

COMMENTS ON THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS OF CENTURY BANKING CORPORATION LTD FOR THE PERIOD ENDED 30 JUNE 2015

Century Banking Corporation Ltd (the "Group") is pleased to submit its consolidated unaudited interim financial statements for the period ended 30 June 2015.

COMMENTS ON RESULTS

The consolidated unaudited interim financial statements for the period ended 30 June 2014 have been prepared in accordance with the Bank of Mauritius Guideline on Public Disclosure of Information and IAS 34 - Interim Financial Reporting. The abridged unaudited interim financial statements have been prepared using the same accounting policies as those adopted in the financial statements for the financial year ended 31 December 2014.

The consolidated unaudited interim financial statements may contain forward-looking statements and risks exist that they may not materialise. Users of the information should not therefore place undue reliance on these statements.

Results

In the absence of any Islamic liquidity instrument, the Group generated total income of MUR 11.5 million compared to MUR 6.4 million for the corresponding period last year. The Bank is also managing its expenses and has registered a total expense figure of MUR 18.0 million for the period ended 30 June 2015. The loss before taxation for the period amounted to MUR 6.2 million compared to MUR 8.9 million in 2014.

Prospects

The Bank is continuing to consolidate its corporate financing activities and investment banking products offering to the market. Particular attention is provided to trade finance activities with a focus on short term facilities generating maximum income for the Bank.



.....
Dr. Muniruddeen Lallmahomood
Acting Chief Executive Officer



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Hesham Shokry
Director



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Andre Gilles
Director

August 14, 2015

Century Banking Corporation Ltd

Consolidated and separate statements of financial position
as at June 30, 2015

	Group 30-Jun-15	Group 30-Jun-14 MUR	Group 31-Dec-14 MUR	Bank 30-Jun-15 MUR	Bank 30-Jun-14 MUR	Bank 31-Dec-14 MUR
ASSETS						
Cash and cash equivalents	45,282,011	30,498,408	57,782,201	41,560,456	30,241,681	54,392,562
Commodity placements through banks	-	35,000,000	-	-	35,000,000	-
Murahata financing, net	149,544,975	106,204,977	116,067,289	149,544,975	106,204,977	116,067,289
Receivables and prepayments	9,770,877	8,702,234	7,746,144	10,031,733	8,573,167	7,671,575
Property and equipment	28,042,621	4,883,941	20,112,085	28,042,621	4,883,941	20,112,085
Receivables from related companies	-	-	5,007,240	-	-	5,153,702
Investment in subsidiaries	-	-	-	14,900,000	14,900,000	14,900,000
Financial assets at fair value through profit or loss	2,054,636	-	2,027,985	-	-	-
Deferred tax asset	21,117,910	19,282,409	21,117,910	20,409,195	18,716,460	20,499,195
Total assets	255,813,030	204,571,969	229,860,854	264,578,980	218,520,226	238,796,408
SHAREHOLDERS' EQUITY						
Share capital	345,227,000	315,227,000	344,602,000	345,227,000	315,227,000	344,602,000
Share application money	-	15,376,000	-	-	15,376,000	-
Accumulated losses	(144,002,421)	(129,754,835)	(137,891,109)	(140,540,462)	(127,249,561)	(134,303,505)
Foreign currency translation reserve	-	61,286	-	-	-	-
Equity attributable to owners of the Company	201,224,579	200,909,451	206,710,891	204,686,538	203,353,439	210,298,495
Non-controlling interests	2,637,909	-	2,568,396	-	-	-
Total equity	203,862,488	200,909,451	209,279,287	204,686,538	203,353,439	210,298,495
LIABILITIES						
Current tax liabilities	64,944	64,944	64,944	64,944	64,944	64,944
Trade and other payables	4,232,320	3,597,574	6,962,484	5,974,220	15,101,843	8,456,840
Mudarahat Investment Accounts	45,853,278	-	11,754,139	52,053,278	-	18,176,129
Provisions	1,800,000	-	1,800,000	1,800,000	-	1,800,000
Special charity account fund	-	-	-	-	-	-
Total liabilities	51,950,542	3,662,518	20,581,567	59,892,442	15,166,787	28,497,913
Total equity and liabilities	255,813,030	204,571,969	229,860,854	264,578,980	218,520,226	238,796,408

