LASCO FINANCIAL SERVICES

Everyday Financial Value

Q2

Unaudited Quarterly Financial Report

July 2013 - September 2013

LASCO FINANCIAL SERVICES LIMITED
2nd Quarter July – September 2013

The Board of Directors of LASCO Financial Services Limited (LFSL) is pleased to present the Second quarter unaudited financial results.

2nd Quarter Highlights

158 million dollars Trading Income

Up 43 percent over 2012 corresponding period

50 million dollars Operating Profit

Up 64 percent over 2012 corresponding period
an increase of 19.6 million dollars

0.073 dollars Earnings per share (EPS)

earnings per share for the six months increased by 58% from 0.046 dollars in corresponding period
(In June 2013, each share of no par value whether issued or un-issued was sub-divided into 10 shares of no par value; September 2012 was adjusted for comparison)

18.5 percent Return on Average Shareholder's Equity

For the period under review (April 2013– September 2013)

Year to Date HIGHLIGHTS

	Sept 2013 $'000	Sept 2012 $'000
TRADING INCOME	303,281	208,717
NET PROFIT	89,668	56,805

Our year to date trading income of $303.2 Million increased by 45% over the previous year. Our year to date profit has increased by 58% or $32.8 Million. The increase in income is a result of the growth in the remittance business due to additions of key partners and ongoing promotions.

LASCO FINANCIAL SERVICES LIMITED
2nd Quarter July – September 2013

Year to Date HIGHLIGHTS cont'd

This growth in transactions has provided increased foreign currency for sale to our customers, and as such, resulted in an increased contribution to revenues from the Cambio Division. Our Loans Division also expanded its Portfolio size, yielding higher returns this year over last year.

Total expenses were $213.5 Million representing an increase of $62.5 Million. $40 Million of this increase represents investments in promotional activities and commission payments to MoneyGram agents due to growth in our transactions.

Balance Sheet

Total assets increased year over year by $116 Million or 21% to $661 Million. Cash resources grew $146 Million or over 100%.

MAJOR EVENTS

- Lasco Financial Services held its Annual General meeting in September where the following resolutions were approved:
    - A Stock Option Plan for up to but no more than 5% of the issued ordinary shares which is to benefit such employees of the company as thought fit by the directors
    - Interim dividend of thirty cents ($0.30) on each ordinary share, paid in March 2013, as final dividend for the financial year ended 31st March 2013.
    - A resolution to increase the number of directors from six to twelve
- The Launch of the Brazil 2014 Promotion took place in August, both in Kingston and New York. For the first time Lasco Financial Services and MoneyGram are working on this exciting multi-market Promotion which targets customers living in the US, Cayman Islands, Bahamas, Turks and Caicos and U.K. who send money to their family and friends in Jamaica. It motivates them to use MoneyGram for a chance to win fantastic weekly prizes such as: LASCO baskets, tablets, and a grand prize trip for 2 to Brazil in 2014.
    - Receivers in Jamaica will also have chances to win prizes of their own every time they pick up their transfer in Jamaica at a LASCO-operated MoneyGram location. Jamaican receivers will win 20 weekly giveaways of LASCO baskets valued at $2000 each, a chance to double their money transfer up to $50 000, and weekly prizes of $200 cell phone top ups and of course the grand prize a trip for 2 to Brazil in 2014.

LASCO FINANCIAL SERVICES LIMITED
2nd Quarter July – September 2013

HIGHLIGHTS FROM OUR INDUSTRY

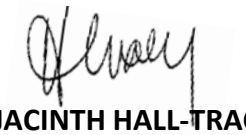
Official results (Bank of Jamaica) for the country's total remittance inflows of US$698.3 Million for April to July shows that there has been an overall 1.1% increase in the 2013 year to date period when compared with the 2012 corresponding period. Although this is the largest inflow since the pre-crisis 2009 era, there was an actual decline in the inflows which came through the Remittance Companies. US$590 Million came through the Remittance Companies but this was US$1.3 Million less than the 2012 corresponding period.

Lasco Financial Services has put the necessary strategies in place to ensure that we continue to grow ahead of the Industry.

OUR COMMUNITY

Since we began the promotion in Jamaica and the select send markets, we have given away over 900 prizes to our valued customers.

Special thanks to our MoneyGram Agents who continuously support our growth strategies and as a result enjoy the successes. Thanks also to our customers whom we have been serving for the past nine (9) years. It is our pleasure to be able to reward you. To our staff and Board of Directors, we appreciate the daily acts of goodwill towards our company and to our very supportive shareholders, we thank you for your trust and confidence.



