LASCO FINANCIAL SERVICES

Everyday Financial Value

Q3 Unaudited Quarterly Financial Report

October – December 2014

LASCO FINANCIAL SERVICES LIMITED

The Board of Directors of LASCO Financial Services Limited (LFSL) is pleased to present the unaudited consolidated financial results for the third quarter ending December 2014.

3rd Quarter Highlights

200 million dollars Trading Income

Up 10.82 percent over 2013 corresponding period

69 million dollars Net Profit

Up 49.76 percent over 2013 corresponding period
an increase of 22.9 million dollars

Year to Date Highlights

	December 2014 $'000	December 2013 $'000
TOTAL INCOME	565,693	483,815
NET PROFIT	180,926	135,741
EARNINGS PER SHARE	$0.147	$0.111
RETURN ON AVERAGE EQUITY	25%	25%

LASCO Financial Services Limited recorded a nine month income of $565.7M, 16.9% higher than the previous year; a creditable performance despite the comparatively lower margins on Foreign Currency trades. Revenue growth was driven mainly by the growth in our Remittance business from sustained marketing activity in the key diaspora corridors and an increase in our loans business.

Net Profits for the nine months closed at $180.9M, 33.3% higher than the 2013 corresponding period and 2.4% higher than the 2014 Financial Year profits. One factor in this quarter which contributed to our stronger profit position is the positive results from our Subsidiary Company LASCO Financial Services Barbados Limited which is now operating profitably.

LASCO FINANCIAL SERVICES LIMITED
3rd Quarter October – December 2014

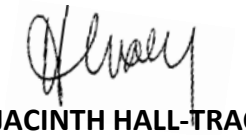
BALANCE SHEET HIGHLIGHTS

	Q3 2014 $'000	Q3 2013 $'000
CASH & CASH EQUIVALENTS	474,413	228,970
TOTAL ASSETS	992,246	705,345
TOTAL STOCKHOLDER'S EQUITY	795,351	610,326

Total assets increased by $286.7M or 40% to close the quarter at $992.2M. This increase in assets was mainly funded by the over 100% increase in our cash and cash equivalents. Stockholder's equity increased 30.3% to close the nine months period at $795.3M.

In 2014, LASCO Financial Services celebrated its 10th anniversary, a significant milestone for us, but even more momentous for us was the Jamaica Stock Exchange's Best Practices Award for Best Performing Company (Junior Market) and the 1st Runner Up Award for Annual Report. In the Quarter, we were also once again recognized as the Caribbean's MoneyGram Agent of the Year. These awards are dedicated to the members of our team who are loyal to the vision and business objectives and the hard working LASCO MoneyGram Agents who serve our customers and our Board of Directors whose guidance is key to our success.

We wish to thank our customers and stakeholders for the continued support and wish for you all a healthy and prosperous 2015.



JACINTH HALL-TRACEY
MANAGING DIRECTOR

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 9 MONTHS ENDED 31 DECEMBER 2014

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 MONTHS ENDED 31 DECEMBER 2014 $'000	3 MONTHS ENDED 31 DECEMBER 2013 $'000	9 MONTHS ENDED 31 DECEMBER 2014 $'000	9 MONTHS ENDED 31 DECEMBER 2013 $'000	12 MONTHS ENDED 31 MARCH 2014 $'000
Trading income	193,162	174,870	547,223	468,573	594,685
Other operating income	6,905	5,664	18,470	15,242	33,861
	200,067	180,534	565,693	483,815	628,546
EXPENSES:					
Administrative and other expenses	51,500	47,492	162,399	143,648	199,395
Selling and promotion expenses	79,525	86,879	222,267	204,265	252,273
	131,025	134,371	384,666	347,913	451,668
PROFIT FROM OPERATIONS	69,042	46,163	181,027	135,902	176,878
Finance cost	41	90	101	161	195
NET PROFIT FOR THE PERIOD, BEING TOTAL COMPREHENSIVE	69,001	46,073	180,926	135,741	176,683
Number of shares in issue	1,228,102,990	1,228,102,990	1,228,102,990	1,228,102,990	1,228,102,990
Earnings per share	$0.056	$0.038	$0.147	$0.111	$0.144

