



First Capital

PROVISIONAL

FINANCIAL

STATEMENTS

QUARTER ENDED 30TH JUNE 2018

FIRST CAPITAL HOLDINGS PLC



First Capital

REVIEW OF OPERATIONS

First Capital Holdings PLC recorded a total comprehensive income of Rs. 98Mn for the quarter ended 30th June 2018 compared to Rs. 287Mn in the corresponding period of the previous year. The fair valuation loss on financial investments - held for trading resulted in lower total comprehensive income in the quarter under review compared to the corresponding quarter of the previous year.

First Capital Treasuries PLC, the Group's Primary Dealer arm, reported a total comprehensive income of Rs. 117Mn for the quarter (2017/18 – Rs. 285Mn) mainly attributable to net interest income and trading gain on government securities.

The Corporate Finance division mobilised Rs. 5.8Bn for its clients through structuring and placing corporate debt securities and generated a fee income of Rs. 23Mn for the quarter (2017/18 – Rs. 18Mn).

The Asset Management division showed a decrease in its funds under management compared to the beginning of the year.

(Sgd.)

Dilshan Wirasekara

Director/Chief Executive Officer



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Company		
	Notes	April - June 2018 (Unaudited)	2017 (Unaudited)	April - June 2018 (Unaudited)	2017 (Unaudited)
For the period					
Income		1,331,453	1,081,173	261,373	307,982
Direct income		1,282,924	1,028,965	261,373	307,982
Direct expenses		(888,464)	(808,721)	(235,623)	(288,859)
Net trading income		394,460	220,244	25,750	19,123
Other income	1	48,529	52,208	-	-
Gain/(Loss) on fair valuation of financial investments - held for trading		(174,601)	247,469	-	-
		268,388	519,921	25,750	19,123
Less:					
Administrative expenses		(98,089)	(82,028)	(13,131)	(9,626)
Sales and distribution expenses		(5,998)	(4,936)	(1,706)	(413)
Other operating expenses		(11,956)	(31,258)	(2,519)	(2,116)
		(116,043)	(118,222)	(17,356)	(12,155)
Operating profit		152,345	401,699	8,394	6,968
Share of profit from equity accounted investee (net of tax)		-	-	86,728	355,048
Profit before tax		152,345	401,699	95,122	362,016
Income tax expenses	2	(54,252)	(25,083)	(3,525)	(1,674)
Profit for the period		98,093	376,616	91,597	360,342
Other comprehensive income					
Items that will never be reclassified to profit or loss		-	-	-	-
Items that are or may be reclassified to profit or loss					
Loss on fair valuation of financial investments - available for sale		-	(90,053)	-	-
Share of other comprehensive income from equity accounted investees		-	-	-	(90,044)
Other comprehensive expense for the period		-	(90,053)	-	(90,044)
Total comprehensive income for the period		98,093	286,563	91,597	270,298
Profit Attributable to:					
Equity holders of the parent		91,597	360,342	91,597	360,342
Non - controlling interest		6,496	16,274	-	-
		98,093	376,616	91,597	360,342
Total comprehensive income Attributable to:					
Equity holders of the parent		91,597	270,298	91,597	270,298
Non - controlling interest		6,496	16,265	-	-
		98,093	286,563	91,597	270,298
Basic Earnings per share (Rs.)		0.90	3.56	0.90	3.56

