

DANAJAMIN NASIONAL BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	As at <u>30.06.2013</u> RM'000	As at <u>31.12.2012</u> RM'000
ASSETS			
Property, plant and equipment		1,437	1,620
Intangible assets		1,381	624
Available-for-sale securities	3	421,626	491,601
Insurance receivables	4	473,277	447,485
Reinsurance assets	5	12,438	9,191
Deferred tax assets		1,130	1,189
Other assets		992	874
Deposits and placements with licensed banks		917,203	689,304
Cash and cash equivalents		311	79
TOTAL ASSETS		<u>1,829,795</u>	<u>1,641,967</u>
LIABILITIES AND EQUITY			
Premium liabilities	6	525,904	487,758
Insurance payables	7	11,063	7,614
Other liabilities	8	108,451	7,020
TOTAL LIABILITIES		<u>645,418</u>	<u>502,392</u>
Share capital		1,000,000	1,000,000
Retained earnings		164,030	119,895
Contingency reserve		21,110	18,972
Available-for-sale fair value reserve		(763)	708
TOTAL EQUITY		<u>1,184,377</u>	<u>1,139,575</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,829,795</u>	<u>1,641,967</u>

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

DANAJAMIN NASIONAL BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Six months ended 30.06.2013	Six months ended 30.06.2012
	RM'000	RM'000
Operating revenue	60,450	43,824
Gross earned premiums	39,741	24,854
Premiums ceded to reinsurance	(1,121)	(429)
Net earned premiums	38,620	24,425
Net gain from disposal of available-for-sale securities	542	13
Investment income	20,709	18,970
Other operating income	1,040	3,663
	60,911	47,071
Management expenses	(14,088)	(12,217)
Profit before taxation	46,823	34,854
Taxation	(550)	(178)
Net profit for the financial period	46,273	34,676
Other comprehensive income / (loss):		
Available-for-sale fair value reserve:		
Net loss on revaluation	(2,503)	(522)
Net transfer to income statement on disposal	542	13
Income tax components	490	133
Other comprehensive loss for the financial period, net of tax	(1,471)	(376)
Total comprehensive income for the financial period	44,802	34,300
Basic earnings per share (sen)	4.63	3.47

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

DANAJAMIN NASIONAL BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Non-Distributable			Distributable	Total RM'000
	Share capital RM'000	Available-for- sale fair value reserve RM'000	Contingency reserve RM'000	Retained earnings RM'000	
At 1 January 2013	1,000,000	708	18,972	119,895	1,139,575
Net profit for the financial period	-	-	-	46,273	46,273
Available-for-sale fair value reserve:					
Net loss on revaluation	-	(2,503)	-	-	(2,503)
Net transfer to income statement on disposal	-	542	-	-	542
Income tax components	-	490	-	-	490
Transfer to contingency reserve	-	-	2,138	(2,138)	-
At 30 June 2013	1,000,000	(763)	21,110	164,030	1,184,377
At 1 January 2012	1,000,000	1,477	11,697	51,309	1,064,483
Net profit for the financial period	-	-	-	34,676	34,676
Available-for-sale fair value reserve:					
Net loss on revaluation	-	(522)	-	-	(522)
Net transfer to income statement on disposal	-	13	-	-	13
Income tax components	-	133	-	-	133
Transfer to contingency reserve	-	-	4,820	(4,820)	-
At 30 June 2012	1,000,000	1,101	16,517	81,165	1,098,783

