

# DANAJAMIN NASIONAL BERHAD

## UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	As at <u>30.06.2015</u>	As at <u>31.12.2014</u>
		RM'000	RM'000
<b>ASSETS</b>			
Property, plant and equipment		996	728
Intangible assets		501	806
Available-for-sale securities	3	650,480	653,337
Deposits and placements with licensed banks	4	809,678	847,850
Insurance receivables	5	370,168	407,246
Reinsurance assets	6	14,267	16,819
Tax recoverable		12,985	12,985
Other assets		2,822	906
Cash and cash equivalents		3,289	1,948
<b>TOTAL ASSETS</b>		<b><u>1,865,186</u></b>	<b><u>1,942,625</u></b>
<b>LIABILITIES AND EQUITY</b>			
Premium liabilities	7	422,968	467,052
Insurance payables	8	12,208	13,195
Shareholders' advance	9	-	100,000
Other liabilities	10	26,359	13,708
<b>TOTAL LIABILITIES</b>		<b><u>461,535</u></b>	<b><u>593,955</u></b>
Share capital		1,000,000	1,000,000
Retained earnings		380,499	331,376
Contingency reserve		21,953	22,468
Available-for-sale fair value reserve		1,199	(5,174)
<b>TOTAL EQUITY</b>		<b><u>1,403,651</u></b>	<b><u>1,348,670</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>1,865,186</u></b>	<b><u>1,942,625</u></b>

**This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.**

# DANAJAMIN NASIONAL BERHAD

## UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2015

	<b>Six months ended 30.06.2015</b>	<b>Six months ended 30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Gross earned premiums	<b>44,285</b>	47,754
Premiums ceded to reinsurance	<b>(2,055)</b>	(1,862)
Net earned premiums	<b>42,230</b>	45,892
Net gain from disposal of available-for-sale securities	<b>329</b>	-
Investment income	<b>28,382</b>	25,058
Other operating income	<b>2,649</b>	1,834
	<b>73,590</b>	72,784
Management expenses	<b>(13,782)</b>	(14,520)
Profit before taxation	<b>59,808</b>	58,264
Taxation	-	(530)
<b>Net profit for the financial period</b>	<b>59,808</b>	57,734
<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>6,044</b>	441
Net transfer to income statement upon disposal	<b>329</b>	-
Tax effect thereon	-	(110)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>6,373</b>	331
<b>Total comprehensive income for the financial period</b>	<b>66,181</b>	58,065
<b>Basic earnings per share (sen)</b>	<b>5.98</b>	5.77

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

# DANAJAMIN NASIONAL BERHAD

## UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2015

	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 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)
Available-for-sale ("AFS") fair value reserve					
Unrealised net gain on revaluation	-	6,044	-	-	6,044
Net transfer to income statement upon disposal	-	329	-	-	329
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>
<b>At 1 January 2014</b>	<b>1,000,000</b>	<b>(4,623)</b>	<b>23,550</b>	<b>218,416</b>	<b>1,237,343</b>
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 from contingency reserve	-	-	(892)	892	-
<b>At 30 June 2014</b>	<b>1,000,000</b>	<b>(4,292)</b>	<b>22,658</b>	<b>277,042</b>	<b>1,295,408</b>

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

# DANAJAMIN NASIONAL BERHAD

## UNAUDITED INTERIM FINANCIAL STATEMENTS INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2015

	<u>As at</u> <u>30.06.2015</u>	<u>As at</u> <u>30.06.2014</u>
	<u>RM'000</u>	<u>RM'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	59,808	58,264
Adjustments for:		
Depreciation of property, plant and equipment	240	417
Amortisation of intangible assets	333	403
Net gain from disposal of AFS securities	(329)	-
Net (accretion of discount)/amortisation of premiums for AFS securities	(36)	14
Net interest income	(28,346)	(25,072)
	<u>31,670</u>	<u>34,026</u>
Purchase of AFS securities	(55,307)	(235,567)
Proceeds from disposal of AFS securities	65,212	-
Decrease in deposits and placements with licensed banks	37,207	179,376
Investment income received	29,002	31,848
Decrease in insurance receivables	37,078	62,986
Decrease in reinsurance assets	2,552	1,862
Increase in other assets	(1,916)	(389)
Decrease in premium liabilities	(44,084)	(63,665)
Decrease in insurance payables	(987)	(849)
Increase in other liabilities	1,464	2,758
Taxation paid	-	(9,275)
Net cash inflows from operating activities	<u>101,890</u>	<u>3,111</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(515)	(15)
Purchase of intangible assets	(34)	(362)
Net cash outflows from investing activities	<u>(548)</u>	<u>(377)</u>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Repayment of shareholders' advance	(100,000)	-
Net cash outflows from financing activity	<u>(100,000)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,341	2,734
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>1,948</u>	<u>187</u>
<b>CASH AND CASH EQUIVALENTS AT     END OF THE FINANCIAL PERIOD</b>	<u><u>3,289</u></u>	<u><u>2,921</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	<u><u>3,289</u></u>	<u><u>2,921</u></u>

This interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 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 2014. 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 2014.