Figures in bracket indicate deductions.
Note: All values are in Rupees '000 unless otherwise stated.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Group			Company		
	30 th June 2018 (Unaudited)	30 th June 2017 (Unaudited)	31 st March 2018 (Audited)	30 th June 2018 (Unaudited)	30 th June 2017 (Unaudited)	31 st March 2018 (Audited)
ASSETS						
Cash at banks and in hand	72,386	39,797	319,663	14,111	8,161	8,490
Derivative financial instruments	235	2,449	47,868	-	-	-
Financial investments - Held for trading	25,941,389	23,118,913	26,519,838	-	-	-
Financial investments - Available for sale	242,750	242,750	242,750	1,000	1,000	1,000
Financial investments - Loans and receivables	6,340,175	7,357,034	6,069,028	6,528,412	8,409,158	7,418,696
Trade and other receivables	437,424	597,438	811,035	9,088	1,655	2,967
Group balances receivable	573	-	442	1,059	-	-
Non - current assets held for sale	42,416	42,416	42,416	-	-	-
Taxes receivable	90,213	93,820	70,118	10,036	-	-
Investment in subsidiary	-	-	-	3,381,500	2,044,766	3,294,772
Deferred tax asset	875,784	29,919	929,892	31,015	-	34,539
Property, plant and equipment	40,658	15,358	19,990	23,486	1,370	3,005
Intangible assets	117,997	114,792	118,973	5,668	37	6,221
Total Assets	34,202,000	31,654,686	35,192,013	10,005,375	10,466,147	10,769,690
LIABILITIES						
Bank overdrafts	686,631	254,664	294,402	679,607	160,315	290,941
Derivative financial instruments	8	9,640	21,659	-	-	-
Securities sold under re-purchase agreements	23,275,324	20,366,864	23,412,237	-	-	-
Short term borrowings	5,116,010	7,154,959	6,013,598	4,974,457	7,118,183	5,999,239
Group balances payable	-	-	728	7,852	4,041	10,962
Trade and other payables	374,850	353,547	786,984	31,783	29,256	226,802
Taxes payable	536	7,383	4,291	-	2,308	2,782
Long term borrowings	327,072	427,739	352,368	327,072	427,739	352,368
Borrowings on debentures	425,390	555,531	407,178	198,018	335,636	191,607
Retirement benefit obligations	27,510	24,183	27,992	-	-	-
Total Liabilities	30,233,331	29,154,510	31,321,437	6,218,789	8,077,478	7,074,701
EQUITY						
Stated capital	227,500	227,500	227,500	227,500	227,500	227,500
Risk reserve	1,023,270	881,316	1,012,200	1,023,270	881,316	1,012,200
Retained earnings	2,625,869	1,369,897	2,545,342	2,625,869	1,369,897	2,545,342
Fair valuation reserve	(90,053)	(90,044)	(90,053)	(90,053)	(90,044)	(90,053)
Equity attributable to the equity holders of the parent	3,786,586	2,388,669	3,694,989	3,786,586	2,388,669	3,694,989
Non- controlling interest	182,083	111,507	175,587	-	-	-
Total Equity	3,968,669	2,500,176	3,870,576	3,786,586	2,388,669	3,694,989
Total Equity and Liabilities	34,202,000	31,654,686	35,192,013	10,005,375	10,466,147	10,769,690

Note: All values are in Rupees '000 unless otherwise stated.
The above figures are subject to audit.

These consolidated financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)
Mangala Jayashantha
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

(Sgd.)
Dilshan Wirasekara
Director/ Chief Executive Officer

(Sgd.)
Dinesh Schaffter
Managing Director

13th August 2018
Colombo



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

For the three months ended 30th June 2018

	Attributable to equity holders of parent						Total Equity
	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total	Non-Controlling Interest	
Balance as at 1st April 2017 (Audited)	227,500	854,456	1,036,415	-	2,118,371	95,242	2,213,613
Total comprehensive income for the period							
Profit for the period	-	-	360,342	-	360,342	16,274	376,616
Other comprehensive income	-	-	-	(90,044)	(90,044)	(9)	(90,053)
Total comprehensive income	-	-	360,342	(90,044)	270,298	16,265	286,563
Transactions with equity holders							
Transfers to risk reserve	-	26,860	(26,860)	-	-	-	-
Total transactions with equity holders	-	26,860	(26,860)	-	-	-	-
Balance as at 30th June 2017 (Unaudited)	227,500	881,316	1,369,897	(90,044)	2,388,669	111,507	2,500,176
Balance as at 1st April 2018 (Audited)	227,500	1,012,200	2,545,342	(90,053)	3,694,989	175,587	3,870,576
Total comprehensive income for the period							
Profit for the period	-	-	91,597	-	91,597	6,496	98,093
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	91,597	-	91,597	6,496	98,093
Transactions with equity holders							
Transfers to risk reserve	-	11,070	(11,070)	-	-	-	-
Total transactions with equity holders	-	11,070	(11,070)	-	-	-	-
Balance as at 30th June 2018 (Unaudited)	227,500	1,023,270	2,625,869	(90,053)	3,786,586	182,083	3,968,669

