



First Capital

FIRST CAPITAL HOLDINGS PLC

COMPANY PROFILE

First Capital Holdings PLC (the Company or First Capital) is a full service investment bank providing a diverse range of advisory services and financial products.

We currently serve an array of companies, institutions, government agencies, high net worth individuals and retail clients both international and local, who seek truly objective advice, innovative solutions and execution expertise.

We operate throughout Sri Lanka via offices in Colombo, Kandy, Matara, Kurunegala and Negombo.

Our global outreach continues to expand through institutional trading and investment product placement.

As a company listed on the Colombo Stock Exchange (CSE) since 1994 (Ticker: CFVF), we exemplify requisite financial transparency and governance standards.

Reflecting credit fundamentals including a robust capital structure, liquidity, risk controls and earnings profile, we are rated A- by ICRA Lanka Limited.

First Capital have long held that our corporate philosophy and values encompassing ethics, integrity and professionalism help us build a distinct presence in the industry that

we compete in. We are mindful of our reputation for integrity, whilst we pursue our financial goals, which is a quality that helps us attract and retain clients and which is essential to our sustainability.

OPERATIONAL STRUCTURE

First Capital relies on the amalgam of distinct assets and capabilities of its subsidiaries to provide full service investment banking. We operate under a clear structure that segregates subsidiaries by fund based and fee based services helping us align with our clients' objectives and deliver integrated solutions.



Where required, business units are licensed to operate in their respective markets and regulated as applicable by the Securities and Exchange

Commission of Sri Lanka (SEC) and the Central Bank of Sri Lanka (CBSL).

OUR SERVICE OFFERING

Our entrepreneurial roots go back to 1982, with the establishment of First Capital Treasuries PLC, Sri Lanka's first non-bank Primary Dealer.

First Capital's collaborative culture and multiple capabilities are a result of organic and inorganic growth over the years.

Harnessing over 35 years of expertise, the Company through its subsidiaries (collectively the Group) offer comprehensive solutions through an amalgamation of assets and capabilities required to facilitate full service investment banking.

We deftly leverage on opportunities created through the dynamics of the markets in which we operate and have gained distinct competitive advantage in our core businesses.

Diversity in products and services helps reinforce our ability to navigate corporate lifecycles, individual net worth phases as well as varying economic and market cycles.

OUR OFFERING COMPRISES THE FOLLOWING AREAS OF SPECIALISATION

- CAPITAL MARKETS ADVISORY
- WEALTH MANAGEMENT
- FIXED INCOME
- EQUITIES

PRODUCT OFFERINGS

GOVERNMENT SECURITIES

TREASURY BILLS AND BONDS

Services -

- Buy primary issue and secondary-market government securities
- Place auction and secondary-market securities orders
- Trade government securities in the secondary market (with or without leverage)
- Buy US Dollar denominated Sri Lanka Development Bonds
- In-depth research on the Government Securities market including pre-policy analysis and economic overview
- Treasury advisory

A Treasury Bill (T-Bill) is a short-term (less than one year). A Treasury Bond (T-Bond) are considered to be medium and long term monetary instruments, of which the maturity period usually ranging from 2 to 20 years. Treasury Bills and Bonds are debt obligation issued through the Central Bank of Sri Lanka on behalf of the Government of Sri Lanka.

Features and Benefits –

- Interest and maturity proceeds are guaranteed by the Government
- Pre-determined fixed rate throughout the life period of the investment.
- You will be able to check your investment online through the internet, via a secured and password protected website (www.cbsl.lk/lankasec)

CORPORATE DEBT

DEBENTURES, COMMERCIAL PAPERS AND TRUST CERTIFICATES

Services (For Issuers) -

- Total service for public offers of corporate debt, acting in the capacity of managers/ financial advisors and placement agents
- Corporate debt structures featuring custom disclosure, credit enhancements, flexible payment structures and multiple maturities
- Fully-integrated distribution efforts with an expansive investor base, cost-efficient and diversified access to capital providers

Services (For Investors) –

- Buy new-issue and secondary-market corporate bonds
- Buy new-issue and secondary market investment products such as securitizations
- Trade Corporate Bonds in the secondary market

Listed Corporate Debt

○ Debentures

A debenture is a medium to long-term corporate debt instrument, issued by a company (issuer) to borrow money with the aim of fulfilling capital requirements. Debenture investments are considered a fixed income asset as it produces a fixed income to the holder(s) (lender) by paying a specified percentage of coupon payment on designated dates and repaying the principal value of the borrowing at maturity. Listed debt can also be traded in the secondary

market similar to shares. The secondary market trading of debentures are a means of transferring of asset from one lender to another. The swift transferring of debentures increases liquidity and gives lenders a way of trading debt instruments in the market.

