

COMMENTS ON THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS OF CENTURY BANKING CORPORATION LTD FOR THE PERIOD ENDED 30 JUNE 2018

Century Banking Corporation Ltd (the "Group") is pleased to submit its consolidated unaudited interim financial statements for the period ended 30 June 2018.

COMMENTS ON RESULTS

The consolidated unaudited interim financial statements for the period ended 30 June 2018 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 2017.

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

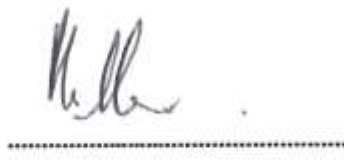
In the absence of any Islamic liquidity instrument, the Group generated total income of MUR 17.3 million compared to MUR 11.6 million for the corresponding period last year through the increase in the leasing portfolio. The profit before taxation for the Group amounted to MUR 0.7 million compared to a loss of MUR 6.9 million in 2017.

Prospects

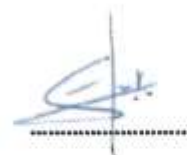
The prospects for the bank for the remaining part of 2018 looks promising with the introduction of new Islamic products and services particularly, sharia compliant home financing and savings deposit accounts. In addition, the Bank will be relocating to its new premises by the end of the third quarter of 2018 which will increase the visibility of the Bank.



Rajendra Kumar Ujoodha G.O.S.K
Director



Dr. Muniruddeen Lallmahomood
Chief Executive Officer



Shakil Moollan
Director

August 15, 2018

Century Banking Corporation Ltd
Unaudited consolidated statement of financial position
as at June 30, 2018

	Group 30-Jun-18	Group 30-Jun-17	Group 31-Dec-17	Bank 30-Jun-18	Bank 30-Jun-17	Bank 31-Dec-17
	MUR	MUR	MUR	MUR	MUR	MUR
ASSETS						
Cash and cash equivalents	77,950,892	132,423,071	88,014,628	77,125,268	131,639,870	87,113,063
Murabaha financing, net	164,058,675	158,186,647	181,569,762	164,058,675	158,186,647	181,569,762
Receivables and prepayments	22,170,454	8,500,024	12,550,729	22,170,454	8,500,025	12,488,229
Property and equipment	55,962,624	26,632,643	44,839,378	55,962,624	26,632,643	44,839,378
Receivables from related companies	-	-	-	1,440,292	775,817	1,140,317
Investment in subsidiaries	-	-	-	14,900,000	14,900,000	14,900,000
Financial assets at fair value through profit or loss	1,857,172	1,681,730	1,808,096	-	-	-
Deferred tax asset	17,673,978	19,733,092	17,673,978	17,445,491	19,498,567	17,445,491
Total assets	339,673,795	347,157,207	346,456,571	353,102,804	360,133,569	359,496,240
SHAREHOLDERS' EQUITY						
Share capital	435,102,000	435,102,000	435,102,000	435,102,000	435,102,000	435,102,000
Share application money	-	-	-	-	-	-
Accumulated losses	(186,295,197)	(187,283,518)	(186,983,211)	(181,196,667)	(183,110,116)	(181,693,400)
Equity attributable to owners of the Company	248,806,803	247,818,482	248,118,789	253,905,333	251,991,884	253,408,600
Non-controlling interests	42,627	145,377	132,067	-	-	-
Total equity	248,849,430	247,963,859	248,250,856	253,905,333	251,991,884	253,408,600
LIABILITIES						
Current tax liabilities	-	64,944	-	-	64,944	-
Trade and other payables	2,120,044	2,690,985	3,483,580	3,070,530	5,289,322	5,015,505
Mudarabah Investment Accounts	65,629,037	73,873,912	72,116,315	73,051,657	80,223,912	78,466,315
Provisions	22,778,858	22,404,560	22,417,065	22,778,858	22,404,560	22,417,065
Special charity account fund	296,426	158,947	188,755	296,426	158,947	188,755
Total liabilities	90,824,365	99,193,348	98,205,715	99,197,471	108,141,685	106,087,640
Total equity and liabilities	339,673,795	347,157,207	346,456,571	353,102,804	360,133,569	359,496,240

