

DANAJAMIN NASIONAL BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	As at 30.06.2014	As at 31.12.2013
		<u>RM'000</u>	<u>RM'000</u>
ASSETS			
Property, plant and equipment		844	1,254
Intangible assets		1,114	1,164
Available-for-sale securities	3	737,361	499,144
Deposits and placements with licensed banks	4	705,151	893,527
Insurance receivables	5	440,209	503,195
Reinsurance assets	6	10,722	12,584
Deferred tax assets		2,042	2,683
Tax recoverable		9,275	-
Other assets		1,159	770
Cash and cash equivalents		2,921	187
TOTAL ASSETS		<u>1,910,798</u>	<u>1,914,508</u>
LIABILITIES AND EQUITY			
Premium liabilities	7	496,592	560,257
Insurance payables	8	8,770	9,619
Shareholders' advance	9	100,000	100,000
Other liabilities	10	10,028	7,289
TOTAL LIABILITIES		<u>615,390</u>	<u>677,165</u>
Share capital		1,000,000	1,000,000
Retained earnings		277,042	218,416
Contingency reserve		22,658	23,550
Available-for-sale fair value reserve		(4,292)	(4,623)
TOTAL EQUITY		<u>1,295,408</u>	<u>1,237,343</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,910,798</u>	<u>1,914,508</u>

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

DANAJAMIN NASIONAL BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Six months ended 30.06.2014	Six months ended 30.06.2013
	RM'000	RM'000
Gross earned premiums	47,754	39,741
Premiums ceded to reinsurance	(1,862)	(1,121)
Net earned premiums	45,892	38,620
Net gain from disposal of available-for-sale securities	-	542
Investment income	25,058	20,709
Other operating income	1,834	1,040
	72,784	60,911
Management expenses	(14,520)	(14,088)
Profit before taxation	58,264	46,823
Taxation	(530)	(550)
Net profit for the financial period	57,734	46,273
Other comprehensive income / (loss):		
<u>Items that may be subsequently reclassified to the income statement:</u>		
Available-for-sale fair value reserve:		
Unrealised net gain/(loss) on revaluation	441	(2,503)
Net transfer to income statement upon disposal	-	542
Tax effect thereon	(110)	490
Other comprehensive income/(loss) for the financial period, net of tax	331	(1,471)
Total comprehensive income for the financial period	58,065	44,802
Basic earnings per share (sen)	5.77	4.63

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

DANAJAMIN NASIONAL BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Non-Distributable		Distributable	Total	
	Share capital	AFS fair value reserve	Contingency reserve		Retained earnings
	RM'000	RM'000	RM'000	RM'000	
At 1 January 2014	1,000,000	(4,623)	23,550	218,416	1,237,343
Net profit for the financial period	-	-	-	57,734	57,734
Available-for-sale ("AFS") fair value reserve					
Unrealised net gain on revaluation	-	441	-	-	441
Tax effect thereon	-	(110)	-	-	(110)
Transfer to contingency reserve	-	-	(892)	892	-
At 30 June 2014	1,000,000	(4,292)	22,658	277,042	1,295,408
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 ("AFS") fair value reserve					
Unrealised net loss on revaluation	-	(2,503)	-	-	(2,503)
Net transfer to income statement upon disposal	-	542	-	-	542
Tax effect thereon	-	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

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

DANAJAMIN NASIONAL BERHAD

UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2014

	As at 30.06.2014	As at 30.06.2013
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	58,264	46,823
Adjustments for:		
Depreciation of property, plant and equipment	417	388
Amortisation of intangible assets	403	269
Net gain from disposal of AFS securities	-	(542)
Net amortisation of premiums for AFS securities	14	437
Interest income	(25,072)	(21,228)
	<u>34,026</u>	<u>26,147</u>
Purchase of AFS securities	(235,567)	(253,932)
Proceeds from disposal of AFS securities	-	150,838
Proceeds from maturity of AFS securities	-	170,000
Decrease/(increase) in deposits and placements with licensed banks	179,376	(228,767)
Investment income received	31,848	23,309
Decrease/(increase) in insurance receivables	62,986	(25,792)
Decrease/(increase) in reinsurance assets	1,862	(3,247)
Increase in other assets	(389)	(105)
(Decrease)/increase in premium liabilities	(63,665)	38,146
(Decrease)/increase in insurance payables	(849)	3,449
Increase in other liabilities	2,758	1,431
Taxation paid	(9,275)	-
Net cash inflows/(outflows) from operating activities	<u>3,111</u>	<u>(98,523)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(15)	(214)
Purchase of intangible assets	(362)	(1,031)
Net cash outflows from investing activities	<u>(377)</u>	<u>(1,245)</u>
CASH FLOW FROM FINANCING ACTIVITY		
Shareholders' advance	-	100,000
Net cash inflow from financing activity	<u>-</u>	<u>100,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,734	232
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	187	79
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>2,921</u></u>	<u><u>311</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	<u><u>2,921</u></u>	<u><u>311</u></u>

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013.

