



First Capital

PROVISIONAL

FINANCIAL

STATEMENTS

QUARTER ENDED 30 SEPTEMBER 2016

FIRST CAPITAL HOLDINGS PLC



First Capital

REVIEW OF OPERATIONS

First Capital Holdings PLC reported a consolidated profit after tax of Rs. 406Mn for the 1st half of financial year 2016/17 compared to Rs. 4Mn in the corresponding period of the previous year.

First Capital Treasuries PLC, the Group's primary dealer arm reported a profit after tax of Rs. 371Mn (2015/16 – loss after tax of Rs. 97Mn) mainly attributable to net interest income and fair valuation gains on government securities.

The Corporate Finance Division of First Capital Limited mobilised Rs. 6.8Bn for its clients through the structuring and placement of Corporate Debt Securities and generated a fee income of Rs. 30Mn (2015/16 – Rs. 84Mn).

First Capital Asset Management Limited, the wealth management arm of the Group experienced a decline in its funds under management amounting of Rs. 1.5Bn, reflecting a decrease of 28% when compared to the beginning of the year.

The credit rating of First Capital Holdings PLC and First Capital Treasuries PLC was reaffirmed by ICRA Lanka Limited in September 2016 at "A-".

(Sgd.)

Dilshan Wirasekara

Chief Executive Officer



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	Note	Group			
		July ~ September 2016 (Unaudited)	September 2015 (Unaudited)	April ~ September 2016 (Unaudited)	September 2015 (Unaudited)
Income		1,033,049	262,877	1,780,191	703,808
Direct income		1,024,757	252,022	1,719,569	674,197
Direct expenses		(845,148)	(222,467)	(1,419,617)	(467,908)
Net trading income		179,609	29,555	299,952	206,289
Other income	1	8,292	10,855	60,622	29,611
Gain/ (loss) on fair valuation of financial investments - held for trading		266,751	(113,254)	301,162	(39,533)
Less :		454,652	(72,844)	661,736	196,367
Administrative expenses		(105,615)	(84,266)	(184,068)	(167,082)
Sales and distribution expenses		(8,560)	(6,555)	(19,232)	(11,600)
Other operating expenses		(18,090)	(1,611)	(28,680)	(11,862)
		(132,265)	(92,432)	(231,980)	(190,544)
Operating profit/ (loss)		322,387	(165,276)	429,756	5,823
Share of profit from equity accounted investee (net of tax)		-	-	-	9,606
Profit/ (loss) before taxation		322,387	(165,276)	429,756	15,429
Income tax expenses	2	(16,055)	(7,123)	(23,282)	(11,740)
Profit/ (loss) for the period		306,332	(172,399)	406,474	3,689
Other comprehensive income/ (expense)					
Items that will never be reclassified to profit or loss		-	-	-	-
Items that are or may be reclassified to profit or loss					
Reclassification of fair valuation reserve of financial investments - available for sale to profit or loss (Equity accounted investee)		-	-	-	1,572
Loss on fair valuation of financial investments - available for sale (Equity accounted investee)		-	-	-	(8)
Other comprehensive income		-	-	-	1,564
Total comprehensive income/ (expense) for the period		306,332	(172,399)	406,474	5,253
Profit/ (loss) attributable to:					
Equity - holders of the parent		287,058	(161,069)	385,346	8,885
Non - controlling interest		19,274	(11,330)	21,128	(5,196)
		306,332	(172,399)	406,474	3,689
Total comprehensive income/ (expense) attributable to:					
Equity - holders of the parent		287,058	(161,069)	385,346	10,449
Non - controlling interest		19,274	(11,330)	21,128	(5,196)
		306,332	(172,399)	406,474	5,253
Earnings/ (loss) per share (Rs.)		2.84	(1.59)	3.81	0.09

Figures in bracket indicate deductions.

