

# ACCESS

FINANCIAL SERVICES LTD.

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www.accessfinanceonline.com info@accessfinanceonline.com  
*"All the loan services you need under one roof"*

August 9, 2012

Jamaica Stock Exchange  
40 Harbour Street  
Kingston

**Attention: Mrs. Marlene Street-Forrest**

Dear Sirs:

**Re: Financial Results for the period ended June 30<sup>th</sup> 2012**

Enclosed are the following documents for the period ended June 30<sup>th</sup> 2012

- Chairman and CEO's report on the second 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

August 9, 2012

## ACCESS FINANCIAL SERVICES LIMITED REPORTS SECOND QUARTER RESULTS

### SECOND QUARTER HIGHLIGHTS

- Increase in Total Operating Income of 48%
- Earnings per share of \$0.17
- Annualized Return on Equity 36%
- Productivity Ratio of 65%
- Opening of the Duke Street branch

**Access Financial Services Limited (AFS)** published its 2012 second quarter results today. Total operating income increased by \$51.7M (48%) when compared with the same period last year. This growth in total operating income is mainly due to the movement in net trading income, up from \$95.5M for the second quarter of 2011 to \$146.9M for the corresponding period in 2012.

### Revenue & Expenditure

For the quarter ended June 30 2012, total interest income from loans amounted to \$147.2M, an increase of \$53.9M (58%) when compared to the same period last year. This movement is due to our continued efforts to increase our market share in our core business of micro lending.

Operating Expenses for the quarter totaled \$112.1M, up \$41.4M (59%) over last year. Staff Costs increased by \$12.1M (38%) while other operating costs increased by \$10.9M (37%). Movement in these areas is primarily the result of continued investment in the expansion of our network. Our allowances for credit losses amount to \$23.4m, a reflection of our aggressive provision for credit losses. We have enhanced our staff complement to continue the provision of excellent customer service as we grow the business. In March 16, 2012 we opened our newest branch located at 50 Duke Street bringing our total branch complement to fourteen.

### Balance Sheet

Total assets as at June 30 2012 amounted to \$864.8M, an increase of \$274.2M (46%) over the corresponding period last year. The loan portfolio for the second quarter of 2012 was \$636.7M, an increase of \$184.4M (41%) when compared to the same period last year.

Total liabilities increased by \$215.7M (109%) year over year, this was mainly attributable to an increase in loans received to meet loan demand. The company's stockholders equity, grew by \$58.4M (20%) after the declaration and payment of dividend \$0.45 per share on April 5 2012 .

**ACCESS FINANCIAL SERVICES LIMITED**  
**MEDIA RELEASE 2012 - 2ND QUARTER RESULTS**

**ACCESS FINANCIAL SERVICES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDING JUNE 30, 2012**

	\$'000 (Unaudited) 3 months ended 30-Jun-12	\$'000 (Unaudited) 6 months ended 30-Jun-12	\$'000 (Unaudited) 3 months ended 30-Jun-11	\$'000 (Unaudited) 6 months ended 30-Jun-11	\$'000 (Audited) Year to date 31-Dec-11
<b>Operating Income</b>					
Interest Income from Loans	147,162	280,025	93,225	186,409	418,721
Securities	605	1,355	1,000	2,995	4,386
<b>Total Interest Income</b>	<b>147,767</b>	<b>281,380</b>	<b>94,225</b>	<b>189,404</b>	<b>423,107</b>
Interest Expense	(7,096)	(13,849)	(5,251)	(11,036)	(22,513)
<b>Net Interest Income</b>	<b>140,670</b>	<b>267,532</b>	<b>88,975</b>	<b>178,369</b>	<b>400,594</b>
Fee and Commission Income	6,208	13,162	6,562	11,116	22,025
<b>Net Trading Income</b>	<b>146,878</b>	<b>280,694</b>	<b>95,537</b>	<b>189,485</b>	<b>422,619</b>
<b>Other Operating Income</b>					
Money Services	9,172	20,166	11,896	23,352	49,849
Foreign exchanges losses/ gains	3,669	6,155	511	828	867
Other Income	(33)	(74)	0		1,585
	<b>159,687</b>	<b>306,941</b>	<b>107,945</b>	<b>213,665</b>	<b>474,920</b>
<b>Operating Expenses</b>					
Staff Costs	43,651	80,733	31,578	64,497	134,165
Allowances for credit losses	23,407	49,853	7,060	17,675	40,898
Depreciation and amortization	4,875	9,637	2,759	5,413	12,562
Other Operating Expenses	40,262	77,341	29,331	56,339	125,225
	<b>112,195</b>	<b>217,564</b>	<b>70,729</b>	<b>143,924</b>	<b>312,850</b>
<b>Profit before taxation</b>	<b>47,491</b>	<b>89,377</b>	<b>37,216</b>	<b>69,741</b>	<b>162,070</b>
<b>Taxation</b>					
<b>Profit for the period</b>	<b>47,491</b>	<b>89,377</b>	<b>37,216</b>	<b>69,741</b>	<b>162,070</b>
<b>Earnings Per Share</b>	<b>\$0.17</b>	<b>\$0.33</b>	<b>\$0.14</b>	<b>\$0.25</b>	<b>\$0.59</b>