CENTURY BANKING CORPORATION LTD

Consolidated and separate statements of profit or loss and other comprehensive income
for the period ended June 30, 2015

	GROUP						BANK					
	Quarter Ended 30-Jun 2015	Quarter Ended 30-Jun 2014	Period Ended 30-Jun 2015	Period Ended 30-Jun 2014	Year Ended 31-Dec 2014	Quarter Ended 30-Jun 2015	Quarter Ended 30-Jun 2014	Period Ended 30-Jun 2015	Period Ended 30-Jun 2014	Year Ended 31-Dec 2014		
Income from:												
Monetary financing	2,217,760	2,322,599	4,640,244	4,884,374	9,496,822	2,217,760	2,322,599	4,640,244	4,884,374	9,496,822		
General financing	1,841,966	1,123,600	3,326,766	224,719	1,072,489	1,841,966	1,123,600	3,326,766	224,719	1,072,489		
Commodity placements through banks	-	436,274	-	954,849	1,152,000	-	436,274	-	954,849	1,152,000		
Investments	-	-	-	-	-	-	-	-	-	-		
Commissions on bank guarantee	10,500	-	20,500	10,000	10,000	10,500	-	20,500	10,000	10,000		
Fees	532,138	177,987	684,655	319,737	802,407	532,138	177,987	684,655	319,737	802,407		
Other income	115,902	-	2,864,869	-	37,304	115,902	-	2,864,869	-	-		
Revaluation gains	(330,995)	-	872,562	-	-	(330,995)	-	872,562	-	-		
Revenue	4,387,271	3,049,220	12,409,596	6,393,679	12,571,022	4,387,271	3,049,220	12,409,596	6,393,679	12,533,718		
Income attributable to investment account holders	(357,001)	-	(556,688)	-	(76,341)	(414,344)	-	(682,333)	-	(148,331)		
Net revenue	4,030,270	3,049,220	11,852,908	6,393,679	12,494,681	3,972,927	3,049,220	11,727,263	6,393,679	12,385,387		
Personnel expenses	3,464,336	2,809,171	7,006,060	6,097,411	14,395,347	3,464,336	2,511,586	7,400,060	5,501,832	13,044,462		
Operating lease expense	1,077,623	353,405	2,071,296	724,521	1,457,843	1,077,623	353,405	2,071,296	724,521	1,457,843		
Depreciation and amortisation	2,338,206	599,482	4,484,213	1,192,304	4,272,398	2,338,206	595,498	4,484,213	1,192,304	4,272,398		
Allowance for credit impairment	320,918	26,210	1,290,918	(16,665)	81,959	320,918	26,210	387,011	(16,665)	81,959		
Other expenses	1,290,815	4,983,220	4,015,650	8,134,498	12,108,904	1,290,815	4,712,941	4,015,650	7,864,219	11,237,936		
Loss before taxation	8,491,898	8,771,488	17,964,220	16,132,069	32,316,451	8,491,898	8,199,640	17,964,220	15,266,211	30,094,598		
Taxation	(4,461,628)	(5,722,268)	(6,111,312)	(9,738,390)	(19,821,770)	(4,451,971)	(5,150,420)	(6,236,957)	(8,872,532)	(17,709,211)		
Loss after taxation	(4,461,628)	(5,722,268)	(6,111,312)	(1,499,948)	3,335,449	(4,451,971)	(5,150,420)	(6,236,957)	1,152,034	2,934,769		
Other comprehensive income												
Items that are or may be reclassified to profit or loss												
Foreign currency translation differences	-	-	(323,039)	(384,325)	-	-	-	-	-	-		
Other comprehensive income, net of tax	-	-	(323,039)	(384,325)	-	-	-	-	-	-		
Total comprehensive loss for the year	(6,111,312)	(8,561,481)	(16,870,646)	(1,874,273)	3,335,449	(6,236,957)	(7,720,498)	(14,774,442)	1,152,034	2,934,769		
Profit/(Loss) attributable to:												
Owners of the Company	(6,069,221)	(8,238,442)	(16,574,317)	(1,669,442)	3,335,449	(6,236,957)	(7,720,498)	(14,774,442)	1,152,034	2,934,769		
Non-controlling interests	(42,091)	(323,039)	(296,329)	(204,831)	-	-	-	-	-	-		
Total comprehensive loss attributable to:												
Owners of the Company	(6,069,221)	(8,238,442)	(16,574,317)	(1,669,442)	3,335,449	(6,236,957)	(7,720,498)	(14,774,442)	1,152,034	2,934,769		
Non-controlling interests	(42,091)	(323,039)	(296,329)	(204,831)	-	-	-	-	-	-		

