

ACCESS

FINANCIAL SERVICES LTD.

"Bringing Financial Services to the People of Jamaica"

Head Office: 41B Half-Way-Tree Road Kingston 5

Branches: May Pen, Portmore, Spanish Town, Mandeville, Ocho Rios, Montego Bay, Savanna La Mar, Linstead, Santa Cruz, Brown's Town & Old Harbour

Tel: 1-888-GET-ACCESS or 929-9253

May 7, 2012

Jamaica Stock Exchange
40 Harbour Street
Kingston

Attention: Mrs. Marlene Street-Forrest

Dear Sirs:

Re: Financial Results for the period ended March 31st 2012

Enclosed are the following documents for the period ended March 31st 2012.

- Chairman and CEO's report on the first quarter results
- Notes to the financial statements
- Statement of comprehensive income
- Statement of financial position
- Consolidated statement of changes in equity
- Statement of cash flows

Should you require additional information please contact the undersigned at 929-9253.

Yours Truly,
ACCESS FINANCIAL SERVICES LIMITED


MARCUS JAMES
CHIEF EXECUTIVE OFFICER

MEDIA RELEASE

ACCESS FINANCIAL SERVICES LIMITED REPORTS FIRST QUARTER RESULTS

FIRST QUARTER HIGHLIGHTS

Net profit of \$42M (year to date)
Earnings per share of \$0.15
Return on Equity 0.08
Productivity Ratio of 68%

Access Financial Services Limited (AFS) reported its 2012 first quarter financials today. The company recorded a 39% (\$41.6m) increase in Total Operating Income when compared with the 2011 comparative period. The increase in Total Operating Income is attributable mainly to growth in Net Trading Income, which increased from \$93.9m in the first quarter of 2011 to \$133.8m for the current year.

Revenue & Expenditure

Total Interest Income for quarter ended March 31, 2012 totaled \$133.6m, an increase of \$38.7m over last year. This growth in Interest Income is directly attributable to the growth in loans disbursed as well as efforts to increase the suite of loan products on offer to our customers. Other Income increased by \$1.8m (16%); growth in this category was driven primarily by the increase in foreign exchange trades and the revaluation of foreign exchange holdings.

Operating Expenses for the quarter totaled \$105.3m, up \$41.7m (39%) over last year. Other Operating Expenses increased by \$10.6m over last year to \$37m, these are non-staff related expenses incurred in the daily operations of the branch network. We continue to focus our attention on cost saving measures to reduce these costs.

Balance Sheet

Total Assets as at 31 March 2012 amounted to \$806.8m, an increase of \$144.9m (18%) over the 2011 corresponding period. For the current quarter the loan portfolio stood at \$643m up by \$188m (29%) when compared to the same period last year. The net increase in our loan portfolio is primarily due to the positive movement in loan disbursements which grew by 55% year over year. Total liabilities reduced by \$25m (8%) year over year as a result of reductions in both Accounts Payables and Loans Payables.

The company's stockholders equity, moved positively by \$170.7m (44%) from \$355.4M to \$526.1M as a result of retained earnings generated during the year.

On behalf of the Board of Directors we take this opportunity to recognise the continued patronage of our loyal customers and the hard work and dedication of our team.

ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2012 - 1 ST QUARTER RESULTS

ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDING MARCH 31, 2012

	\$'000 (Unaudited) 3 months ended 31-Mar-12	\$'000 (Unaudited) 3 months ended 31-Mar-11	\$'000 (Audited) Year to date 31-Dec-11
Operating Income			
Interest Income from Loans	132,863	93,184	418,721
Securities	750	1,995	4,386
Total Interest Income	133,613	95,179	423,107
Interest Expense	(6,752)	(5,785)	(22,513)
Net Interest Income	126,861	89,394	400,594
Fee and Commission Income	6,955	4,554	22,025
Net Trading Income	133,816	93,948	422,619
Other Operating Income			
Money Services	10,994	11,287	49,849
Foreign exchanges losses/ gains	2,486	325	867
Other Income	(41)	0	1,585
	147,255	105,560	474,920
Operating Expenses			
Staff Costs	37,082	32,919	134,165
Allowances for credit losses	26,446	10,615	40,898
Depreciation and amortization	4,762	2,654	12,562
Other Operating Expenses	37,080	26,488	125,225
	105,369	72,676	312,850
Profit before taxation	41,885	32,884	162,070
Taxation			
Profit for the period	41,885	32,884	162,070
Earnings Per Share	\$0.15	\$0.12	\$0.59

ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2012 - 1 ST QUARTER RESULTS

ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2012

	(Unaudited) \$' 000 Period Ended 31-Mar-12	(Unaudited) \$'000 Period Ended 31-Mar-11	(Audited) \$' 000 Year Ended 31-Dec-11
ASSETS			
Cash and Cash Equivalents	72,653	116,463	36,985
Securities purchased under resale agreements	7,422	24,095	15,013
Other accounts receivables	16,586	24,072	14,777
Loans and advances	643,010	454,112	660,698
Property, plant and equipment	58,521	35,275	60,688
Intangible Assets	8,637	7,835	8,185
TOTAL ASSETS	806,830	661,851	796,346
LIABILITIES			
Accounts payables	44,343	107,266	36,098
Loans Payables	236,355	199,203	276,001
Total Liabilities	280,697	306,470	312,099
Shareholders' Equity			
Share Capital	96,051	96,051	96,051
Retained Earnings	430,081	259,331	388,196
Total Stockholders' Equity	526,132	355,382	484,247
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	806,830	661,851	796,346