Features and Benefits –

- The most significant benefits of investing in corporate debt is the flexibility of transferring through the secondary market.

- Additionally, debt instruments are considered less risky than investments in the stock market as the market is less volatile, and if the company is liquidated it's debtors come before the shareholders.
- It is important to remember that investors in debt instruments are subject to credit risk arising from a borrower failing to make required payments, liquidity risk limiting the transferability of your debt portfolio and interest rate risk, by which the value of instruments rise or decline based on interest rate changes.

Unlisted Corporate Debt

- **Securitized Paper**
- **First Capital Rated Commercial Paper**
- **Commercial Paper / Promissory Notes**

Features and Benefits –

- Tradable in the secondary market giving these instruments a certain level of liquidity
- Securitized paper are backed by the Assets of the lender, (usually future receivable) and could carry a tenure of 1-48 months in most cases
- Commercial paper are less than 1 year and are generally issued to meet short term funding requirements.

CORPORATE ADVISORY SERVICES

IPOS, SECONDARY OFFERINGS, MERGERS AND ACQUISITION, VALUATIONS AND RESTRUCTURING

Services –

For Issuers -

- Transformational equity financing solutions in multiple roles of financial advisor, manager and placement agent during the transaction

Corporate advisory strategies and solutions target corporate, government, institutional and high net worth clients.

Providing independent engagements, strategic and financial advice to deliver corporate and shareholder objectives.

Features and Benefits –

- Proven expertise in debt capital markets with a strong presence in the best-execution of public and private debt offers, our capabilities include due diligence, pre-offer preparation, offer management, distribution strategy, structuring and after-market advisory services.

ASSET MANAGEMENT

UNIT TRUST AND WEALTH MANAGEMENT

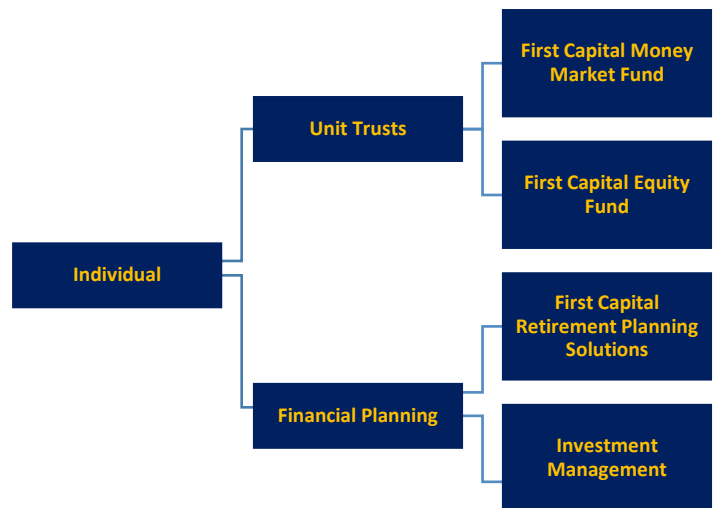
Services –

- Cost-efficient and practical way to start investing in several types of assets
- Professional guidance and superior risk-adjusted performance
- Discretionary portfolio management with a focus on performance, liquidity and risk management
- Tailor-made retirement planning solutions crafted on diversified investment offering

Providing multiple solutions for individual and corporate investors to achieve your financial aspirations. Professional fund managers, ensure that risks are diversified over a multitude of asset classes, to identify prudent investments to suit individual investment goals.

The funds are managed by fund managers, while the largest state bank, the Bank of Ceylon acts as an independent trustee. Investors are given further peace of mind through the stringent monitoring and regulatory control of the unit trust industry by the Securities Exchange Commission (SEC).

