

DANAJAMIN NASIONAL BERHAD

Unaudited Condensed Statement Of Financial Position As At 30 June 2011

| | Note | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 |
|---|------|-------------------------------|-------------------------------|
| ASSETS | | | |
| Property, plant and equipment | | 2,383 | 2,642 |
| Intangible asset | | 1,296 | 907 |
| Available-for-sale Investment | 3 | 584,524 | 484,082 |
| Premium receivables | | 214,223 | 11,857 |
| Other receivables | | 13,634 | 12,147 |
| Fixed and call deposits with licensed banks | | 463,827 | 525,994 |
| Cash and bank balances | | 153 | 174 |
| Total assets | | 1,280,040 | 1,037,803 |
| LIABILITIES | | | |
| Premium liabilities | 4 | 239,948 | 13,924 |
| Other payables | | 3,848 | 3,300 |
| Total liabilities | | 243,796 | 17,224 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | | 1,000,000 | 1,000,000 |
| Retained earnings | | 26,847 | 18,862 |
| Contingency reserve | | 8,184 | 507 |
| Available-for-sale fair value reserve | | 1,213 | 1,210 |
| Shareholders' equity | | 1,036,244 | 1,020,579 |
| Total liabilities and shareholders' equity | | 1,280,040 | 1,037,803 |

Note: The accompanying notes are an integral part of these financial statements.

DANAJAMIN NASIONAL BERHAD

Unaudited Condensed Statement of Comprehensive Income Statement For The Period Ended 30 June 2011

| | Period ended 30.06.2011 RM'000 | Period ended 30.06.2010 RM'000 |
|--|---|---|
| Operating revenue | 27,148 | 13,076 |
| Gross / net earned premiums | 4,355 | 2 |
| Investment income | 17,122 | 13,074 |
| Other operating income | 5,671 | - |
| | 27,148 | 13,076 |
| Management expenses | (11,486) | (8,780) |
| Profit before taxation | 15,662 | 4,296 |
| Taxation | - | - |
| Net profit for the financial period before contingency reserve | 15,662 | 4,296 |
| Contingency reserve | (7,677) | - |
| Net profit for the financial period after contingency reserve | 7,985 | 4,296 |
| Other comprehensive income: | | |
| Available-for-sale fair value reserve | 3 | 509 |
| Other comprehensive income for the financial period, net of tax | 7,988 | 4,805 |
| Total comprehensive income for the financial period | 7,988 | 4,805 |
| Basic earnings per share (sen) | 1.57 | 0.43 |

Note: The accompanying notes are an integral part of these financial statements.

DANAJAMIN NASIONAL BERHAD

Unaudited Condensed Statement of Changes in Equity For The Period Ended 30 June 2011

| | Share capital RM'000 | Non-distributable | | Distributable | Total RM'000 |
|---|----------------------------|---|----------------------------------|--------------------------------|-----------------|
| | | Available-for- sale fair value reserve RM'000 | Contingency reserve RM'000 | Retained earnings RM'000 | |
| At 1 January 2011 | 1,000,000 | 1,210 | 507 | 18,862 | 1,020,579 |
| Total comprehensive income for the financial period | - | 3 | 7,677 | 7,985 | 15,665 |
| At 30 June 2011 | 1,000,000 | 1,213 | 8,184 | 26,847 | 1,036,244 |
| At 1 January 2010 | 1,000,000 | - | - | 8,745 | 1,008,745 |
| Total comprehensive income for the financial period | - | 509 | - | 4,296 | 4,805 |
| At 30 June 2010 | 1,000,000 | 509 | - | 13,041 | 1,013,550 |

* Denotes 2 subscribers' ordinary shares of RM1 each.

Note: The accompanying notes are an integral part of these financial statements.