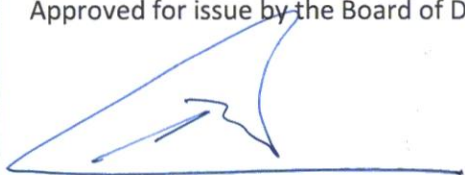
# ACCESS FINANCIAL SERVICES LIMITED

## MEDIA RELEASE 2012 - 2ND QUARTER RESULTS

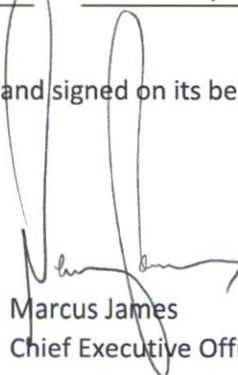
ACCESS FINANCIAL SERVICES LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2012

	(Unaudited) \$' 000 Period Ended 30-Jun-12	(Audited) \$'000 Period Ended 30-Jun-11	(Audited) \$' 000 Year Ended 31-Dec-11
<b>ASSETS</b>			
Cash and Cash Equivalents	137,549	47,059	36,899
Securities purchased under resale agreements	14,422	34,363	15,099
Other accounts receivables	11,472	13,005	14,778
Loans and advances	636,749	452,327	660,697
Property, plant and equipment	56,540	35,098	60,688
Intangible Assets	8,070	8,729	8,186
<b>TOTAL ASSETS</b>	<b>864,803</b>	<b>590,582</b>	<b>796,347</b>
<b>LIABILITIES</b>			
Accounts payables	57,651	29,135	36,098
Loans Payables	356,767	169,530	276,002
<b>Total Liabilities</b>	<b>414,418</b>	<b>198,664</b>	<b>312,100</b>
Share Capital	96,051	96,051	96,051
Retained Earnings	354,334	295,867	388,196
<b>Total Stockholders' Equity</b>	<b>450,385</b>	<b>391,918</b>	<b>484,247</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	<b>864,803</b>	<b>590,582</b>	<b>796,347</b>

Approved for issue by the Board of Directors on August 9, 2012 and signed on its behalf by:



Brian Goldson  
Chairman



Marcus James  
Chief Executive Officer

**ACCESS FINANCIAL SERVICES LIMITED  
MEDIA RELEASE 2012 - 2ND QUARTER RESULTS**

**ACCESS FINANCIAL SERVICES LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDING JUNE 30, 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	-	-	-	69,741	69,741
Dividends	-	-	-	(85,098)	(85,098)
<b>Balance as at 30 June 2011</b>	<b>96,051</b>	<b>-</b>	<b>-</b>	<b>295,867</b>	<b>391,918</b>
Balance as at 1 January 2012	96,051	-	-	388,197	484,248
Total comprehensive income	-	-	-	89,377	89,377
Dividends	-	-	-	(123,239)	(123,239)
<b>Balance as at 30 June 2012</b>	<b>96,051</b>	<b>0</b>	<b>0</b>	<b>354,334</b>	<b>450,385</b>

**ACCESS FINANCIAL SERVICES LIMITED**  
**MEDIA RELEASE 2012 - 2ND QUARTER RESULTS**

**ACCESS FINANCIAL SERVICES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDING JUNE 30, 2012**

	(Unaudited) \$'000 Period Ended 30-Jun-12	(Unaudited) \$'000 Period Ended 30-Jun-11	(Audited) \$'000 Year Ended 31-Dec-11
<b>Cashflow from operating activities</b>			
Net profit to date	89,377	69,741	162,070
Interest received	281,381	187,202	423,108
Interest income	(281,380)	(189,404)	(423,108)
Interest paid	(13,696)	(11,036)	(22,308)
Interest expense	13,849	11,036	22,513
Depreciation	9,637	5,413	12,562
Provision for loan Loss	49,853	17,675	40,898
<b>Operating Cash Flows before movement in working capital</b>	<u>149,020</u>	<u>90,626</u>	<u>215,735</u>
<b>Changes in Operating Assets and Liabilities</b>			
Other accounts receivables	3,306	9,144	7,421
Loans and advances	(25,904)	7,258	(226,537)
Loan payables	80,766	(59,243)	47,229
Accounts payables and provisions	21,400	6,891	13,649
<b>Net Cash used in/ provided by operating activities</b>	<u>79,567</u>	<u>(35,950)</u>	<u>(158,238)</u>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment	(5,375)	(3,879)	(36,124)
Reverse repurchase agreement	677	33,059	52,323
	<u>(4,698)</u>	<u>29,180</u>	<u>16,199</u>
<b>Cash Flow from financing activities</b>			
Share capital	-	-	-
Dividends	(123,239)	(85,098)	(85,098)
	<u>(123,239)</u>	<u>(85,098)</u>	<u>(85,098)</u>
<b>Increase/Decrease in cash and cash equivalent</b>	100,650	(1,242)	(11,402)
Cash and equivalents at beginning of the period	36,899	48,301	48,301
<b>Cash and equivalents at the end of the period</b>	<u>137,549</u>	<u>47,059</u>	<u>36,899</u>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 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 a public company 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 policies**

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.

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.



**ACCESS FINANCIAL SERVICES LIMITED  
MEDIA RELEASE 2012 - 2ND QUARTER RESULTS**

We gratefully recognize the continued patronage of our customers and the hard work carried out by our diligent staff.