

# ACCESS

FINANCIAL SERVICES LTD.  
SMALL STEPS. BIG GROWTH.

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November 12, 2013

Jamaica Stock Exchange  
40 Harbour Street  
Kingston

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

Dear Sirs:

**Re: Financial Results for the period ended September 30, 2013**

Enclosed are the following documents for the period ended September 30, 2013

- 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

November 12, 2013

## ACCESS FINANCIAL SERVICES LIMITED REPORTS 2013 THIRD QUARTER RESULTS

Highlights	3rd Qtr 2013	3rd Qtr 2012	% Change
Net Profit	\$79.81M	\$58.38M	36%
Earnings per share	\$0.29	\$0.21	38%
Annualized Return on Equity	50%	39%	28%
Productivity Ratio	61%	64%	-5%
Loans and Advances	\$899.05M	\$683.38M	31%

### REVENUES

Total Revenue recorded for the third quarter of 2013 was \$208.17M, up from \$153.11M for the corresponding period in 2012. The increase of \$55.06M or approximately 36% can be attributed to continued strong customer demand across our suite of loan products. Net Profit for the reporting period was \$79.81M, an increase of 37% when compared to the Net Profit of \$58.38M for Q3 2012.

Earnings per share (EPS) for the quarter was \$0.29 which represents a 37% increase over the corresponding 2012 period. The annualized Return on Equity (ROE) was 50%.

The Board of Directors approved an interim dividend of \$0.31 cents per stock unit payable on August 15, 2013, to stockholders on record at August 9, 2013.

### EXPENDITURE

Operating Expenses grew by 36% in the third quarter of 2013, when compared to the corresponding period last year. This is mainly attributable to the growth in staff costs; up from \$41.3M in the third quarter of 2012 to \$60.89M for the comparative period for 2013. The movement in staff cost is the result of additional resources employed to handle increased loan demand.

### BALANCE SHEET

Total Assets has increased by 24%, year over year. This growth is attributable mainly to the movement in Loans and Advances which increased by \$215.21M; or 31% when compared to September 2012. Total liabilities grew by \$168.37M, 57% more than that of the same period last year.

### **LOAN PORTFOLIO**

Loans and Advances as at September 30, 2013 totaled \$899.05M, up from \$683.84M representing an increase of 31.4% when compared to the same period in 2012. Both our micro business and personal loan portfolios experienced positive movement throughout the period under review.

### **COMMUNITY COMMITMENT**

We continue to support the communities in which we conduct business and show appreciation to our staff members for their dedication and hard work.

Eighty seven (87) children ages eight (8) to eighteen (18) were introduced to the science of robotics through six workshops conducted island-wide between August 13, and 30, 2013. The initiative was a collaboration between the company and the Digital Yard Foundation. The three hour workshops were provided free of cost to the children of clients and staff of Access Financial Services. The children were introduced to simple programming and used the skills acquired to program Lego made robots. They were also given advice on how to obtain more information on robotics, computer science, technology, engineering, arts and mathematics.

### **AWARDS**

In 2012, Access Financial Services was awarded the Citi Excellence in Microfinance Award for the Caribbean. Following on this, on September 27, 2013, the company was selected the winner of the Citi Excellence in Microfinance Product Innovation award for the Caribbean. This award was received for the successful implementation of the Microbiz Partner Loan Product, which provides micro entrepreneurs with easier access to financing to grow their businesses.

The award for Excellence in Microfinance Product Innovation for the Caribbean recognizes a microfinance institution that has developed a new microfinance product which responds to market needs and enables it to serve a greater number of clients on a sustainable basis. The company's overall microfinance outreach and financial performance are also examined as part of the evaluation.

The Access Microbiz Partner Loan has been specifically designed for micro-entrepreneurs who cannot meet the physical collateral requirements to access a traditional loan. The Access Partner Loan removes these requirements and delivers funds to our customers in an efficient and cost effective manner. Loan amounts range between J\$10,000 and J\$100,000. Since its introduction, the Microbiz Partner Loan has been well received by our customers as is evidenced by an 81% year over year increase in its loan portfolio.