DANAJAMIN NASIONAL BERHAD

Unaudited Condensed Statement of Cash Flow For The Period Ended 30 June 2011

| | As at 30.06.2011 RM'000 | As at 30.06.2010 RM'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net profit for the financial period | 7,985 | 4,296 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 432 | 323 |
| Amortisation of intangible asset | 171 | 43 |
| Net amortisation of premium for available-for-sale investments | 813 | 128 |
| Mark-to-market of available-for-sale investments | 7,677 | - |
| Interest income | (18,058) | (13,202) |
| | <u>(980)</u> | <u>(8,412)</u> |
| Purchase of available-for-sale investments | (101,252) | (302,127) |
| Decrease/(increase) in fixed and call deposits in licensed banks | 62,167 | 299,788 |
| Increase in other payables | 548 | 1,197 |
| Increase in premium liabilities | 226,024 | 1,385 |
| Increase in premium receivables | (202,366) | (937) |
| Decrease/(Increase) in other receivables | (58) | 261 |
| Interest income received | 16,629 | 10,352 |
| | <u>712</u> | <u>1,507</u> |
| Net cash inflow/(outflow) from operating activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (172) | (671) |
| Purchase of intangible asset | (561) | (785) |
| | <u>(733)</u> | <u>(1,456)</u> |
| Net cash outflow from investing activities | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares | - | - |
| | <u>-</u> | <u>-</u> |
| Net cash inflow from financing activities | | |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (21) | 51 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | <u>174</u> | <u>79</u> |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | <u>153</u> | <u>130</u> |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | <u>153</u> | <u>130</u> |

Note: The accompanying notes are an integral part of these financial statements.

DANAJAMIN NASIONAL BERHAD

EXPLANATORY NOTES

1. BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention except as disclosed in this summary of significant accounting policies. The financial statements comply with Financial Reporting Standards ("FRS"), the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other Than Private Entities, modified by the Insurance (Financial Guarantee Insurance) Regulations 2001, the provisions of the Companies Act, 1965, the Insurance Act, 1996, and relevant Guidelines and Circulars issued by Bank Negara Malaysia ("BNM") in all material respects.

The preparation of financial statements in conformity with the FRS requires the use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the preparation of the quarterly financial statements are consistent with those adopted in the preparation of the Group's financial statements for the year ended 31st December 2010.

3. AVAILABLE-FOR-SALE DEBT SECURITIES

| | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 |
|---|--|--|
| Government Investment Issues ("GII") | | |
| Cost of investments | 362,465 | 362,465 |
| Net amortisation of premiums | (1,089) | (560) |
| Unrealised fair value gain on investments | 885 | 907 |
| At fair value | <u>362,261</u> | <u>362,812</u> |
| Corporate debt securities | | |
| Cost of investments | 222,591 | 121,339 |
| Net amortisation of premiums | (656) | (372) |
| Unrealised fair value gain on investments | 328 | 303 |
| At fair value | <u>222,263</u> | <u>121,270</u> |
| Total available-for-sale debt securities, at fair value | <u><u>584,524</u></u> | <u><u>484,082</u></u> |
| The following instruments mature after 12 months: | | |
| Available-for-sale financial assets ("AFS") | <u><u>564,411</u></u> | <u><u>474,057</u></u> |

Financial instruments measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are instruments for which pricing is obtained via pricing services but where prices have not been determined in an active market, instruments with fair values are based on broker quotes.

DANAJAMIN NASIONAL BERHAD

EXPLANATORY NOTES (CONTINUED)

4. PREMIUM LIABILITIES

| | As at 30.06.2011 RM'000 Gross/Net | As at 31.12.2011 RM'000 Gross/Net |
|--|--|--|
| Unearned premium reserve | | |
| At 1 January/date of incorporation | 13,924 | - |
| Premiums written in the financial year/period | 230,379 | 15,237 |
| Premiums earned during the financial year/period | <u>(4,355)</u> | <u>(1,313)</u> |
| At 30 June/31 December | <u>239,948</u> | <u>13,924</u> |

5. OTHER COMMITMENTS AND CONTINGENCIES

| | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 |
|--------------------------------------|--|--|
| Capital expenditure | | |
| Approved and contracted for: | | |
| Intangible asset – computer software | <u>78</u> | <u>633</u> |

6. SIGNIFICANT RELATED PARTY DISCLOSURES

The significant related party balance at the end of the financial period is as follows:

| | As At 30.06.2011 RM'000 | As at 31.12.2010 RM'000 |
|--------------------------------------|--|--|
| Other receivables | | |
| Amount receivable from related party | <u>867</u> | <u>867</u> |

7. QUALIFIED CAPITAL REQUIREMENT

The Company is required to comply with the qualified capital requirement as a licencing conditions imposed by Bank Negara Malaysia (“BNM”). The Company shall maintain at all times qualified capital which in the aggregate shall not be less than the sum as specified by BNM.

