

DANAJAMIN NASIONAL BERHAD

Registration No. : 2009011011656 (854686-K)

UNAUDITED INTERIM FINANCIAL STATEMENTS CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

		As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
ASSETS			
Property, plant and equipment		214	344
Intangible assets		619	518
Right-of-use assets		137	593
Available-for-sale securities	3	778,053	734,353
Deposits and placements with licensed banks	4	1,699,559	1,718,789
Insurance receivables	5	217,819	196,759
Reinsurance assets	6	408	642
Tax recoverable		1,460	12,023
Claim recoverable		-	27,303
Amount due from holding company		343	-
Other assets		1,395	5,745
Cash and cash equivalents		5,584	6,134
TOTAL ASSETS		2,705,591	2,703,203
LIABILITIES AND EQUITY			
Premium liabilities	7	267,689	261,598
Lease liabilities		137	604
Insurance payables	8	427	427
Deferred income		1,046	1,146
Other liabilities	9	2,677	9,212
Deferred tax liabilities	10	1,012	5,184
Subordinated Sukuk	11	505,655	505,721
TOTAL LIABILITIES		778,643	783,892
Share capital		1,000,000	1,000,000
Retained earnings		909,725	887,532
Contingency reserve		14,284	13,230
Available-for-sale fair value reserve		2,939	18,549
TOTAL EQUITY		1,926,948	1,919,311
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,705,591	2,703,203

The accompanying notes form an integral part of the condensed interim financial statements.

DANAJAMIN NASIONAL BERHAD

Registration No. : 2009011011656 (854686-K)

UNAUDITED INTERIM FINANCIAL STATEMENTS CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2022

		Six Months Ended 30 June 2022 RM'000	Six Months Ended 30 June 2021 RM'000
	Note		
Gross earned premiums	12(a)	30,686	19,083
Premiums ceded to reinsurance	12(b)	(234)	(2,850)
Net earned premiums		30,452	16,233
Investment income		35,994	36,431
Realised gains		1,306	-
Other operating income		2,472	1,844
		70,224	54,508
Management expenses		(15,893)	(17,444)
Finance cost		(11,912)	(11,945)
Profit before taxation		42,419	25,119
Taxation		(12,972)	(9,696)
Net profit for the financial period		29,447	15,423
Other comprehensive income:			
<u>Items that may be subsequently reclassified</u> <u>to profit or loss:</u>			
Available-for-sale fair value reserve:			
Net loss arising during the financial period		(19,233)	(16,015)
Net gain transferred to profit or loss upon disposal		(1,306)	-
Tax effect thereon		4,929	3,844
Other comprehensive loss for the financial period, net of tax		(15,610)	(12,171)
Total comprehensive income for the financial period		13,837	3,252
Basic earnings per share (sen)	13	2.94	1.54

The accompanying notes form an integral part of the condensed interim financial statements.

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UNAUDITED INTERIM FINANCIAL STATEMENTS CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Non-Distributable		Distributable		Total
	Share capital	AFS fair value reserve	Contingency reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	1,000,000	18,549	13,230	887,532	1,919,311
Net profit for the financial period	-	-	-	29,447	29,447
Dividend paid	-	-	-	(6,200)	(6,200)
Available-for-sale ("AFS") fair value reserve:					
Net gain arising during the financial period	-	(19,233)	-	-	(19,233)
Net gain transferred to profit or loss upon disposal	-	(1,306)	-	-	(1,306)
Tax effect thereon	-	4,929	-	-	4,929
Transfer from contingency reserve	-	-	1,054	(1,054)	-
At 30 June 2022	1,000,000	2,939	14,284	909,725	1,926,948
At 1 January 2021	1,000,000	37,990	15,207	831,265	1,884,462
Net profit for the financial period	-	-	-	15,423	15,423
Dividend paid	-	-	-	(7,600)	(7,600)
Available-for-sale ("AFS") fair value reserve:					
Net gain arising during the financial period	-	(16,015)	-	-	(16,015)
Tax effect thereon	-	3,844	-	-	3,844
Transfer from contingency reserve	-	-	(1,372)	1,372	-
At 30 June 2021	1,000,000	25,819	13,835	840,460	1,880,114

The accompanying notes form an integral part of the condensed interim financial statements.