Century Banking Corporation Ltd
Unaudited consolidated statements of profit or loss and other comprehensive income
for the period ended June 30, 2018

	GROUP					BANK				
	Quarter Ended 30-Jun 2018 MUR	Quarter Ended 30-Jun 2017 MUR	Period Ended 30-Jun 2018 MUR	Period Ended 30-Jun 2017 MUR	Year Ended 31-Dec 2017 MUR	Quarter Ended 30-Jun 2018 MUR	Quarter Ended 30-Jun 2017 MUR	Period Ended 30-Jun 2018 MUR	Period Ended 30-Jun 2017 MUR	Year Ended 31-Dec 2017 MUR
Income from:										
Murabaha financing	2,014,680	3,092,334	4,464,848	7,354,781	12,304,309	2,014,680	3,092,334	4,464,848	7,354,781	12,304,309
Ijarah financing	7,328,934	2,882,136	13,385,123	5,116,361	23,249,722	7,328,934	2,882,136	13,385,123	5,116,361	23,249,722
	9,343,614	5,974,470	17,849,971	12,471,142	35,554,031	9,343,614	5,974,470	17,849,971	12,471,142	35,554,031
Income attributable to investment account holders	(220,977)	(431,122)	(592,342)	(913,315)	(3,072,798)	(263,767)	(536,122)	(682,757)	(1,080,002)	(3,376,798)
	9,122,637	5,543,348	17,257,629	11,557,827	32,481,233	9,079,847	5,438,348	17,167,214	11,391,140	32,177,233
Net trading income	-	-	-	14,182	840,446	-	-	-	14,182	840,446
Net fees and commission income	856,461	583,860	1,032,661	912,164	861,711	856,461	583,860	1,032,661	912,164	861,711
Investment income	34,027	25,195	34,027	25,195	41,668	-	-	-	-	-
Fair value gain on financial assets through profit or loss	39,002	-	39,002	8,109	188,011	-	-	-	8,109	-
Total operating income	10,052,127	6,152,403	18,363,319	12,517,477	34,413,069	9,936,308	6,022,208	18,199,875	12,325,595	33,879,390
Allowance for credit impairment	18,757	(11,187)	(10,136)	(85,251)	(97,756)	18,757	(11,187)	(10,136)	(85,251)	(97,756)
Net operating income	10,070,884	6,141,216	18,353,183	12,432,226	34,315,313	9,955,065	6,011,021	18,189,739	12,240,344	33,781,634
Personnel expenses	3,111,265	3,961,384	5,974,944	7,773,721	14,867,034	3,111,265	3,961,384	5,974,944	7,773,721	14,867,034
Depreciation and amortisation	4,466,104	2,486,547	6,470,260	4,234,647	10,224,044	4,466,104	2,486,547	6,470,260	4,234,647	10,224,044
Other expenses	2,196,364	2,653,061	5,219,479	7,338,678	13,779,921	2,218,935	2,562,274	5,247,802	7,290,921	12,279,709
	9,773,733	9,100,992	17,664,683	19,347,046	38,870,999	9,796,304	9,010,205	17,693,006	19,299,289	37,370,787
Loss before taxation	297,151	(2,959,776)	688,500	(6,914,820)	(4,555,686)	158,761	(2,999,184)	496,733	(7,058,945)	(3,589,153)
Taxation	-	-	-	-	(2,059,114)	-	-	-	-	(2,053,076)
Loss after taxation	297,151	(2,959,776)	688,500	(6,914,820)	(6,614,800)	158,761	(2,999,184)	496,733	(7,058,945)	(5,642,229)
Other comprehensive income										
<i>Items that are or may be reclassified to profit or loss</i>										
Foreign currency translation differences			-	-	-			-	-	-
Other comprehensive income, net of tax			-	-	-			-	-	-
Total comprehensive loss for the year			688,500	(6,914,820)	(6,614,800)			496,733	(7,058,945)	(5,642,229)
Profit/(Loss) attributable to:										
Owners of the Company			688,014	(6,882,960)	(6,613,932)			496,733	(7,058,945)	(5,642,229)
Non-controlling interests			486	(31,860)	(668)			-	-	-
			688,500	(6,914,820)	(6,614,600)			496,733	(7,058,945)	(5,642,229)
Total comprehensive loss attributable to:										
Owners of the Company			688,014	(6,882,960)	(6,613,932)			496,733	(7,058,945)	(5,642,229)
Non-controlling interests			486	(31,860)	(668)			-	-	-
			688,500	(6,914,820)	(6,614,600)			496,733	(7,058,945)	(5,642,229)