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

DANAJAMIN NASIONAL BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2013

	<u>As at</u> <u>30.06.2013</u>	<u>As at</u> <u>30.06.2012</u>
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	46,823	34,854
Adjustments for:		
Depreciation of property, plant and equipment	388	450
Amortisation of intangible assets	269	422
Net gain from disposal of available-for-sale securities	(542)	(13)
Net amortisation of premiums for available-for-sale securities	437	927
Interest income	<u>(21,228)</u>	<u>(19,910)</u>
	26,147	16,730
Purchase of available-for-sale securities	(253,932)	(10,042)
Proceeds from disposal of available-for-sale securities	150,838	10,038
Proceeds from maturity of available-for-sale securities	170,000	20,000
Increase in deposits and placements with licensed bank	(228,767)	(69,389)
Increase in other liabilities	101,431	2,196
Increase in premium liabilities	38,146	119,866
(Increase)/decrease in reinsurance assets	(3,247)	429
Increase/(decrease) in insurance payables	3,449	(2,657)
Increase in insurance receivables	(25,792)	(107,690)
Increase in other assets	(105)	(66)
Interest income received	<u>23,309</u>	<u>21,711</u>
Net cash inflow from operating activities	<u>1,477</u>	<u>1,126</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(214)	(125)
Purchase of intangible assets	<u>(1,031)</u>	<u>(77)</u>
Net cash outflow from investing activities	<u>(1,245)</u>	<u>(202)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	232	924
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	79	240
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>311</u></u>	<u><u>1,164</u></u>
Cash and cash equivalents comprise:		
Cash and cash equivalents	<u><u>311</u></u>	<u><u>1,164</u></u>

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012.

DANAJAMIN NASIONAL BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

1. BASIS OF PREPARATION

The interim financial statements are unaudited and has been prepared under the historical cost convention and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. The financial statements comply with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The preparation of financial statements is in conformity with the MFRS which requires the use of certain accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

2. ACCOUNTING POLICIES

The accounting policies and the critical accounting estimates and assumptions applied in the preparation of the interim financial statements are consistent with those adopted in the preparation of the Company's financial statements for the financial year ended 31 December 2012.

3. AVAILABLE-FOR-SALE SECURITIES

<u>At fair value</u>	As at 30.06.2013	As at 31.12.2012
	RM'000	RM'000
Government Investment Issues ("GII")	185,547	268,142
Corporate debt securities	236,079	223,459
	421,626	491,601
	332,716	221,024

The following instruments mature after 12 months:

Available-for-sale securities

DANAJAMIN NASIONAL BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (CONTINUED)

3. AVAILABLE-FOR-SALE SECURITIES (CONTINUED)

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 and/or broker quotes.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different level have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June 2013	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Government Investment Issues ("GII")	-	185,547	-	185,547
Corporate debt securities	-	236,079	-	236,079
	<u>-</u>	<u>421,626</u>	<u>-</u>	<u>421,626</u>
31 December 2012	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Government Investment Issues ("GII")	-	268,142	-	268,142
Corporate debt securities	-	223,459	-	223,459
	<u>-</u>	<u>491,601</u>	<u>-</u>	<u>491,601</u>

4. INSURANCE RECEIVABLES

	As at	As at
	30.06.2013	31.12.2012
	RM'000	RM'000
Premium receivables	471,454	444,447
Fee receivables	1,823	3,038
	<u>473,277</u>	<u>447,485</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (CONTINUED)

5. REINSURANCE ASSETS

	As at 30.06.2013	As at 31.12.2012
	RM'000	RM'000
Reinsurance assets	12,438	9,191

6. PREMIUM LIABILITIES

	Gross RM'000	Reinsurance RM'000	Net RM'000
<u>Unearned premium reserve</u>			
At 1 January 2013	487,758	(9,191)	478,567
Premiums written during the financial period	77,887	(4,368)	73,519
Premiums earned during the financial period	(39,741)	1,121	(38,620)
At 30 June 2013	525,904	(12,438)	513,466
 <u>Unearned premium reserve</u>			
At 1 January 2012	322,753	(2,899)	319,854
Premiums written during the financial year	224,603	(7,349)	217,254
Premiums earned during the financial year	(59,598)	1,057	(58,541)
At 31 December 2012	487,758	(9,191)	478,567

7. INSURANCE PAYABLES

	As at 30.06.2013	As at 31.12.2012
	RM'000	RM'000
Reinsurance premium payables	11,063	7,614