DANAJAMIN NASIONAL BERHAD

Registration No. : 2009011011656 (854686-K)

UNAUDITED INTERIM FINANCIAL STATEMENTS CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six Months Ended 30 June 2022	Six Months Ended 30 June 2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	42,419	25,119
Adjustments for:		
Depreciation of property, plant and equipment	133	254
Depreciation of right-of-use assets	659	976
Property, plant and equipment written off	4	-
Amortisation of intangible assets	205	284
Net gain from disposal of AFS securities	(1,306)	-
Net accretion of discount for AFS securities	(197)	(14)
Interest income	(35,797)	(36,417)
Finance cost	11,913	11,945
	18,033	2,147
Purchase of AFS securities	(152,759)	(30,175)
Proceeds from disposal of AFS securities	21,294	-
Proceeds from maturity of AFS securities	70,000	-
Decrease in deposits and placements with licensed banks	7,900	47,700
Investment income received	45,857	37,397
(Increase)/Decrease in insurance receivables	(21,059)	1,570
Decrease in reinsurance assets	233	2,850
Decrease in claim recoverable	27,303	-
Decrease/(increase) in other assets	4,006	(115)
Increase/(decrease) in premium liabilities	6,091	(14,431)
Decrease in other liabilities	(6,535)	(3,522)
(Decrease)/increase in deferred income	(100)	104
Income tax paid	(1,650)	(8,903)
Net cash inflows from operating activities	18,614	34,622
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8)	(157)
Purchase of intangible assets	(307)	(148)
Net cash outflows from investing activities	(315)	(305)

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UNAUDITED INTERIM FINANCIAL STATEMENTS CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six Months Ended 30 June 2022	Six Months Ended 30 June 2021
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Profit paid on subordinated sukuk	(11,968)	(11,968)
Dividend paid	(6,200)	(7,600)
Cash payment for principal portion of lease liability	(670)	(1,029)
Interest portion of lease liability	(11)	(43)
Net cash outflows from financing activities	(18,849)	(20,640)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(550)	13,677
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	6,134	1,681
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	5,584	15,358
Cash and cash equivalents comprise:		
Cash and bank balances	5,584	15,358

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UNAUDITED INTERIM FINANCIAL STATEMENTS CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2022

A reconciliation of liabilities from financing activities is as follows:

	<u>Lease</u> <u>Liabilities</u> RM'000	<u>Subordinated</u> <u>Sukuk</u> RM'000	<u>Total</u> RM'000
At 1 January 2022	604	505,721	506,325
Cashflow			
Profit paid on subordinated sukuk	-	(11,968)	(11,968)
Cash payment on principal portion of lease liability	(670)	-	(670)
Interest portion of lease liability	(11)	-	(11)
Interest charge / Profit expense	11	11,902	11,913
Renewals	203	-	203
At 30 June 2022	137	505,655	505,792
At 1 January 2021	1,166	505,721	506,887
Cashflow			
Profit paid on subordinated sukuk	-	(11,968)	(11,968)
Cash payment on principal portion of lease liability	(1,029)	-	(1,029)
Interest portion of lease liability	(43)	-	(43)
Interest charge / Profit expense	43	11,902	11,945
At 30 June 2021	137	505,655	505,792

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

1. BASIS OF PREPARATION

The condensed interim financial statements of the Company as at and for the six month period ended 30 June 2022 are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and International Accounting Standards (“IAS”) 34, Interim Financial Reporting. They do not include all of the information and disclosures required for full annual financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2021.

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 2021.

3. AVAILABLE-FOR-SALE SECURITIES

	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
<u>At fair value</u>		
<u>Unquoted in Malaysia:</u>		
Malaysian Government Securities	20,274	20,514
Government Investment Issues	226,798	95,806
Corporate debt securities	530,981	618,033
	778,053	734,353
Mature within 12 months	229,263	80,975
Mature after 12 months	548,790	653,378
	778,053	734,353

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

3. AVAILABLE-FOR-SALE SECURITIES (CONTINUED)

Fair value hierarchy

The fair value 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 June 2022 RM'000	As at 31 December 2021 RM'000
Premium receivables	<u>217,519</u>	<u>196,759</u>
Guarantee fee related receivables	300	400
Less: Allowance for doubtful debts	-	(400)
	<u>300</u>	<u>-</u>
Total insurance receivables	<u>217,819</u>	<u>196,759</u>
Receivable within 12 months	45,086	40,946
Receivable after 12 months	<u>172,733</u>	<u>155,813</u>
	<u>217,819</u>	<u>196,759</u>
Gross/net amount of recognised financial assets presented in the statement of financial position	<u>217,819</u>	<u>196,759</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 2022 (31 December 2021: Nil).

