

ACCESS FINANCIAL SERVICES LIMITED
MEDIA RELEASE FY2016/2017– 1ST QUARTER RESULTS

Highlights	Q1 FY2016/17	Q1 FY2015/16	YTD 31 Mar 16	QoQ%
Net Profit After Tax	\$146M	\$112M	\$600M	29%
Earnings Per Share	\$0.53	\$0.41	\$2.19	29%
Return on Average Equity	51%	52%	59%	(3%)
Productivity Ratio	50%	57%	54%	(12%)
Loans & Advances	\$2.29B	\$1.75B	\$2.1B	31%

Access Financial Services Limited (AFS) recorded Net profit after tax of \$146 million for the quarter ending June 30, 2016. Compared to the Net profit of \$112 million for the corresponding period ended June 30, 2015, this represents an increase of 29%. Annualized Return on average equity of 51% showed a marginal decrease of 3% quarter over quarter.

During the period under review the company realized an increase in it's asset base of \$739 million which represents a 38% increase over the previous period. This increase was driven by growth in the loan portfolio which increased by 31%, moving from \$1.75 billion as at June 2015 to \$2.28 billion as at June 30, 2016. The expansion of the asset base contributed to an 8% increase in total income.

Revenue

Total revenue for the quarter FY2016/2017 amounted to \$325 million, an increase of \$24 million, or approximately 8%, when compared to the FY2015/2016 corresponding period. Interest income from loans increased by \$28 million or 10% to \$303 million, with loan disbursements increasing by 24%. Net fees and commission income increased by \$9 million or 42%. Other operating income decreased by 24% which was due to non-recurring income attributable to the acquisition of a portfolio in the prior period.

Expenditure

Operating expenses for the quarter decreased by 6% or \$11 million when compared to the corresponding period ended June 30, 2015. The change was due primarily to a decrease in Allowance for credit losses of 19% or \$11 million resulting from improved collection efforts. Savings gained from the reduction in Allowance for credit losses was netted against slight increases in staff cost and Other operating expenses which was due primarily to administrative cost associated with the growth of the business.

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Net Profit after tax

The 29% or approximately \$33 million increase in profits resulted in Earnings per share for the quarter of \$0.53 compared to \$0.41 for the comparative 2015 period. Return on Equity declined marginally by 3%.

Balance Sheet

The net loan portfolio increased by \$536 million or 31% for the quarter under review; moving to \$2.28 billion from \$1.75 billion for the same period last year. This resulted in a positive movement on Total assets as at June 30, 2016 to \$2.69 billion or an increase of 38%.

Total liabilities increased by \$393 million or 40% in the period. This movement was due mainly to increased borrowings to fund the growth in the loan portfolio, with specific emphasis on business loans for the SME sector.

Loan Portfolio

Robust growth of 31% was recorded in the company's loan portfolio. This resulted from our focus on improving our offerings to the business sector with specific emphasis on the small and medium size entities (SME's). This is in keeping with our focus on increasing the company's role in the development of entrepreneurship in Jamaica.


ACCESS FINANCIAL SERVICES
STATEMENT OF COMPREHENSIVE INCOME
1ST QUARTER FY2016/2017

	(Unaudited) 3 Months Ended 30-Jun-16	(Unaudited) 3 Months Ended 30-Jun-15	(Audited) Year Ended 31-Mar-16
Operating Income			
Interest Income from Loans	300,620	272,601	1,339,795
Securities	1,876	1,352	8,814
Total Interest Income	302,496	273,953	1,348,609
Interest Expense	(21,448)	(13,225)	(89,288)
Net Interest Income	281,048	260,728	1,259,320
Fee and Commission Income	28,891	20,356	192,129
Total Trading Income	309,939	281,084	1,451,450
Other Operating Income			
Money Services	590	788	3,356
Foreign exchanges losses/ gains	7,902	(9)	(4,618)
Other Income	6,988	19,675	15,936
	15,480	20,454	14,674
Total Income	325,420	301,538	1,466,123
Operating Expenses			
Staff Costs	64,094	62,734	323,657
Allowances for credit losses	43,313	53,786	213,349
Depreciation and amortization	5,266	6,950	37,287
Marketing Expenses	4,095	5,258	42,300
Other Operating Expenses	45,447	44,276	181,821
	162,215	173,004	798,414
Profit before taxation	163,205	128,534	667,710
Taxation	17,570	16,067	67,829
Profit for the period	145,635	112,467	599,881
EARNINGS PER SHARE	\$0.53	\$0.41	\$2.19