COMPANY

For the three months ended 30th June 2018

	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total Equity
Balance as at 1st April 2017 (Audited)	227,500	854,456	1,036,415	-	2,118,371
Total comprehensive income for the period					
Profit for the period	-	-	360,342	-	360,342
Other comprehensive income	-	-	-	(90,044)	(90,044)
Total comprehensive income	-	-	360,342	(90,044)	270,298
Transactions with equity holders					
Transfer to risk reserve	-	26,860	(26,860)	-	-
Total transactions with equity holders	-	26,860	(26,860)	-	-
Balance as at 30th June 2017 (Unaudited)	227,500	881,316	1,369,897	(90,044)	2,388,669
Balance as at 1st April 2018 (Audited)	227,500	1,012,200	2,545,342	(90,053)	3,694,989
Total comprehensive income for the period					
Profit for the period	-	-	91,597	-	91,597
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	91,597	-	91,597
Transactions with equity holders					
Transfer to risk reserve	-	11,070	(11,070)	-	-
Total transactions with equity holders	-	11,070	(11,070)	-	-
Balance as at 30th June 2018 (Unaudited)	227,500	1,023,270	2,625,869	(90,053)	3,786,586

Figures in bracket indicate deductions.
Note: All values are in Rupees '000 unless otherwise stated.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 30th June

	Group		Company	
	April - June 2018 (Unaudited)	2017 (Unaudited)	April - June 2018 (Unaudited)	2017 (Unaudited)
Cash flows from operating activities				
Interest receipts and gains realised	1,129,785	987,853	112,431	56,714
Interest payments and other direct cost	(640,553)	(426,750)	(212,689)	(23,422)
Other receipts/ (payments)	2,079	3,026	-	-
Cash payments to employees and suppliers	(110,999)	(114,334)	(14,650)	(10,278)
Operating profit/ (Loss) before changes in operating assets and liabilities	380,312	449,795	(114,908)	23,014
(Increase)/ Decrease in financial investments - held for trading	545,497	957,476	-	-
(Increase)/ Decrease in financial investments -loans and receivables	(118,009)	(1,081,572)	1,039,226	(30,881)
(Increase)/ Decrease in trade and other receivables	257,944	(56,917)	(6,122)	648
(Increase)/ Decrease in group balances receivable	(131)	-	(1,059)	-
Increase/ (Decrease) in trade and other payables	(209,634)	(5,246)	7,481	(243)
Increase/ (Decrease) in group balances payable	(728)	-	(3,110)	(7,334)
Increase/ (Decrease) in other short term borrowings	(1,120,380)	411,237	(1,041,600)	(87,975)
Increase/ (Decrease) in borrowings against re-purchase agreements	(144,115)	(736,034)	-	-
Cash used in operations	(409,244)	(61,261)	(120,092)	(102,771)
Tax paid (Inclusive of WHT)	(23,994)	(4,655)	(12,819)	(2,613)
Net cash flow used in operating activities	(433,238)	(65,916)	(132,911)	(105,384)
Cash flows from investing activities				
Purchase of property, plant, equipment and intangible assets	(25,218)	(3,690)	(22,634)	-
Dividend receipts	46,450	49,182	-	-
Net cash flow from/ (used in) investing activities	21,232	45,492	(22,634)	-
Cash flows from financing activities				
Long term borrowings	(25,000)	(25,338)	(25,000)	(25,338)
Dividend paid	(202,500)	-	(202,500)	-
Net cash flow used in financing activities	(227,500)	(25,338)	(227,500)	(25,338)
Net cash outflows for the period	(639,506)	(45,762)	(383,045)	(130,722)
Cash and cash equivalents at the beginning of the period (Note A)	25,261	(169,105)	(282,451)	(21,432)
Cash and cash equivalents at the end of the period (Note B)	(614,245)	(214,867)	(665,496)	(152,154)
Note A				
Cash at bank and hand	319,663	55,340	8,490	8,477
Bank overdraft	(294,402)	(224,445)	(290,941)	(29,909)
	25,261	(169,105)	(282,451)	(21,432)
Note B				
Cash at bank and hand	72,386	39,797	14,111	8,161
Bank overdraft	(686,631)	(254,664)	(679,607)	(160,315)
	(614,245)	(214,867)	(665,496)	(152,154)