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



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	Note	Company			
		July ~ September 2016 (Unaudited)	September 2015 (Unaudited)	April ~ September 2016 (Unaudited)	September 2015 (Unaudited)
Income		192,814	69,510	320,820	158,599
Direct income		192,814	68,510	320,820	130,055
Direct expenses		(175,517)	(65,593)	(289,512)	(127,834)
Net trading income		17,297	2,917	31,308	2,221
Other income	1	-	1,000	-	28,544
Gain on fair valuation of financial investments - held for trading		-	640	-	640
		17,297	4,557	31,308	31,405
Less :					
Administrative expenses		(3,031)	(3,602)	(4,240)	(5,198)
Sales and distribution expenses		(320)	(78)	(555)	(78)
Other operating expenses		(1,519)	(138)	(3,232)	(182)
		(4,870)	(3,818)	(8,027)	(5,458)
Profit before taxation		12,427	739	23,281	25,947
Income tax expenses	2	(2,490)	-	(4,776)	-
Profit for the period		9,937	739	18,505	25,947
Other comprehensive income/ (expense)					
Items that will never be reclassified to profit or loss		-	-	-	-
Items that are or may be reclassified to profit or loss		-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		9,937	739	18,505	25,947
Earnings per share (Rs.)		0.10	0.01	0.18	0.26

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 Sep 2016 (Unaudited)	30 Sep 2015 (Unaudited)	31 Mar 2016 (Audited)	30 Sep 2016 (Unaudited)	30 Sep 2015 (Unaudited)	31 Mar 2016 (Audited)
ASSETS						
Cash at banks and in hand	32,413	40,691	31,066	5,070	17,465	4,998
Derivative financial instruments	20,161	-	40,861	-	-	-
Financial investments - Held for trading	30,107,314	9,832,754	11,326,163	-	-	-
Financial investments - Available for sale	332,803	2,000	2,000	1,000	1,000	1,000
Financial investments - Loans and receivables	6,105,438	4,568,535	8,529,332	5,749,150	3,501,986	3,650,664
Trade and other receivables	725,445	808,476	576,353	8,392	57	1,073
Group balances receivable	-	-	-	2,311	75	16,837
Non - current assets held for sale	42,416	44,416	42,416	-	-	-
Taxes receivable	50,712	60,798	62,379	-	5,738	-
Investment in venture capital	-	7,000	-	-	7,000	-
Investment in subsidiary	-	-	-	311,072	311,072	311,072
Deferred tax asset	31,900	36,695	37,703	-	-	-
Property, plant and equipment	15,018	21,190	16,648	7	11	9
Intangible assets	114,174	115,151	115,363	26	-	-
Total Assets	37,577,794	15,537,706	20,780,284	6,077,028	3,844,404	3,985,653
LIABILITIES						
Bank overdrafts	194,910	299,539	207,681	-	-	-
Derivative financial instruments	18,329	158	20,835	-	-	-
Securities sold under re-purchase agreements	28,133,858	9,370,967	14,487,714	-	-	-
Short term borrowings	5,521,679	2,675,588	2,886,142	4,855,063	2,649,228	2,820,725
Group balances payable	-	-	-	-	14,420	399
Trade and other payables	309,636	256,899	237,920	26,070	30,141	26,597
Taxes payable	5,426	1,811	331	4,738	-	30
Retirement benefit obligations	27,193	21,805	24,385	-	-	-
Borrowings on debentures	775,453	770,375	730,400	550,554	549,781	515,804
Total Liabilities	34,986,484	13,397,142	18,595,408	5,436,425	3,243,570	3,363,555
EQUITY						
Stated capital	227,500	227,500	227,500	227,500	227,500	227,500
Risk reserve	857,020	820,964	822,022	-	-	-
Retained earnings	1,403,041	1,015,563	1,052,693	413,103	373,334	394,598
Equity attributable to the equity - holders of the parent	2,487,561	2,064,027	2,102,215	640,603	600,834	622,098
Non - controlling interest	103,749	76,537	82,661	-	-	-
Total Equity	2,591,310	2,140,564	2,184,876	640,603	600,834	622,098
Total Equity and Liabilities	37,577,794	15,537,706	20,780,284	6,077,028	3,844,404	3,985,653

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 consolidated financial statements.