## ACCESS FINANCIAL SERVICES LIMITED MEDIA RELEASE 2013 - 3RD QUARTER RESULTS

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

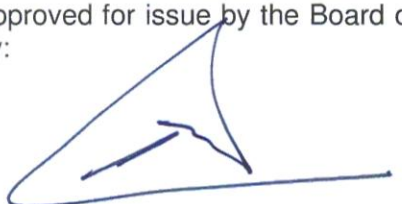
	\$'000 (Unaudited) 3 months ended 30-Sep-13	\$'000 (Unaudited) 3 months ended 30-Sep-12	\$'000 (Unaudited) 9 mths ended 30-Sep-13	\$'000 (Unaudited) 9 mths ended 30-Sep-12	\$'000 (Audited) Year to date 31-Dec-12
<b>Operating Income</b>					
Interest income from loans	191,768	141,762	539,139	421,788	595,326
Interest income from securities	262	477	1,202	1,832	2,382
<b>Total Interest Income</b>	<b>192,030</b>	<b>142,239</b>	<b>540,341</b>	<b>423,620</b>	<b>597,708</b>
Interest expense	(9,371)	(7,049)	(25,608)	(20,898)	(27,514)
<b>Net Interest Income</b>	<b>182,659</b>	<b>135,190</b>	<b>514,733</b>	<b>402,722</b>	<b>570,194</b>
Fee and commission income	12,470	7,320	28,092	20,482	28,526
<b>Net Trading Income</b>	<b>195,129</b>	<b>142,510</b>	<b>542,825</b>	<b>423,204</b>	<b>598,720</b>
<b>Other Operating Income</b>					
Money services	2,808	68	3,148	20,233	24,199
Foreign exchange (losses)/ gains	(388)	446	484	372	2,304
Other income	1,251	3,032	7,012	9,187	8,605
	<b>3,671</b>	<b>3,546</b>	<b>10,644</b>	<b>29,792</b>	<b>35,108</b>
	<b>198,800</b>	<b>146,056</b>	<b>553,469</b>	<b>452,996</b>	<b>633,828</b>
<b>Operating Expenses</b>					
Staff costs	60,896	41,312	168,664	122,045	160,500
Allowances for credit losses	13,500	9,546	52,099	59,399	73,072
Depreciation and amortization	3,330	5,129	14,553	14,766	19,368
Other operating expenses	41,265	31,689	118,748	109,030	142,920
	<b>118,991</b>	<b>87,676</b>	<b>354,064</b>	<b>305,240</b>	<b>395,860</b>
<b>Profit before taxation</b>	<b>79,810</b>	<b>58,380</b>	<b>199,405</b>	<b>147,756</b>	<b>237,968</b>
Taxation	-	-	-	-	-
<b>Net profit for the period/year, being total comprehensive income</b>	<b>79,810</b>	<b>58,380</b>	<b>199,405</b>	<b>147,756</b>	<b>237,968</b>
<b>Earnings per share</b>	<b>\$0.29</b>	<b>\$0.21</b>	<b>\$0.73</b>	<b>\$0.54</b>	<b>\$0.87</b>

**ACCESS FINANCIAL SERVICES LIMITED**  
**MEDIA RELEASE 2013 - 3RD QUARTER RESULTS**

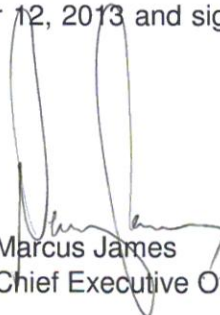
**ACCESS FINANCIAL SERVICES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2013**