Figures in bracket indicate deductions.

Note: All values are in rupees '000 unless otherwise stated.



NOTES TO THE FINANCIAL STATEMENTS

1 Other Income**For the period**

Dividend income
Miscellaneous income

Group April - June		Company April - June	
2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
46,450	49,182	-	-
2,079	3,026	-	-
48,529	52,208	-	-

2 Income tax expenses**For the period**

Current tax expenses
Deferred tax expenses

Group April - June		Company April - June	
2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
144	18,299	-	1,674
54,108	6,784	3,525	-
54,252	25,083	3,525	1,674

3 The provisional condensed consolidated financial statements for the quarter ended 30th June 2018 have been prepared in accordance with LKAS 34 - Interim Financial Reporting. The provisional condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's Annual Financial Statements for the year ended 31st March 2018.

SLFRS 9 – “Financial Instruments” is applicable for financial periods beginning on or after 1st January 2018. This standard replaces LKAS 39 – “Financial Instruments: Recognition and Measurement”. However, the Institute of Chartered Accountants of Sri Lanka has granted an option to prepare interim financial statements continuing the application of LKAS 39 during the financial year commencing on or after 1st January 2018, through “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements”. Accordingly, these financial statements have been prepared by applying LKAS 39 in accordance with the said option granted.

The Company assessed the impact on transition based on gap analysis and quantifications performed on its Financial Statements as at 31st March 2017 on adoption of SLFRS 9 with the assistance of an external consultant. Further, the Company is currently in the process of quantifying the impact on adoption of SLFRS 9 as at 1st April 2018.

- 4 The presentation and classification of figures for the corresponding period of the previous year have been reclassified to be comparable with those of the current year where necessary.
- 5 The number of shares represented by stated capital as at 30th June 2018 is 101,250,000 shares (As at 31st March 2018 - 101,250,000 shares).
- 6 There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2018.
- 7 There have been no material events subsequent to the reporting date which require disclosures/ adjustments in the above provisional financial statements.

8 Net Assets per Share

Group
Company

	As at 30 th June 2018 Rs.	As at 31 st March 2018 Rs.
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37.40
37.40

36.49
36.49

9 Market Price per Share

Highest market price recorded
Lowest market price recorded
Closing market price recorded

	As at 30 th June 2018 Rs.	As at 31 st March 2018 Rs.
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33.00
28.70
29.50

37.40
31.50
31.80

INVESTOR INFORMATION

Information on Listed Debentures

Market value as at 30th June 2018

Debentures with 5 year maturity have not been traded during the quarter ended 30th June 2018. Hence, the par value of Rs. 100 is recognised as their respective market values.

