

# DANAJAMIN NASIONAL BERHAD

## UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

		As at 30 June 2016	As at 31 December 2015
	Note	RM'000	RM'000
<b>ASSETS</b>			
Property, plant and equipment		4,123	4,675
Intangible assets		327	373
Available-for-sale securities	3	449,038	646,033
Deposits and placements with licensed banks	4	1,138,852	856,549
Insurance receivables	5	476,677	463,169
Reinsurance assets	6	28,421	12,684
Tax recoverable		11,985	12,985
Other assets		1,432	1,611
Cash and cash equivalents		2,385	5,909
<b>TOTAL ASSETS</b>		<b>2,113,240</b>	<b>2,003,988</b>
<b>LIABILITIES AND EQUITY</b>			
Premium liabilities	7	543,102	523,314
Insurance payables	8	21,272	9,480
Other liabilities	9	26,358	11,392
<b>TOTAL LIABILITIES</b>		<b>590,732</b>	<b>544,186</b>
Share capital		1,000,000	1,000,000
Retained earnings		489,668	435,703
Contingency reserve		28,033	26,255
Available-for-sale fair value reserve		4,807	(2,156)
<b>TOTAL EQUITY</b>		<b>1,522,508</b>	<b>1,459,802</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,113,240</b>	<b>2,003,988</b>

This interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015.

# DANAJAMIN NASIONAL BERHAD

## UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2016

	<b>Six Months Ended 30 June 2016</b>	<b>Six Months Ended 30 June 2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Gross earned premiums	<b>47,372</b>	44,285
Premiums ceded to reinsurance	<b>(2,877)</b>	(2,055)
Net earned premiums	<b>44,495</b>	42,230
Investment income	<b>31,253</b>	28,382
Other operating income	<b>8,512</b>	2,978
	<b>84,260</b>	73,590
Management expenses	<b>(16,617)</b>	(13,782)
<b>Net profit for the financial period</b>	<b>67,643</b>	59,808
 <b>Other comprehensive income :</b>		
<u>Items that may be subsequently reclassified to the income statement:</u>		
Available-for-sale fair value reserve:		
Unrealised net gain on revaluation	<b>8,868</b>	6,849
Net transfer to income statement upon disposal	<b>(1,905)</b>	(476)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>6,963</b>	6,373
<b>Total comprehensive income for the financial period</b>	<b>74,606</b>	66,181
<b>Basic earnings per share (sen)</b>	<b>6.76</b>	5.98

This interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015.

# DANAJAMIN NASIONAL BERHAD

## UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Non-Distributable		Distributable		Total RM'000
	Share capital RM'000	AFS fair value reserve RM'000	Contingency reserve RM'000	Retained earnings RM'000	
<b>At 1 January 2016</b>	<b>1,000,000</b>	<b>(2,156)</b>	<b>26,255</b>	<b>435,703</b>	<b>1,459,802</b>
Net profit for the financial period	-	-	-	67,643	67,643
Dividend for the financial year ended 31 December 2015	-	-	-	(11,900)	(11,900)
Available-for-sale ("AFS") fair value reserve					
Unrealised net gain on revaluation	-	8,868	-	-	8,868
Net transfer to income statement upon disposal	-	(1,905)	-	-	(1,905)
Transfer from contingency reserve	-	-	1,778	(1,778)	-
<b>At 30 June 2016</b>	<b>1,000,000</b>	<b>4,807</b>	<b>28,033</b>	<b>489,668</b>	<b>1,522,508</b>
<b>At 1 January 2015</b>	<b>1,000,000</b>	<b>(5,174)</b>	<b>22,468</b>	<b>331,376</b>	<b>1,348,670</b>
Net profit for the financial period	-	-	-	59,808	59,808
Dividend for the financial year ended 31 December 2014	-	-	-	(11,200)	(11,200)
AFS fair value reserve					
Unrealised net gain on revaluation	-	6,849	-	-	6,849
Net transfer to income statement upon disposal	-	(476)	-	-	(476)
Transfer from contingency reserve	-	-	(515)	515	-
<b>At 30 June 2015</b>	<b>1,000,000</b>	<b>1,199</b>	<b>21,953</b>	<b>380,499</b>	<b>1,403,651</b>

This interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015.