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)****6. REINSURANCE ASSETS**

	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000
Reinsurance assets	408	642
Receivable within 12 months	297	407
Receivable after 12 months	111	235
	408	642

7. PREMIUM LIABILITIES

	Note	Gross RM'000	Reinsurance RM'000	Net RM'000
<u>Unexpired risk reserve</u>				
At 1 January 2022		261,598	(642)	260,956
Premiums written during the financial period	12	36,777	-	36,777
Premiums earned during the financial period	12	(30,686)	234	(30,452)
At 30 June 2022		267,689	(408)	267,281
Payable within 12 months		66,735	(722)	66,013
Payable after 12 months		200,954	314	201,268
		267,689	(408)	267,281
<u>Unexpired risk reserve</u>				
At 1 January 2021		298,449	(4,026)	294,423
Premiums written during the financial year		11,381	-	11,381
Premiums earned during the financial year		(48,232)	3,384	(44,848)
At 31 December 2021		261,598	(642)	260,956
Payable within 12 months		66,243	(407)	65,836
Payable after 12 months		195,355	(235)	195,120
		261,598	(642)	260,956

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

8. INSURANCE PAYABLES

	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Reinsurance premium payable	<u>427</u>	<u>427</u>
Payable within 12 months	<u>427</u>	<u>427</u>
Gross/net amount of recognised financial liabilities presented in the statement of financial position	<u>427</u>	<u>427</u>

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 2022 (31 December 2021: Nil).

9. OTHER LIABILITIES

	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Provision for unutilised leave	198	65
Provision for loan interest subsidy	43	23
Provision for audit fees	23	265
Provision for bonus and related EPF	961	2,975
Amount due to a related party	-	79
Accrued expenses	1,312	1,779
Other payables	140	4,026
	<u>2,677</u>	<u>9,212</u>

The amount due to a related party is 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.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

10. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets and current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting are shown in the condensed statement of financial position:

	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Deferred tax liabilities (net)	<u>(1,012)</u>	<u>(5,184)</u>
<u>Deferred tax assets</u>		
Before offsetting	287	910
Offsetting	<u>(287)</u>	<u>(910)</u>
After offsetting	<u>-</u>	<u>-</u>
<u>Deferred tax liabilities</u>		
Before offsetting	(1,299)	(6,094)
Offsetting	287	910
After offsetting	<u>(1,012)</u>	<u>(5,184)</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

10. DEFERRED TAX LIABILITIES (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year are as follows:

	Property, plant and equipment	Intangible assets	AFS securities	AFS fair value reserve	Provisions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	79	(35)	(202)	(5,857)	831	(5,184)
Charged to profit or loss	(111)	(56)	(46)	-	(544)	(757)
Credited to equity	-	-	-	4,929	-	4,929
Balance as at 30 June 2022	(32)	(91)	(248)	(928)	287	(1,012)

	Property, plant and equipment	Intangible assets	AFS securities	AFS fair value reserve	Provisions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	91	10	(67)	(11,996)	1,101	(10,861)
Charged to profit or loss	(12)	(45)	(135)	-	(270)	(462)
Credited to equity	-	-	-	6,139	-	6,139
Balance as at 31 December 2021	79	(35)	(202)	(5,857)	831	(5,184)

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

11. SUBORDINATED SUKUK

On 6 October 2017, the Company issued Subordinated Sukuk Murabahah of RM500 million which is a part of a Sukuk Programme of up to RM2.0 billion for the issuance of Senior and Subordinated Sukuk Murabahah.

The subordinated sukuk has a tenure of 10 years, with a callable option made available from year 5 onwards. The subordinated sukuk, which will be redeemed at its nominal value upon maturity, is subordinated unsecured obligations of the Company. The Company has classified the principal to be due within 12 months as the Company can exercise its discretion to call upon the sukuk on or after 6 October 2022.

	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000
Due within 12 months	<u>505,655</u>	<u>505,721</u>
Fair value	<u>502,125</u>	<u>507,940</u>

The estimated fair value is generally based on quoted and observable market prices at the date of the condensed statement of financial position and is within Level 2 of the fair value hierarchy.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

12. NET EARNED PREMIUMS

	Note	Six month ended 30 June 2022 RM'000	Six month ended 30 June 2021 RM'000
12(a) Gross earned premiums			
Gross written premium	7	36,777	4,652
Change in gross premium liabilities		(6,091)	14,431
		<u>30,686</u>	<u>19,083</u>
12(b) Premiums ceded to reinsurance			
Gross written premium ceded	7	-	-
Change in ceded premium liabilities		(234)	(2,850)
		<u>(234)</u>	<u>(2,850)</u>
Net earned premiums		<u>30,452</u>	<u>16,233</u>
(i) Gross written premium			
Gross written premium during the financial year		38,713	23,834
Reversal of premium due to early redemption		(1,936)	(19,182)
		<u>36,777</u>	<u>4,652</u>

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the reporting period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the reporting period:

	Six month ended 30 June 2022	Six month ended 30 June 2021
Net profit for the financial year (RM'000)	29,447	15,423
Weighted average number of shares in issue ('000)	1,000,000	1,000,000
Basic earnings per share (sen)	<u>2.94</u>	<u>1.54</u>

There have been no other transactions involving ordinary shares between the reporting date and the date of completion of these condensed interim financial statements.