Debt Ratios (Group)

	As at 30 th June 2018	As at 30 th June 2017	As at 31 st March 2018
Debt/ equity ratio (times)	7.51	11.50	7.87
Quick asset ratio (times)	1.08	1.12	1.07
Interest cover (times)	1.17	1.50	1.42

Debt Ratios (Company)

	As at 30 th June 2018	As at 30 th June 2017	As at 31 st March 2018
Debt/ equity ratio (times)	1.63	3.37	1.85
Quick asset ratio (times)	1.10	1.16	1.09
Interest cover (times)	1.40	2.26	2.92

Debenture Interest Yield

	As at 30 th June 2018	As at 30 th June 2017	As at 31 st March 2018
5 year fixed rate (14.00 % p.a. payable annually)	14.00%	14.00%	14.00%

There were no trading on above debentures during the quarter ended 31st March 2018.

Yield of comparable Government Securities

	As at 30 th June 2018	As at 30 th June 2017	As at 31 st March 2018
5 Year treasury bond	10.43%	10.85%	9.75%

N/A - Not Applicable



INVESTOR INFORMATION

List of twenty major shareholders as at 30th June 2018

Name of the shareholder		No of shares As at 30 th June 2018	Holding (%)
1	1.1 Dunamis Capital PLC	27,119,816	26.79%
	1.2 Commercial Bank of Ceylon PLC/Dunamis Capital PLC	26,600,000	26.27%
	1.3 Seylan Bank PLC/Dunamis Capital PLC	25,400,000	25.09%
2	Seylan Bank PLC/ Janashakthi PLC	4,323,395	4.27%
3	Capital Trust Holdings Limited	738,000	0.73%
4	People's Leasing & Finance PLC/Mr. D.M.P.Disanayake	439,138	0.43%
5	DFCC Bank PLC/Mr.K.S.D.Senaweera	426,592	0.42%
6	Commercial Bank of Ceylon PLC/Janashakthi Limited	300,703	0.30%
7	Mr. Sithampalam Arunasalam	264,000	0.26%
8	Mr. Joseph Edward	259,000	0.26%
9	Mr. Dhanusha Senajith Duke De Lanerolle	217,500	0.21%
10	Hatton National Bank PLC/Arunasalam Sithampalam	214,844	0.21%
11	Mr. Nagen Dayaranjan Kurukulasuriya	208,836	0.21%
12	Commercial Bank of Ceylon PLC/Mr. U.C.Bandaranayake	205,000	0.20%
13	Dr. Subashi Nemindi Samarasinghe	200,616	0.20%
14	Mr. Rajapaksa Vithanage Don Piyathilake	195,180	0.19%
15	Mr. Wickramatunga Arachchi Pathirana Don Mahipala Wickramatunga	180,000	0.18%
16	Mrs. Eileen Monica Perera	151,033	0.15%
17	Seylan Bank PLC/Mr. Chamara Nuwan Samarathunga	142,857	0.14%
18	Citizens Development Business Finance PLC/Ms. K.D.C. Somalatha and Mr. K. Nandasiri	139,400	0.14%
19	Sithlanka (Private) Limited	135,800	0.13%
20	M Investments Lanka (Pvt) Limited	134,000	0.13%
		87,995,710	86.91%

Shareholding of the Directors/ Chief Executive Officer

Name of the Director/ Chief Executive Officer	Designation	No. of Shares As at 30 th June 2018
Mr. Nishan Fernando	Director	Nil
Mr. Dinesh Schaffter	Director	Nil
Mr. Eardley Perera	Director	Nil
Ms. Minette Perera	Director	Nil
Mr. Chandana de Silva	Director	Nil
Dr. Nishan de Mel	Director	Nil
Mr. Dilshan Wirasekara	Director/ Chief Executive Officer	Nil

Disclosure in accordance with the section 7.4 (b) (ii) - Appendix 7B (a) (Item 4) of CSE Listing Rules

Float adjusted market capitalisation as at 30 th June 2018 (Rs.)	652,930,875
Public holding percentage	21.86%
Number of public shareholders	5,758

The Company is complied with the Minimum Public Holding requirement under option 5 of the section 7.13.1 (a) of CSE Listing rules.