

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

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

COMMENTS ON RESULTS

The consolidated unaudited interim financial statements for the period ended 30 September 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

The Group generated total income of MUR 9.6 million compared to MUR 15.6 million for the corresponding period last year. However, the revenue figure for last year included a receivable amount of MUR 4.0 million for the overseas advisory deal, out of which a provision of MUR 1.8 million was accounted for as bad debt, in last year's audited financial statements.

Following an internal restructuring, the Bank reduced its total expense figure to MUR 22.3 million for the period compared to MUR 43.9 million for the corresponding period last year. The loss before taxation for the period decreased to MUR 12.7 million as compared to MUR 28.2 million in 2013.

Prospects

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

The Group launched the first 100% local Shari'a compliant fund in July and has also introduced the first Islamic structured product and investment accounts.

Other Islamic investment products and banking services will also be introduced during the last quarter of 2014.



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



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Hesham Shokry
Director



.....
Andre Gilles
Director

October 10, 2014

CENTURY BANKING CORPORATION LTD

Consolidated and separate statements of financial position
for the period ended September 30, 2014

	GROUP				BANK			
	30-Sep	30-Sep	31-Dec	30-Sep	30-Sep	31-Dec	30-Sep	31-Dec
	2014	2013	2013	2014	2013	2013	2013	2013
	MUR	MUR	MUR	MUR	MUR	MUR	MUR	MUR
ASSETS								
Cash and cash equivalents	44,433,365	9,006,714	14,979,907	44,169,953	8,744,319	14,731,055	8,744,319	14,731,055
Commodity placements through banks	-	51,000,000	49,000,000	-	51,000,000	49,000,000	51,000,000	49,000,000
Murabaha financing, net	112,730,194	112,732,014	107,989,729	112,730,194	112,732,014	107,989,729	112,732,014	107,989,729
Receivables and prepayments	13,146,506	9,010,881	8,292,645	14,600,303	8,561,822	7,815,826	8,561,822	7,815,826
Property, plant and equipment	10,750,531	8,493,964	8,505,611	10,750,531	8,493,964	8,505,611	8,493,964	8,505,611
Investments	5,000,000	-	-	14,900,000	14,900,000	14,900,000	14,900,000	14,900,000
Deferred tax asset	19,282,409	15,769,773	17,782,461	18,716,459	15,769,774	17,564,426	15,769,774	17,564,426
Total assets	205,343,005	206,013,346	206,550,353	215,867,440	220,201,893	220,506,647	220,201,893	220,506,647
SHAREHOLDERS' EQUITY								
Share capital	330,227,000	260,120,000	310,120,000	330,227,000	260,120,000	310,120,000	260,120,000	310,120,000
Share application monies	-	50,000,000	5,107,000	-	50,000,000	5,107,000	50,000,000	5,107,000
Accumulated losses	(133,071,339)	(108,840,822)	(121,516,392)	(130,000,314)	(107,764,624)	(119,529,063)	(107,764,624)	(119,529,063)
Foreign currency translation reserve	-	185,592	384,325	-	-	-	-	-
Total equity	197,155,661	201,464,770	194,094,933	200,226,686	202,355,376	195,697,937	202,355,376	195,697,937
LIABILITIES								
Current tax liabilities	64,944	64,944	64,944	64,944	64,944	64,944	64,944	64,944
Trade and other payables	8,122,400	4,483,632	12,390,476	15,575,810	17,781,573	24,743,766	17,781,573	24,743,766
Special Charity Account Fund	-	-	-	-	-	-	-	-
Total liabilities	8,187,344	4,548,576	12,455,420	15,640,754	17,846,517	24,808,710	17,846,517	24,808,710
Total equity and liabilities	205,343,005	206,013,346	206,550,353	215,867,440	220,201,893	220,506,647	220,201,893	220,506,647

CENTURY BANKING CORPORATION LTD

Consolidated and separate statements of profit or loss and other comprehensive income
for the period ended September 30, 2014