JACINTH HALL-TRACEY
MANAGING DIRECTOR

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2013

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 MONTHS ENDED 30 SEPTEMBER 2013	3 MONTHS ENDED 30 SEPTEMBER 2012	6 MONTHS ENDED 30 SEPTEMBER 2013	6 MONTHS ENDED 30 SEPTEMBER 2012	12 MONTHS ENDED 31 MARCH 2013
	$'000	$'000	$'000	$'000	$'000
TRADING INCOME	154,344	108,141	293,703	202,696	467,730
Other operating income	4,243	2,435	9,578	6,021	16,909
	158,587	110,576	303,281	208,717	484,639
EXPENSES:					
Administrative and other expenses	48,473	40,713	96,156	76,280	168,467
Selling and promotion expenses	59,770	38,425	117,386	74,729	151,897
	108,243	79,138	213,542	151,009	320,364
PROFIT FROM OPERATIONS	50,344	31,438	89,739	57,708	164,275
Finance cost	25	782	71	903	376
PROFIT BEFORE TAXATION	50,319	30,656	89,668	56,805	163,899
Taxation	-	-	-	-	-
NET PROFIT FOR THE PERIOD, BEING TOTAL COMPREHENSIVE INCOME	50,319	30,656	89,668	56,805	163,899
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	$0.041	$0.025	$0.073	$0.046	$0.13

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

	Note	UNAUDITED SEPTEMBER 2013 $'000	UNAUDITED SEPTEMBER 2012 $'000	AUDITED MARCH 2013 $'000
ASSETS				
Property, plant and equipment		28,563	41,861	30,061
Investment property		99,956	99,956	99,956
Loans and other receivables		250,869	261,996	318,143
Due from related parties		5	5,408	2,369
Cash and cash equivalent		281,695	135,790	189,096
		661,088	545,011	639,625
EQUITY AND LIABILITIES				
SHAREHOLDER'S EQUITY:				
Share capital	3	50,523	50,523	50,523
Retained earnings		513,730	353,811	424,062
		564,253	404,334	474,585
LIABILITIES:				
Payables and accruals		95,326	138,743	165,040
Due to related parties		1,509	1,934	-
		96,835	140,677	165,040
		661,088	545,011	639,625

Approved for issue by the Board of Directors on 4 November 2013 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 6 MONTHS ENDED 30 SEPTEMBER 2013

	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2012	50,523	312,971	363,494
Dividends paid		(15,965)	(15,965)
Total comprehensive income	-	56,805	56,805
Balance at 30 September 2012	50,523	353,811	404,334
			-
Balance at 1 April 2013	50,523	424,062	474,585
Total comprehensive income		89,668	89,668
Balance at 30 September 2013	50,523	513,730	564,253

LASCO FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 SEPTEMBER 2013

	UNAUDITED 6 MONTHS ENDED 30 SEPTEMBER 2013 $'000	UNAUDITED 6 MONTHS ENDED 30 SEPTEMBER 2012 $'000	AUDITED 12 MONTHS ENDED 31 MARCH 2013 $'000
Net profit for the period	89,668	56,805	163,899
Adjustment to reconcile profit for the period to			
net cash provided by/(used in) operating activites.	3,557	(13,076)	(46,361)
Net cash provided by operating activities	93,225	43,729	117,538
Net cash used in investing activities	(718)	(6,642)	9,895
Net cash used in financing activities	-	(15,965)	(52,808)
NET INCREASE IN CASH AND CASH EQUIVALENTS	92,507	21,122	74,625
Effects of exchange rate translation on cash and cash equivalent	92	433	153
Cash and cash equivalents at beginning of period	189,096	114,235	114,318
CASH AND CASH EQUIVALENTS AT END OF PERIOD	281,695	135,790	189,096

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

- 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 purposes.

(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 2013.

3. SHARE CAPITAL:

Authorised –
1,961,200,000 (2012 – 1,961,200,000) Ordinary shares of no par value

	2013 $'000	2012 $'000
Stated capital, issued and fully paid -		
1,228,102,990 Ordinary shares of no par value	50,523	50,523

At an Extraordinary General Meeting held June 26, 2013, the Shareholders of LFSL approved a resolution allowing each share of no par value whether issued or un-issued to be sub-divided into 10 shares of no par value. The Ex-Date was July 5 and the Record date July 9 at which time the shares began trading at $1.30.

The Authorised and issued shares indicated above reflect the stock split approved by the shareholders.

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