# DANAJAMIN NASIONAL BERHAD

## UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2016

	<u>As at</u> <u>30 June 2016</u>	<u>As at</u> <u>30 June 2015</u>
	<u>RM'000</u>	<u>RM'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	67,643	59,808
Adjustments for:		
Depreciation of property, plant and equipment	685	240
Amortisation of intangible assets	189	333
Net gain from disposal of AFS securities	(1,257)	(329)
Net amortisation of premiums / (accretion of discount) for AFS securities	66	(36)
Net interest income	<u>(31,319)</u>	<u>(28,346)</u>
	<b>36,007</b>	31,670
Purchase of AFS securities	(20,000)	(55,307)
Proceeds from disposal of AFS securities	223,591	65,212
(Increase)/decrease in deposits and placements with licensed banks	(275,495)	37,207
Investment income received	26,069	29,002
(Increase)/decrease in insurance receivables	(13,508)	37,078
(Increase)/decrease in reinsurance assets	(15,737)	2,552
Decrease/(increase) in other assets	179	(1,916)
Increase/(decrease) in premium liabilities	19,788	(44,084)
Increase/(decrease) in insurance payables	11,792	(987)
Increase in other liabilities	3,084	1,464
Income tax refunded	1,000	-
Net cash inflows from operating activities	<u>(3,230)</u>	<u>101,890</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(147)	(515)
Purchase of intangible assets	(147)	(34)
Net cash outflows from investing activities	<u>(294)</u>	<u>(548)</u>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Repayment of shareholders' advance	-	(100,000)
Net cash outflows from financing activity	<u>-</u>	<u>(100,000)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<b>(3,524)</b>	1,341
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>5,909</u>	<u>1,948</u>
<b>CASH AND CASH EQUIVALENTS AT     END OF THE FINANCIAL PERIOD</b>	<u><b>2,385</b></u>	<u><b>3,289</b></u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	<u><b>2,385</b></u>	<u><b>3,289</b></u>

**This interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015.**

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

### 1. BASIS OF PREPARATION

The interim financial statements are unaudited, and have 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 2015. 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 the 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 2015.

### 3. AVAILABLE-FOR-SALE SECURITIES

	<b>As at 30 June 2016</b>	<b>As at 31 December 2015</b>
<u>At fair value</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Unquoted in Malaysia:</u>		
Malaysian Government Securities ("MGS")	-	19,572
Government Investment Issues ("GII")	<b>204,692</b>	359,635
Corporate debt securities	<b>244,346</b>	266,826
	<b>449,038</b>	646,033
Mature within 12 months	<b>14,635</b>	6,193
Mature after 12 months	<b>434,403</b>	639,840
	<b>449,038</b>	646,033

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016 (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

	<b>As at 30 June 2016 RM'000</b>	<b>As at 31 December 2015 RM'000</b>
Premium receivables	<b>475,177</b>	461,533
Fee receivables	<b>1,500</b>	1,636
	<b><u>476,677</u></b>	<b><u>463,169</u></b>
Receivable within 12 months	<b>90,840</b>	83,807
Receivable after 12 months	<b>385,837</b>	379,362
	<b><u>476,677</u></b>	<b><u>463,169</u></b>
Gross/net amount of recognised financial assets presented in the statement of financial position	<b><u>476,677</u></b>	<b><u>463,169</u></b>

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 2016 (31 December 2015: Nil).

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016 (CONTINUED)

### 6. REINSURANCE ASSETS

	<b>As at 30 June 2016 RM'000</b>	<b>As at 31 December 2015 RM'000</b>
Reinsurance assets	<b>28,421</b>	12,684
Receivable within 12 months	<b>9,162</b>	3,926
Receivable after 12 months	<b>19,259</b>	8,758
	<b>28,421</b>	12,684