Product Features and Benefits –



First Capital Money Market Fund – Unit Trust

The fund acts as a pooling vehicle in which contributions from multiple investors are accumulated and invested in fixed income investments such as government securities, debentures, commercial papers, structured debt instruments, and even bank and finance company fixed deposits that mature within one year.

The income earned from these investments are shared by the respective unit holders in proportion to the number of units owned. With its moderate risk level and high liquidity, the First Capital Money Market Fund is a good substitute for savings accounts as your investment can be withdrawn at any time.

First Capital Equity Fund – Unit Trust

Utilizing funds pooled by multiple investors, the fund invests in shares of companies listed on the Colombo Stock Exchange. Investments in listed shares may yield higher returns in the medium to long term. However it should be noted that returns are subject to change with the volatility of stock market performance. Thus, investment in equity related fund carry a higher risk in comparison to fixed income instruments, ideally suited for investors with a 5-10 year investment horizon in mind.

The First Capital Equity Fund - an ethical fund, provides an opportunity for investors who are interested in stock market investments, but are hesitant to do so directly due to lack of expertise and time etc.

Retirement Planning Solutions

At retirement, you shouldn't have to compromise the comfortable lifestyle you are now used to.

We understand that not everybody's retirement expectations are the same, therefore we carefully profile the client, looking at age, responsibilities and commitments, and help them understand what sort of risk they should be taking, to fulfil their retirement goals.

Investment Management (Discretionary Portfolio Management)

We provide innovative investment strategies across all asset classes including government securities, listed and unlisted debt securities and equities to companies and other institutional investors.

We partner with you to craft personalized solutions to enhance your investment portfolio by calculating market opportunities and your' interests, with a focus on performance, liquidity, risk management and other relevant factors.

STOCKBROKER

EQUITY AND DEBT BROKERING SERVICES

Services –

- Execution of secondary market trades for listed securities
- Buy new-issues / IPO's for new listings
- Advice on trading strategies and execution of strategic trading for high-net worth and institutional investors providing single, block and negotiated trades
- Fundamental research coverage of 62 listed securities (reflecting approximately 65% market capitalization) across 21 sectors Professional guidance and superior risk-adjusted performance

Acting as a conduit between retail and institutional clients and the listed security market, our investment advisors strive to facilitate timely and efficient execution, backed by sophisticated trading tools.

Features and Benefits –

- Online trading facility (Web and Mobile App based)
- Credit facilities and Flexible repayment terms
- Up-to-date information to facilitate timely trading decisions

MARKET POSITION

We place great emphasis on delivering profitable investment solutions through the introduction of pioneer products and landmark deals.

OUR STRENGTH

- Market leader among Non-bank Primary Dealers
 - Largest capital base – LKR 3.86Bn (Mar 2018)
 - Highest PAT – LKR 1.96Bn (Mar 2018)
- Depth and reach in the Debt Capital Market
 - Volume of funds mobilized – LKR 24Bn (2017/18)
- Best performing Money Market Fund and Equity Fund based on YTD yield
 - The First Capital Wealth Fund is the best long-term performing unit trust fund in the Country over the five years ended 31 March 2018

FUNDS MOBILIZED

- Volume of Government Securities channeled to the public through Primary Dealership LKR 236Bn (2017/18)
- Over the last 3 years, we mobilized an average of LKR 17.5Bn via corporate debt annually
- Total Assets Under Management LKR 5.1Bn as at 31 Mar 2018

INNOVATIVE SOLUTIONS

- First primary dealer in Sri Lanka to launch a long-term, fixed-return repo investment option backed by government securities, raising in excess of LKR 1 Bn – ‘Platinum Bond’
- Sri Lanka’s first AAA rated debenture, the first foreign guaranteed debenture (guaranteed by GuarantCo) raising LKR 1.4 Bn

- The first insurance company guaranteed debenture (guaranteed by Janashakthi Insurance PLC)
- Revolutionary microfinance receivables- backed securitization
- Capital Markets Mobile Application, Sri Lanka's first mobile application giving detailed insights to the stock market, government securities, debentures, research and more
- First Capital Equity Fund, is an ethical fund