(Sgd.)
Manjula Mathews (Ms.)
Chairperson

(Sgd.)
Dinesh Schaffter
Managing Director

15 November 2016
Colombo



STATEMENT OF CHANGES IN EQUITY

GROUP For the Six months ended 30 September 2016

	Attributable to equity holders of parent				Total	Non-Controlling Interests	Total Equity
	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve			
Balance as at 1 April 2015 (Audited)	227,500	820,964	1,209,178	(1,564)	2,256,078	81,733	2,337,811
Total comprehensive income for the period							
Profit/ (loss) for the period	-	-	8,885	-	8,885	(5,196)	3,689
Other comprehensive income	-	-	-	1,564	1,564	-	1,564
Total comprehensive income/(expense)	-	-	8,885	1,564	10,449	(5,196)	5,253
Transactions with equity holders							
Distribution to equity holders							
Dividend paid - Final 2014/15	-	-	(202,500)	-	(202,500)	-	(202,500)
Total distribution to equity holders	-	-	(202,500)	-	(202,500)	-	(202,500)
Transfer to risk reserve	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	(202,500)	-	(202,500)	-	(202,500)
Balance as at 30 September 2015 (Unaudited)	227,500	820,964	1,015,563	-	2,064,027	76,537	2,140,564
Balance as at 1 April 2016 (Audited)	227,500	822,022	1,052,693	-	2,102,215	82,661	2,184,876
Total comprehensive income for the period							
Profit for the period	-	-	385,346	-	385,346	21,128	406,474
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	385,346	-	385,346	21,128	406,474
Transactions with equity holders							
Distribution to equity holders							
Dividend paid	-	-	-	-	-	(40)	(40)
Total distribution to equity holders	-	-	-	-	-	(40)	(40)
Transfer to risk reserve	-	34,998	(34,998)	-	-	-	-
Total transactions with equity holders	-	34,998	(34,998)	-	-	(40)	(40)
Balance as at 30 September 2016 (Unaudited)	227,500	857,020	1,403,041	-	2,487,561	103,749	2,591,310

COMPANY

For the Six months ended 30 September 2016

	Stated Capital	Retained Earnings	Total Equity
Balance as at 1 April 2015 (Audited)	227,500	549,887	777,387
Total comprehensive income for the period			
Profit for the period	-	25,947	25,947
Other comprehensive income	-	-	-
Total comprehensive income	-	25,947	25,947
Transactions with equity holders			
Distribution to equity holders			
Dividend paid- Final 2014/15	-	(202,500)	(202,500)
Total distribution to equity holders	-	(202,500)	(202,500)
Total transactions with equity holders	-	(202,500)	(202,500)
Balance as at 30 September 2015 (Unaudited)	227,500	373,334	600,834
Balance as at 1 April 2016 (Audited)	227,500	394,598	622,098
Total comprehensive income for the period			
Profit for the period	-	18,505	18,505
Other comprehensive income	-	-	-
Total comprehensive income	-	18,505	18,505
Transactions with equity holders			
Distribution to equity holders			
Dividend paid	-	-	-
Total distribution to equity holders	-	-	-
Total transactions with equity holders	-	-	-
Balance as at 30 September 2016 (Unaudited)	227,500	413,103	640,603

