

**Date: October 21, 2010**

**For further information contact:**

**Marcus James**

**Chief Executive Officer**

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## **MEDIA RELEASE**

### **ACCESS FINANCIAL SERVICES LIMITED RECORDS 205% GROWTH IN THIRD QUARTER YEAR OVER YEAR NET PROFIT**

#### **THIRD QUARTER HIGHLIGHTS**

- Net profit of \$35.18 million
- Earnings per share of \$0.13
- Productivity Ratio of 68%

Access Financial Services Limited reported its 2010 third quarter financials today. Net income for the nine month period ending September 30, 2010 was \$104.9 million, representing a 194.7% increase in the company's earnings when compared to the corresponding period ending September 30, 2009.

Net profit before tax for the three month period ending September 30, 2010 was \$35.18 million representing a 205% increase over the 2009 corresponding quarter.

Return on equity and earnings per share for the nine month period ending September 30, 2010 was 38% and \$0.38 respectively compared to 32% and \$0.13 for the corresponding period in 2009.

Marcus James, Chief Executive Officer, stated that growth in profitability was attributed to a 10% increase in loan portfolio. Notably loan disbursement for the quarter increased by 18% when compared with the second quarter of 2010.

The company also enhanced its operational efficiency as evidenced by the improvement in its productivity ratio which moved from 78% during the second quarter of 2010 to 68% for the quarter under review. To meet the continued demand for its services the company opened two new locations in Old Harbour and Browns Town during the quarter.

### **Revenues**

Total revenue for the quarter increased by 25.8% moving from \$88.5 million recorded during the 3<sup>rd</sup> quarter of 2009 to \$111.3 million for the quarter under review. Net interest income for the period increased by 39.4% moving from \$66.4 million to \$92.6 million recorded during the 3<sup>rd</sup> quarter of 2009.

The company's Money Service Division contributed 10.2% or \$10.83 million to total revenue during the 3<sup>rd</sup> quarter of 2010.

### **Non Interest Expense and Productivity**

Total operating expense for the quarter increased from \$58.9 million recorded during the 3<sup>rd</sup> quarter of 2009 to \$71.4million for the quarter under review. The increase was primarily driven by an increase in other operating expenses as the company continues to invest internally to meet its growth. Management continues to adopt a conservative approach in providing for loan losses.

### **Balance Sheet**

Total assets as at September 30, 2010 were \$593.6 million representing an 18.6% increase over September 30, 2009. The growth in total assets was driven by a 10% increase in Loans and Advances and an increase in the company's IT infrastructure and cash and cash equivalents.

The company also recorded an increase in stockholders equity which moved from \$150.5 million to \$364.9 million. The increase in equity was driven by retained earnings of \$121.5million generated during the year.

### **Non-financial highlights**

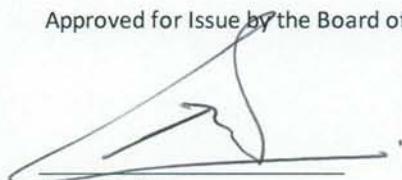
As part of our commitment to education, Access Financial Services awarded trophies to five students who excelled in business subjects at the Spanish Town High School at their graduation ceremony in July 2010.


On behalf of the Chairman and the Board of Directors, I would like to take this opportunity to thank our customers and staff for their continued support, hard work and diligence during this our tenth year of operation.

**ACCESS FINANCIAL SERVICES  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2010**

	\$' 000 Period Ended 30-Sep-10	\$' 000 Period Ended 30-Sep-09	\$' 000 Year Ended 31-Dec-09
<b>ASSETS</b>			
Cash and Cash Equivalents	66,223	27,780	28,825
Securities purchased under resale agreements	10,145	13,186	71,758
Other accounts receivables	21,802	17,316	15,248
Loans and advances	448,783	409,298	453,784
Property, plant and equipment	37,408	27,990	33,037
Intangible Assets	9,214	5,282	5,828
<b>TOTAL ASSETS</b>	<b>593,574</b>	<b>500,853</b>	<b>608,480</b>
<b>LIABILITIES</b>			
Bank overdraft			
Accounts payables	29,723	40,703	20,878
Taxation Payable			5,748
Loans Payables	198,927	309,689	308,060
Deferred Taxation			
<b>Total Liabilities</b>	<b>228,650</b>	<b>350,391</b>	<b>334,686</b>
			0
Share Capital	96,051	3,137	96,051
Retained Earnings	268,873	147,325	177,743
<b>Total Stockholders' Equity</b>	<b>364,924</b>	<b>150,462</b>	<b>273,794</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	<b>593,574</b>	<b>500,853</b>	<b>608,480</b>

Approved for Issue by the Board of Directors on 21 October 2010 and signed on its behalf by:

  
 Brian Goldson  
 Chairman

  
 Marcus James  
 Chief Executive Officer

ACCESS FINANCIAL SERVICES  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

	\$'000 (Unaudited) 3 months ended 30-Sep-10	\$'000 (Unaudited) 3 months ended 30-Sep-09	\$'000 (Unaudited) 9 months ended 30-Sep-10	\$'000 (Unaudited) 9 months ended 30-Sep-09
<b>Operating Income</b>				
Interest Income from Loans	96,577	76,300	282,982	204,341
Securities	704	1,184	3,504	3,230
<b>Total Interest Income</b>	<b>97,281</b>	<b>77,484</b>	<b>286,486</b>	<b>207,571</b>
Interest Expense	(4,713)	(11,060)	(19,839)	(29,328)
Net Interest Income	<b>92,568</b>	<b>66,424</b>	<b>266,647</b>	<b>178,244</b>
Fee and Commission Income	3,170	1,011	4,789	3,496
<b>Net Trading Income</b>	<b>95,738</b>	<b>67,435</b>	<b>271,435</b>	<b>181,740</b>
<b>Other Operating Income</b>				
Money Services	10,662	9,436	31,035	27,575
Foreign exchanges losses/ gains	169	539	557	1,883
	<b>106,569</b>	<b>77,410</b>	<b>303,027</b>	<b>211,197</b>
<b>Operating Expenses</b>				
Staff Costs	28,224	21,283	76,176	59,110
Allowances for credit losses	10,400	12,950	33,420	26,734
Depreciation and amortization	2,195	1,291	5,431	3,849
Other Operating Expenses	30,567	23,375	83,147	65,324
	<b>71,386</b>	<b>58,899</b>	<b>198,173</b>	<b>155,017</b>
<b>Profit before taxation</b>	<b>35,183</b>	<b>18,511</b>	<b>104,854</b>	<b>56,180</b>
Taxation	-	(6,995)	-	(20,599)
<b>Profit for the period</b>	<b>35,183</b>	<b>11,516</b>	<b>104,854</b>	<b>35,581</b>

**ACCESS FINANCIAL SERVICES LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**

	<b>Share Capital</b>	<b>Fair Value Reserve</b>	<b>Other Reserve</b>	<b>Retained Profits</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2009	3,137	-	-	111,744	114,881
Total comprehensive income	-	-	-	35,581	35,581
Issue of shares, net of transaction costs	-	-	-	-	-
Balance as at 30 September 2009	3,137	-	-	147,325	150,462
Balance as at 1 January 2010	96,051	-	-	177,743	273,794
Total comprehensive income	-	-	-	104,855	104,855
Dividends	-	-	-	(13,725)	(13,725)
Balance as at 30 September 2010	96,051	-	-	268,873	364,924

**ACCESS FINANCIAL SERVICES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**

	\$'000 2010	\$'000 2009
<b>Cashflow from operating activities</b>		
Net profit to date	104,855	56,180
Interest received	277,867	196,947
Interest income	(286,486)	(207,571)
Interest paid	(23,124)	(19,565)
Interest expense	19,839	29,328
Depreciation	5,431	3,849
Provision for loan Loss	33,420	26,734
<b>Operating Cash Flows before movement in working capital</b>	<u>131,802</u>	<u>85,902</u>
 Changes in Operating Assets and Liabilities		
Other accounts receivables	(4,486)	62,969
Loans and advances	(76,765)	(149,125)
Loan payables	(141,289)	(44,157)
Accounts payables and provisions	35,214	5,308
Net Cash used in/ provided by operating activities	<u>(55,524)</u>	<u>(39,103)</u>
 <b>Cash flows from investing activities</b>		
Purchase of property plant and equipment	(18,780)	(15,617)
Reverse repurchase agreement	3,041	(71,684)
	<u>(15,739)</u>	<u>(87,301)</u>
 <b>Cash Flow from financing activities</b>		
Share capital	109,706	-
 <b>INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>38,443</u>	<u>(126,404)</u>
Cash and equivalents at beginning of the period	<u>27,780</u>	<u>154,184</u>
Cash and equivalents at the end of the period	<u>66,223</u>	<u>27,780</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2010**

- **Identification**

Access Financial Services Limited (the company) is incorporated and domiciled in Jamaica and its registered office is situated at 41B Half Way Tree Road, Kingston 5, Jamaica, W.I. The company is listed on the Junior Market of the Jamaica Stock Exchange.

The principal activity of the company is retail lending to the micro enterprise sector for personal and business purposes. Funding is provided by financial institutions, government entities and non-governmental organisations.

- **Basis of Preparation and Significant Accounting Policies**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as set out in note 2 of the audited financial statements for the year ended 31 December 2009 and comply with the provisions of the Jamaican Companies Act.

- **New Standards**

The standard considered relevant to company is as follows:

Revised IAS 1 was considered in preparing these financial statements.

- **Use of estimates and judgements**

- Allowance for impairment losses on loan receivables:

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators to suggest a potential measurable decrease in the estimated future cash flows from loan receivables.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and comply in all material respects with IFRS.

- Property, plant and equipment and intangible assets:

Items of property, plant and equipment, and intangible asset are stated at cost less accumulated depreciation and impairment losses.

- Depreciation

Depreciation is recognised in profit or loss on the straight-line basis, over the estimated useful lives of property, plant and equipment.

- Loans:

Loans are stated at amortised cost, net of any unearned income and impairment losses, if any.

- Allowance for loan losses:

The company maintains an allowance for credit losses, which in management's opinion, is adequate to absorb credit related losses in its portfolio. This consists of specific provisions established as a result of reviews of individual loans and is based on an assessment which takes into consideration factors including collateral held and business and economic conditions.

- Borrowings:

Borrowings are recognised initially as the proceeds received net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method with any difference between proceeds net of transaction costs, and the redemption value recognised in income along with regular interest charges over the period of the borrowings.