DANAJAMIN NASIONAL BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

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 2013. The financial statements comply with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") 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 2013.

3. AVAILABLE-FOR-SALE SECURITIES

	As at 30.06.2014	As at 31.12.2013
	RM'000	RM'000
<u>At fair value</u>		
<u>Unquoted in Malaysia:</u>		
Malaysian Government Securities ("MGS")	30,640	30,338
Government Investment Issues ("GII")	445,454	216,782
Corporate debt securities	261,267	252,024
	737,361	499,144
Mature within 12 months	36,398	4,254
Mature after 12 months	700,963	494,890
	737,361	499,144

DANAJAMIN NASIONAL BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014 (CONTINUED)

3. AVAILABLE-FOR-SALE SECURITIES (CONTINUED)

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).

Recurring fair value measurements

The available-for-sale securities, which are under Level 2 of the fair value hierarchy, are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing agencies and other service provider. Where prices have not been determined in an active market, instruments with fair values are based on broker quotes.

4. DEPOSITS AND PLACEMENTS WITH LICENSED BANKS

The deposits and placements are maturing within 12 months, and the carrying amounts approximate the fair values due to the relatively short-term maturity of these balances.

5. INSURANCE RECEIVABLES

	As at 30.06.2014	As at 31.12.2013
	RM'000	RM'000
Premium receivables	436,769	498,813
Fee receivables	3,440	4,382
	440,209	503,195
Receivable within 12 months	86,213	91,161
Receivable after 12 months	353,996	412,034
	440,209	503,195
Gross/net amount of recognised financial assets presented in the statement of financial position	440,209	503,195

There are no financial liabilities subject to an enforceable master netting arrangement or similar agreement and financial instruments received as collateral as at 30 June 2014 (2013: Nil).

DANA JAMIN NASIONAL BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014 (CONTINUED)

6. REINSURANCE ASSETS

	As at 30.06.2014	As at 31.12.2013
	RM'000	RM'000
Reinsurance assets	10,722	12,584
Receivable within 12 months	3,298	3,842
Receivable after 12 months	7,424	8,742
	10,722	12,584

7. PREMIUM LIABILITIES

	Gross	Reinsurance	Net
	RM'000	RM'000	RM'000
<u>Unearned premium reserve</u>			
At 1 January 2014	560,257	(12,584)	547,673
Premiums written during the financial period	(15,911)	-	(15,911)
Premiums earned during the financial period	(47,754)	1,862	(45,892)
At 30 June 2014	496,592	(10,722)	485,870
Payable within 12 months	89,895	(3,298)	86,597
Payable after 12 months	406,697	(7,424)	399,273
	496,592	(10,722)	485,870
 <u>Unearned premium reserve</u>			
At 1 January 2013	487,758	(9,191)	478,567
Premiums written during the financial year	154,098	(5,936)	148,162
Premiums earned during the financial year	(81,599)	2,543	(79,056)
At 31 December 2013	560,257	(12,584)	547,673
Payable within 12 months	94,354	(3,842)	90,512
Payable after 12 months	465,903	(8,742)	457,161
	560,257	(12,584)	547,673

DANAJAMIN NASIONAL BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014 (CONTINUED)

8. INSURANCE PAYABLES

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
Reinsurance premium payable	8,770	9,619
Payable within 12 months	2,614	2,615
Payable after 12 months	6,156	7,004
	8,770	9,619
Gross/net amount of recognised financial liabilities presented in the statement of financial position	8,770	9,619

There are no financial assets subject to an enforceable master netting arrangement or similar agreement and financial instruments received as collateral as at 30 June 2014 (2013: Nil).

9. SHAREHOLDERS' ADVANCE

The advance amount of RM100 million was received from a shareholder for future capital purpose. This amount is unsecured, interest-free and have no fixed terms of repayment.

10. OTHER LIABILITIES

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
Provision for unutilised leave	108	98
Provision for loan interest subsidy	73	103
Provision for audit fees	116	113
Provision for bonus and related EPF	3,115	5,238
Amount due to a related party	81	204
Accrued expenses	294	534
Deferred income	5,671	870
Other payables	570	129
	10,028	7,289

The amount due to a related party is unsecured, interest-free and have no fixed terms of repayment. The balances are payable within 12 months, and the carrying amounts approximate the fair values due to the relatively short-term maturity of these balances.

DANAJAMIN NASIONAL BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014 (CONTINUED)

11. CAPITAL COMMITMENTS

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	-	-
Intangible assets - computer software	-	20
	-	20

12. SIGNIFICANT RELATED PARTY DISCLOSURES

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

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
Shareholders' advance (Note 9)	100,000	100,000
Other liabilities (Note 10)		
Amount due to a related party	81	204

13. 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 2014, is provided below:

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
Share capital	1,000,000	1,000,000
Retained earnings	277,042	218,416
	1,277,042	1,218,416
Contingency reserve	22,658	23,550
Capital on call	1,000,000	1,000,000
Qualified capital	2,299,700	2,241,966

DANAJAMIN NASIONAL BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014 (CONTINUED)

14. INSURANCE FUNDS

The Company's activities are organised by funds and segregated into, Shareholders and Insurance funds in accordance with the Financial Services Act, 2013.

