

COMMENTS ON THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS OF CENTURY BANKING CORPORATION LTD FOR THE PERIOD ENDED 30 JUNE 2014

Century Banking Corporation Ltd (the "Group") is pleased to submit its consolidated unaudited interim financial statements for the period ended 30 June 2014.

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 2013.

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.

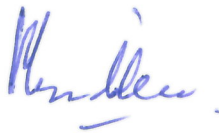
Results

In the absence of any Islamic liquidity instrument, the Group generated total income of MUR 6.4 million compared to MUR 12.0 million for the corresponding period last year. Following an internal restructuring, the Bank reduced its total expense figure to MUR 16.1 million for the period ended 30 June 2014 compared to MUR 30.6 million for the corresponding period last year. The loss before taxation for the period decreased to MUR 8.2 million as compared to MUR 16.1 million in 2013.

Prospects

The Bank is continuing to consolidate its corporate financing activities and investment banking products offering to the market.

The Group has also launched the first 100% local Shari'a compliant fund in July 2014 and will be introducing new products and services during the third and fourth quarter of 2014.



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



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Hesham Shokry
Director



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Khaled Nazmy
Director

August 4, 2014

CENTURY BANKING CORPORATION LTD

Consolidated and separate statements of financial position

for the period ended June 30, 2014

	GROUP		BANK	
	30-Jun 2014 MUR	30-Jun 2013 MUR	30-Jun 2014 MUR	31-Dec 2013 MUR
ASSETS				
Cash and cash equivalents	30,498,408	8,595,157	30,241,681	14,731,055
Commodity placements through banks	35,000,000	38,000,000	35,000,000	49,000,000
Murabaha financing, net	106,204,977	136,785,858	106,204,977	107,989,729
Receivables and prepayments	8,702,234	7,794,317	8,573,167	7,815,826
Property, plant and equipment	4,883,941	9,448,182	4,883,941	8,505,611
Investment in subsidiary	-	-	14,900,000	14,900,000
Deferred tax asset	19,282,410	14,738,069	18,716,460	17,564,426
Total assets	204,571,970	215,361,583	218,520,226	220,506,647
SHAREHOLDERS' EQUITY				
Share capital	315,227,000	260,120,000	315,227,000	310,120,000
Share application monies	15,376,000	50,000,000	15,376,000	5,107,000
Accumulated losses	(129,754,834)	(99,897,778)	(127,249,561)	(119,529,063)
Foreign currency translation reserve	61,286	(7,435)	-	-
Total equity	200,909,452	210,214,787	203,353,439	195,697,937
LIABILITIES				
Current tax liabilities	64,944	64,944	64,944	64,944
Trade and other payables	3,597,574	5,081,852	15,101,843	24,743,766
Special Charity Account Fund	-	-	-	-
Total liabilities	3,662,518	5,146,796	15,166,787	24,808,710
Total equity and liabilities	204,571,970	215,361,583	218,520,226	220,506,647

CENTURY BANKING CORPORATION LTD

Consolidated and separate statements of profit or loss and other comprehensive income