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	UNAUDITED DECEMBER 2014 $'000	UNAUDITED DECEMBER 2013 $'000	AUDITED MARCH 2014 $'000
ASSETS			
Property, plant and equipment	26,835	27,747	24,818
Investment property	100,000	99,956	100,000
Loans and other receivables	362,915	274,818	290,734
Due from related parties	-	376	0
Short term deposits	28,083	73,478	76,134
Cash and cash equivalents	474,413	228,970	319,040
	992,246	705,345	810,726
EQUITY AND LIABILITIES			
SHAREHOLDER'S EQUITY:			
Share capital	50,523	50,523	50,523
Retained earnings	744,828	559,803	600,745
	795,351	610,326	651,268
LIABILITIES:			
Payables and accruals	194,566	93,342	156,851
Due to related parties	2,329	1,677	2,607
	196,895	95,019	159,458
	992,246	705,345	810,726

-

Approved for issue by the Board of Directors on 28 January 2015 and signed on its behalf by:

L A Chin Chairman

Jacinth Hall-Tracey Managing Director

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS ENDED 31 DECEMBER 2014

	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2013	50,523	424,062	474,585
Total comprehensive income		135,741	135,741
Balance at 31 December 2013	50,523	559,803	610,326
Balance at 1 April 2014	50,523	600,745	651,268
Dividends paid		(36,843)	(36,843)
Total comprehensive income	-	180,926	180,926
Balance at 31 December 2014	50,523	744,828	795,351

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2014

	UNAUDITED 9 MONTHS ENDED 31 DECEMBER 2014 $'000	UNAUDITED 9 MONTHS ENDED 31 DECEMBER 2013 $'000	AUDITED 12 MONTHS ENDED 31 MARCH 2014 $'000
Net profit for the period	180,926	135,741	176,683
Adjustment to reconcile profit for the period to net cash used in operating activites.	(37,118)	(22,585)	(17,273)
Net cash provided by operating activities	143,808	113,156	192,956
Net cash provided by/(used in) investing activities	42,591	(74,497)	(69,525)
Net cash used in financing activities	(36,843)		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	149,556	38,659	123,431
Effects of exchange rate translation on cash and cash equivalent	5,817	1,215	6,513
Cash and cash equivalents at beginning of period	319,040	189,096	189,096
CASH AND CASH EQUIVALENTS AT END OF PERIOD	474,413	228,970	319,040

1. IDENTIFICATION AND PRINCIPAL ACTIVITY:

(a) LASCO Financial Services Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 27 Red Hills Road, Kingston 10. The company is listed on the Junior Market of the Jamaica Stock Exchange.

(b) The principal activities of the company are:

- The company is a licenced Cambio dealer regulated by the Bank of Jamaica. The Cambio facilitates the sale and purchase of foreign currencies to and from its related companies as well as the general public.

- The provision of services as an agent of MoneyGram International Money Transfer which is a Remittance company facilitating person to person transfers for a fee, in accordance with licenses issued by the Bank of Jamaica.

- The rental of properties.

- The granting of loans for personal and business purposes. By Order dated 7 March 2014, the company received an exemption from the provisions of the Money Lending Act by the Minister of Finance for one year from 4 March 2014, renewable annually

(c) LASCO Financial Services (Barbados) Limited is a 100% owned subsidiary of the company. LASCO Financial Services (Barbados) Limited is incorporated in Barbados under the Companies Act Cap.308 of the Laws of Barbados.

The company and its subsidiary are referred to as “the Group”.

2. BASIS OF PREPARATION:

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board, and have been prepared under the historical cost convention. They are also prepared in accordance with provisions of the Jamaican Companies Act and as set out in note 3 of the audited financial statements as at 31 March 2014.

3. SHARE CAPITAL:

Authorised –
1,961,200,000 (2013 – 1,961,200,000) Ordinary shares of no par value

	2014 $'000	2013 $'000
Stated capital, issued and fully paid -		
1,228,102,990 Ordinary shares of no par value	50,523	50,523

.