Diluted earnings per share are not presented as there were no dilutive potential ordinary shares as at the end of reporting period.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

14. DIVIDEND PAID

The final dividend of 0.62 sen per ordinary shares under single tier system amounting to RM6,200,000.00 for the financial year ended 31 December 2021 was paid to entitled shareholder of the Company on 29 April 2022.

15. CAPITAL COMMITMENTS

	As at 30 June 2022 <u>RM'000</u>	As at 31 December 2021 <u>RM'000</u>
Capital expenditure		
Approved and contracted for:		
- Property, plant and equipment	-	-
- Intangible assets - computer software	-	115
	<u>-</u>	<u>115</u>
	<u>-</u>	<u>115</u>

There is no capital expenditure approved but not contracted for as at 30 June 2022 (2021: nil).

16. SIGNIFICANT RELATED PARTY DISCLOSURES

The related parties of, and their relationship with the Company, are as follows:

<u>Related parties</u>	<u>Relationship</u>
Bank Pembangunan Malaysia Berhad	Shareholder
Bank Negara Malaysia	Related party of shareholder
Key management personnel	The key management personnel of the Company includes the Board of Directors, CEO and Management

Key management personnel are those people defined as having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. The key management personnel of the Company include all the Directors of the Company and employees of the Company who make certain critical decisions in relation to the strategic direction of the Company.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

16. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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

	As at 30 June 2021	As at 31 December 2021
	RM'000	RM'000
Other liabilities (Note 9)		
Amount due to a related party	-	79

17. 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 2022, as prescribed under the RBC Framework is shown below:

	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000
Tier 1 Capital		
Paid-up share capital	1,000,000	1,000,000
Retained earnings	909,725	887,532
	1,909,725	1,887,532
Tier 2 Capital		
Contingency reserve	14,284	13,230
Available-for-sale fair value reserve	2,939	18,549
Subordinated Sukuk	500,000	500,000
	517,223	531,779
Total capital available	2,426,948	2,419,311

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

18. 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.

Condensed Statement of Financial Position

	<u>Shareholders' Fund</u>		<u>Insurance Fund</u>		<u>Total</u>	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
ASSETS						
Property, plant and equipment	-	-	214	344	214	344
Intangible assets	-	-	619	518	619	518
Right-of-use assets	-	-	137	593	137	593
Available-for-sale securities	-	-	778,053	734,353	778,053	734,353
Malaysian Government Securities	-	-	20,274	20,514	20,274	20,514
Government Investment Issues	-	-	226,798	95,806	226,798	95,806
Corporate debt securities	-	-	530,981	618,033	530,981	618,033
Deposit and placements with licenced banks	-	-	1,699,559	1,718,789	1,699,559	1,718,789
Insurance receivables	-	-	217,819	196,759	217,819	196,759
Reinsurance assets	-	-	408	642	408	642
Tax recoverable	-	-	1,460	12,023	1,460	12,023
Claim recoverable	-	-	-	27,303	-	27,303
Amount due from holding company	-	-	343	-	343	-
Other assets	-	-	1,395	5,745	1,395	5,745
Cash and cash equivalents	-	-	5,584	6,134	5,584	6,134
TOTAL ASSETS	-	-	2,705,591	2,703,203	2,705,591	2,703,203