Century Banking Corporation Ltd
Consolidated and separate statements of cash flows
as at June 30, 2018

	Group 30-Jun-18 MUR	Group 30-Jun-17 MUR	Group 31-Dec-17 MUR	Bank 30-Jun-18 MUR	Bank 30-Jun-17 MUR	Bank 31-Dec-17 MUR
Cash flows from operating activities						
Loss before tax	688,500	(6,914,820)	(4,555,486)	496,733	(7,058,945)	(3,589,153)
<i>Adjustment for:</i>						
Profit/loss on disposal	(63,772)	52,321	(142,538)	(63,772)	52,321	(142,538)
Provisions	(10,136)	(85,251)	97,756	(10,136)	(85,251)	97,756
Net (gain) / loss on fair value of financial assets at fair value through profit or k	(39,002)	(61,645)	(188,011)	-	-	-
Net foreign exchange gains	-	5,115	-	-	(8,109)	-
Depreciation and amortisation	6,470,260	4,234,647	10,224,044	6,470,260	4,234,647	10,224,044
	7,045,850	(2,769,633)	5,435,765	6,893,085	(2,865,337)	6,590,109
Changes in operating assets and liabilities						
Change in receivables and prepayments	(9,619,725)	37,690,502	33,639,798	(9,682,225)	37,692,170	33,703,966
Change in receivables from related companies	-	-	-	(299,975)	(175,500)	(540,000)
Change in trade and other payables	(1,255,865)	(5,966,138)	(5,143,735)	(1,837,304)	(5,570,102)	(5,814,111)
Change in murabaha financing	17,511,087	(4,225,836)	(27,608,951)	17,511,087	(4,225,836)	(27,608,951)
Mudabarah investment accounts and demand deposits	(6,487,278)	(305,056,266)	(306,813,863)	(5,414,658)	(305,056,266)	(306,813,863)
Tax paid	-	-	(64,944)	-	-	(64,944)
Net cash used in operating activities	7,194,069	(280,327,371)	(300,555,930)	7,170,010	(280,200,871)	(300,547,794)
Cash flows from investing activities						
Net (Purchase) / disposal of equipment	(17,157,805)	(8,522,348)	(32,702,232)	(17,157,805)	(8,522,348)	(32,702,232)
Proceeds from investments	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-
Net cash used in investing activities	(17,157,805)	(8,522,348)	(32,702,232)	(17,157,805)	(8,522,348)	(32,702,232)
Cash flows from financing activities						
Share application monies	-	-	-	-	-	-
Issue / (redemption) of shares non controlling interests	(100,000)	(200,000)	(200,000)	-	-	-
Proceeds from issue of ordinary shares	-	-	-	-	-	-
Net cash generated from financing activities	(100,000)	(200,000)	(200,000)	-	-	-
Increase/(Decrease) in cash and cash equivalents	(10,063,736)	(289,049,719)	(333,458,162)	(9,987,795)	(288,723,219)	(333,250,026)
At January 1,	88,014,628	421,472,790	421,472,790	87,113,063	420,363,089	420,363,089
Effect of exchange rate on cash and cash equivalents	-	-	-	-	-	-
At end of period,	77,950,892	132,423,071	88,014,628	77,125,268	131,639,870	87,113,063
<i>Cash and cash equivalents consist of:</i>						
Cash in hand and balances with banks	77,950,892	132,423,071	88,014,628	77,125,268	131,639,870	87,113,063
Commodity placements through banks	-	-	-	-	-	-
	77,950,892	132,423,071	88,014,628	77,125,268	131,639,870	87,113,063