for the period ended June 30, 2014

	GROUP				BANK			
	Quarter Ended 30-Jun 2014 MUR	Quarter Ended 30-Jun 2013 MUR	Period Ended 30-Jun 2014 MUR	Year Ended 31-Dec 2013 MUR	Quarter Ended 30-Jun 2014 MUR	Quarter Ended 30-Jun 2013 MUR	Period Ended 30-Jun 2014 MUR	Year Ended 31-Dec 2013 MUR
Income from:								
Murabaha financing	2,322,599	3,488,755	4,884,374	13,787,263	2,322,599	3,488,755	4,884,374	13,787,263
Ijarah financing	112,360	15,542	224,719	262,173	112,360	15,542	224,719	262,173
Commodity placements through banks	436,274	267,566	954,849	1,346,213	436,274	267,566	954,849	1,346,213
Investments								
Fees	177,987	4,050,000	329,737	4,381,484	177,987	4,050,000	329,737	4,381,484
Operating income	3,049,220	7,821,863	6,393,679	19,777,133	3,049,220	7,821,863	6,393,679	19,777,133
Personnel expenses	2,809,171	11,028,800	6,097,411	36,548,506	2,511,586	11,028,800	5,501,832	35,512,154
Operating lease expense	353,405	1,166,596	724,521	4,555,121	353,405	1,166,596	724,521	4,555,121
Depreciation and amortisation	599,482	953,984	1,192,304	3,993,891	595,498	953,984	1,192,304	3,993,891
Allowance for credit impairment	26,210	(158,035)	(16,665)	(560,103)	26,210	(158,035)	(16,665)	(560,103)
Other expenses	4,983,220	4,166,219	8,134,498	18,521,729	4,712,941	2,759,234	7,864,219	18,104,512
	8,771,488	17,157,564	16,132,069	63,059,144	8,199,640	15,750,579	15,266,211	61,605,575
Loss before taxation	(5,722,268)	(9,335,701)	(9,738,390)	(43,282,011)	(5,150,420)	(7,928,716)	(8,872,532)	(41,828,442)
Taxation	-	-	1,499,948	5,543,948	-	-	1,152,034	5,325,913
Total comprehensive loss for the year	(5,722,268)	(9,335,701)	(8,238,442)	(37,738,063)	(5,150,420)	(7,928,716)	(7,720,498)	(36,502,529)
Other comprehensive income								
<i>Items that are or may be reclassified to profit or loss</i>								
Foreign currency translation differences	(323,039)	(193,027)	(323,039)	198,733	-	-	-	-
Other comprehensive income, net of tax	(323,039)	(193,027)	(323,039)	198,733	-	-	-	-
Total comprehensive loss for the year	(8,561,481)	(16,312,476)	(8,561,481)	(37,539,330)	(7,720,498)	(15,499,578)	(7,720,498)	(36,502,529)

CENTURY BANKING CORPORATION LTD

**Consolidated and separate statements of cash flows
for the period ended June 30, 2014**

	GROUP			BANK		
	30-Jun 2014 MUR	30-Jun 2013 MUR	31-Dec 2013 MUR	30-Jun 2014 MUR	30-Jun 2013 MUR	31-Dec 2013 MUR
Cash flows from operating activities						
Loss before tax	(9,738,390)	(18,622,680)	(43,282,011)	(8,872,532)	(17,898,550)	(41,828,442)
<i>Adjustment for:</i>						
(Profit) / Loss on disposal	972,206	-	(449,566)	972,206	-	(449,566)
Provisions	1,458,309	-	6,800,000	1,458,309	-	6,800,000
Depreciation and amortisation	1,192,304	1,905,406	3,993,891	1,192,304	1,905,406	3,993,891
	(6,115,571)	(16,717,274)	(32,937,686)	(5,249,713)	(15,993,144)	(31,484,117)
Changes in operating assets and liabilities						
Change in receivables and prepayments	(409,589)	(7,626,453)	(2,769,075)	(757,341)	(7,626,454)	(2,292,257)
Change in current account with subsidiary	-	-	-	-	-	644,295
Change in trade and other payables	(8,792,902)	(24,125,280)	(22,976,035)	(9,641,922)	(25,045,609)	(25,338,870)
Change in corporate financing	1,784,752	33,095,890	55,892,019	1,784,752	33,095,890	55,892,019
Tax paid	-	-	-	-	-	-
Net cash used in from operating activities	(13,533,310)	(15,373,117)	(2,790,777)	(13,864,224)	(15,569,317)	(2,578,930)
Investing activities						
Purchase of equipment	(1,150)	(86,383)	(1,282,733)	(1,150)	(86,383)	(1,282,733)
Proceed from disposal of property, plant and equipment	-	-	500,000	-	-	500,000
Investment in subsidiary	-	-	-	-	-	-
Net cash used in investing activities	(1,150)	(86,383)	(782,733)	(1,150)	(86,383)	(782,733)
Financing activities						
Share application monies	15,376,000	-	5,107,000	15,376,000	-	5,107,000
Proceeds from issue of ordinary shares	-	-	-	-	-	-
Net cash generated from financing activities	15,376,000	-	5,107,000	15,376,000	-	5,107,000
Increase / (Decrease) in cash and cash equivalents	1,841,540	(15,459,500)	1,533,490	1,510,626	(15,655,700)	1,745,337
At beginning of period,	63,979,907	62,247,684	62,247,684	63,731,055	61,985,718	61,985,718
Effect of exchange rate on cash and cash equivalents	(323,039)	(193,027)	198,733	-	-	-
At end of period,	65,498,408	46,595,157	63,979,907	65,241,681	46,330,018	63,731,055
<i>Cash and cash equivalents consist of:</i>						
Cash in hand and balances with banks	30,498,408	8,595,157	14,979,907	30,241,681	8,330,018	14,731,055
Commodity placements through banks	35,000,000	38,000,000	49,000,000	35,000,000	38,000,000	49,000,000
	65,498,408	46,595,157	63,979,907	65,241,681	46,330,018	63,731,055

