

KLCI	1,766.83 ▼	1.58	Hang Seng	23,501.10 ▼	272.08	Nikkei	17,450.77 ▼	279.07	KOSPI	1,915.59 ▼	12.27
STI	3,366.11 ▼	1.58	SCI	3,165.81 ▼	2.20	TSEC	9,268.43 ▼	17.85	S&P/ASX200	5,416.63 ▼	57.15

Tokio Marine Life sees double-digit growth

> Expects revenue to rise 10-15% this year, plans to launch internet insurance

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PETALING JAYA: Tokio Marine Life Insurance (M) Bhd, which is aiming to become one of the top five insurance companies in the country, expects its revenue to grow by 10-15% this year, driven by its agency force and its bancassurance distribution channel in the next three to five years.

The Japan-based internet insurance company also plans to launch internet insurance to expand its market share.

Its CEO Toi See Jong (pic) said the double-digit growth forecast is above the industry's single-digit growth.

For the financial year ended Dec 31, 2013, Tokio Marine Life raked in RM925.57 million in gross earned premium revenue, up 19.7% from RM772.96 million in FY2012.

The life insurer plans to recruit 1,200 more agents to bolster its agency force to 3,200 strong by the end of this year while growing its bancassurance business to contribute 50% of its revenue.

Toi revealed that the company ultimately plans to produce a strong and productive agency force of 5,000 financial advisers in four years.

At the moment, its bancassurance distribution channel and agency business bring in 50% of its total premiums.

On Monday, Tokio Marine Life entered into a new bancassurance agreement with RHB Capital Bhd for a

period of 10 years. Under the agreement, Tokio Marine will pay RHB Bank a fee of RM20 million, which will see RHB Bank commit to a 10-year bancassurance relationship and provide Tokio Marine with access to RHB Bank's customer database.

To help accelerate its growth in becoming one of the top five life insurers in the country, it will continue to focus on investment linked business which grew twofold in 2013.

Toi added that a majority of the investment linked funds not only posted positive returns but delivered returns that exceeded their benchmark.

He said the company's ranking has been inching up in the last few years, climbing from 7th position in terms of new business as at Dec 31, 2013.

Toi said he is confident that the company, whose market share is currently at 4%, can go up a notch in ranking in the life insurance industry, to sixth position in a couple of years.

To increase its market share, Tokio Marine will be introducing internet insurance to Malaysians, giving those that do not have insurance coverage life insurance protection.

This, he said, is in line with Bank Negara Malaysia's concept paper on the Life Insurance and Family Takaful Framework

which comprised initiatives to support a higher level of insurance and takaful penetration.

"The main selling



Tokio Marine Life Malaysia's total asset management stands at RM6.8 billion while its life insurance funds stand total RM6.7 billion.

TM wins MCMC deal to develop submarine cable system 'SKR1W'

PETALING JAYA: Telekom Malaysia Bhd (TM) has won a contract via open tender from the Malaysian Communications and Multimedia Commission (MCMC) to develop a submarine cable system named Sistem Kabel Rakyat Malaysia (SKR1M) to provide upgradeable and transmission facilities by adopting state-of-the-art 100Gbps technology.

The value of the contract was not disclosed. The new submarine cable system, which is expected to start carrying commercial traffic by mid-2017, will span about 3,500km with initial capacity of 4 terabits per second (Tbps), and link Peninsular Malaysia with Sabah and Sarawak.

"With this partnership, TM as the nation's broadband champion will be able to expand its service coverage as well as its connectivity domestically to meet the industry's ever-growing demands for IP applications," TM's CEO Tan Sri Zamzanzairani Mohd Isa said in a statement yesterday.

He said SKR1M will improve user experience by minimising potential traffic congestion between Peninsular Malaysia, Sabah and Sarawak, which allows further growth in bandwidth-hungry as well as internet-based applications to flow between these areas smoothly.

The project will be established through a public-private partnership between MCMC and TM, utilising the Universal Services Provision Fund under the purview of MCMC.

"This collaboration also shows TM's commitment as Malaysia's trusted ICT

partner in propelling Malaysia to become a regional data hub," he said, adding that the project is part of government's initiatives to increase the capacity of high-speed broadband, as outlined by the Prime Minister Datuk Seri Najib Abdul Razak in Budget 2014 and Budget 2015.

"This in turn will support future High Speed Broadband deployment, thus bridging the digital divide," he added.

TM owns more than 10 submarine cable systems that span more than 100,000 fibre route miles around the globe, including several submarine cable routes which it uses to carry traffic between Asia-Pacific region and North American region.