Approved for issue by the Board of Directors on 7 May 2012 and signed on its behalf by:

Brian Goldson
Chairman

Marcus James
Chief Executive Officer

**ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2012 - 1 ST QUARTER RESULTS**

**ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDING MARCH 31, 2012**

	Share Capital \$'000	Fair Value Reserve \$'000	Other Reserve \$'000	Retained Profits \$'000	Total \$'000
Balance as at 1 January 2011	96,051			311,224	407,275
Total comprehensive income	-	-	-	32,885	32,885
Dividends	-	-	-	(84,778)	(84,778)
Balance as at 31 March 2011	96,051	-	-	259,331	355,382
Balance as at 1 January 2012	96,051	-	-	388,196	484,247
Total comprehensive income	-	-	-	41,885	41,885
Dividends	-	-	-	0	0
Balance as at 31 MARCH 2012	96,051	-	-	430,081	526,132

ACCESS FINANCIAL SERVICES LIMITED MEDIA RELEASE 2012 - 1 ST QUARTER RESULTS

ACCESS FINANCIAL SERVICES LIMITED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDING MARCH 31, 2012

	(Unaudited) \$'000 Period Ended 31-Mar-12	(Unaudited) \$'000 Period Ended 31-Mar-11	(Audited) \$'000 Year Ended 31-Dec-11
Cashflow from operating activities			
Net profit to date	41,885	32,884	162,070
Interest received	133,614	91,944	423,108
Interest income	(133,613)	(95,179)	(423,108)
Interest paid	(6,597)	(5,785)	(22,308)
Interest expense	6,752	5,785	22,513
Depreciation	4,762	2,654	12,562
Provision for loan Loss	26,446	10,615	40,898
Operating Cash Flows before movement in working capital	<u>73,249</u>	<u>42,918</u>	<u>215,735</u>
Changes in Operating Assets and Liabilities			
Other accounts receivables	(1,808)	(1,923)	7,421
Loans and advances	(8,759)	13,568	(226,537)
Income Taxes Paid	-	-	-
Loan payables	(39,647)	(29,570)	47,229
Accounts payables and provisions	8,089	244	13,649
Net Cash used in/ provided by operating activities	<u>(42,125)</u>	<u>(17,681)</u>	<u>(158,238)</u>
Cash flows from investing activities			
Purchase of property plant and equipment	(3,048)	(403)	(36,124)
Reverse repurchase agreement	7,678	43,328	52,323
	<u>4,630</u>	<u>42,925</u>	<u>16,199</u>
Cash Flow from financing activities			
Share capital	-	-	-
Dividends	-	-	(85,098)
	<u>-</u>	<u>-</u>	<u>(85,098)</u>
INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	<u>35,754</u>	<u>68,162</u>	<u>(11,402)</u>
Cash and equivalents at beginning of the period	<u>36,899</u>	<u>48,301</u>	<u>48,301</u>
Cash and equivalents at the end of the period	<u><u>72,653</u></u>	<u><u>116,463</u></u>	<u><u>36,899</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012

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 organizations.

Basis of preparation and significant accounting polices

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as set out in note 3 of the audited financial statements for the year ended 31 December 2011 and comply with the provisions of the Jamaican Companies Act.

New Standards

The standard considered relevant to the company is as follows:

IFRS 9 (Amended)

Financial Instruments (effective 1 January 2013), introduces new requirements for classifying and measuring financial assets. It also includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss. The standard also amends some of the requirements of IFRS 7 Financial Instruments: Disclosure, including added disclosure about equity investments designated as fair value through other comprehensive income.

IFRS 13

Fair Value Measurement (effective for annual reporting periods beginning on or after 1 January 2013), defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements.

IAS 1 (Amended)

Presentation of Financial Statements (effective for annual reporting periods beginning on or after 1 July 2012), amendments to revise the way other comprehensive income is presented.

IAS 7 (Amended)

Financial Instruments: Disclosures Related Party Disclosures, revised (effective 1 January 2011), introduces changes to the related party disclosure requirements for government related entities and amends the definition of a related party. The standard also expands the list of transactions that require disclosure.

ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2012 - 1 ST QUARTER RESULTS

IAS 32 (Amended)

Financial Instruments: Presentation (effective for annual reporting periods beginning on or after 1 January 2014) amendments to application guidance on the off-setting of financial assets and financial liabilities.

Use of estimates and judgments

Allowance for impairment losses on loan receivables:

In determining amounts recorded for impairment losses in the financial statements, management make judgments 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 statements and comply in all material respects with IFRS.

Property, plant, 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 recognized in the profit and loss on the straight-line basis, over the estimated useful lives of property, plant and equipment.

Loans

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