

COMMENTS ON THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS OF CENTURY BANKING CORPORATION LTD FOR THE PERIOD ENDED 30 JUNE 2017

Century Banking Corporation Ltd (the "Group") is pleased to submit its consolidated unaudited interim financial statements for the period ended 30 June 2017.

COMMENTS ON RESULTS

The consolidated unaudited interim financial statements for the period ended 30 June 2017 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 2016.

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 12.3 million compared to MUR 9.5 million for the corresponding period last year. This is explained by the increase in its short term financing and leasing operations. The Group recorded an increase in other operating expenses due to the increase in the regulatory fees whilst other costs remained fairly constant. The loss before taxation for the Group amounted to MUR 6.9 million compared to MUR 8.0 million in 2016.

Prospects

The Bank is continuing to build up on its corporate financing activities and trade finance products and services with a focus on short term facilities generating maximum income for the Bank.

The Bank initiated an internal restructuring in June 2016 with a view to increase its efficiency and reduce operational costs.



.....
Phengphian Laogumnerd
Director



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



.....
Shakil Moollan
Director

August 15, 2017

Century Banking Corporation Ltd

**Unaudited consolidated statement of financial position
as at June 30, 2017**

	Group 30-Jun-17 MUR	Group 30-Jun-16 MUR	Group 31-Dec-16 MUR	Bank 30-Jun-17 MUR	Bank 30-Jun-16 MUR	Bank 31-Dec-16 MUR
ASSETS						
Cash and cash equivalents	132,423,071	88,798,287	421,472,790	131,639,870	87,698,832	420,363,089
Murabaha financing, net	158,186,647	163,539,362	153,960,811	158,186,647	163,539,362	153,960,811
Receivables and prepayments	8,500,025	9,620,382	46,190,527	8,500,025	10,200,574	46,192,195
Property and equipment	26,632,643	23,364,790	22,218,652	26,632,643	23,364,790	22,218,652
Receivables from related companies	-	-	-	775,817	580,192	600,317
Investment in subsidiaries	-	-	-	14,900,000	14,900,000	14,900,000
Financial assets at fair value through profit or loss	1,681,730	1,395,969	1,620,085	-	-	-
Deferred tax asset	19,733,092	21,361,066	19,733,092	19,498,567	20,742,351	19,498,567
Total assets	347,157,208	308,079,856	665,195,957	360,133,569	321,026,101	677,733,631
SHAREHOLDERS' EQUITY						
Share capital	435,102,000	380,907,000	380,907,000	435,102,000	380,907,000	380,907,000
Share application money	-	-	54,195,000	-	-	54,195,000
Accumulated losses	(187,283,518)	(181,057,427)	(180,400,556)	(183,110,116)	(176,322,227)	(176,051,171)
Equity attributable to owners of the Company	247,818,483	199,849,573	254,701,444	251,991,884	204,584,773	259,050,829
Non-controlling interests	145,377	326,375	364,012	-	-	-
Total equity	247,963,860	200,175,948	255,065,456	251,991,884	204,584,773	259,050,829
LIABILITIES						
Current tax liabilities	64,944	64,944	64,944	64,944	64,944	64,944
Trade and other payables	2,690,985	8,746,488	8,657,123	5,289,322	10,933,908	10,859,424
Mudarabah Investment Accounts	73,873,912	76,766,125	378,930,178	80,223,912	83,116,125	385,280,178
Provisions	22,404,560	22,283,303	22,319,309	22,404,560	22,283,303	22,319,309
Special charity account fund	158,947	43,048	158,947	158,947	43,048	158,947
Total liabilities	99,193,348	107,903,908	410,130,501	108,141,685	116,441,328	418,682,802
Total equity and liabilities	347,157,208	308,079,856	665,195,957	360,133,569	321,026,101	677,733,631

CENTURY BANKING CORPORATION LTD

Unaudited consolidated statements of profit or loss and other comprehensive income
for the period ended June 30, 2017