ACCESS FINANCIAL SERVICES LIMITED
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ACCESS FINANCIAL SERVICES LIMITED	\$'000	\$'000	\$'000
STATEMENT OF FINANCIAL POSITION	(Unaudited)	(Unaudited)	(Audited)
30 JUNE 2016	Period Ended	Period Ended	Year Ended
	30-Jun-16	30-Jun-15	31-Mar-16
ASSETS			
Cash and Cash Equivalents	297,236	82,298	352,839
Financial Investments	2,013	2,013	2,013
Goodwill	21,354	0	0
Other accounts receivables	25,545	53,670	37,019
Loans and advances	2,286,975	1,751,026	2,105,123
Property, plant and equipment	55,025	60,955	52,186
Intangible Assets	2,936	5,378	3,501
Deferred Tax Assets	4,261	1,207	4,261
TOTAL ASSETS	2,695,346	1,956,547	2,556,942
LIABILITIES			
Accounts payables	106,284	63,784	220,983
Loan Payables	1,121,609	838,312	1,028,966
Project advance	120,270	45,711	75,861
9% unsecured Notes			
Taxation Payable	28,557	36,208	14,639
Total Liabilities	1,376,720	984,015	1,340,449
Share Capital	96,051	96,051	96,051
Retained Earnings	1,222,575	876,481	1,120,442
Total Stockholders' Equity	1,318,626	972,532	1,216,493
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	2,695,346	1,956,547	2,556,942

Approved for issue by the Board of Directors on July 28, 2016 and signed on its behalf by:


Rex James
Chairman


Marcus James
Chief Executive Officer

ACCESS FINANCIAL SERVICES LIMITED
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ACCESS FINANCIAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED JUNE 30, 2016

	Share Capital	Fair Value Reserve	Other Reserve	Retained Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
BALANCE AT 1 JANUARY 2015	96,051	-	-	716,037	812,088
TOTAL COMPREHENSIVE INCOME					
Net Profit	-	-	-	251,607	251,607
TRANSACTION WITH OWNERS					
Dividends	-	-	-	(91,164)	(91,164)
BALANCE AT 30 JUNE 2015	96,051	-	-	876,480	972,531
TOTAL COMPREHENSIVE INCOME					
Net Profit	-	-	-	348,274	348,274
TRANSACTION WITH OWNERS					
Dividends	-	-	-	(104,312)	(104,312)
BALANCE AT 31 MARCH 2016	96,051	-	-	1,120,442	1,216,493
TOTAL COMPREHENSIVE INCOME					
Net Profit	-	-	-	145,635	145,635
TRANSACTION WITH OWNERS					
Dividends	-	-	-	(43,502)	(43,502)
BALANCE AT 30 JUNE 2016	96,051	-	-	1,222,575	1,318,626

ACCESS FINANCIAL SERVICES LIMITED
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ACCESS FINANCIAL SERVICES	(Unaudited)	(Unaudited)	(Audited)
STATEMENT OF CASHFLOW	\$'000	\$'000	\$'000
FOR THE PERIOD ENDED 30 JUNE 2016	June	June	31 March
	2016	2015	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Profit for the year	145,635	251,607	599,881
Items not affecting cash resources:			
Exchange loss/(gains) on foreign balances	(7,902)	15	4,618
Depreciation and Amortization	5,266	13,800	37,287
Increase in allowance for loan losses	43,313	56,333	213,349
Interest Income	(302,496)	(519,079)	(1,348,606)
Interest expense	21,448	20,669	89,288
Gain on disposal of property, plant and equipment	-	-	-
Gains on purchase of portfolios	-	(10,590)	-
Taxation	17,570	35,944	70,883
Deferred tax	-	(1,207)	(3,055)
	(77,166)	(152,508)	(336,355)
Changes in operating assets and liabilities			
Loans and advances	(225,166)	(722,093)	(1,233,206)
Other accounts receivable	11,474	(37,853)	(20,869)
Advance Payments - Loans	-	7,653	-
Loans payable, Net	92,643	429,130	708,606
Accounts payable	(114,199)	(10,543)	54,194
	(312,414)	(486,214)	(827,630)
Interest received	302,496	522,136	1,348,277
Interest paid	(15,420)	(20,669)	(87,748)
Taxation paid	(3,651)	-	(62,196)
Cash provided by operating activities	(28,989)	15,253	370,703
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property, Plant and Equipment	(7,540)	(7,641)	(26,240)
Leasehold Improvement	-	-	9,800
Reverse repurchase agreement	-	(2,115)	-
Purchased Goodwill	(21,354)	-	-
Cash used in investing activities	(28,894)	(9,756)	(16,440)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Project advance	44,409	37,981	66,068
Dividends paid	(43,502)	(91,164)	(195,476)
Cash used in financing activities	907	(53,183)	(129,408)
NET INCREASE IN CASH AND ACSH EQUIVALENTS FOR THE PERIOD/ YEAR	(56,976)	(47,686)	224,852
Exchange gain on foreign cash balances	1,373	-	118
Cash and cash equivalents at the beginning of the year	352,839	127,869	127,869
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	297,236	80,183	352,839

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

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 company changed its year end from 31 December to 31 March with effect from 31 March 2016.

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. The company also operates a money services division and offers bill payment services.

Reporting Currencies:

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). These financial statements are presented in Jamaican dollars, which is considered the company's functional and presentation 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 March 31, 2016.