### 3. AVAILABLE-FOR-SALE SECURITIES

	As at 30.06.2015	As at 31.12.2014
	RM'000	RM'000
<u>At fair value</u>		
<u>Unquoted in Malaysia:</u>		
Government Investment Issues ("GII")	392,272	355,744
Corporate debt securities	258,208	297,593
	<u>650,480</u>	<u>653,337</u>
Mature within 12 months	6,006	35,660
Mature after 12 months	644,475	617,677
	<u>650,480</u>	<u>653,337</u>

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015 (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 30.06.2015	As at 31.12.2014
	RM'000	RM'000
Premium receivables	368,068	406,276
Fee receivables	2,100	970
	370,168	407,246
Receivable within 12 months	77,527	81,219
Receivable after 12 months	292,642	326,027
	370,168	407,246
Gross/net amount of recognised financial assets presented in the statement of financial position	370,168	407,246

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 2015 (31 December 2014: Nil).

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015 (CONTINUED)

### 6. REINSURANCE ASSETS

	<b>As at 30.06.2015</b>	<b>As at 31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Reinsurance assets	<b>14,267</b>	16,819
Receivable within 12 months	<b>3,895</b>	4,260
Receivable after 12 months	<b>10,372</b>	12,559
	<b>14,267</b>	16,819

### 7. PREMIUM LIABILITIES

	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Unearned premium reserve</u></b>			
At 1 January 2015	<b>467,052</b>	<b>(16,819)</b>	<b>450,233</b>
Premiums written during the financial period	<b>201</b>	<b>497</b>	<b>698</b>
Premiums earned during the financial period	<b>(44,285)</b>	<b>2,055</b>	<b>(42,230)</b>
At 30 June 2015	<b>422,968</b>	<b>(14,267)</b>	<b>408,701</b>
Payable within 12 months	<b>81,785</b>	<b>(3,895)</b>	<b>77,891</b>
Payable after 12 months	<b>341,183</b>	<b>(10,372)</b>	<b>330,810</b>
	<b>422,968</b>	<b>(14,267)</b>	<b>408,701</b>
<b><u>Unearned premium reserve</u></b>			
At 1 January 2014	560,257	(12,584)	547,673
Premiums written during the financial year	118	(8,079)	(7,961)
Premiums earned during the financial year	(93,323)	3,844	(89,479)
At 31 December 2014	467,052	(16,819)	450,233
Payable within 12 months	87,863	(4,260)	83,603
Payable after 12 months	379,189	(12,559)	366,630
	467,052	(16,819)	450,233

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015 (CONTINUED)

### 8. INSURANCE PAYABLES

	As at 30.06.2015	As at 31.12.2014
	RM'000	RM'000
Reinsurance premium payable	<u>12,208</u>	<u>13,195</u>
Payable within 12 months	<u>3,826</u>	4,027
Payable after 12 months	<u>8,382</u>	<u>9,168</u>
	<u>12,208</u>	<u>13,195</u>
Gross/net amount of recognised financial liabilities presented in the statement of financial position	<u>12,208</u>	<u>13,195</u>

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 2015 (31 December 2014: Nil).

### 9. SHAREHOLDERS' ADVANCE

An advance of RM100 million was received on 7 June 2013 from a shareholder for future capital purpose. This amount was unsecured, interest-free and had no fixed terms of repayment. This advance was fully repaid to the shareholder on 14 April 2015.

### 10. OTHER LIABILITIES

	As at 30.06.2015	As at 31.12.2014
	RM'000	RM'000
Provision for unutilised leave	166	107
Provision for loan interest subsidy	98	75
Provision for audit fees	100	102
Provision for bonus and related EPF	2,525	5,378
Amount due to a related party	-	85
Accrued expenses	571	556
Deferred profit income on Islamic deposits	9,986	7,145
Goods and services tax payables	1,057	-
Other payables	656	260
Dividend payable	<u>11,200</u>	-
	<u>26,359</u>	<u>13,708</u>

The amount due to a related party as at 31 December 2014 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.

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015 (CONTINUED)

### 10. OTHER LIABILITIES (CONTINUED)

Dividend payable relates to the final single-tier dividend for the financial year ended 31 December 2014 which has been approved by the shareholders, and is fully paid on 2 July 2015.

### 11. CAPITAL COMMITMENTS

	<b>As at 30.06.2015</b>	<b>As at 31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for:		
Property, plant and equipment	4,845	187
Intangible assets - computer software	19	23
	<b>4,864</b>	<b>210</b>

### 12. SIGNIFICANT RELATED PARTY DISCLOSURES

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

	<b>As at 30.06.2015</b>	<b>As at 31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Other assets		
Amount due from a related party	<b>166</b>	-
Shareholders' advance (Note 9)	-	100,000
Other liabilities (Note 10)		
Amount due to a related party	-	85

# DANAJAMIN NASIONAL BERHAD

## NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015 (CONTINUED)

### 13. 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 2015, as prescribed under the RBC Framework is shown below:

	As at <u>30.06.2015</u> RM'000
<b>Tier 1 Capital</b>	
Paid-up share capital	1,000,000
Retained earnings	<u>380,499</u>
	<b>1,380,499</b>
 <b>Tier 2 Capital</b>	
Contingency reserve	21,953
Available-for-sale fair value reserve	<u>1,199</u>
<b>Total capital available</b>	<b><u><u>1,403,651</u></u></b>

Prior to the implementation of RBC Framework, the Company was required to comply with the qualified capital requirement as a licensing condition imposed by BNM. The Company was required to maintain at all times qualified capital which in the aggregate shall not be less than the sum as specified by BNM.