### 7. PREMIUM LIABILITIES

	<b>Gross RM'000</b>	<b>Reinsurance RM'000</b>	<b>Net RM'000</b>
<u>Unearned premium reserve</u>			
At 1 January 2016	523,314	(12,684)	510,630
Premiums written during the financial period	67,160	(18,614)	48,546
Premiums earned during the financial period	(47,372)	2,877	(44,495)
At 30 June 2016	<b>543,102</b>	<b>(28,421)</b>	<b>514,681</b>
Payable within 12 months	99,104	(9,162)	89,942
Payable after 12 months	443,998	(19,259)	424,739
	<b>543,102</b>	<b>(28,421)</b>	<b>514,681</b>
<u>Unearned premium reserve</u>			
At 1 January 2015	467,052	(16,819)	450,233
Premiums written during the financial year	146,778	14	146,792
Premiums earned during the financial year	(90,516)	4,121	(86,395)
At 31 December 2015	<b>523,314</b>	<b>(12,684)</b>	<b>510,630</b>
Payable within 12 months	5,804	(3,926)	1,878
Payable after 12 months	517,510	(8,758)	508,752
	<b>523,314</b>	<b>(12,684)</b>	<b>510,630</b>

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016 (CONTINUED)

### 8. INSURANCE PAYABLES

	<b>As at 30 June 2016 RM'000</b>	<b>As at 31 December 2015 RM'000</b>
Reinsurance premium payable	<b>21,272</b>	9,480
Payable within 12 months	<b>8,506</b>	4,448
Payable after 12 months	<b>12,766</b>	5,032
	<b>21,272</b>	9,480
Gross/net amount of recognised financial liabilities presented in the statement of financial position	<b>21,272</b>	9,480

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 2016 (31 December 2015: Nil).

### 9. OTHER LIABILITIES

	<b>As at 30 June 2016 RM'000</b>	<b>As at 31 December 2015 RM'000</b>
Provision for unutilised leave	<b>232</b>	168
Provision for loan interest subsidy	<b>114</b>	95
Provision for audit fees	<b>123</b>	171
Provision for bonus and related EPF	<b>2,717</b>	5,049
Amount due to a related party	<b>72</b>	109
Accrued expenses	<b>1,161</b>	1,484
Deferred income	<b>8,695</b>	3,000
Other payables	<b>1,344</b>	1,316
Dividend payable	<b>11,900</b>	-
	<b>26,358</b>	11,392

The amount due to a related party as at 31 December 2015 was unsecured, interest-free and had 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.

Dividend payable relates to the final single-tier dividend for the financial year ended 31 December 2015 which has been approved by the shareholders, and is fully paid on 1 July 2016.



# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016 (CONTINUED)

### 10. CAPITAL COMMITMENTS

	<b>As at 30 June 2016</b>	<b>As at 31 December 2015</b>
	<u>RM'000</u>	<u>RM'000</u>
<b>Capital expenditure</b>		
Authorised and contracted for:		
- Property, plant and equipment	175	-
- Intangible assets - computer software	84	-
	<u>259</u>	<u>-</u>

### 11. SIGNIFICANT RELATED PARTY DISCLOSURES

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

	<b>As at 30 June 2016</b>	<b>As at 31 December 2015</b>
	<u>RM'000</u>	<u>RM'000</u>
Other liabilities (Note 9)		
Amount due to a related party	<u>72</u>	<u>109</u>

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016 (CONTINUED)

### 12. REGULATORY CAPITAL REQUIREMENT

The Risk-Based Capital ("RBC") Framework as prescribed by Bank Negara Malaysia ("BNM") came into effect on 1 January 2015. Under the prescribed RBC Framework, the Company needs to maintain a capital adequacy level that commensurate with the risk profiles. The Company is required to maintain a minimum Capital Adequacy Ratio ("CAR") of 130%. The Company has been in compliance with the said requirement.

The capital structure of the Company as at 30 June 2016, as prescribed under the RBC Framework is shown below:

	<b>As at 30 June 2016 RM'000</b>	<b>As at 31 December 2015 RM'000</b>
<b>Tier 1 Capital</b>		
Paid-up share capital	<b>1,000,000</b>	1,000,000
Retained earnings	<b>489,668</b>	435,703
	<b>1,489,668</b>	1,435,703
<b>Tier 2 Capital</b>		
Contingency reserve	<b>28,033</b>	26,255
AFS fair value reserve	<b>4,807</b>	(2,156)
	<b>32,840</b>	24,099
<b>Total capital available</b>	<b>1,522,508</b>	1,459,802