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



CONSOLIDATED STATEMENT OF CASH FLOWS

For the period	Group		Company	
	April - Sep 2016 (Unaudited)	2015 (Unaudited)	April - Sep 2016 (Unaudited)	2015 (Unaudited)
Cash flows from operating activities				
Interest receipts and gains realized	1,644,985	636,540	73,548	(27,378)
Interest payments and other direct cost	(999,517)	(259,196)	(248,497)	(93,133)
Other receipts	4,426	11,421	-	1,000
Cash payments to employees and suppliers	(145,177)	(179,095)	(8,106)	(6,182)
Operating profit/(loss) before changes in operating assets and liabilities	504,717	209,670	(183,055)	(125,693)
(Increase)/decrease in financial investments - held for trading	(18,461,793)	373,570	-	640
(Increase)/decrease in financial investments - loans and receivables	2,498,478	4,354,724	(1,851,214)	(801,128)
(Increase) / decrease in trade and other receivables	(149,092)	(249,342)	(7,319)	153,109
(Increase) / decrease in group balances receivable	-	-	14,526	(75)
Increase / (decrease) in trade and other payables	(10,371)	(37,194)	(527)	3,477
Increase / (decrease) in group balances payable	-	-	(399)	14,365
Increase / (decrease) in short term borrowings	2,629,275	451,009	2,028,072	524,843
Increase/ (decrease) in borrowings against re-purchase agreements	13,280,167	(5,630,246)	-	-
Cash generated from/ (used) in operations	291,381	(527,809)	84	(230,462)
Tax paid	(704)	(2,168)	-	(110)
Gratuity paid	-	-	-	-
Net cash flows from/ (used) in operating activities	290,677	(529,977)	84	(230,572)
Cash flows from investing activities				
Purchase of property, plant, equipment and intangible assets	(1,912)	(4,014)	(12)	(12)
Proceed from sale of property plant and equipment	3,504	80	-	-
Proceed from sale of venture capital investments	-	7,000	-	7,000
Investment made in shares (Unlisted)	(330,803)	-	-	-
Proceed from sale of equity accounted investee	-	432,745	-	432,745
Dividend receipts	52,692	5,491	-	-
Net cash from/(used) in investing activities	(276,519)	441,302	(12)	439,733
Cash flows from financing activities				
Dividend paid	-	(202,500)	-	(202,500)
Dividend paid to shareholders with non-controlling interest	(40)	-	-	-
Net cash flows from financing activities	(40)	(202,500)	-	(202,500)
Net cash inflow / (outflow) for the period	14,118	(291,175)	72	6,661
Cash and cash equivalents at the beginning of the period (Note A)	(176,615)	32,327	4,998	10,804
Cash and cash equivalents at the end of the period (Note B)	(162,497)	(258,848)	5,070	17,465
Note A				
Cash at bank and in hand	31,066	33,193	4,998	10,804
Bank overdraft	(207,681)	(866)	-	-
	(176,615)	32,327	4,998	10,804
Note B				
Cash at bank and in hand	32,413	40,691	5,070	17,465
Bank overdraft	(194,910)	(299,539)	-	-
	(162,497)	(258,848)	5,070	17,465

Figures in bracket indicate deductions.

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



NOTES TO THE FINANCIAL STATEMENTS

1. Other Income (Group)

For the period

Gain on disposal of equity accounted investee	-	-	-	12,699
Dividend income	1,920	1,432	52,692	5,491
Exchange gain	-	6,377	-	6,377
Profit on sale of Property, plant & Equipment	3,504	74	3,508	-
Miscellaneous income	2,868	2,972	4,422	5,044
	8,292	10,855	60,622	29,611

July - September		April - September	
2016	2015	2016	2015
Rs. '000	Rs. '000	Rs. '000	Rs. '000
-	-	-	12,699
1,920	1,432	52,692	5,491
-	6,377	-	6,377
3,504	74	3,508	-
2,868	2,972	4,422	5,044
8,292	10,855	60,622	29,611

Other Income (Company)

For the period

Gain on disposal of equity accounted investee	-	-	-	27,544
Miscellaneous income	-	1,000	-	1,000
	-	1,000	-	28,544

July - September		April - September	
2016	2015	2016	2015
Rs. '000	Rs. '000	Rs. '000	Rs. '000
-	-	-	27,544
-	1,000	-	1,000
-	1,000	-	28,544

2. Income Tax Expenses (Group)

For the period

Current tax expenses	11,333	4,951	17,083	8,176
Deferred tax expenses	4,326	2,172	5,803	3,564
Taxes on Dividend	396	-	396	-
	16,055	7,123	23,282	11,740