	GRUPO						BANK					
	Quarter Ended		Period Ended		Year Ended		Quarter Ended		Period Ended		Year Ended	
	30-Jun 2017	MUR	30-Jun 2017	MUR	31-Dec 2016	MUR	30-Jun 2017	MUR	30-Jun 2016	MUR	30-Jun 2016	MUR
Income from:												
Marabaha financing	3,092,334		7,354,781		10,452,812		3,092,334		3,252,465		5,843,429	
Jarab financing	2,882,136		5,116,361		8,283,999		2,882,136		2,057,126		4,097,654	
	5,974,470		12,471,142		18,736,811		5,974,470		5,309,591		9,941,083	
Income attributable to investment account holders	(431,122)		(913,215)		(2,220,780)		(536,122)		(802,812)		(1,358,505)	
	5,543,348		11,557,927		16,516,031		5,438,348		4,506,779		8,582,578	
Net trading income			14,182		11,808,275		-		150,067		77,412	
Net fees and commission income	583,860		912,164		981,165		583,860		-		749,697	
Investment income	25,195		25,195		52,472		-		-		-	
Gain on exchange	-		8,109		-		-		-		-	
Total operating income	6,152,403		12,517,477		29,357,943		6,022,208		4,656,846		118,791	
Allowance for credit impairment	(11,187)		(85,251)		(129,425)		(11,187)		(16,287)		(51,470)	
Net operating income	6,141,216		12,432,226		29,228,518		6,011,021		4,640,559		67,321	
Personnel expenses	3,961,384		7,773,721		14,788,995		3,961,384		3,531,917		7,048,250	
Depreciation and amortisation	2,486,547		4,234,647		8,273,795		2,486,547		1,995,622		4,142,660	
Other expenses	2,653,061		7,338,678		11,696,316		2,562,274		3,878,934		5,667,563	
	9,100,992		19,347,046		34,759,106		9,010,205		9,406,473		16,858,473	
Loss before taxation	(2,959,776)		(6,914,820)		(5,530,588)		(2,999,184)		(4,765,914)		(7,381,465)	
Taxation	-		-		(1,627,974)		-		-		-	
Loss after taxation	(2,959,776)		(6,914,820)		(7,158,562)		(2,999,184)		(4,765,914)		(7,381,465)	
Other comprehensive income												
Items that are or may be reclassified to profit or loss												
Foreign currency translation differences												
Other comprehensive income, net of tax												
Total comprehensive loss for the year	(6,914,820)		(7,970,260)		(7,158,562)		(7,058,945)		(7,381,465)		(7,110,409)	
Profit/(Loss) attributable to:												
Owners of the Company	(6,882,960)		(7,998,412)		(7,172,574)		(7,058,945)		(7,381,465)		(7,110,409)	
Non-controlling interests	(31,860)		28,152		14,012		-		-		-	
	(6,914,820)		(7,970,260)		(7,158,562)		(7,058,945)		(7,381,465)		(7,110,409)	
Total comprehensive loss attributable to:												
Owners of the Company	(6,882,960)		(7,998,412)		(7,172,574)		(7,058,945)		(7,381,465)		(7,110,409)	
Non-controlling interests	(31,860)		28,152		14,012		-		-		-	
	(6,914,820)		(7,970,260)		(7,158,562)		(7,058,945)		(7,381,465)		(7,110,409)	

Century Banking Corporation Ltd

Consolidated and separate statements of cash flows
as at June 30, 2017

	Group		Group		Bank		Bank	
	30-Jun-17	30-Jun-16	30-Jun-16	31-Dec-16	30-Jun-17	30-Jun-16	31-Dec-16	31-Dec-16
	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
Cash flows from operating activities								
Loss before tax	(6,914,820)	(7,970,260)	(5,570,588)		(7,058,945)	(7,781,465)		(5,866,625)
<i>Adjustment for</i>								
Profit on disposal	52,321	(125,170)	(155,283)		52,321	(125,170)		(125,170)
Provisions	(85,251)	51,470	129,425		(85,251)	51,470		129,425
Net (gain) - loss on fair value of financial assets at fair value through profit or loss	(61,645)	(61,220)	(247,690)		-	-		-
Net foreign exchange gains	5,115	(118,791)	(118,477)		(6,109)	(118,791)		2
Depreciation and amortisation	4,234,647	4,142,660	8,273,795		4,234,647	4,142,660		8,273,795
	(2,769,633)	(4,681,711)	2,351,182		(3,865,337)	(3,431,296)		2,411,427
Changes in operating assets and liabilities								
Change in receivables and prepayments	37,690,502	(287,022)	(36,857,167)		37,692,176	(872,681)		(36,864,302)
Change in receivables from related companies	-	-	-		(175,500)	(283,370)		(303,495)
Change in trade and other payables	(5,966,138)	34,459,993	3,480,262		(5,570,102)	35,221,194		4,106,344
Change in intangible intangibles	(4,225,836)	(12,128,431)	(2,549,880)		(4,225,836)	(12,128,431)		(2,549,880)
Mutualshare investment accounts and demand deposits	(305,056,266)	(6,915,415)	326,161,485		(305,056,266)	(7,477,376)		325,749,324
Net cash used in operating activities	(280,327,371)	1,047,814	292,585,852		(280,280,871)	1,028,040		292,549,618
Cash flows from investing activities								
Net (Purchase); disposal of equipment	(8,522,348)	(120,456)	(3,053,986)		(8,522,348)	(120,456)		(3,053,986)
Proceeds from investments	-	383,077	375,541		-	-		-
Investment in subsidiary	-	-	-		-	-		-
Net cash used in investing activities	(8,522,348)	262,621	(2,678,445)		(8,522,348)	(120,456)		(3,053,986)
Cash flows from financing activities								
Share application monies	-	-	54,195,000		-	-		54,195,000
Issue (redemption) of shares non controlling interests	(208,060)	(401,292)	(400,000)		-	-		-
Proceeds from issue of ordinary shares	-	35,680,000	35,680,000		-	35,680,000		35,680,000
Net cash generated from financing activities	(208,060)	35,278,708	89,475,000		-	35,680,000		89,875,000
Increase/(Decrease) in cash and cash equivalents								
At January 1,	(269,049,719)	46,589,143	379,382,437		(269,723,219)	46,587,584		379,370,612
Effect of exchange rate on cash and cash equivalents	421,472,790	42,690,353	42,690,353		420,363,089	40,992,457		40,992,457
	118,791	-	-		-	118,791		-
At end of period,	132,423,071	88,798,287	421,472,790		131,639,870	87,698,832		420,363,089
<i>Cash and cash equivalents consist of</i>								
Cash in hand and balances with banks	132,423,071	88,798,287	421,472,790		131,639,870	87,698,832		420,363,089
Commodity placements through banks	-	-	-		-	-		-