The qualified capital structure of the Company as at 30 June 2011, is provided below:

| | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 |
|--------------------------|--|--|
| Paid up Capital | 1,000,000 | 1,000,000 |
| Retained earnings | <u>19,263</u> | <u>18,862</u> |
| | 1,019,263 | 1,018,862 |
| Contingency reserve | 8,184 | 507 |
| Capital on call | <u>1,000,000</u> | <u>1,000,000</u> |
| Qualified capital | <u>2,027,447</u> | <u>2,019,369</u> |

DANAJAMIN NASIONAL BERHAD

EXPLANATORY NOTES (CONTINUED)

8. INSURANCE FUNDS

The Company's activities are organised by funds and segregated into, Shareholders, Islamic and Conventional funds in accordance with the Insurance Act, 1996 and Insurance regulations, 1996.

The Company's statement of financial position and statement of comprehensive income have been further analysed by funds and the Shareholders, Islamic and Conventional has been presented together as one fund.

Unaudited Condensed Statement of Financial Position As at 30 June 2011

| | Shareholders' Fund | | Conventional Fund | | Islamic Fund | | Total | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 |
| ASSETS | | | | | | | | |
| Property, plant and equipment | 119 | 132 | 1,668 | 714 | 596 | 1,796 | 2,383 | 2,642 |
| Intangible asset | 65 | 46 | 907 | 244 | 324 | 617 | 1,296 | 907 |
| Debt securities | 50,212 | 50,304 | 483,637 | 60,907 | 50,675 | 372,871 | 584,524 | 484,082 |
| Government Investment Issues | 20,076 | 20,062 | 342,185 | - | - | 342,750 | 362,261 | 362,812 |
| Corporate debt securities | 30,136 | 30,242 | 141,452 | 60,907 | 50,675 | 30,121 | 222,263 | 121,270 |
| Premium receivables | - | - | 13,493 | 8,465 | 200,730 | 3,392 | 214,223 | 11,857 |
| Other receivables | 798 | 710 | 9,052 | 3,287 | 3,784 | 8,150 | 13,634 | 12,147 |
| Fixed and call deposits with licensed banks | 12,500 | 1,200 | 232,154 | 216,738 | 219,173 | 308,056 | 463,827 | 525,994 |
| Cash and bank balances | 112 | 148 | 17 | 9 | 24 | 17 | 153 | 174 |
| Total assets | 63,806 | 52,540 | 740,928 | 290,364 | 475,306 | 694,899 | 1,280,040 | 1,037,803 |

DANAJAMIN NASIONAL BERHAD

EXPLANATORY NOTES (CONTINUED)

