

ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE 2014 – 3RD QUARTER RESULTS

Highlights	Q3 2014	Q3 2013	% Change
Total Revenue	\$272M	\$208M	31%
Net Profit	\$94M	\$80M	17%
Earnings Per Share	\$0.34	\$0.29	17%
Annualized Return on Equity	52%	44%	8%
Productivity Ratio	62%	57%	(9%)
Loans & Advances	\$1,122M	\$899M	25%

Revenue

Total Revenue for the third quarter grew by \$64M or 31% when compared to the third quarter 2013. Total Revenue year-to-date 2014 totaled \$793M, an increase of \$214M, or approximately 37% when compared to the comparative period 2013.

Interest income from loans grew by \$56M or 29% for the third quarter 2014 when compared to the 2013 comparative period. For the nine-month period ending September 30, 2014, Interest income from loans increased by \$182M or 34% to \$721M, up from \$539M in 2013. Other Operating Income for the third quarter increased by \$7M when compared to the third quarter 2013.

Expenditure

Delays in the remittance of employee contributions, particularly those in the public sector continue to negatively impact the company's Allowances for Credit Losses. There was however an improvement in the third quarter performance as there was a \$20M reduction for the period when compared to the second quarter. Total expenses for the third quarter totaled \$168M. Other Operating Expenses increased by \$2M when compared to the corresponding 2013 period.

Net Profit

Net Profit for the third quarter 2014 was \$94M, representing a 17% increase over the comparative figure of \$80M for 2013. For the nine months ending September 30, 2014, there was a 20% increase in profits amounting to \$239M compared to \$199M for the comparative period. This has resulted in year-to-date Earnings Per Share of \$0.87 versus \$0.73. The annualized Return on Equity for the quarter is 52%, a 8% increase over 2013.

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Balance Sheet

As at September 30, 2014, the net loan portfolio stood at \$1,122M representing an increase of \$223M or 25% when compared to \$899M as at September 30, 2013. This resulted in a positive movement in Total Assets which ended the period at \$1,373M, representing an increase of 38% over the corresponding period last year.

As at September 30, 2014, Total liabilities increased by \$166M or 36% when compared to the same period in 2013. This movement was attributed to the issuing of a \$102M Corporate Bond in the 4th quarter of 2013.

Loan Portfolio

As at September 30, 2014, our loan disbursements increased by 17% when compared to the same period in 2013. Growth has been deliberately stronger in the business category as we have improved our product offerings to the micro and small business sector. This focus is in keeping with our desire to play an ever increasingly important role in the development entrepreneurship in Jamaica.

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ACCESS FINANCIAL SERVICES STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDING SEPTEMBER 30, 2014


	\$'000 (Unaudited) 3 Months Ended 30-Sep-14	\$'000 (Unaudited) 9 Months Ended 30-Sep-14	\$'000 (Unaudited) 3 Months Ended 30-Sep-13	\$'000 (Unaudited) 9 Months Ended 30-Sep-13	\$'000 (Unaudited) 9 Months Ended 30-Sep-13	\$'000 (Audited) Year to Date 31-Dec-13
Operating Income						
Interest Income from Loans	247,435	720,612	191,768	539,139	539,139	759,780
Securities	1,242	4,334	262	1,202	1,202	1,761
Total Interest Income	248,677	724,946	192,030	540,341	540,341	761,541
Interest Expense	(11,124)	(42,063)	(9,371)	(25,608)	(25,608)	(37,034)
Net Interest Income	237,553	682,883	182,659	514,733	514,733	724,507
Fee and Commission Income	13,018	37,937	12,470	28,092	28,092	39,299
Net Trading Income	250,571	720,820	195,129	542,825	542,825	763,806
Other Operating Income						
Money Services	627	1,668	2,808	3,148	3,148	2,809
Foreign exchange losses/ gains	(5)	30	(388)	484	484	1,466
Other Income	9,913	28,710	1,251	7,012	7,012	12,425
Net Operating Income	261,106	751,228	198,800	553,469	553,469	780,506
Total Revenue	272,230	793,291	208,171	579,077	579,077	817,540
Operating Expenses						
Staff Costs	64,397	189,024	60,896	168,664	168,664	226,352
Allowances for credit losses	54,557	168,718	13,500	52,099	52,099	95,724
Depreciation and amortization	5,528	18,145	3,330	14,553	14,553	22,053
Other Operating Expenses	43,059	136,287	41,265	118,748	118,748	166,265
	167,541	512,174	118,991	354,064	354,064	510,394
Profit before taxation	93,565	239,054	79,809	199,405	199,405	270,112
Taxation	-	-	-	-	-	-
Profit for the period	93,565	239,054	79,809	199,405	199,405	270,112
Earnings Per Share	\$0.34	\$0.87	\$0.29	\$0.73	\$0.73	\$0.98