**DANAJAMIN NASIONAL BERHAD**

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016 (CONTINUED)**

**13. INSURANCE FUNDS**

The Company's activities are organised by funds and segregated into Shareholders' Fund and Insurance Fund 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>	
	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
	<u>30 June</u>	<u>31 Dec</u>	<u>30 June</u>	<u>31 Dec</u>	<u>30 June</u>	<u>31 Dec</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</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>
<b>ASSETS</b>						
Property, plant and equipment	-	-	4,123	4,675	4,123	4,675
Intangible assets	-	-	327	373	327	373
Available-for-sale securities	-	-	449,038	646,033	449,038	646,033
Malaysian Government Securities	-	-	-	19,572	-	19,572
Government Investment Issues	-	-	204,692	359,635	204,692	359,635
Corporate debt securities	-	-	244,346	266,826	244,346	266,826
Deposits and placements with licensed banks	-	-	1,138,852	856,549	1,138,852	856,549
Insurance receivables	-	-	476,677	463,169	476,677	463,169
Reinsurance assets	-	-	28,421	12,684	28,421	12,684
Tax recoverable	-	-	11,985	12,985	11,985	12,985
Other assets	-	-	1,432	1,611	1,432	1,611
Cash and cash equivalents	-	-	2,385	5,909	2,385	5,909
<b>TOTAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>2,113,240</b>	<b>2,003,988</b>	<b>2,113,240</b>	<b>2,003,988</b>
<b>LIABILITIES AND EQUITY</b>						
Premium liabilities	-	-	543,102	523,314	543,102	523,314
Insurance payables	-	-	21,272	9,480	21,272	9,480
Other liabilities	-	-	26,358	11,392	26,358	11,392
Amount due (from)/to shareholders'/insurance funds	(1,517,701)	(1,461,958)	1,517,701	1,461,958	-	-
<b>TOTAL LIABILITIES</b>	<b>(1,517,701)</b>	<b>(1,461,958)</b>	<b>2,108,433</b>	<b>2,006,144</b>	<b>590,732</b>	<b>544,186</b>
Share capital	1,000,000	1,000,000	-	-	1,000,000	1,000,000
Retained earnings	489,668	435,703	-	-	489,668	435,703
Contingency reserve	28,033	26,255	-	-	28,033	26,255
AFS	-	-	4,807	(2,156)	4,807	(2,156)
<b>TOTAL EQUITY</b>	<b>1,517,701</b>	<b>1,461,958</b>	<b>4,807</b>	<b>(2,156)</b>	<b>1,522,508</b>	<b>1,459,802</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>-</b>	<b>-</b>	<b>2,113,240</b>	<b>2,003,988</b>	<b>2,113,240</b>	<b>2,003,988</b>

**DANAJAMIN NASIONAL BERHAD**

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016 (CONTINUED)**

**13. 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 June 2016</u>	<u>30 June 2015</u>	<u>30 June 2016</u>	<u>30 June 2015</u>	<u>30 June 2016</u>	<u>30 June 2015</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	-	-	<b>47,372</b>	44,285	<b>47,372</b>	44,285
Premiums ceded to reinsurance	-	-	<b>(2,877)</b>	(2,055)	<b>(2,877)</b>	(2,055)
Net earned premiums	-	-	<b>44,495</b>	42,230	<b>44,495</b>	42,230
Investment income	-	-	<b>31,253</b>	28,382	<b>31,253</b>	28,382
Other operating income	-	-	<b>8,512</b>	2,978	<b>8,512</b>	2,978
	-	-	<b>84,260</b>	73,590	<b>84,260</b>	73,590
Management expenses	<b>(1,410)</b>	(1,433)	<b>(15,207)</b>	(12,349)	<b>(16,617)</b>	(13,782)
<b>Net (loss)/ profit for the financial period</b>	<b>(1,410)</b>	(1,433)	<b>69,053</b>	61,241	<b>67,643</b>	59,808
<b>Other comprehensive income:</b>						
<u>Items that may be subsequently reclassified to the income statement:</u>						
Available-for-sale fair value reserve:						
Unrealised net gain on revaluation	-	-	<b>8,868</b>	6,849	<b>8,868</b>	6,849
Net transfer to income statement upon disposal	-	-	<b>(1,905)</b>	(476)	<b>(1,905)</b>	(476)
<b>Other comprehensive income for the financial period, net of tax</b>	-	-	<b>6,963</b>	6,373	<b>6,963</b>	6,373
<b>Total comprehensive (loss)/ income for the financial period</b>	<b>(1,410)</b>	(1,433)	<b>76,016</b>	67,614	<b>74,606</b>	66,181