Century Banking Corporation Ltd
Unaudited statement of changes in equity
for the period ended June 30, 2018

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, 2017	380,907,000	(180,400,556)	54,195,000	-	364,012	255,065,456
<i>Transactions with owners recognised directly in equity:</i>						
<i>Contributions</i>						
Issue of ordinary shares	54,195,000	-	(54,195,000)	-	-	-
<i>Changes in ownership interests</i>						
Redemption of shares of the minority shareholders	-	-	-	-	(186,777)	(186,777)
<i>Total comprehensive loss for the period:</i>						
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	(187,283,516)	-	-	145,375	247,963,859
Balance at 01 January 2017	380,907,000	(180,400,556)	54,195,000	-	364,012	255,065,456
Issue of ordinary shares	54,195,000	-	(54,195,000)	-	-	-
share application monies	-	-	-	-	-	-
Dilution of interests	-	31,277	-	-	(31,277)	-
Redemption of minority shareholder	-	-	-	-	(200,000)	(200,000)
Transactions with owners	54,195,000	31,277	(54,195,000)	-	(231,277)	(200,000)
Loss for the year	-	(6,613,932)	-	-	(668)	(6,614,600)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	(6,613,932)	-	-	(668)	(6,614,600)
Balance at 31 December 2017	435,102,000	(186,983,211)	-	-	132,067	248,250,856
Balance at January 1, 2018	435,102,000	(186,983,211)	-	-	132,067	248,250,856
<i>Transactions with owners recognised directly in equity:</i>						
<i>Issue of ordinary shares</i>						
Issue of ordinary shares	-	-	-	-	-	-
<i>Changes in ownership interests</i>						
Redemption of shares of the minority shareholders	-	-	-	-	-	-
Dilution of minority interests	-	-	-	-	(89,926)	(89,926)
<i>Total comprehensive loss for the period:</i>						
Profit / (Loss) for the period	-	688,014	-	-	486	688,500
<i>Other comprehensive income</i>						
Foreign currency translation difference	-	-	-	-	-	-
Balance at June 30, 2018	435,102,000	(186,295,197)	-	-	42,627	248,849,430

Century Banking Corporation Ltd
Unaudited statement of changes in equity
for the period ended June 30, 2018

The Bank

	Share capital MUR	Accumulated losses MUR	Share application monies MUR	Total MUR
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>				
Issue of ordinary shares	54,195,000		(54,195,000)	
Share application monies	-	-	-	-
<i>Total comprehensive loss for the period:</i>				
Loss for the period	-	(7,058,945)	-	(7,058,945)
Balance at June 30, 2017	<u>435,102,000</u>	<u>(183,110,116)</u>	<u>-</u>	<u>251,991,884</u>
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)	-
Share application monies	-	-	-	-
<i>Total comprehensive loss for the year:</i>				
Loss for the year	-	(5,642,229)	-	(5,642,229)
Balance at December 31, 2017	<u>435,102,000</u>	<u>(181,693,400)</u>	<u>-</u>	<u>253,408,600</u>
Balance at January 1, 2018	435,102,000	(181,693,400)	-	253,408,600
<i>Transactions with owners recognised directly in equity:</i>				
<i>Contributions</i>				
Issue of ordinary shares	-	-	-	-
<i>Total comprehensive loss for the period:</i>				
Profit for the period	-	496,733	-	496,733
Balance at June 30, 2018	<u>435,102,000</u>	<u>(181,196,667)</u>	<u>-</u>	<u>253,905,333</u>

Note:

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