RESEARCH RECOMMENDATIONS

- Fundamental research coverage of 54 listed securities (reflecting approximately 72% market capitalization) across 15 sectors
- The 2017 sample research portfolio recommendations outperformed the ASPI by approximately 178% (excluding dividends) with the portfolio providing a return of 6% while the ASPI increased by 2% during the same period

INTERNATIONAL PARTNERSHIPS

- Global reach through US-based Global Finance Company LXM Group
- Strategic alliance with a well-placed Asian brokering house
- Collaborative partnership with Netherlands based The Currency Exchange Fund (TCX), FMO – Entrepreneurial Development Bank, Frontclear and UK-based GuarantCo
- Capital Markets Partner for 'The Report Sri Lanka' produced by the global publishing firm Oxford Business Group (OBG) for 3 consecutive years

BOARD OF DIRECTORS

NISHAN FERNANDO – CHAIRMAN

Nishan Fernando counts over 25 years of senior level experience in Accounting and Finance. Having gained valuable experience as a member of the International Accounting Education Standards Board of the International Federation of Accountants (IFAC) he currently serves on its Consultative Advisory Group.

He is a Past President of the Institute of Chartered Accountants of Sri Lanka. He had officiated as a Commission Member of the Securities and Exchange Commission of Sri Lanka, as a member of the Sri Lanka Accounting and Auditing Standards Monitoring Board and as Chairman of the Statutory Accounting Standards Committee which promulgates the Accounting Standards in Sri Lanka where he currently continues to be a member. He currently chairs the IFRS interpretation and implementation Committee of CA Sri Lanka.

Nishan is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, an Associate Member of the Chartered Institute of Management Accountants of UK. He

holds a Master of Business Administration from the Postgraduate Institute of Management of the University of Sri Jayewardenepura.

DINESH SCHAFFTER – MANAGING DIRECTOR

Dinesh Schaffter serves as the Managing Director of the First Capital Group. Dinesh has a background in finance with managerial, investment and deal-making expertise of over 25 years. He has executed a range of transactions focused on change of control, capital formation and capital market strategy. These include M&A, debt and equity offerings, restructuring and business valuations. Dinesh specialises in private equity and post-acquisition strategy.

Dinesh is an Associate Member of the Chartered Institute of Management Accountants of UK. He also holds a Bachelor of Laws (Honours) Degree from UK and an Executive Master of Business Administration from INSEAD, France.

DILSHAN WIRASEKARA –
DIRECTOR / CHIEF EXECUTIVE
OFFICER

Dilshan Wirasekara, investment banker and Director / Chief Executive Officer of First Capital Holdings PLC is an experienced professional with a career spanning over 22 years, comprising diversified expertise in financial services including, treasury and investment management, capital market strategy and corporate finance advisory.

Currently, he serves as a Board Member of the Colombo Stock Exchange.

Having joined First Capital in 2013 Wirasekara steered the Company, a full service investment bank holding licenses in stock brokering, unit trust management, margining trading and debt brokering in addition to its prominent position in the government securities market to establish itself as a significant contributor to the local capital market industry.

He spearhead the formation of key debt structuring deals with internationally based development Financial Institutions as well the signing of strategic partnerships with foreign institutions focusing on emerging markets such as Sri Lanka.

He specializes in Asset and Liability Risk Management having secured the

accolade of leading and representing two Sri Lankan companies in winning the International Bank Asset and Liability competition organized annually by the Netherlands Development Finance Company (FMO), German Investment Corporation (DEG) and Proparco – a subsidiary of the Agence Française de Développement (AFD).

Dilshan Wirasekara is an Alumnus of INSEAD Business School in Fontainebleau, France.

EARDLEY PERERA - INDEPENDENT
NON-EXECUTIVE DIRECTOR

Eardley Perera is a Chartered Marketer and a Graduate of the Chartered Institute of Marketing, UK, with over 40 years of experience in management. He has undergone management training in UK, Sweden, South Korea, India, the Philippines and Singapore.

He is a member on the Board of Study of the Postgraduate Institute of Management, University of Sri Jayewardenepura and is actively engaged in management education and consultancy.