DANAJAMIN NASIONAL BERHAD

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

18. INSURANCE FUNDS (CONTINUED)

	<u>Shareholders' Fund</u>		<u>Insurance Fund</u>		<u>Total</u>	
	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021	As at 30 June 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES AND EQUITY						
Premium liabilities	-	-	267,689	261,598	267,689	261,598
Lease liability	-	-	137	604	137	604
Insurance payables	-	-	427	427	427	427
Deferred income	-	-	1,046	1,146	1,046	1,146
Other liabilities	-	-	2,677	9,212	2,677	9,212
Deferred tax liabilities	-	-	1,012	5,184	1,012	5,184
Subordinated Sukuk	505,655	505,721	-	-	505,655	505,721
Amount due (from)/to						
Shareholders'/Insurance funds	(2,429,664)	(2,406,483)	2,429,664	2,406,483	-	-
TOTAL LIABILITIES	(1,924,009)	(1,900,762)	2,702,652	2,684,654	778,643	783,892
Share capital	1,000,000	1,000,000	-	-	1,000,000	1,000,000
Retained earnings	909,725	887,532	-	-	909,725	887,532
Contingency reserve	14,284	13,230	-	-	14,284	13,230
Available-for-sale fair value reserve	-	-	2,939	18,549	2,939	18,549
TOTAL EQUITY	1,924,009	1,900,762	2,939	18,549	1,926,948	1,919,311
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	-	-	2,705,591	2,703,203	2,705,591	2,703,203

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

18. INSURANCE FUNDS (CONTINUED)

Condensed Statement of Comprehensive Income

	<u>Shareholders' Fund</u>		<u>Insurance Fund</u>		<u>Total</u>	
	Six months ended 30 June 2022	Six months ended 30 June 2021	Six months ended 30 June 2022	Six months ended 30 June 2021	Six months ended 30 June 2022	Six months ended 30 June 2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	-	-	30,686	19,083	30,686	19,083
Premiums ceded to reinsurance	-	-	(234)	(2,850)	(234)	(2,850)
Net earned premiums	-	-	30,452	16,233	30,452	16,233
Investment income	-	-	35,994	36,431	35,994	36,431
Realised gains	-	-	1,306	-	1,306	-
Other operating income	-	-	2,472	1,844	2,472	1,844
	-	-	70,224	54,508	70,224	54,508
Gross/net claims paid	-	-	-	-	-	-
Change in gross/net claims liabilities	-	-	-	-	-	-
Net claim incurred	-	-	-	-	-	-
Management expenses	(1,277)	(1,638)	(14,616)	(15,806)	(15,893)	(17,444)
Finance cost	(11,901)	(11,902)	(11)	(43)	(11,912)	(11,945)
(Loss)/ profit before taxation	(13,178)	(13,540)	55,597	38,659	42,419	25,119
Taxation	-	-	(12,972)	(9,696)	(12,972)	(9,696)
Net (loss)/ profit for the financial period	(13,178)	(13,540)	42,625	28,963	29,447	15,423

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

18. INSURANCE FUNDS (CONTINUED)

	<u>Shareholders' Fund</u>		<u>Insurance Fund</u>		<u>Total</u>	
	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended
	<u>30 June 2022</u>	30 June 2021	<u>30 June 2022</u>	30 June 2021	<u>30 June 2022</u>	30 June 2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other comprehensive income:						
<u>Items that may be subsequently reclassified to profit or loss:</u>						
Available-for-sale fair value reserve:						
Net loss arising during the financial period	-	-	(19,233)	(16,015)	(19,233)	(16,015)
Net gain transferred to profit or loss upon disp	-	-	(1,306)	-	(1,306)	-
Tax effect thereon	-	-	4,929	3,844	4,929	3,844
Other comprehensive loss for the financial period, net of tax	-	-	(15,610)	(12,171)	(15,610)	(12,171)
Total comprehensive (loss)/income for the financial period	(13,178)	(13,540)	27,015	16,792	13,837	3,252

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

19. SIGNIFICANT EVENT DURING THE PERIOD

On 30 September 2021, Bank Pembangunan Malaysia Berhad (“BPMB”) announced the signing of agreements with Credit Guarantee Corporation Malaysia Berhad and Minister of Finance (Incorporated) for the 100% acquisition of Danajamin Nasional Berhad. The acquisition is part of the Malaysian Government’s medium term plan to strengthen and align the mandates of development financial institutions to improve the national development finance ecosystem. The Company will complement BPMB’s existing business and product offerings, with the merger synergies expected to benefit Malaysian businesses, enhancing their access to capital markets and capital in general.

The transfer process in relation to BPMB’s acquisition of shares held by Minister of Finance (Incorporated) and Credit Guarantee Corporation Malaysia Berhad of 500,000,000 ordinary shares each in the Company was completed on 22 December 2021. Pursuant thereto, BPMB is the sole registered shareholder of the Company effective 22 December 2021.

The business amalgamation of Danajamin Nasional Berhad and BPMB has not yet been finalized as at the date of this report. Hence, Danajamin Nasional Berhad continues to operate its business as usual while its financials are consolidated into BPMB Group.