Century Banking Corporation Ltd
 Unaudited statement of changes in equity
 for the period ended June 30, 2017

The Group

	Share capital	Accumulated losses	Share application monies	Foreign currency translation reserve	Non-controlling interests	Total
	MUR	MUR	MUR	MUR	MUR	MUR
Balance at January 1, 2016	345,227,000	(173,004,775)	-	-	645,275	172,867,500
<i>Transactions with owners recognised directly in equity</i>						
<i>Contributions</i>						
Issue of ordinary shares	35,680,000	-	-	-	-	35,680,000
<i>Changes in ownership interests</i>						
Redemption of shares of the minority shareholders	-	(54,240)	-	-	(347,052)	(401,292)
<i>Total comprehensive loss for the period</i>						
Loss for the period	-	(7,998,412)	-	-	28,152	(7,970,260)
<i>Other comprehensive income</i>						
Foreign currency translation difference	-	-	-	-	-	-
Balance at June 30, 2016	380,907,000	(181,057,427)	-	-	326,375	200,175,948
Balance at 01 January 2016	345,227,000	(173,004,775)	-	-	645,275	172,867,500
Issue of ordinary shares	35,680,000	-	-	-	-	35,680,000
share application monies	-	-	54,195,000	-	-	54,195,000
Dilution of interests	-	(104,726)	-	-	104,726	-
Consolidation adjustment	-	(118,481)	-	-	-	(118,481)
Redemption of minority shareholder	-	-	-	-	(400,000)	(400,000)
Transactions with owners	35,680,000	(223,207)	54,195,000	-	(295,274)	89,356,520
Loss for the year	-	(7,172,576)	-	-	14,012	(7,158,564)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	(7,172,576)	-	-	14,012	(7,158,564)
Balance at 31 December 2016	380,907,000	(180,400,558)	54,195,000	-	364,013	255,065,456
Balance at January 1, 2017	380,907,000	(180,400,558)	54,195,000	-	364,013	255,065,456
<i>Transactions with owners recognised directly in equity</i>						
Issue of ordinary shares	54,195,000	-	(54,195,000)	-	-	-
<i>Changes in ownership interests</i>						
Redemption of shares of the minority shareholders	-	-	-	-	(186,776)	(186,776)
<i>Total comprehensive loss for the period</i>						
Profit : (Loss) for the period	-	(6,882,960)	-	-	(31,860)	(6,914,820)
<i>Other comprehensive income</i>						
Foreign currency translation difference	-	-	-	-	-	-
Balance at June 30, 2017	435,102,000	(187,283,518)	-	-	145,377	247,963,860

Century Banking Corporation Ltd
 Unaudited statement of changes in equity
 for the period ended June 30, 2017

The Bank

	Share capital MUR	Accumulated losses MUR	Share application monies MUR	Total MUR
Balance at January 1, 2016	345,227,000	(168,940,762)	-	176,286,238
<i>Transactions with owners recognised directly in equity</i>				
Issue of ordinary shares	35,680,000			
Share application monies	-	-	-	-
<i>Total comprehensive loss for the period</i>				
Loss for the period	-	(7,381,465)	-	(7,381,465)
Balance at June 30, 2016	380,907,000	(176,322,227)	-	204,584,773
Balance at January 1, 2016	345,227,000	(168,940,762)	-	176,286,238
<i>Transactions with owners recognised directly in equity</i>				
<i>Contributions</i>				
Issue of ordinary shares	35,680,000			35,680,000
Share application monies	-	-	54,195,000	54,195,000
<i>Total comprehensive loss for the year</i>				
Loss for the year	-	(7,110,409)	-	(7,110,409)
Balance at December 31, 2016	380,907,000	(176,051,171)	54,195,000	259,050,829
Balance at January 1, 2017	380,907,000	(176,051,171)	54,195,000	259,050,829
<i>Transactions with owners recognised directly in equity</i>				
<i>Contributions</i>				
Issue of ordinary shares	54,195,000	-	(54,195,000)	-
<i>Total comprehensive loss for the period</i>				
Loss for the period	-	(7,058,945)	-	(7,058,945)
Balance at June 30, 2017	435,102,000	(183,110,116)	-	251,991,884

Note:

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