July - September		April - September	
2016	2015	2016	2015
Rs. '000	Rs. '000	Rs. '000	Rs. '000
11,333	4,951	17,083	8,176
4,326	2,172	5,803	3,564
396	-	396	-
16,055	7,123	23,282	11,740

Income Tax Expenses (Company)

For the period

Current tax expenses	2,490	-	4,776	-
	2,490	-	4,776	-

July - September		April - September	
2016	2015	2016	2015
Rs. '000	Rs. '000	Rs. '000	Rs. '000
2,490	-	4,776	-
2,490	-	4,776	-

3. Net Assets per Share

Group	24.57	20.76
Company	6.33	6.14

As at	As at
30/09/2016	31/03/2016
Rs.	Rs.
24.57	20.76
6.33	6.14

4. Market Price per Share

For the six months ended 30 September

Highest market price recorded	34.80	42.60
Lowest market price recorded	18.60	30.50
Closing market price recorded	33.60	31.00

2016	2015
Rs.	Rs.
34.80	42.60
18.60	30.50
33.60	31.00

- The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31 March 2016 have been followed in the preparation of the above provisional financial statements.
- 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.
- The number of shares represented by stated capital as at 30 September 2016 is 101,250,000 shares (As at 31 March 2016 - 101,250,000 shares).



NOTES TO THE FINANCIAL STATEMENTS

8. There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2016 other than the following:
- (a) In September 2016, the Department of Inland Revenue made assessments on Financial VAT (2013/14) for First Capital Treasuries PLC and First Capital Limited amounting to LKR. 60.8 Mn and LKR 46.2 Mn respectively. The appeals were submitted against the said assessments. Based on the tax consultant's opinion, the Board of Directors is of the view that no liability would arise since the assessments are outside the scope of chargeability of Financial VAT.
 - (b) First Capital Holdings PLC provided a corporate guarantee facility on behalf of its subsidiary, First Capital Limited amounting to Rs. 50 Mn for its banking facilities.
 - (c) First Capital Limited provided a corporate guarantee facility on behalf of First Capital Holdings PLC amounting to Rs. 500 Mn for its banking facilities.

9. There have been no material events subsequent to the reporting date which require disclosures/adjustments in the provisional Financial Statements other than the following:

On 8 November 2016, First Capital Investments (Private) Limited, a fully owned subsidiary of First Capital Limited was amalgamated with First Capital Limited and continue under a single corporate entity, First Capital Limited.



INVESTOR INFORMATION

INVESTOR INFORMATION

Information on listed debentures

Market value as at 30 September 2016

Debentures with 4 year and 5 year maturity have not been traded during the quarter ended 30 September 2016. Hence, the par value of Rs. 100.00 is recognised as their respective market values.

3 year fixed rate (13.5 % p.a. payable annually)

Highest price

Lowest price

Last traded price

Yield to maturity

	30-Sep-16 Rs.	30-Sep-15 Rs.	31-Mar-16 Rs.
Highest price	99.43	-	-
Lowest price	99.43	-	-
Last traded price	99.43	-	-
Yield to maturity	13.77%	-	-

Debt Ratios (Group)

Debt/equity ratio (times)

Quick asset ratio (times)

Interest cover (times)

	As at 30-Sep-16	As at 30-Sep-15	As at 31-Mar-16
Debt/equity ratio (times)	13.63	6.13	8.38
Quick asset ratio (times)	1.09	1.24	1.15
Interest cover (times)	1.31	1.03	1.07

Debt Ratios (Company)

Debt/equity ratio (times)

Quick asset ratio (times)

Interest cover (times)

	As at 30-Sep-16	As at 30-Sep-15	As at 31-Mar-16
Debt/equity ratio (times)	8.44	5.32	5.32
Quick asset ratio (times)	1.19	1.24	1.30
Interest cover (times)	1.08	1.20	1.20