The Company's statement of financial position and statement of comprehensive income have been further analysed by Shareholders' Fund and Insurance Fund.

Interim Condensed Statement of Financial Position

	<u>Shareholders' Fund</u>		<u>Insurance Fund</u>		<u>Total</u>	
	As at	As at	As at	As at	As at	As at
	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Property, plant and equipment	-	63	844	1,191	844	1,254
Intangible assets	-	58	1,114	1,106	1,114	1,164
Available-for-sale securities	-	45,272	737,361	453,872	737,361	499,144
Malaysian Government Securities	-	-	30,640	30,338	30,640	30,338
Government Investment Issues	-	14,711	445,454	202,071	445,454	216,782
Corporate debt securities	-	30,561	261,267	221,463	261,267	252,024
Deposits and placements with licensed banks	100,000	18,568	605,151	874,959	705,151	893,527
Insurance receivables	-	-	440,209	503,195	440,209	503,195
Reinsurance assets	-	-	10,722	12,584	10,722	12,584
Deferred tax assets	-	225	2,042	2,458	2,042	2,683
Tax recoverable	-	-	9,275	-	9,275	-
Other assets	-	39	1,159	731	1,159	770
Cash and cash equivalents	-	155	2,921	32	2,921	187
TOTAL ASSETS	100,000	64,380	1,810,798	1,850,128	1,910,798	1,914,508
LIABILITIES AND EQUITY						
Premium liabilities	-	-	496,592	560,257	496,592	560,257
Insurance payables	-	-	8,770	9,619	8,770	9,619
Shareholders' advance	100,000	5,000	-	95,000	100,000	100,000
Other liabilities	-	321	10,028	6,968	10,028	7,289
Amount due (from)/to shareholders'/insurance funds	(998,699)	(955,205)	998,699	955,205	-	-
TOTAL LIABILITIES	(898,699)	(949,884)	1,514,089	1,627,049	615,390	677,165
Share capital	1,000,000	1,000,000	-	-	1,000,000	1,000,000
Retained earnings	(1,301)	14,694	278,343	203,722	277,042	218,416
Contingency reserve	-	-	22,658	23,550	22,658	23,550
Available-for-sale fair value reserve	-	(430)	(4,292)	(4,193)	(4,292)	(4,623)
TOTAL EQUITY	998,699	1,014,264	296,709	223,079	1,295,408	1,237,343
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	100,000	64,380	1,810,798	1,850,128	1,910,798	1,914,508

DANAJAMIN NASIONAL BERHAD

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014 (CONTINUED)

14. INSURANCE FUNDS (CONTINUED)

Interim Condensed Statement of Comprehensive Income

	<u>Shareholders' Fund</u>		<u>Insurance Fund</u>		<u>Total</u>	
	<u>Six months ended</u>	<u>Six months ended</u>	<u>Six months ended</u>	<u>Six months ended</u>	<u>Six months ended</u>	<u>Six months ended</u>
	<u>30.06.2014</u>	<u>30.06.2013</u>	<u>30.06.2014</u>	<u>30.06.2013</u>	<u>30.06.2014</u>	<u>30.06.2013</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Gross earned premiums	-	-	47,754	39,741	47,754	39,741
Premiums ceded to reinsurance	-	-	(1,862)	(1,121)	(1,862)	(1,121)
Net earned premiums	-	-	45,892	38,620	45,892	38,620
Net gain from disposal of available-for-sale securities	-	-	-	542	-	542
Investment income	-	1,111	25,058	19,598	25,058	20,709
Other operating income	-	5	1,834	1,035	1,834	1,040
	-	1,116	72,784	59,795	72,784	60,911
Management expenses	(1,301)	(683)	(13,219)	(13,405)	(14,520)	(14,088)
Profit before taxation	(1,301)	433	59,565	46,390	58,264	46,823
Taxation	-	(1)	(530)	(549)	(530)	(550)
Net (loss) / profit for the financial period	(1,301)	432	59,035	45,841	57,734	46,273
Other comprehensive income / (loss):						
<u>Items that may be subsequently reclassified to the income statement:</u>						
Available-for-sale fair value reserve:						
Unrealised net (loss) / gain on revaluation	-	(43)	441	(2,460)	441	(2,503)
Net transfer to income statement upon disposal	-	-	-	542	-	542
Tax effect thereon	-	11	(110)	479	(110)	490
Other comprehensive (loss) / income for the financial period, net of tax	-	(32)	331	(1,439)	331	(1,471)
Total comprehensive income for the financial period	(1,301)	400	59,366	44,402	58,065	44,802