Amendments to published standards effective in the current year that are relevant to the company's operations:

Annual improvements to IFRS, 2010-2012 and 2011-2014 cycles contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after 1 July 2014. The main amendments applicable to the company are as follows:

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 24, "Related Party Disclosures"** has been amended to extend the definition of "related party" to include a management that provides key management personnel services to the reporting entity, either directly or through an entity. For related party transaction that rise when key management personnel services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it

- **IAS 24, “Related Party Disclosures”** (cont’d) - recognized as an expense for those services that are provided by a management entity; however it is not required to “look through” the management entity and disclose compensation paid by the management entity to the individuals providing the key management personnel services.
- **IFRS 13, “Fair value Measurement”** has been amended to clarify that issuing of the standard and consequential amendments to IAS 39 and IFRS 9, did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

IFRS 7 (Amended) Financial Instruments: Disclosures (effective 1 January 2015), requires additional disclosures for transfers of financial assets. It lists transferred assets that are derecognized in their entirety and those not derecognized in their entirety.

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.

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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.

Jamaica Central Securities Depository Limited
Registrar Services Unit
P.O. BOX 1084, 40 Harbour Street, Kingston, Jamaica
Tel: (876) 967-3271-4 Fax: (876) 948-6653

Top 10 for Access Financial Services Limited

As at June 30, 2016

Name			
Account(s)	Joint Holders	Volume	Percentage
PROVEN INVESTMENT LIMITED			
		136,488,875.00	49.72
		136,488,875.00	49.72
SPRINGHILL HOLDINGS LIMITED			
		119,957,534.00	43.70
		119,957,534.00	43.70
GENERATION 4 INVESTMENT COMPANY LIMITED			
		6,823,500.00	2.49
		6,823,500.00	2.49
WINSTON HOO			
		3,862,000.00	1.41
		338,695.00	0.12
		4,200,695.00	1.53
MARK GOLDING			
		766,046.00	0.28
		766,046.00	0.28
CHESTON JAMAICA LIMITED			
		681,177.00	0.25
		681,177.00	0.25
FRANK R. JACKSON			
		600,000.00	0.22
		600,000.00	0.22
FIRSTCARIBBEAN INT'L SEC.LTD A/C B.U.T.			
		480,000.00	0.17
		480,000.00	0.17
KARL P. WRIGHT			
		436,979.00	0.15
		436,979.00	0.15
NEVEAST SUPPLIES LIMITED			
		360,000.00	0.13
		360,000.00	0.13

End of Report

**Jamaica Central Securities Depository Limited
Registrar Services Unit**

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ACCESS FINANCIAL SERVICES LIMITED

**DIRECTORS AND
CONNECTED PARTIES REPORT
as at June 30, 2016**

Name	Position			
Account #	Primary Holder	Relationship	Units	Percentage
	Joint Holder			
Marcus James	Director			
	Marcus James	SELF	0.00	0.00
	Julie Thompson-James	WIFE	120,000.00	0.04
	Julie Thompson-James	WIFE	143,000.00	0.05
	Springhill Holdings Limited	CONNECTED PARTY	119,957,534	43.70
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	120,220,534.00	43.79
		Combined Holdings	120,220,534.00	43.79
Johann Heaven	Director			
	Johann Heaven	SELF	0.00	0.0
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	0.00	0.00
		Combined Holdings	0.00	0.00
Sherri Murray	Director			
	Sherri Murray	SELF	0.00	0.00
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	0.00	0.00
		Combined Holdings	0.00	0.00
Charmaine Boyd-Walker	Director			
	Charmaine Boyd-Walker	SELF	0.00	0.0
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	0.00	0.00
		Combined Holdings	0.00	0.00
Neville James	Director			
	Neville G. James	SELF	350,530.00	0.12
	Neville James	SELF	920.00	0.00
	Generation 4 Investment Company Ltd	CONNECTED PARTY	6,823,500.00	2.32
		Key Members Holdings	351,450.00	0.00
		Connected Party Holdings	6,823,500.00	2.32
		Combined Holdings	7,174,950.00	2.44

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ACCESS FINANCIAL SERVICES LIMITED

**DIRECTORS AND
CONNECTED PARTIES REPORT
as at June 30, 2016**

Name	Position			
Account #	Primary Holder	Relationship	Units	Percentage
	Joint Holder			
Peter McConnell	Director			
	Peter McConnell	SELF	0.00	0.00
	Wakefield Farms Ltd	CONNECTED PARTY	0.00	0.00
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	0.00	0.00
		Combined Holdings	0.00	0.00
Christopher Williams	Director			
	Christopher Williams	SELF	0.00	0.00
	Proven Investment Limited	CONNECTED PARTY	136,488,875.00	49.72
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	136,488,875.00	49.72
		Combined Holdings	136,488,875.00	49.72
Rex James	Director			
	Rex James	SELF	0.00	0.00
		Key Members Holdings	0.00	0.00
		Connected Party Holdings	0.00	0.00
		Combined Holdings	0.00	0.00
	Total Key Members		351,450.00	0.13
	Total Connected Parties		263,532,909.00	96.00
	Total Combined Holdings		263,884,359.00.00	96.13

END OF REPORT

Name of Executive Managers	Number of Ordinary Shares	Connected Party
Marcus James	-	119,957,534
Catherine Thomas	-	
Karen Davis	-	
Deveta McLaren	-	