ACCESS FINANCIAL SERVICES LIMITED
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ACCESS FINANCIAL SERVICES
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2014

	(Unaudited) \$' 000 Period Ended 30-Sep-14	(Unaudited) \$' 000 Period Ended 30-Sep-13	(Audited) \$' 000 Year Ended 31-Dec-13
ASSETS			
Cash and Cash Equivalents	141,822	7,148	49,228
Securities purchased under resale agreements	4,323	2,719	2,013
Other accounts receivables	20,357	10,094	13,661
Loans and advances	1,122,247	899,049	1,122,863
Property, plant and equipment	76,027	70,634	79,392
Intangible Assets	7,954	7,398	4,329
TOTAL ASSETS	1,372,730	997,042	1,271,486
LIABILITIES			
Bank overdraft			34,656
Accounts payables	43,746	39,729	79,115
Advance Payments - Loans	93,232	-	-
Taxation Payable	-	-	-
Loans Payables	389,311	422,466	442,513
Project Advance	1,578	-	9,197
9% Unsecured Notes	100,446	-	100,446
Total Liabilities	628,313	462,195	665,927
Share Capital	96,051	96,051	96,051
Retained Earnings	648,366	438,800	509,508
Total Stockholders' Equity	744,417	534,851	605,559
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	1,372,730	997,046	1,271,486

Approved for issue by the Board of Directors on October 27, 2014 and signed on its behalf by:


 Brian Goldson
 Chairman


 Gary Peart
 Director

**ACCESS FINANCIAL SERVICES LIMITED
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**ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDING SEPTEMBER 30, 2014**

	Share Capital	Fair Value Reserve	Other Reserve	Retained Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2013	96,051	-	-	502,925	598,976
Total comprehensive income	-	-	-	199,405	199,405
Dividends	-	-	-	(263,530)	(263,530)
Balance as at 30 SEPTEMBER, 2013	96,051	-	-	438,800	534,851
Balance as at 1 January 2014	96,051	-	-	509,508	605,559
Total comprehensive income	-	-	-	239,054	239,054
Dividends	-	-	-	(100,196)	(100,196)
Balance as at 30 SEPTEMBER, 2014	96,051	-	-	648,366	744,417

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ACCESS FINANCIAL SERVICES STATEMENT OF CASHFLOWS FOR THE NINE MONTH ENDING SEPTEMBER 30, 2014

	(Unaudited) \$'000	(Unaudited) \$'000	(Audited) \$'000
	Period Ended 30-Sep-14	Period Ended 30-Sep-13	Year Ended 31-Dec-13
Cashflow from operating activities			
Net profit to date	239,054	199,405	270,112
Interest received	724,946	540,341	761,539
Interest income	(724,946)	(540,341)	(761,541)
Interest paid	(43,703)	(25,302)	(35,921)
Interest expense	42,063	25,608	36,806
Depreciation	18,145	14,553	22,057
Gain on Disposal	2,000	-	(2,460)
FX Gain/Loss	(30)	-	-
Provision for loan Loss	168,718	52,099	95,723
Operating Cash Flows before movement in working capital	426,247	266,363	386,315
Changes in Operating Assets and Liabilities			
Other accounts receivables	(6,786)	(151)	(3,628)
Loans and advances	(168,103)	(190,660)	(421,907)
Income Taxes Paid	-	-	-
Advance Payments - Loans	14,117	-	42,924
Loan payables	(53,201)	209,805	229,852
Accounts payables	9,090	(28,840)	(34,488)
Net Cash used (in)/ provided by operating activities	221,364	256,517	199,068
Cash flows from investing activities			
Purchase of property plant and equipment	(18,645)	(34,386)	(47,669)
Proceeds from Sale	-	-	4,373
Reverse repurchase agreement	(2,310)	4,292	-
Net cash used in investing activities	(20,955)	(30,094)	(43,296)
Cash Flow from financing activities			
Share capital	-	-	-
9% Unsecured Notes	-	-	100,446
Project Advance	(7,619)	-	9,197
Dividends	(100,196)	(263,530)	(263,529)
Net cash used in financing activities	(107,815)	(263,530)	(153,886)
(Decrease)/increase in cash and cash equivalent	92,594	(37,107)	1,886
Cash and equivalents at beginning of the period	49,228	44,255	47,342
Cash and Cash Equivalents at the end of the period/year	141,822	7,148	49,228

NOTES TO THE FINANCIAL STATEMENTS **NINE MONTHS ENDED 30 SEPTEMBER 2014**

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, 2013.

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.

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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.