To date, TM's total design capacity of its international submarine cables stands at 30 Tbps.

10 MOST ACTIVES
DECEMBER 30, 2014

STOCK	VOL	CLSG (sen)	+/- (sen)
HUBLINE	102,304,500	4	UNCH
MUJIND	90,274,700	29	+0.5
JOBSTREET	70,812,100	49	-4.5
PMCORP	65,300,600	31	+8.5
SYSTECH	36,761,500	23	+0.5
SUMATEC	29,201,200	20.5	-1
ASABIO	28,414,900	12.5	-0.5
AIRASIA	23,643,400	27.4	+5
THEEAVY	23,491,100	30.5	+0.5
ARMADA	23,306,800	109	-6

KL MARKET SUMMARY
DECEMBER 30, 2014

INDICES	CHANGE
FBMFMAS	12,096.01 -17.26
FBMJKCI	1,766.83 -1.88
INDUSTRIAL	3,198.12 +0.42
CONSUMER PRODUCTS	554.37 +1.71
INDUSTRIAL PRODUCTS	128.22 -0.20
CONSTRUCTION	277.65 -0.52
TRADING SERVICES	230.78 +0.17
FINANCE	15,714.98 -5.67
PROPERTIES	1,289.26 -5.85
PLANTATIONS	7,888.12 -12.59
MINING	514.71 +8.10
FBMSEA	12,559.75 -3.86
FBMAGE	5,677.03 +12.47
TECHNOLOGY	16.52 -0.16
TURNOVER	RM1.614 bil

Pulled down by selling in small caps

SHARES on Bursa Malaysia closed lower yesterday, dampened by selling in small caps, dealers said.

At the close, the FBM KLCI declined 1.58 points to 1,766.83 after trading between 1,753.95 and 1,770.52 during the day.

A dealer said the local stock market took the cue from weaker regional bourses as renewed concerns in Europe wiped out investors' risk appetite.

"Political uncertainty in Greece and the shaky Russian rouble dented confidence in the global economy," he said.

Losers outpaced gainers by 402 to 382, while 304 were unchanged, 654 untraded and 14 suspended. Total volume jumped to 1.63 billion units worth RM1.61 billion.

Of the heavyweights, Maybank lost 3 sen to RM9.16, Public Bank shed 6 sen to RM18.34 and Sime Darby eased 2 sen to RM9.47. TNB added 2 sen to RM13.96 and Axiata earned 6 sen to RM7.07.

Meanwhile, FBM KLCI futures contracts on Bursa Malaysia Derivatives ended lower, weighed down by the weaker cash market.

December 2014 declined 9.0 points to 1,759, January 2015 eased 10.5 points to 1,757.5 and March 2015 fell 1.5 points to 1,755.5.

Turnover fell to 8,993 lots while open interests dropped to 32,217 contracts. - Bernama

Brent crude hits 5 1/2-year low, recovers to trade just below US\$58

LONDON: Brent crude oil fell to a 5 1/2-year low of less than US\$57 (RM109.50) a barrel yesterday as a global supply glut outweighed concerns of lost supply from Libya where battling militias have closed ports.

The oil benchmark recovered ground later but was on track for its second weakest month since the global financial crisis of 2008, and traders said the sell-off that has

hayed crude prices in six months showed no sign of ending.

Brent fell US\$1.4 a barrel to US\$56.74, its lowest since May 2009, before recovering to trade around US\$57.70, down 18 cents, by 1440 GMT.

US crude was up to cents at US\$3.71 after hitting US\$3.70 - also its lowest since May 2009.

Oil markets have been heavily oversupplied this year due to increasing output of high quality,

light oil from US shale and lower-than-expected consumption as a result of faltering global economic growth and competition from alternative fuels.

Several members of the Organisation of the Petroleum Exporting Countries (Opec) have suffered supply disruptions in recent months, but this has had little impact on prices.

In Libya, clashes between rival

factions have closed oil ports and terminals this month, reducing exports from the Opec producer, which used to sell over 1 million barrels per day of crude to world markets, to almost nothing.

Opec, which pumps a third of the world's oil, had been expected to trim output to try to stabilise prices, but it decided in November to keep production unchanged and let the market find its own level.

PVM Oil Associates analyst Tamas Varga saw no let-up in the sell-off, saying "the bears" were in firm control of the market.

"The trend is still down and supports are expected to be under pressure. It is not recommended to go against this trend."

Reuters technical analyst Wang Tao said Brent may fall to US\$4.98 while US oil is expected to drop to US\$32.00. - Reuters