

MEDIA RELEASE

November 14, 2012

ACCESS FINANCIAL SERVICES LIMITED REPORTS THIRD QUARTER RESULTS

THIRD QUARTER HIGHLIGHTS

- Increase in Net Profit of 60%
- Earnings per share of \$0.21
- Annualized Return on Equity of 39%
- Productivity Ratio of 64%

Total operating income increased by \$21.98M (60%) when compared with the same period last year. This positive movement in total operating income is primarily attributed to the growth in net trading income, up from \$103.29M for the third quarter of 2011 to \$142.5M for the corresponding period in 2012.

Revenue & Expenditure

Total interest income from loans amounted to \$147.2M, an increase of \$53.9M or (58%) when compared to the same period last year. This movement is the result of several initiatives aimed at increasing market share which included the introduction of two new loan products and increased advertising.

Operating Expenses for the quarter totaled \$87.7M representing an increase of \$6.2M (8%) over the corresponding period last year. Staff costs increased by \$7.2M or (21%), while other operating costs decreased by \$1.9M or (6%). The increase in staff costs was mainly due to a 5% salary increase effective July 2012. Our allowance for credit losses declined by 8%, from \$10.4M last year to \$9.5M for the current quarter. We continue to vigorously manage our portfolio with a view to reducing our provision for credit losses.

Balance Sheet

Total assets as at September 30 2012 amounted to \$802.59M, an increase of \$135.98M or (20%) over the corresponding period last year. The loan portfolio for the third quarter of 2012 was \$683.84M, an increase of \$138.4M (25%) when compared to the same period last year.

Total liabilities increased by \$56.2M or (23.6%) year over year, this is mainly attributable to an increase in funds received to meet loan demand. The company's year over year stockholders equity, grew by \$79.8M (18.6%).

In August 2012, Access Financial Services Limited was awarded *the Citi Excellence in Microfinance Award for the Caribbean 2012*. This award recognizes a microfinance institution that has demonstrated remarkable success in the English speaking Caribbean, and consistently shows professionalism, innovation and dedication to its clients. Access was chosen the winner from a list of nine (9) participants.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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.

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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.

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

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

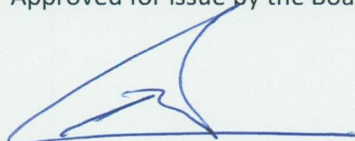
	\$'000 (Unaudited) 3 mths ended 30-Sep-12	\$'000 (Unaudited) 9 mths ended 30-Sep-12	\$'000 (Unaudited) 3 mths ended 30-Sep-11	\$'000 (Unaudited) 9 mths ended 30-Sep-11
Operating Income				
Interest Income from Loans	141,762	421,788	103,804	290,213
Securities	477	1,832	854	3,849
Total Interest Income	142,239	423,620	104,658	294,062
Interest Expense	(7,049)	(20,898)	(4,981)	(16,016)
Net Interest Income	135,190	402,722	99,677	278,046
Fee and Commission Income	7,320	20,482	3,612	14,728
Net Trading Income	142,510	423,204	103,289	292,774
Other Operating Income				
Money Services	68	20,234	14,118	37,470
Foreign exchanges losses/ gains	3,032	9,187	419	1,248
Other Income	446	372	0	
	146,056	452,996	117,826	331,491
Operating Expenses				
Staff Costs	41,312	122,045	34,134	98,631
Allowances for credit losses	9,546	59,399	10,378	28,052
Depreciation and amortization	5,129	14,766	3,270	8,683
Other Operating Expenses	31,689	109,030	33,646	89,358
	87,676	305,240	81,427	224,724
Profit before taxation	58,380	147,756	36,399	106,767
Taxation				
Profit for the period	58,380	147,756	36,399	106,767
Earnings Per Share	\$0.21	\$0.54	\$0.13	\$0.39

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

	(Unaudited) \$' 000 Period Ended 30-Sep-12	(Unaudited) \$'000 Period Ended 30-Sep-11	(Audited) \$' 000 Year Ended 31-Dec-11
ASSETS			
Cash and Cash Equivalents	32,967	37,803	36,899
Securities purchased under resale agreements	14,955	19,014	15,099
Other accounts receivables	10,724	15,863	14,778
Loans and advances	683,836	545,374	660,697
Property, plant and equipment	52,444	40,047	60,688
Intangible Assets	7,663	8,507	8,186
TOTAL ASSETS	802,589	666,608	796,347
LIABILITIES			
Accounts payables	64,634	22,807	36,098
Loans Payables	229,191	214,856	276,002
Total Liabilities	293,825	237,663	312,100
Share Capital	96,051	96,051	96,051
Retained Earnings	412,713	332,893	388,196
Total Stockholders' Equity	508,764	428,944	484,247
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	802,589	666,608	796,347

Approved for issue by the Board of Directors on November 14, 2012 and signed on its behalf by:



Brian Goldson
Chairman



Marcus James
Chief Executive Officer

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**ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDING SEPTEMBER 30, 2012**

	Share Capital	Fair Value Reserve	Other Reserve	Retained Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2011	96,051			311,224	407,275
Total comprehensive income	-	-	-	106,767	106,767
Dividends	-	-	-	(85,098)	(85,098)
Balance as at 30 September 2011	96,051	-	-	332,893	428,944
Balance as at 1 January 2012	96,051	-	-	388,197	484,248
Total comprehensive income	-	-	-	147,756	147,756
Dividends	-	-	-	(123,239)	(123,239)
Balance as at 30 September 2012	96,051	0	0	412,714	508,765

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ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2012

	(Unaudited) \$'000 Period Ended 30-Sep-12	(Unaudited) \$'000 Period Ended 30-Sep-11	(Audited) \$'000 Year Ended 31-Dec-11
Cashflow from operating activities			
Net profit to date	147,756	106,767	162,070
Interest received	423,621	290,163	423,108
Interest income	(423,620)	(290,213)	(423,108)
Interest paid	(20,818)	(16,016)	(22,308)
Interest expense	20,898	16,016	22,513
Depreciation	14,766	8,683	12,562
Provision for loan Loss	59,399	28,052	40,898
Operating Cash Flows before movement in working capital	<u>222,001</u>	<u>143,452</u>	<u>215,735</u>
Changes in Operating Assets and Liabilities			
Other accounts receivables	4,054	6,286	7,421
Loans and advances	(82,538)	(98,367)	(226,537)
Loan payables	(46,810)	(13,917)	47,229
Accounts payables and provisions	28,456	563	13,649
Net Cash used in/ provided by operating activities	<u>(96,838)</u>	<u>(105,434)</u>	<u>(158,238)</u>
Cash flows from investing activities			
Purchase of property plant and equipment	(6,000)	(11,826)	(36,124)
Reverse repurchase agreement	144	48,408	52,323
	<u>(5,856)</u>	<u>36,582</u>	<u>16,199</u>
Cash Flow from financing activities			
Share capital	-	-	-
Dividends	(123,239)	(85,098)	(85,098)
	<u>(123,239)</u>	<u>(85,098)</u>	<u>(85,098)</u>
Increase/Decrease in cash and cash equivalent	(3,932)	(10,498)	(11,402)
Cash and equivalents at beginning of the period	36,899	48,301	48,301
Cash and equivalents at the end of the period	<u>32,967</u>	<u>37,803</u>	<u>36,899</u>