8. INSURANCE FUNDS (CONTINUED)

Unaudited Condensed Statement of Financial Position As at 30 June 2011

| | Shareholders' Fund | | Conventional Fund | | Islamic Fund | | Total | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 | As at 30.06.2011 RM'000 | As at 31.12.2010 RM'000 |
| SHAREHOLDERS' EQUITY | | | | | | | | |
| Share capital | 1,000,000 | 1,000,000 | - | - | - | - | 1,000,000 | 1,000,000 |
| Retained earnings | 19,263 | 12,772 | 6,726 | 2,283 | 858 | 3,807 | 26,847 | 18,862 |
| Contingency reserve | - | - | 678 | 363 | 7,506 | 144 | 8,184 | 507 |
| Amount due (from)/to Shareholders'/insurance funds | (955,771) | (960,550) | 712,670 | 276,587 | 243,101 | 693,963 | - | - |
| Available-for-sale fair value reserve | 123 | 153 | 990 | 230 | 100 | 827 | 1,213 | 1,210 |
| Shareholders' equity | 63,615 | 52,375 | 721,064 | 279,463 | 251,565 | 688,741 | 1,036,244 | 1,020,579 |
| LIABILITIES | | | | | | | | |
| Premium liabilities | - | - | 17,170 | 10,010 | 222,778 | 3,914 | 239,948 | 13,924 |
| Other payables | 191 | 165 | 2,694 | 891 | 963 | 2,244 | 3,848 | 3,300 |
| Total liabilities | 191 | 165 | 19,864 | 10,901 | 223,741 | 6,158 | 243,796 | 17,224 |
| Total shareholders' equity and liabilities | 63,806 | 52,540 | 740,928 | 290,364 | 475,306 | 694,899 | 1,280,040 | 1,037,803 |

DANAJAMIN NASIONAL BERHAD

EXPLANATORY NOTES (CONTINUED)

8. INSURANCE FUNDS (CONTINUED)

Unaudited Condensed Statement of Comprehensive Income For the financial period ended 30 June 2011

| | Shareholders' Fund | | Conventional Fund | | Islamic Fund | | Total | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Period ended 30.06.2011 RM'000 | Period ended 30.06.2010 RM'000 | Period ended 30.06.2011 RM'000 | Period ended 30.06.2010 RM'000 | Period ended 30.06.2011 RM'000 | Period ended 30.06.2010 RM'000 | Period ended 30.06.2011 RM'000 | Period ended 30.06.2010 RM'000 |
| Operating revenue | 976 | 10,770 | 15,081 | 790 | 11,091 | 1,516 | 27,148 | 13,076 |
| Net earned premiums | - | - | 2,293 | 2 | 2,062 | - | 4,355 | 2 |
| Investment income | 976 | 10,770 | 11,727 | 788 | 4,419 | 1,516 | 17,122 | 13,074 |
| Other operating income | - | - | 1,061 | - | 4,610 | - | 5,671 | - |
| | 976 | 10,770 | 15,081 | 790 | 11,091 | 1,516 | 27,148 | 13,076 |
| Management expenses | (575) | (7,170) | (8,040) | (457) | (2,871) | (1,153) | (11,846) | (8,780) |
| Profit before taxation | 401 | 3,600 | 7,041 | 333 | 8,220 | 363 | 15,662 | 4,296 |
| Taxation | - | - | - | - | - | - | - | - |
| Net profit for the financial period before contingency reserve | 401 | 3,600 | 7,041 | 333 | 8,220 | 363 | 15,662 | 4,296 |

DANAJAMIN NASIONAL BERHAD

EXPLANATORY NOTES (CONTINUED)

8. INSURANCE FUNDS (CONTINUED)

Unaudited Condensed Statement of Comprehensive Income For the financial period ended 30 June 2011

| | Shareholders' Fund | | Conventional Fund | | Islamic Fund | | Total | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Period ended 30.06.2011 RM'000 | Period ended 30.06.2010 RM'000 | Period ended 30.06.2011 RM'000 | Period ended 30.06.2010 RM'000 | Period ended 30.06.2011 RM'000 | Period ended 30.06.2010 RM'000 | Period ended 30.06.2011 RM'000 | Period ended 30.06.2010 RM'000 |
| Contingency reserves | - | - | (315) | - | (7,632) | - | (7,677) | - |
| Net profit for the financial period after contingency reserve | 401 | 3,600 | 6,726 | 333 | 858 | 363 | 7,985 | 4,296 |
| Other comprehensive income | | | | | | | | |
| Available-for-sale fair value reserve | (30) | 41 | 760 | 103 | (727) | 365 | 3 | 509 |
| Other comprehensive income for the financial period, net of tax | (30) | 41 | 760 | 103 | (727) | 365 | 3 | 509 |
| Total comprehensive income for the financial period | 371 | 3,641 | 7,486 | 436 | 131 | 728 | 7,988 | 4,805 |
| Basic earning per share (sen) | 0.04 | 0.35 | | | | | 1.57 | 0.43 |