8. OTHER LIABILITIES

	As at 30.06.2013	As at 31.12.2012
	RM'000	RM'000
Provision for unutilised leave	159	100
Provision for loan interest subsidy	106	110
Provision for audit fees	69	66
Provision for bonus and related EPF	2,678	4,212
Amount due to related parties	100,140	141
Accrued expenses	291	1,524
Deferred income	4,833	703
Other payables	175	164
	108,451	7,020

The amount due to related parties are unsecured, interest-free and have no fixed terms of repayment. Included in this amount is an advance of RM100 million received from a shareholder for future capital purpose.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (CONTINUED)

9. OTHER COMMITMENTS AND CONTINGENCIES

	As at	As at
	30.06.2013	31.12.2012
	RM'000	RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	-	92
Intangible assets	558	-
	558	92

10. SIGNIFICANT RELATED PARTY DISCLOSURES

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

	As at	As at
	30.06.2013	31.12.2012
	RM'000	RM'000
Other liabilities (Note 8)		
Amount due to related parties	100,140	141

11. QUALIFIED CAPITAL REQUIREMENT

The Company is required to comply with the qualified capital requirement as a licensing condition 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 2013, is provided below:

	As at	As at
	30.06.2013	31.12.2012
	RM'000	RM'000
Paid-up capital	1,000,000	1,000,000
Retained earnings	164,030	119,895
	1,164,030	1,119,895
Contingency reserve	21,110	18,972
Capital on call	1,000,000	1,000,000
Qualified capital	2,185,140	2,138,867

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (CONTINUED)

12. INSURANCE FUNDS

The Company's activities are organised by funds and segregated into, Shareholders, Islamic and Conventional funds in accordance with the Financial Services Act, 2013. The Insurance Act, 1996 was repealed and replaced by the Financial Services Act, 2013 which is effective from 30 June 2013.

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

Interim Condensed Statement of Financial Position As at 30 June 2013

	Shareholders' Fund RM'000	Conventional Fund RM'000	Islamic Fund RM'000	Total Fund RM'000
ASSETS				
Property, plant and equipment	72	575	790	1,437
Intangible assets	69	552	760	1,381
Available-for-sale securities	20,305	185,628	215,693	421,626
Government Investment Issues	20,305	25,382	139,860	185,547
Corporate debt securities	-	160,246	75,833	236,079
Insurance receivables	-	181,044	292,233	473,277
Reinsurance assets	-	12,438	-	12,438
Deferred tax assets	(6)	417	719	1,130
Other assets	50	396	546	992
Deposits and placements with licensed banks	45,823	331,973	539,407	917,203
Cash and cash equivalents	275	10	26	311
TOTAL ASSETS	66,588	713,033	1,050,174	1,829,795
LIABILITIES AND EQUITY				
Premium liabilities	-	201,191	324,713	525,904
Insurance payables	-	11,063	-	11,063
Other liabilities	5,181	41,447	61,823	108,451
TOTAL LIABILITIES	5,181	253,701	386,536	645,418
Share capital	1,000,000	-	-	1,000,000
Retained earnings	14,267	56,918	92,845	164,030
Contingency reserve	-	8,045	13,065	21,110
Amount due (from)/to shareholders'/insurance funds	(952,862)	394,909	557,953	-
Available-for-sale fair value reserve	2	(540)	(225)	(763)
TOTAL EQUITY	61,407	459,332	663,638	1,184,377
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	66,588	713,033	1,050,174	1,829,795

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (CONTINUED)

