2.3 million in investment income.

The decrease of RM4.3 million or 8% in Group's PBT, from RM53.5 million in YTD 2014 to RM49.2 million in YTD 2015 was mainly due to loss from an associate, higher royalty fee and rebranding costs due to change of name to TPG for the period under review. Furthermore for YTD 2014, there was an one-off gain from sale of building.

General reinsurance

Operating revenue of this segment increased from RM80.6 million in YTD 2014 to RM92.3 million in YTD 2015. The increase of RM11.7 million was mainly contributed by the growth in GEP from the Malaysian market.

The increase of RM5.0 million in this segment profit was mainly contributed by increase of RM11.3 million in net earned premiums from the Malaysian market and unrealised foreign exchange gain, offset by increase in net commission and higher management expenses.

General insurance

There was an increase of RM20.3 million in operating revenue of this segment, from RM278.4 million in YTD 2014 to RM298.7 million in YTD 2015, which was mainly due to increase of RM19.8 million in GEP mainly from motor, fire, medical and travel class of businesses and increase of RM0.5 million in investment income.

There was a minimal decrease in the profit for the period under review.

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17. Performance review (cont'd.)

17.3 Current quarter ("3Q15") against preceding quarter in current year ("2Q15")

	Investment holding and others		Investment schemes		General reinsurance		Life reinsurance		General insurance		Adjustments and eliminations		Consolidated	
	30 Sept 2015	30 Jun 2015	30 Sept 2015	30 Jun 2015	30 Sept 2015	30 Jun 2015	30 Sept 2015	30 Jun 2015	30 Sept 2015	30 Jun 2015	30 Sept 2015	30 Jun 2015	30 Sept 2015	30 Jun 2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Current quarter 3 months ended													
Operating revenue														
External	63	20	3,914	4,237	13,316	15,253	-	3	103,753	95,741	-	-	121,046	115,254
Inter-segment	17,532	9,739	-	-	17,317	16,143	62	91	2,561	2,882	(37,472)	(28,855)	-	-
	17,595	9,759	3,914	4,237	30,633	31,396	62	94	106,314	98,623	(37,472)	(28,855)	121,046	115,254
Segment profit/(loss)	12,245	5,328	3,473	3,798	16,502	14,086	41	20	2,920	7,974	(21,759)	(12,770)	13,422	18,436

Group/Consolidated

The Group's operating revenue increased from RM115.2 million in 2Q15 to RM121.0 million in 3Q15. The increase of RM5.8 million was due to increase of RM6.1 million in GEP offset by decrease of RM0.3 million from investment income.

Segment profit of the Group decreased from RM18.4 million in 2Q15 to RM13.4 million in 3Q15 mainly due to decrease in profit from general insurance segment of RM5.0 million.

General reinsurance

There was a minimal decrease of RM0.8 million in operating revenue of this segment mainly due to decrease in GEP in Thai market, offset by increases in GEP from the Malaysian, Middle Eastern and Indonesian markets.

Profit of this segment increased by RM2.4 million mainly due to recognition of unrealised foreign exchange gain in current quarter.

General insurance

Operating revenue of this segment increased from RM98.6 million in 2Q15 to RM106.3 million in 3Q15. The increase of RM7.7 million was mainly due to increase of RM8.0 million in GEP from motor, medical and marine class of businesses, offset by decrease of RM0.3 million in investment income.

The decrease of RM5.0 million in segment profit was mainly due to higher net claims from Malaysian Motor Insurance Pool ("MMIP") and net commission from travel, marine and fire class of businesses in the current quarter, offset by increase in net earned premiums of motor, medical and marine class of businesses and other income of MMIP.

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18. Commentary on prospects

1Q15 started the year with travel demand softness, coming off the trails of QZ8501 incident in late 4Q14. However, travel demand has since picked up in late 1Q15 and expected global travel has recorded a growth of 18.2% in GEP for 3Q15 over that of 2014.

TIMB, our general insurance entity, faced a temporary impact on short-term policies in 1Q15, and this had normalised during 2Q15 and 3Q15 through a growth of 8.5% in GEP for 3Q15 over that of 2Q15. TIMB will also continue to focus on profitable portfolio lines with higher contribution to both top and bottom line for the Group.

Our Middle East joint venture has continued to post a strong profit in 3Q15, which has exceeded its full year profit in 2014. This joint venture is expected to continue to grow with the activation of offline agents and new distribution channels in the Middle East markets. Our Thailand associate has seen growth in the travel insurance business and continues to make investments in new products with key partners and marketing to build broader awareness of the Tune brand in the marketplace. We anticipate that these investments will bring growth in new business opportunities into the new year.

Notwithstanding the continuing economic uncertainty and currency volatility in the region, the Group expects to see continued growth with a larger contribution by our global travel insurance business. Our Malaysian general insurance entity is expected to grow, despite the softness in domestic consumption and should outpace the industry average.

19. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the financial year ending 31 December 2015.

20. Status of corporate proposal

Investment in PT Asuransi Staco Mandiri ("ASM")

On 5 May 2015, the Company had executed a Conditional Binding Offer Letter to acquire 38,235 ordinary shares of IDR500,000 each or 31.82% of the issued and paid-up shares (or 23.33% of the enlarged share capital) from Dana Pensiun Bank Mandiri Dua, Yayasan Kesejahteraan Pensiun BDN, and Dana Pensiun Pertamina, for the purchase consideration of IDR26,764,500,000 or IDR700,000 per share and to subscribe the entirety of 43,707 newly issued shares in ASM for IDR30,594,900,000 or 26.67% of the enlarged share capital in ASM.

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20. Status of corporate proposal (contd.)

Investment in PT Asuransi Staco Mandiri ("ASM") (contd.)

On 24 August 2015, the contracting parties have mutually agreed to terminate the Conditional Agreements as they have not been able to meet the conditions precedent mentioned in the Conditional Binding Offer Letter to acquire a 50% plus 1 share equity interest in ASM. The deposit has been fully refunded and received by the Company on 28 August 2015.

The said termination is not expected to have any material financial impact on the earnings of the Company for the financial year ending 31 December 2015 nor will it impact future earnings growth as we remain steadfast and focused on our expansion plans in ASEAN markets. The contracting parties are free to explore with other partners unconditionally and while this transaction would have expedited our growth plans, we stand committed to executing our expansion strategy for Indonesia accordingly.

Surrender of Labuan reinsurance licence by a wholly owned subsidiary, Tune LifeRe Ltd ("TLR")

The Company's wholly owned subsidiary, TLR, has received a letter from Labuan Financial Services Authority ("LFSA") that pursuant to Section 169 of the Labuan Financial Services and Securities Act 2010 ("LFSSA"), LFSA has no objection for TLR to surrender its Labuan reinsurance licence bearing certificate number IS2011112 effective from 4 September 2015 and to comply with the requirements as imposed by LFSA.

The Company will continue to make appropriate announcement when there is any further development on this matter.

Surrender of Labuan reinsurance licence by a wholly owned subsidiary, Tune Insurance (Labuan) Ltd ("TIL")

The Company's wholly owned subsidiary, TLR, has received a letter from Labuan Financial Services Authority ("LFSA") that pursuant to Section 169(1) of the Labuan Financial Services and Securities Act 2010 ("LFSSA"), LFSA has no objection for TLR to surrender its Labuan captive insurer's licence bearing certificate number IS200999 effective from 23 September 2015 and to comply with the requirements as imposed by LFSA.

The Company will continue to make appropriate announcement when there is any further development on this matter.

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20. Status of corporate proposal (contd.)

Change of company name

On 27 July 2015, the Board of Directors of the Company announced that the Company is proposing to change its name from "Tune Ins Holdings Berhad" to "Tune Protect Group Berhad" ("Proposed Change of Name").

The Proposed Change of Name is to create a more distinct corporate identity for the Company to better reflect the dynamic and holistic business activities and branding of the Group.

The use of the proposed name "Tune Protect Group Berhad" has been approved and reserved by the Companies Commission of Malaysia ("CCM"). The Proposed Change of Name has been approved by shareholders of the Company at the Extraordinary General Meeting on 26 August 2015 at Sime Darby Convention Centre.

On 9 September 2015, the Company has received the Certificate of Incorporation on Change of Name of Company (Form 13) dated 8 September 2015 issued by CCM. Accordingly, the Company's name has been changed to "Tune Protect Group Berhad" with effect from 8 September 2015.

21. Material litigation

There were no material litigations at the date of this report.

22. Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

23. Rationale for entering into derivatives

The Group did not enter into any derivatives during the period ended 30 September 2015 or the previous year ended 31 December 2014.

24. Risks and policies for derivatives

The Group did not enter into any derivatives during the period ended 30 September 2015 or the previous year ended 31 December 2014.

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25. Disclosures of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 September 2015 and 31 December 2014.

26. Breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group as at 30 September 2015 and 31 December 2014 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	<u>As at</u> <u>30 Sept</u> <u>2015</u> <u>RM'000</u>	<u>As at</u> <u>31 Dec</u> <u>2014</u> <u>RM'000</u>
Total retained earnings of the Company and its subsidiaries:		
- Realised	239,656	223,964
- Unrealised	(431)	(1,399)
	<u>239,225</u>	<u>222,565</u>
Less: Consolidation adjustments	(51,709)	(50,164)
Total retained earnings as per statement of financial position	<u>187,516</u>	<u>172,401</u>

27. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

By order of the Board

Jasmindar Kaur A/P Sarban Singh
 Company Secretary