Debenture Interest Yield

3 year fixed rate (13.5 % p.a. payable annually)

4 year fixed rate (13.75 % p.a. payable annually)

5 year fixed rate (14.00 % p.a. payable annually)

	As at 30-Sep-16	As at 30-Sep-15	As at 31-Mar-16
3 year fixed rate (13.5 % p.a. payable annually)	13.58%	13.50%	13.50%
4 year fixed rate (13.75 % p.a. payable annually)	13.75%	13.75%	13.75%
5 year fixed rate (14.00 % p.a. payable annually)	14.00%	14.00%	14.00%

There were no trading on the debentures with 4 and 5 years maturities during the quarter ended 30 September 2016. Hence, Yield to maturity on trade done is also not applicable. The Yield are same as coupon rates.

Yield of comparable Government Securities (remaining maturity)

3 Year treasury bond

4 Year treasury bond

5 Year treasury bond

	As at 30-Sep-16	As at 30-Sep-15	As at 31-Mar-16
3 Year treasury bond	9.16%	7.72%	10.55%
4 Year treasury bond	10.34%	8.35%	10.99%
5 Year treasury bond	10.79%	9.10%	11.74%



INVESTOR INFORMATION

List of twenty major shareholders as at 30 September 2016

Name of the shareholder		No of shares 30 September 2016	Holding (%)
1	1.1 Commercial Bank of Ceylon PLC/ Dunamis Capital PLC	47,844,700	47.25
	1.2 Seylan Bank PLC/ Dunamis Capital PLC	25,400,000	25.08
	1.3 Dunamis Capital PLC	2,768,448	2.73
2	Seylan Bank PLC/ Janashakthi PLC	2,917,000	2.88
3	HSBC International Nominees Ltd - SSBT Deutsche Bank AG Singapore A/C No. 1	2,156,668	2.13
4	Janashakthi General Insurance Limited	858,650	0.84
5	Bimpuh Finance PLC	508,685	0.50
6	Mr. Kankanamge Sunil Dharmabandu Senaweera	435,000	0.43
7	Mr. Charitha Prasanna De Silva	355,000	0.35
8	Mr. Arunasalam Sithampalam	339,000	0.33
9	People's Leasing & Finance PLC/Mr.D.M.P.Disanayake	306,450	0.30
10	Commercial Bank of Ceylon PLC/Janashakthi Limited	300,703	0.29
11	Pan Asia Banking Corporation PLC/S.R.Fernando	260,724	0.25
12	Pan Asia Banking Corporation/A.C.Jayasinghe	252,182	0.24
13	Mr. Dhanusha Senajit Duke De Lanerolle	235,000	0.23
14	Commercial Bank Of Ceylon PLC/U.C.Bandaranayake	230,000	0.22
15	Mr. Nagen Dayaranjan Kurukulasuriya	208,836	0.20
16	Dr. Subashi Nemindi Samarasinghe	200,616	0.19
17	Mr Jayasuriya Mudiyanseelage Jayaweera	163,758	0.16
18	Mrs. Monica Eileen Perera	151,033	0.14
19	M Investments Lanka (Pvt) Ltd	140,710	0.13
20	Waldock Mackenzie Ltd/Mrs.K.D.C.Somalatha & Mr.K.Nandasiri	139,400	0.13
		86,172,563	85.11

Shareholding of the Directors/ Chief Executive Officer

Name of the Director/ Chief Executive Officer	Designation	No. of Shares 30 September 2016
Ms. Manjula Mathews	Director	Nil
Mr. Dinesh Schaffter	Director	Nil
Mr. Eardley Perera	Director	Nil
Ms. Minette Perera	Director	Nil
Mr. Nishan Fernando	Director	Nil
Mr. Chandana de Silva	Director	Nil
Mr. Dilshan Wirasekara	Chief Executive Officer	Nil

Public holding as a percentage of issued share capital is 24.93%.

Number of shareholders representing the public holding is 6,038.