12. INSURANCE FUNDS (CONTINUED)

Interim Condensed Statement of Financial Position As at 31 December 2012

	Shareholders' Fund RM'000	Conventional Fund RM'000	Islamic Fund RM'000	Total Fund RM'000
ASSETS				
Property, plant and equipment	81	567	972	1,620
Intangible assets	32	218	374	624
Available-for-sale securities	20,346	106,593	364,662	491,601
Government Investment Issues	20,346	25,432	222,364	268,142
Corporate debt securities	-	81,161	142,298	223,459
Insurance receivables	-	125,326	322,159	447,485
Reinsurance assets	-	9,191	-	9,191
Deferred tax assets	(16)	386	819	1,189
Other assets	44	306	524	874
Deposits and placements with licensed banks	24,729	336,252	328,323	689,304
Cash and cash equivalents	49	13	17	79
TOTAL ASSETS	45,265	578,852	1,017,850	1,641,967
LIABILITIES AND EQUITY				
Premium liabilities	-	143,992	343,766	487,758
Insurance payables	-	7,614	-	7,614
Other liabilities	320	2,209	4,491	7,020
TOTAL LIABILITIES	320	153,815	348,257	502,392
Share capital	1,000,000	-	-	1,000,000
Retained earnings	13,835	39,070	66,990	119,895
Contingency reserve	-	5,916	13,056	18,972
Amount due (from)/to shareholders'/insurance funds	(968,924)	379,889	589,035	-
Available-for-sale fair value reserve	34	162	512	708
TOTAL EQUITY	44,945	425,037	669,593	1,139,575
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	45,265	578,852	1,017,850	1,641,967

DANAJAMIN NASIONAL BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013 (CONTINUED)

12. INSURANCE FUNDS (CONTINUED)

Interim Condensed Statement of Comprehensive Income

	<u>Shareholders' Fund</u>		<u>Conventional Fund</u>		<u>Islamic Fund</u>		<u>Total</u>	
	Six months ended 30.06.2013 RM'000	Six months ended 30.06.2012 RM'000	Six months ended 30.06.2013 RM'000	Six months ended 30.06.2012 RM'000	Six months ended 30.06.2013 RM'000	Six months ended 30.06.2012 RM'000	Six months ended 30.06.2013 RM'000	Six months ended 30.06.2012 RM'000
Operating Revenue	<u>1,111</u>	<u>901</u>	<u>26,799</u>	<u>15,996</u>	<u>32,540</u>	<u>26,927</u>	<u>60,450</u>	<u>43,824</u>
Gross earned premiums	-	-	18,355	9,013	21,386	15,841	39,741	24,854
Premiums ceded to reinsurance	-	-	(1,121)	(429)	-	-	(1,121)	(429)
Net earned premiums	-	-	17,234	8,584	21,386	15,841	38,620	24,425
Net gain from disposal of available-for-sale securities	-	-	146	13	396	-	542	13
Investment income	1,111	901	8,444	6,983	11,154	11,086	20,709	18,970
Other operating income	5	-	-	10	1,035	3,653	1,040	3,663
	<u>1,116</u>	<u>901</u>	<u>25,824</u>	<u>15,590</u>	<u>33,971</u>	<u>30,580</u>	<u>60,911</u>	<u>47,071</u>
Management expenses	(683)	(611)	(5,644)	(4,276)	(7,761)	(7,330)	(14,088)	(12,217)
Profit before taxation	433	290	20,180	11,314	26,210	23,250	46,823	34,854
Taxation	(1)	(55)	(203)	(94)	(346)	(29)	(550)	(178)
Net profit for the financial period	<u>432</u>	<u>235</u>	<u>19,977</u>	<u>11,220</u>	<u>25,864</u>	<u>23,221</u>	<u>46,273</u>	<u>34,676</u>
Other comprehensive income / (loss):								
Available-for-sale fair value reserve:								
Net loss on revaluation	(43)	(56)	(1,080)	(164)	(1,380)	(302)	(2,503)	(522)
Net transfer to income statement on disposal	-	-	146	13	396	-	542	13
Income tax components	11	15	233	40	246	78	490	133
Other comprehensive loss for the financial period, net of tax	(32)	(41)	(701)	(111)	(738)	(224)	(1,471)	(376)
Total comprehensive income for the financial period	<u>400</u>	<u>194</u>	<u>19,276</u>	<u>11,109</u>	<u>25,126</u>	<u>22,997</u>	<u>44,802</u>	<u>34,300</u>
Basic earnings per share (sen)							<u>4.63</u>	<u>3.47</u>