Century Banking Corporation Ltd

Consolidated and separate statements of cash flows

as at June 30, 2015

	Group 30-Jun-15	Group 30-Jun-14	Group 31-Dec-14	Bank 30-Jun-15	Bank 30-Jun-14	Bank 31-Dec-14
	MUR	MUR	MUR	MUR	MUR	MUR
Cash flows from operating activities						
Loss before tax	(6,111,312)	(9,738,390)	(19,821,770)	(6,236,957)	(8,872,532)	(17,709,211)
<i>Adjustment for:</i>						
Profit on disposal	-	972,207	(37,304)	-	972,207	-
Provisions	-	1,458,309	-	-	1,458,309	-
Net (gain) / loss on fair value of financial assets at fair value through profit or loss	42,862	-	185,235	-	-	-
Revaluation gains	(872,562)	-	-	(872,562)	-	-
Depreciation and amortisation	4,484,213	1,192,304	4,272,298	4,484,213	1,192,304	4,272,298
	(2,456,799)	(6,115,570)	(15,401,441)	(2,625,306)	(5,249,712)	(13,436,815)
Changes in operating assets and liabilities						
Change in receivables and prepayments	(2,024,733)	(409,589)	546,501	(2,360,158)	(757,341)	144,251
Change in receivables from related companies	5,007,240	-	(5,007,240)	5,153,702	-	(5,153,702)
Change in trade and other payables	31,368,975	(8,792,903)	8,126,147	31,394,529	(9,641,923)	3,689,203
Change in murabaha financing	(33,477,686)	1,784,752	(8,077,560)	(33,477,686)	1,784,752	(8,077,560)
Tax paid	-	-	-	-	-	-
Net cash used in operating activities	(1,583,003)	(13,533,310)	(19,813,593)	(1,914,919)	(13,864,224)	(22,834,621)
Cash flows from investing activities						
Purchase of equipment	(12,414,749)	(1,150)	(15,878,872)	(12,414,749)	(1,150)	(15,878,872)
Proceeds from investments	-	-	238,763.00	-	-	-
Investment in subsidiary	-	-	(2,414,679.00)	-	-	-
Net cash used in investing activities	(12,414,749)	(1,150)	(18,054,788)	(12,414,749)	(1,150)	(15,878,872)
Cash flows from financing activities						
Share application monies	-	15,376,000	-	-	15,376,000	-
Issue of shares non controlling interest	-	-	2,680,000	-	-	-
Proceeds from issue of ordinary shares	625,000	-	29,375,000	625,000	-	29,375,000
Net cash generated from financing activities	625,000	15,376,000	32,055,000	625,000	15,376,000	29,375,000
Increase/(Decrease) in cash and cash equivalents	(13,372,752)	1,841,540	(5,813,381)	(13,704,668)	1,510,626	(9,338,493)
At January 1,	57,782,201	63,979,907	63,979,907	54,392,562	63,731,055	63,731,055
Effect of exchange rate on cash and cash equivalents	872,562	(323,039)	(384,325)	872,562	-	-
At end of period,	45,282,011	65,498,408	57,782,201	41,560,456	65,241,681	54,392,562
<i>Cash and cash equivalents consist of:</i>						
Cash in hand and balances with banks	45,282,011	30,498,408	57,782,201	41,560,456	30,241,681	54,392,562
Commodity placements through banks	-	35,000,000	-	-	35,000,000	-
	45,282,011	65,498,408	57,782,201	41,560,456	65,241,681	54,392,562