	GROUP												BANK			
	Quarter Ended		Quarter Ended		Period Ended		Year Ended		Quarter Ended		Period Ended		Year Ended			
	30-Sep 2014	30-Sep 2013	30-Sep 2014	30-Sep 2013	30-Sep 2014	30-Sep 2013	31-Dec 2013	30-Sep 2014	30-Sep 2013	30-Sep 2014	30-Sep 2013	31-Dec 2013	30-Sep 2014	31-Dec 2013		
Income from																
Murabaha financing	2,452,996	3,099,409	7,317,370	10,398,848	13,787,263	13,787,263	2,452,996	3,099,409	7,317,370	10,398,848	13,787,263	2,452,996	3,099,409	7,317,370		
Fiqhah financing	398,022	29,889	622,741	29,889	262,173	262,173	398,022	29,889	622,741	29,889	262,173	398,022	29,889	262,173		
Commodity placements through banks	197,151	510,433	1,152,000	831,473	1,346,213	1,346,213	197,151	510,433	1,152,000	831,473	1,346,213	197,151	510,433	1,346,213		
Investments																
Fees	141,063	-	470,800	4,368,984	4,381,484	4,381,484	141,063	-	470,800	4,368,984	4,381,484	141,063	-	470,800		
Operating income	3,109,232	3,639,731	9,562,911	15,629,194	19,777,133	19,777,133	3,109,232	3,639,731	9,562,911	15,629,194	19,777,133	3,109,232	3,639,731	9,562,911		
Personnel expenses	3,364,420	9,969,103	9,573,215	30,045,213	36,548,506	36,548,506	3,364,420	9,969,103	9,573,215	30,045,213	36,548,506	3,364,420	9,969,103	9,573,215		
Operating lease expense	366,506	1,123,014	1,091,027	3,446,061	4,555,121	4,555,121	366,506	1,123,014	1,091,027	3,446,061	4,555,121	366,506	1,123,014	4,555,121		
Depreciation and amortisation	1,893,980	954,217	3,086,285	2,859,623	3,993,891	3,993,891	1,893,980	954,217	3,086,285	2,859,623	3,993,891	1,893,980	954,217	3,086,285		
Allowance for credit impairment	65,252	(240,538)	48,588	(512,680)	(360,103)	(360,103)	65,252	(240,538)	48,588	(512,680)	(360,103)	65,252	(240,538)	(360,103)		
Other expenses	867,453	2,842,043	8,470,778	8,084,730	18,521,729	18,521,729	867,453	2,842,043	8,470,778	8,084,730	18,521,729	867,453	2,842,043	8,470,778		
	6,557,011	14,047,839	23,269,893	43,922,947	63,059,144	63,059,144	5,919,983	14,047,839	23,269,893	43,922,947	63,059,144	5,919,983	14,047,839	23,269,893		
Loss before taxation	3,388,379	(11,008,108)	(12,706,982)	(28,293,753)	(43,282,011)	(43,282,011)	(2,750,751)	(10,370,802)	(11,623,286)	(28,269,351)	(41,828,442)	(2,750,751)	(10,370,802)	(11,623,286)		
Taxation	-	3,231,261	1,152,034	3,231,261	5,543,948	5,543,948	-	3,231,261	1,152,034	3,231,261	5,543,948	-	3,231,261	5,543,948		
Total comprehensive loss for the year	3,388,379	(7,776,847)	(11,554,948)	(25,062,492)	(37,738,063)	(37,738,063)	(2,750,751)	(6,839,541)	(10,471,252)	(24,738,090)	(36,502,529)	(2,750,751)	(6,839,541)	(10,471,252)		
Other comprehensive income																
Items that are or may be reclassified to profit or loss																
Foreign currency translation differences	-	-	-	-	198,733	198,733	-	-	-	-	-	-	-	-		
Other comprehensive income, net of tax	-	-	-	-	198,733	198,733	-	-	-	-	-	-	-	-		
Total comprehensive loss for the year	(11,554,948)	(7,578,114)	(11,554,948)	(25,062,492)	(37,539,330)	(37,539,330)	(2,750,751)	(6,839,541)	(10,471,252)	(24,738,090)	(36,502,529)	(2,750,751)	(6,839,541)	(10,471,252)		

CENTURY BANKING CORPORATION LTD

Consolidated and separate statements of cash flows
for the quarter ended September 30, 2014