Century Banking Corporation Ltd

Consolidated and separate statements of changes in equity
for the period ended June 30, 2014

The Group

	Share capital	Accumulated losses	Share application monies	Foreign currency translation reserve	Total
	MUR	MUR	MUR	MUR	MUR
Balance at January 1, 2013	260,120,000	(83,778,329)	50,000,000	185,592	226,527,263
<i>Transactions with owners recognised directly in equity:</i>					
<i>Contributions</i>					
Share application monies	-	-	-	-	-
<i>Total comprehensive loss for the period:</i>					
Loss for the period	-	(16,119,449)	-	-	(16,119,449)
<i>Other comprehensive income</i>					
Foreign currency translation difference	-	-	-	(193,027)	(193,027)
Balance at June 30, 2013	<u>260,120,000</u>	<u>(99,897,778)</u>	<u>50,000,000</u>	<u>(7,435)</u>	<u>210,214,787</u>
Balance at January 1, 2013	260,120,000	(83,778,329)	50,000,000	185,592	226,527,263
<i>Transactions with owners recognised directly in equity:</i>					
Issue of ordinary shares	50,000,000	-	(50,000,000)	-	-
<i>Contributions</i>					
Share application monies	-	-	5,107,000	-	5,107,000
<i>Total comprehensive loss for the year:</i>					
Loss for the year	-	(37,738,063)	-	-	(37,738,063)
<i>Other comprehensive income</i>					
Foreign currency translation difference	-	-	-	198,733	198,733
Balance at December 31, 2013	<u>310,120,000</u>	<u>(121,516,392)</u>	<u>5,107,000</u>	<u>384,325</u>	<u>194,094,933</u>
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>					
<i>Contributions</i>					
Share application monies	5,107,000	-	10,269,000	-	15,376,000
<i>Total comprehensive loss for the period:</i>					
Loss for the period	-	(8,238,442)	-	-	(8,238,442)
<i>Other comprehensive income</i>					
Foreign currency translation difference	-	-	-	(323,039)	(323,039)
Balance at June, 2014	<u>315,227,000</u>	<u>(129,754,834)</u>	<u>15,376,000</u>	<u>61,286</u>	<u>200,909,452</u>

The Bank

	Share capital	Accumulated losses	Share application monies	Total
	MUR	MUR	MUR	MUR
Balance at January 1, 2013	260,120,000	(83,026,534)	50,000,000	227,093,466
<i>Transactions with owners recognised directly in equity:</i>				
<i>Contributions</i>				
Issue of ordinary shares	-	-	-	-
<i>Total comprehensive loss for the period:</i>				
Loss for the period	-	(15,499,578)	-	(15,499,578)
Balance at June 30, 2013	<u>260,120,000</u>	<u>(98,526,112)</u>	<u>50,000,000</u>	<u>211,593,888</u>
Balance at January 1, 2013	260,120,000	(83,026,534)	50,000,000	227,093,466
<i>Transactions with owners recognised directly in equity:</i>				
<i>Contributions</i>				
Issue of ordinary shares	50,000,000	-	(50,000,000)	-
Share application monies	-	-	5,107,000	5,107,000
<i>Total comprehensive loss for the year:</i>				
Loss for the year	-	(36,502,529)	-	(36,502,529)
Balance at December 31, 2013	<u>310,120,000</u>	<u>(119,529,063)</u>	<u>5,107,000</u>	<u>195,697,937</u>
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	5,107,000	-	10,269,000	15,376,000
<i>Total comprehensive loss for the period:</i>				
Loss for the period	-	(7,720,498)	-	(7,720,498)
Balance at June 30, 2014	<u>315,227,000</u>	<u>(127,249,561)</u>	<u>15,376,000</u>	<u>203,353,439</u>

Note:

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