MINETTE PERERA - INDEPENDENT
NON-EXECUTIVE DIRECTOR

Minette Perera has over 35 years of experience as a qualified accountant and has held executive directorships in leading local and international

companies. From September 2000 to March 2013 she acted as Group Finance Director of the MJF Group renowned worldwide for its illustrious brand “Dilmah Tea”. During this time she was appointed a Director of the MJF Group including MJF Holdings Limited and continued to hold Board positions till December 2014.

Minette is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, the Chartered Institute of Management Accountants of UK and the Association of Chartered Certified Accountants of UK.

CHANDANA DE SILVA -
INDEPENDENT NON-EXECUTIVE
DIRECTOR

Chandana de Silva brings 25 years of managerial, financial and advisory acumen. He has held several senior management positions including that of Chief Financial Officer for Level (3) Communications in Europe, a NASDAQ quoted company, from 2000 to 2002 and Head of Financial Planning for British Telecommunications PLC from 1996 to 1999. Since moving back to Sri Lanka in 2002 he worked for MAS Holdings in a variety of roles and established its Supply Chain Management function, set up the MAS training center and was the Chief Executive Officer of the MAS Investment Division from 2008 to

2011. He currently serves as a management consultant to clients in the investment, manufacturing, property development and IT sectors and promotes competency development in negotiation and influencing skills and team development.

Chandana is a Fellow Member of the Institute of Chartered Accountants in England and Wales and in Sri Lanka. He holds a Bachelor of Science in Mathematics and Management from the University of London, UK.

NISHAN DE MEL - INDEPENDENT
NON-EXECUTIVE DIRECTOR

Dr. Nishan de Mel, an economist with extensive academic, policy and private sector experience, currently serves as Executive Director and Head of Research at Verité Research (Private) Limited.

Nishan has held several governing, teaching and research positions internationally, including as Lecturer in Economics at Oxford University. He also served as a Member of the Presidential Task Force on Health Sector Reform, Presidential Committee on Tobacco, Alcohol and Dangerous Drug Regulation, the National Steering Committee on Social Security and as Executive Director of the International Centre for Ethnic Studies (ICES) and on the Board of the Sri Lanka Foundation.

Dr. de Mel sits on multiple private sector boards and consults regularly as a strategist for some of the region's largest firms.

PRAKASH SCHAFFTER -
INDEPENDENT NON-EXECUTIVE
DIRECTOR

Prakash Schaffter the Chairman of Janashakthi Insurance PLC, has over three decades experience in the Insurance industry in both Sri Lanka and the United Kingdom. He has led Janashakthi as Managing Director since 2006 during which period Janashakthi became the third largest insurer in Sri Lanka, acquired the Non- Life business of AIA Insurance Lanka and most recently, engaged in the divestment of Janashakthi's Non-Life business. He continues to impact the business sector through his role on the council of the Sri Lanka Institute of Directors (SLID). He is also a Director of Janashakthi PLC, Orient Finance PLC, Dunamis Capital PLC, Kelsey Developments PLC and several unlisted Companies.

Mr. Schaffter was amongst the youngest Fellow Members of the Chartered Insurance Institute. A former first-class cricketer, he represented both Cambridge University and London University during his cricketing career. He has also served as President and Secretary of the Tamil Union Cricket and Athletic Club. He is a former

Secretary of Sri Lanka Cricket, having served on three separate occasions on Interim Committees appointed by the Government.

RAMESH SCHAFFTER -
INDEPENDENT NON-EXECUTIVE
DIRECTOR

Ramesh Schaffter, a versatile personality counting almost three decades of experience in Finance & Marketing, was appointed to the Board of Janashakthi PLC in 2002 and serves as its Chief Executive Officer. He was appointed to the Board of Janashakthi Insurance PLC in 2004, having served as Secretary to the Board since the inception of the Company in 1994 – a position he held until 2017. He also serves on the Board of Orient Finance PLC, Dunamis Capital PLC, Kelsey Developments PLC and several unlisted Companies.

A social entrepreneur and life coach, he is also an accomplished public speaker and a multiple award winner at National and International Level Toastmasters' Contests.

He is also a former President of Habitat for Humanity – Sri Lanka and a former Board Member of World Vision for Sri Lanka.

MANAGEMENT TEAM

DINESH SCHAFFTER

MANAGING DIRECTOR

Please refer Directors' Profile

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