	GROUP			BANK		
	30-Sep 2014 MUR	30-Sep 2013 MUR	31-Dec 2013 MUR	30-Sep 2014 MUR	30-Sep 2013 MUR	31-Dec 2013 MUR
Cash flows from operating activities						
Loss before tax	(12,706,982)	(28,293,753)	(43,282,011)	(11,623,286)	(28,269,351)	(41,828,442)
<i>Adjustment for:</i>						
(Profit) / Loss on disposal	-	-	(449,566)	-	-	(449,566)
Retranslation adjustment	(732,239)	(575,107)	-	-	-	-
Provisions	-	-	6,800,000	-	-	6,800,000
Depreciation and amortisation	3,086,285	2,859,623	3,993,891	3,086,285	2,859,623	3,993,891
	(10,352,936)	(26,009,237)	(32,937,686)	(8,537,001)	(25,409,728)	(31,484,117)
Changes in operating assets and liabilities						
Change in receivables and prepayments	(4,853,861)	(3,487,312)	(2,769,075)	(6,784,477)	(2,393,957)	(2,292,257)
Change in current account with subsidiary	-	-	-	-	-	644,295
Change in trade and other payables	(4,268,076)	(24,006,505)	(22,976,035)	(9,167,956)	(25,501,063)	(25,338,870)
Change in corporate financing	(4,740,465)	51,149,734	55,892,019	(4,740,464)	51,149,732	55,892,019
Tax paid	-	-	-	-	-	-
Net cash used in from operating activities	(24,215,338)	(2,353,320)	(2,790,777)	(29,229,898)	(2,155,016)	(2,578,930)
Investing activities						
Purchase of equipment	(5,331,204)	(86,383)	(1,282,733)	(5,331,204)	(86,383)	(1,282,733)
Proceed from disposal of property, plant and equipment	-	-	500,000	-	-	500,000
Investment	(5,000,000)	-	-	-	-	-
Net cash used in investing activities	(10,331,204)	(86,383)	(782,733)	(5,331,204)	(86,383)	(782,733)
Financing activities						
Share application monies	-	-	5,107,000	-	-	5,107,000
Proceeds from issue of ordinary shares	15,000,000	-	-	15,000,000	-	-
Net cash generated from financing activities	15,000,000	-	5,107,000	15,000,000	-	5,107,000
Increase / (Decrease) in cash and cash equivalents	(19,546,542)	(2,439,703)	1,533,490	(19,561,102)	(2,241,399)	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	-	198,733	198,733	-	-	-
At end of period,	44,433,365	60,006,714	63,979,907	44,169,953	59,744,319	63,731,055
<i>Cash and cash equivalents consist of:</i>						
Cash in hand and balances with banks	44,433,365	9,006,714	14,979,907	44,169,953	8,744,319	14,731,055
Commodity placements through banks	-	51,000,000	49,000,000	-	51,000,000	49,000,000
	44,433,365	60,006,714	63,979,907	44,169,953	59,744,319	63,731,055

CENTURY BANKING CORPORATION LTD

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

The Group

	Share capital MUR	Accumulated losses MUR	Share application monies MUR	Foreign currency translation reserve MUR	Total 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	-	(25,062,493)	-	-	(25,062,493)
<i>Other comprehensive income</i>					
Foreign currency translation difference	-	-	-	-	-
Balance at September 30, 2013	260,120,000	(108,840,822)	50,000,000	185,592	201,464,770
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>					
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	310,120,000	(121,516,392)	5,107,000	384,325	194,094,933
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	20,107,000	-	(5,107,000)	-	15,000,000
<i>Total comprehensive loss for the period</i>					
Loss for the period	-	(11,554,947)	-	-	(11,554,947)
<i>Other comprehensive income</i>					
Foreign currency translation difference	-	-	-	(384,325)	(384,325)
Balance at September 30, 2014	330,227,000	(133,071,339)	-	-	197,155,661

The Bank

	Share capital MUR	Accumulated losses MUR	Share application monies MUR	Total 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	-	(24,738,090)	-	(24,738,090)
Balance at September 30, 2013	260,120,000	(107,764,624)	50,000,000	202,355,376
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	310,120,000	(119,529,063)	5,107,000	195,697,937
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	20,107,000	-	(5,107,000)	15,000,000
<i>Total comprehensive loss for the period</i>				
Loss for the period	-	(10,471,251)	-	(10,471,251)
Balance at September 30, 2014	330,227,000	(130,000,314)	-	200,226,686

Note:

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