

MEDIA RELEASE

July 31, 2013

ACCESS FINANCIAL SERVICES LIMITED REPORTS 2013 SECOND QTR RESULTS

SECOND QUARTER HIGHLIGHTS

- Increase in Net Profit of 22%
- Earnings per share of \$0.21
- Annualized Return on Equity of 44%
- Productivity Ratio of 63%

Revenue

In the second quarter of 2013, Access Financial Services Limited reported Total Revenue of \$187.2M an increase of \$27.6m over the corresponding period in 2012. This increase is mainly attributable to the growth in Net Interest Income of 25%. Net Profit for the reporting period was \$58.08M, up from \$47.49M in 2012 an increase of 22%.

Earnings per share (EPS) for the quarter was \$0.21 compared to \$0.17 for the same period last year. The Return on Equity (ROE) was 44%. On June 25, 2013 Access declared an interim dividend of 31 cents per share payable on August 15, 2013.

Expenditure

Operating Expenses grew by 15% in the second quarter of 2013, when compared to the corresponding period last year. This is mainly attributable to the growth in staff costs; up from \$43.6M in the second quarter of 2012 to \$56.8M for the comparative period for 2013. The growth in Staff Costs is as a result of the expansion of our staff complement in response to increased loan demand.

Balance Sheet

Total Assets increased by 4% to \$900.3M, in comparison to the same period last year. Our Net Loan Portfolio grew by \$139.6; an increase of 18% when compared to June 2012. Total liabilities decreased by \$90M or 25% year over year; the decline is attributable to the repayment of a line of credit.

ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2013 - 2ND QUARTER RESULTS

Loan Portfolio

As at June 30, 2013 Loans and Advances stood at \$776.4M, an increase of 18% over the same period last year. Both the Micro Business and Personal Loan portfolios recorded strong growth year-on-year. This positive movement was achieved through vibrant sales and customer retention strategies employed by our Credit and Marketing Departments.

Giving Back

We continue to give back to the communities in which we operate primarily through contributions to the education of our youth. For Labour Day 2013, the focus was on Basic and Primary Schools as we believe that our future leaders deserve a comfortable environment in which to learn. Access' staff volunteers worked alongside community volunteers and undertook refurbishing, painting and construction work at Hebron Basic School, Portland Cottage Clarendon, Homestead primary School, Spanish Town St. Catherine and Ballards Valley Primary School, St. Elizabeth. Additionally a donation of chairs was made to the St. Ann's Bay Hospital Accident & Emergency Unit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

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.

Reporting Currencies:

These financial statements are presented using Jamaican dollars which is considered the currency of the primary economic environment in which the company operates ("the functional currency").

Basis of presentation :

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board, and have been prepared under the historical cost convention. They are also prepared in accordance with provisions of the Jamaican Companies Act. These financial statements are presented using Jamaican dollars which is considered the currency of the primary economic environment in which the company operates ("the functional currency"). The same accounting policies and methods of computation are followed in the interim financial statements, as were applied in the audited financial statements for the year ended December 31, 2012.

New Standards

The standards 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.

ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2013 - 2ND QUARTER RESULTS

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 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 on receivables 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 statement of comprehensive income 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.

ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2013 - 2ND QUARTER RESULTS

Securities purchased under resale agreements :

Securities purchased under resale agreements are short-term transactions whereby the company buys securities and simultaneously agrees to resell the securities on specified dates and at specified prices.

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 recognized initially at 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 2013 - 2ND QUARTER RESULTS

ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED JUNE 30, 2013

	\$'000 (Unaudited) 3 months ended 30-Jun-13	\$'000 (Unaudited) 6 months ended 30-Jun-13	\$'000 (Unaudited) 3 months ended 30-Jun-12	\$'000 (Unaudited) 6 months ended 30-Jun-12	\$'000 (Audited) Year to date 31-Dec-12
Operating Income					
Interest income from loans	186,059	347,370	147,162	280,025	595,326
Interest income from securities	610	940	605	1,355	2,382
Total Interest Income	186,669	348,310	147,767	281,380	597,708
Interest expense	(10,370)	(16,237)	(7,096)	(13,849)	(27,514)
Net Interest Income	176,299	332,073	140,671	267,531	570,194
Fee and commission income	8,112	15,622	6,208	13,163	28,525
Net Trading Income	184,411	347,695	146,879	280,694	598,719
Other Operating Income					
Money services	(329)	341	9,172	20,166	24,199
Other income	3,612	5,761	3,669	6,155	8,605
Foreign exchanges (losses)/ gains	(450)	871	(33)	(74)	2,304
	2,833	6,973	12,808	26,247	35,108
	187,244	354,668	159,687	306,941	633,828
Operating Expenses					
Staff costs	56,852	107,767	43,651	80,733	160,500
Allowances for credit losses	25,099	38,599	23,407	49,853	73,072
Depreciation and amortization	7,945	11,224	4,875	9,637	19,368
Other operating expenses	39,263	77,483	40,262	77,341	142,920
	129,159	235,073	112,195	217,564	395,860
Profit before taxation	58,085	119,595	47,492	89,377	237,968
Taxation	-	-	-	-	-
Net profit for the period/year, being total comprehensive income	58,085	119,595	47,492	89,377	237,968
Earnings per share	\$0.21	\$0.44	\$0.17	\$0.33	\$0.87

**ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2013 - 2ND QUARTER RESULTS**

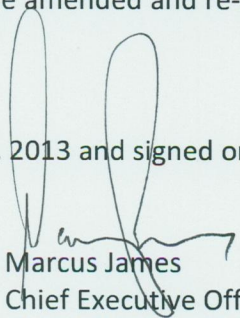
**ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2013**

	(Unaudited) \$' 000 Period Ended 30-Jun-13	(Unaudited) \$'000 Period Ended 30-Jun-12	(Audited) \$' 000 Period Ended 31-Dec-12
ASSETS			
Cash and cash equivalents	37,170	137,637	44,255
Financial investments	4,602	14,335	7,013
Other accounts receivables	12,563	11,472	9,943
Loans and advances	776,439	636,749	760,488
Property, plant and equipment	62,589	56,540	52,220
Intangible assets	6,985	8,070	5,980
TOTAL ASSETS	900,348	864,803	879,898
LIABILITIES AND SHAREHOLDERS'S EQUITY			
LIABILITIES			
Accounts payables	34,286	57,651	68,262
Loans payables	325,922	356,767	212,660
Total liabilities	360,208	414,418	280,922
SHAREHOLDERS' EQUITY			
Share capital	96,051	96,051	96,051
Retained earnings	444,089	354,334	502,925
Total Shareholders' Equity	540,140	450,385	598,976
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	900,348	864,803	879,898

Access Financial Services Limited's 2nd quarter results were amended and re-submitted to the Jamaica Stock Exchange on August 12, 2013.

Approved for issue by the Board of Directors on August 12, 2013 and signed on its behalf by:


Brian Goldson
Chairman


Marcus James
Chief Executive Officer

**ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2013 - 2ND QUARTER RESULTS**

**ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED JUNE 30, 2013**

	Share Capital	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance as at 1 January 2012	96,051	388,196	484,247
Total comprehensive income	-	89,377	89,377
Dividends	-	(123,239)	(123,239)
Balance as at 30 June 2012	96,051	354,334	450,385
Balance as at 1 January 2013	96,051	502,925	598,976
Total comprehensive income	-	119,595	119,595
Dividends	-	(178,431)	(178,431)
Balance as at 30 June 2013	96,051	444,089	540,140

ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2013 - 2ND QUARTER RESULTS

ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2013

	(Unaudited) \$'000 Period Ended 30-Jun-13	(Unaudited) \$'000 Period Ended 30-Jun-12	(Audited) \$'000 Year Ended 31-Dec-12
Cash flows from operating activities			
Net profit to date	119,595	89,377	237,968
Interest received	348,310	281,380	597,663
Interest income	(348,310)	(281,380)	(597,708)
Interest paid	(15,928)	(13,696)	(27,514)
Interest expense	16,237	13,849	27,514
Depreciation	11,224	9,637	19,368
Provision for loan loss	38,599	49,853	73,072
Operating cash flows before movement in working capital	<u>169,727</u>	<u>149,020</u>	<u>330,363</u>
Changes in operating assets and liabilities			
Other accounts receivables	(2,620)	3,306	4,880
Loans and advances	(54,552)	(25,904)	(172,863)
Loan payables	113,262	80,766	(63,341)
Accounts payables and provisions	(34,282)	21,400	32,163
Net cash provided by operating activities	<u>191,535</u>	<u>228,588</u>	<u>131,202</u>
Cash flows from investing activities			
Purchase of property plant and equipment	(22,600)	(5,375)	(8,694)
Financial Investments	2,411	677	8,000
Net cash used in investing activities	<u>(20,189)</u>	<u>(4,698)</u>	<u>(694)</u>
Cash flows from financing activities			
Dividends paid	(178,431)	(123,239)	(123,239)
Net cash used in financing activities	<u>(178,431)</u>	<u>(123,239)</u>	<u>(123,239)</u>
(Decrease)/Increase in cash and cash equivalent	(7,085)	100,651	7,269
Cash and cash equivalents at beginning of the period/year	<u>44,255</u>	<u>36,986</u>	<u>36,986</u>
Cash and Cash Equivalents at the end of the period/year	<u>37,170</u>	<u>137,637</u>	<u>44,255</u>