	As at <u>31.12.2014</u> RM'000
Share capital	1,000,000
Retained earnings	<u>331,376</u>
	1,331,376
Contingency reserve	22,468
Capital on call	<u>1,000,000</u>
<b>Qualified capital</b>	<b><u><u>2,353,844</u></u></b>

## DANAJAMIN NASIONAL BERHAD

### NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015 (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
	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>						
Property, plant and equipment	-	-	996	728	996	728
Intangible assets	-	-	501	806	501	806
Available-for-sale securities	-	-	650,480	653,337	650,480	653,337
Government Investment Issues	-	-	392,272	355,744	392,272	355,744
Corporate debt securities	-	-	258,208	297,593	258,208	297,593
Deposits and placements with licensed banks	-	100,000	809,678	747,850	809,678	847,850
Insurance receivables	-	-	370,168	407,246	370,168	407,246
Reinsurance assets	-	-	14,267	16,819	14,267	16,819
Tax recoverable	-	-	12,985	12,985	12,985	12,985
Other assets	-	-	2,822	906	2,822	906
Cash and cash equivalents	-	-	3,289	1,948	3,289	1,948
<b>TOTAL ASSETS</b>	-	100,000	<b>1,865,186</b>	<b>1,842,625</b>	<b>1,865,186</b>	<b>1,942,625</b>
<b>LIABILITIES AND EQUITY</b>						
Premium liabilities	-	-	422,968	467,052	422,968	467,052
Insurance payables	-	-	12,208	13,195	12,208	13,195
Shareholders' advance	-	100,000	-	-	-	100,000
Other liabilities	-	-	26,359	13,708	26,359	13,708
Amount due (from)/to shareholders'/insurance funds	(1,402,452)	(1,353,844)	1,402,452	1,353,844	0	-
<b>TOTAL LIABILITIES</b>	<b>(1,402,452)</b>	<b>(1,253,844)</b>	<b>1,863,987</b>	<b>1,847,799</b>	<b>461,535</b>	<b>593,955</b>
Share capital	1,000,000	1,000,000	-	-	1,000,000	1,000,000
Retained earnings	380,499	331,376	-	-	380,499	331,376
Contingency reserve	21,953	22,468	-	-	21,953	22,468
Available-for-sale fair value reserve	-	-	1,199	(5,174)	1,199	(5,174)
<b>TOTAL EQUITY</b>	<b>1,402,452</b>	<b>1,353,844</b>	<b>1,199</b>	<b>(5,174)</b>	<b>1,403,651</b>	<b>1,348,670</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	-	100,000	<b>1,865,186</b>	<b>1,842,625</b>	<b>1,865,186</b>	<b>1,942,625</b>

**DANAJAMIN NASIONAL BERHAD**

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015 (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>30.06.2015</u>	<u>30.06.2014</u>	<u>30.06.2015</u>	<u>30.06.2014</u>	<u>30.06.2015</u>	<u>30.06.2014</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>44,285</b>	47,754	<b>44,285</b>	47,754
Premiums ceded to reinsurance	-	-	<b>(2,055)</b>	(1,862)	<b>(2,055)</b>	(1,862)
Net earned premiums	-	-	<b>42,230</b>	45,892	<b>42,230</b>	45,892
Net gain from disposal of available-for-sale securities	-	-	<b>329</b>	-	<b>329</b>	-
Investment income	-	-	<b>28,382</b>	25,058	<b>28,382</b>	25,058
Other operating income	-	-	<b>2,649</b>	1,834	<b>2,649</b>	1,834
	-	-	<b>73,590</b>	72,784	<b>73,590</b>	72,784
Management expenses	<b>(1,433)</b>	(1,301)	<b>(12,349)</b>	(13,219)	<b>(13,782)</b>	(14,520)
(Loss)/ profit before taxation	<b>(1,433)</b>	(1,301)	<b>61,241</b>	59,565	<b>59,808</b>	58,264
Taxation	-	-	-	(530)	-	(530)
<b>Net (loss)/ profit for the financial period</b>	<b>(1,433)</b>	(1,301)	<b>61,241</b>	59,035	<b>59,808</b>	57,734
<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>6,044</b>	441	<b>6,044</b>	441
Net transfer to income statement upon disposal	-	-	<b>329</b>	-	<b>329</b>	-
Tax effect thereon	-	-	-	(110)	-	(110)
Other comprehensive income for the financial period, net of tax	-	-	<b>6,373</b>	331	<b>6,373</b>	331
<b>Total comprehensive (loss)/ income for the financial period</b>	<b>(1,433)</b>	(1,301)	<b>67,614</b>	59,366	<b>66,181</b>	58,065