	(Unaudited) \$' 000 Period Ended 30-Sep-13	(Unaudited) \$' 000 Period Ended 30-Sep-12	(Audited) \$' 000 Period Ended 31-Dec-12
<b>ASSETS</b>			
Cash and cash equivalents	7,148	33,055	44,255
Financial investments	2,719	14,867	7,013
Other accounts receivables	10,094	10,724	9,943
Loans and advances	899,049	683,836	760,488
Property, plant and equipment	70,634	52,444	52,219
Intangible assets	7,398	7,663	5,980
<b>TOTAL ASSETS</b>	<b>997,042</b>	<b>802,589</b>	<b>879,898</b>
<b>LIABILITIES AND SHAREHOLDERS'S EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payables	39,725	64,634	68,262
Loans payables	422,466	229,191	212,660
<b>Total liabilities</b>	<b>462,191</b>	<b>293,825</b>	<b>280,922</b>
<b>Shareholders' Equity</b>			
Share capital	96,051	96,051	96,051
Retained earnings	438,800	412,713	502,925
<b>Total Shareholders' Equity</b>	<b>534,851</b>	<b>508,764</b>	<b>598,976</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>997,042</b>	<b>802,589</b>	<b>879,898</b>

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



Brian Goldson  
Chairman



Marcus James  
Chief Executive Officer

**ACCESS FINANCIAL SERVICES LIMITED  
MEDIA RELEASE 2013 - 3RD QUARTER RESULTS**

**ACCESS FINANCIAL SERVICES LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED SEPTEMBER 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	-	147,756	147,756
Dividends	-	(123,239)	(123,239)
<b>Balance as at 30 September 2012</b>	<b>96,051</b>	<b>412,713</b>	<b>508,764</b>
Balance as at 1 January 2013	96,051	502,925	598,976
Total comprehensive income	-	199,405	199,405
Dividends	-	(263,530)	(263,530)
<b>Balance as at 30 September 2013</b>	<b>96,051</b>	<b>438,800</b>	<b>534,851</b>

**ACCESS FINANCIAL SERVICES LIMITED**  
**MEDIA RELEASE 2013 - 3RD QUARTER RESULTS**

**ACCESS FINANCIAL SERVICES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013**

	(Unaudited) \$'000 Period Ended 30-Sep-13	(Unaudited) \$'000 Period Ended 30-Sep-12	(Audited) \$'000 Year Ended 31-Dec-12
<b>Cash flows from operating activities</b>			
Net profit to date	199,405	147,756	237,968
Interest received	540,341	423,621	597,663
Interest income	(540,341)	(423,621)	(597,708)
Interest paid	(25,302)	(20,818)	(27,514)
Interest expense	25,608	20,898	27,514
Depreciation	14,553	14,766	19,368
Provision for loan loss	52,099	59,399	73,072
<b>Operating cash flows before movement in working capital</b>	<b>266,363</b>	<b>222,001</b>	<b>330,363</b>
<b>Changes in operating assets and liabilities</b>			
Other accounts receivables	(151)	4,055	4,880
Loans and advances	(190,660)	(82,538)	(172,863)
Loan payables	209,805	(46,810)	(63,341)
Accounts payables and provisions	(28,840)	28,456	32,163
<b>Net cash provided by operating activities</b>	<b>256,517</b>	<b>125,164</b>	<b>131,202</b>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment	(34,386)	(6,000)	(8,694)
Financial Investments	4,292	144	8,000
<b>Net cash used in investing activities</b>	<b>(30,094)</b>	<b>(5,856)</b>	<b>(694)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(263,530)	(123,239)	(123,239)
<b>Net cash used in financing activities</b>	<b>(263,530)</b>	<b>(123,239)</b>	<b>(123,239)</b>
<b>(Decrease)/Increase in cash and cash equivalent</b>	<b>(37,107)</b>	<b>(3,931)</b>	<b>7,269</b>
Cash and cash equivalents at beginning of the period/year	44,255	36,986	36,986
<b>Cash and Cash Equivalents at the end of the period/year</b>	<b>7,148</b>	<b>33,055</b>	<b>44,255</b>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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, and 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.

#### 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.



**ACCESS FINANCIAL SERVICES LIMITED**  
**MEDIA RELEASE 2013 - 3RD QUARTER RESULTS**

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.

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.