Century Banking Corporation Ltd

Consolidated and separate statements of changes in equity
for the period ended June 30, 2015

The Group

	Share capital MEUR	Accumulated losses MEUR	Share application monies MEUR	Foreign currency (translation) reserve MEUR	Non-controlling interests MEUR	Total MEUR
Balance at January 1, 2014	310,120,000	(121,516,392)	5,107,000	384,325	-	194,094,933
<i>Transactions with owners recognised directly in equity:</i>						
Contributions						
Share application monies	5,107,000		10,269,000			15,376,000
Total comprehensive loss for the period:		(8,238,442)				(8,238,442)
Loss for the period						
Other comprehensive income				(323,040)		(323,040)
Foreign currency translation difference						
Balance at June 30, 2014	315,227,000	(129,754,834)	15,376,000	61,285		200,909,451
Balance at January 1, 2014	310,120,000	(121,516,392)	5,107,000	384,325		194,094,933
<i>Transactions with owners recognised directly in equity:</i>						
Issue of ordinary shares	29,375,000					29,375,000
Contributions						
Share application monies	5,107,000		(5,107,000)			
Changes in ownership interests						
NCT share on set up of subsidiary					2,680,000	2,680,000
Total comprehensive loss for the year:		(16,374,717)			(111,604)	(16,486,321)
Loss for the year						
Other comprehensive income				(384,325)		(384,325)
Foreign currency translation difference						
Balance at December 31, 2014	344,602,000	(137,891,109)			2,568,396	209,279,287
Balance at January 1, 2015	344,602,000	(137,891,109)			2,568,396	209,279,287
<i>Transactions with owners recognised directly in equity:</i>						
Contributions						
Share application monies	625,000					625,000
Total comprehensive loss for the period:		(6,111,312)			69,513	(6,041,799)
Profit / (Loss) for the period						
Other comprehensive income						
Foreign currency translation difference						
Balance at June 30, 2015	345,227,000	(144,002,421)			2,637,909	203,862,488

Century Banking Corporation Ltd

Consolidated and separate statements of changes in equity
for the period ended June 30, 2015

	The Bank		Share application monies MUR	Total MUR
	Share capital MUR	Accumulated losses MUR		
Balance at January 1, 2014	310,120,000	(119,529,063)	5,107,000	195,697,937
<i>Transactions with owners recognised directly in equity:</i>				
Share application monies	5,107,000	-	10,269,000	15,376,000
<i>Total comprehensive loss for the period:</i>		(7,720,498)	-	(7,720,498)
Loss for the period	-	(7,720,498)	-	(7,720,498)
Balance at June 30, 2014	315,227,000	(127,249,561)	15,376,000	203,353,439
Balance at January 1, 2014	310,120,000	(119,529,063)	5,107,000	195,697,937
<i>Transactions with owners recognised directly in equity:</i>				
<i>Contributions</i>				
Issue of ordinary shares	29,375,000	-	-	29,375,000
Share application monies	5,107,000	-	(5,107,000)	-
<i>Total comprehensive loss for the year:</i>		(14,774,442)	-	(14,774,442)
Loss for the year	-	(14,774,442)	-	(14,774,442)
Balance at December 31, 2014	344,602,000	(134,303,505)	-	210,298,495
Balance at January 1, 2015	344,602,000	(134,303,505)	-	210,298,495
<i>Transactions with owners recognised directly in equity:</i>				
<i>Contributions</i>				
Issue of ordinary shares	625,000	-	-	625,000
<i>Total comprehensive loss for the period:</i>		(6,236,957)	-	(6,236,957)
Loss for the period	-	(6,236,957)	-	(6,236,957)
Balance at June 30, 2015	345,227,000	(140,540,462)	-	204,686,538

Note:

Statutory Reserve is not applicable since the Bank incurred operational losses during the year and does not have retained earnings to transfer.