



Everyday Financial Value



AUDITED FINANCIAL REPORT

Q4

APRIL 2022 – MARCH 2023

LASCO FINANCIAL SERVICES LIMITED

AUDITED RESULTS APRIL 2022- MARCH 2023

The Board of Directors of LASCO Financial Services Limited (LASF) is pleased to present the Audited Consolidated Financial Statements for the year ended 31 March 2023.

CONSOLIDATED FINANCIAL RESULTS

TOTAL REVENUES	\$2.273 Billion
PROFIT FROM OPERATIONS	\$445.6 Million
NET PROFIT	\$213.9 Million
EARNINGS PER SHARE	\$0.1679

Financial Performance Overview:

LASF ended the 2022-2023 Financial Year with consolidated revenues of \$2.273 Billion, a 9% decrease when compared with the 2022-2023 financial results. Expenses were marginally reduced from \$1.851B to \$1.827.7 Billion as well as Finance Cost was reduced to \$116.6M from \$166.9M. Net profit for the year ended was \$213.9M, down from \$306.4M at the end of 2021-2022. The decrease in earnings indicates the normalization of market share, which reverted after the return to market of a key remittance services competitor at the beginning of the financial year. Our diversified income stream, however, from the other business pillars including Cambio Services, Payments Services and Microfinancing all contributed positively, growing by 36.5% increase over the 2020-2021 financial year.

Challenges and Mitigation Strategies:

The Remittance Industry faces a peculiar challenge which continues to impact revenues negatively. This is primarily due to the sending markets adapting to digital channels to send money to Jamaica, resulting in lower fees to the senders and lower commissions to Money Transfer companies. In response to this market condition, LASF implemented a few strategies which optimized our remittance business and enhanced the value proposition for our customers, yielding income from other revenue streams.

LASF was approved by the Bank of Jamaica to launch its LASCO Gold Visa prepaid cards into market in July 2022. Revenues from this business venture made a valuable contribution to our overall income. We are excited at the prospects of this business and the anticipated growth prospects.

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Audited results for the period April 2022– March 2023

We are committed to diligently expanding our customer base and scaling these new ventures to achieve their full potential.

Our Cambio service remained resilient, growing transactions to return to pre-pandemic levels for the retail business. On the corporate side, the transactions are intrinsically linked to the growth in the remittance business. There was a slight downturn in the volumes traded and the trading margins, however the business remains robust.

Financial Performance – LASCO Financial, The Company

LASCO Financial Services Limited, the Company ended the 2022-2023 Financial Year with revenues of \$1.856.3 Billion, a 9% decrease when compared with the 2022-2023 financial results. Net profit for the year ended was \$ 237.7M down from \$324.9M at the end of 2021-2022.

The Subsidiary

Our microfinancing business LASCO Microfinance Limited (LASMF) was able to regrow the loan portfolio diversifying away from the business model which was predominantly microbusiness and micro credit borrowers. Subsequent to year end we have made several fundamental changes in the business model including organizational restructuring to revive growth and profitability in this segment.

The Microcredit Act was brought into operation in July 2021 with the aim of licensing and regulating microcredit institutions. Existing companies were given twelve months from the commencement date to apply for a licence. LASMF is currently operating on a “non-objection” from the Bank of Jamaica as we await the approval of our application which was submitted within the timeframe allowed.

FINANCIAL POSITION

For the reporting period, Total Assets decreased by 1.80% from \$4.663B to \$4.579B. Total Cash (cash and bank balances and short-term deposits) increased by 18.8% to close at \$1.65B. Interim Dividends of \$64.0 million was paid on December 21, 2022 to shareholders on record as December 1. This is equivalent to \$0.05 per share, a slight improvement over the \$51.2 million paid at \$0.04 per share in the previous year.

Total loans and advances (loans portfolio) also improved from \$1.013B to \$1.038B. With increased confidence in the economy and evidence that companies were emerging from the risks of the pandemic era, we diligently expanded our customer base, lending into more resilient sectors thereby lowering our risks.

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In the 2021 financial year, we refinanced the 9.5% Corporate note which was issued in 2018 and replaced it with a \$500M and \$700M loan at interest rates of 8% and 7.5% respectively. The Company has since benefited from the lower interest costs resulting in significant savings of \$50.2M. Subsequent to the end of this financial year, LASF paid down the balance of one of the loans, now reducing its liabilities by \$440M.

CORPORATE SOCIAL RESPONSIBILITY

Our community is very important to our continued success and it was our pleasure to participate in and support several initiatives throughout the year. Some of the key ones are highlighted below:

- For Child month activity we provided groceries for the feeding programmes for two schools in our community The United Early Childhood Development Centre on Red Hills Road in the vicinity of our Money Store and The New Baby Grand Development Centre on the Washington Boulevard
- We commemorated our 18th anniversary celebrating with our instore customers who visited our MoneyStores on the anniversary day, surprising them with giveaways and tokens
- We continued our annual LASCO Money CSEC Fees Scholarship, where 18 grade 11 students from 9 schools were awarded a grant of twenty thousand dollars (\$20,000) each towards their CSEC fees.
- We also collaborated with the LAS Chin Foundation in the LASCO Police of the Year Award by supplying all finalists with a LASCO GOLD Visa Prepaid Card, for them to receive their prize money.

CORPORATE GOVERNANCE

- LASF was awarded 2nd runner up for Best Practices – Corporate Disclosure & Investor Relations (Junior Market) at the Jamaica Stock Exchange (JSE) Corporate Governance Awards.
- We were awarded a CGI Rating of **A** (CGI Rating Score: **82.56**) for the year 2021/22. This assessment was conducted by the JSE through its Corporate Governance Index Review Committee (CGIRC), the independent body with responsibility to measure how well a company conforms to the various principles of corporate governance.

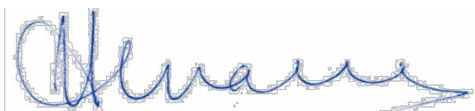
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LOOKING AHEAD

We remain optimistic about the future and are committed to executing our strategic priorities. We will continue to navigate the evolving market landscape, pursue growth opportunities, and focus on enhancing shareholder value. Our resilient business model, strong financial position, and dedicated team position us well to address challenges and leverage opportunities as they arise.

In conclusion, we wish to express our appreciation to our customers, our employees, agents and merchants who continue to serve our customers with enthusiasm. We also express gratitude to our Chairman and Founder Lascelles Chin and our Directors for their continued guidance and support.



JACINTH HALL-TRACEY
MANAGING DIRECTOR