

LSE Financial Services Limited

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018



LSE Financial Services Ltd.

Directors' Review Report

Dear Shareholders,

The Board of Directors is pleased to present its report along with the half-yearly/2nd Quarter (Reviewed) Accounts of your Company for the period ended December 31, 2018:

Financial Highlights	Dec-2018 Rs. in '000'	Dec-2017 Rs. in '000'
Revenue	79,713	69,082
Share of profit of Associates-net of tax	65,122	67,923
Expenditures	(47,479)	(39,786)
Finance Cost	(3,841)	(3,408)
Profit before Taxation	93,515	93,811
Taxation	(23,842)	(49,801)
Net Profit for the period	69,673	44,010
Earnings Per Share (EPS)	Rs. 0.54	Rs. 0.34

PERFORMANCE REVIEW

During the half year ended on December 31, 2018, LSEFSL earned total revenue of Rs. 144.835 million, including share of profit from the associated companies, as compared to Rs. 137.005 million last year's comparative period, i.e., an increase of 7.829 million or 5.71% mainly due to increase in interest rate and MTS business limit, which has been enhanced up to Rs. 400 million. The revenue was generated from rent, income from MTS, share of profits from the associated companies and other income. The administrative expenses were Rs. 51.320 million, i.e., up by Rs. 8.126 million or 18.8% from last year's comparative period, primarily due to increase in depreciation expense (Rs. 3.420 million) after capitalization of South Tower area related to LSEFSL. The Company earned a profit before taxation of Rs. 93.515 million for the period under review, which is in line as compared to the corresponding period. Furthermore, profit after tax is Rs. 69.673 million which has been increased by Rs. 25.663 million or 58.31% from last year's comparative period. After capitalization of South Tower and recognition of finance leases, the impact of deferred taxation has been reduced in current period. The tax expense has been accounted for on the basis of weighted average annual tax rate expected for the full financial year.

Earnings per Share (EPS) - (Basic & Diluted) for the half year ended December 31, 2018 was recorded as Rs. 0.54 per share against Rs. 0.34 per share of last year's comparative period, up by Rs. 0.20 or 58.8%.

During the period, JCR-VIS Credit Rating Company Ltd. upgraded initial entity ratings from "A/A-2" to "A/A-1" LSEFSL. Outlook on the assigned ratings is 'Stable'. During the period, there has been no default in payment of any debt of the Company.

The Directors of the Company have adequately ensured that the system of internal financial controls is sound in design and has been effectively implemented and monitored through outsourced Internal Auditors.



LSE Financial Services Ltd.

The Management of the Company has reviewed all those risks that could affect the Company's performance and its future prospects. The Management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The profitability of the Company is also influenced by the overall economic and geo-political condition of the Country, the performance of the associated companies and the capital markets.

For and on behalf of the Governing Board of Directors of LSEFSL,

Chief Executive/Managing Director

Director

