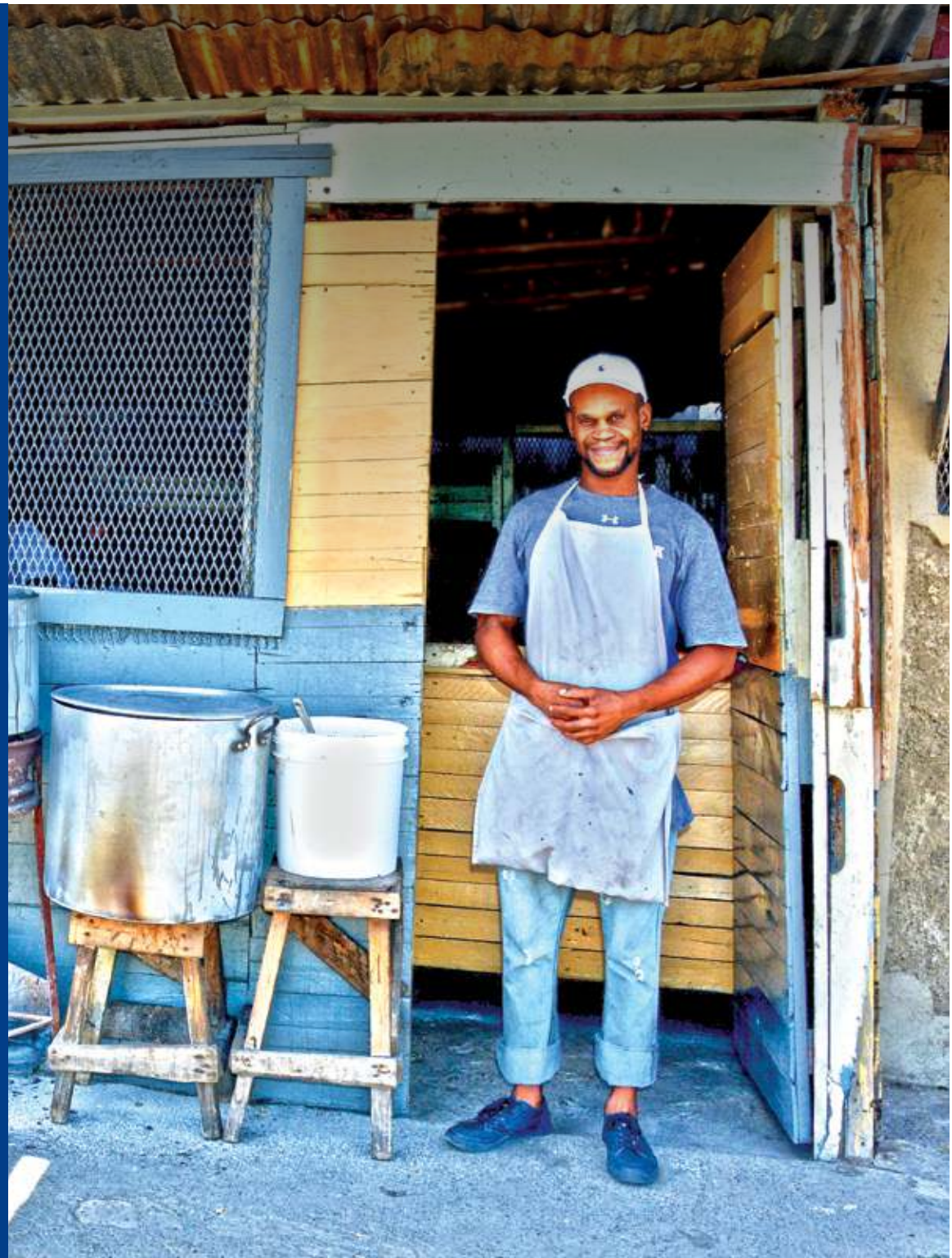


ACCESS

FINANCIAL SERVICES LTD.

SECOND QUARTER
UNAUDITED FINANCIAL REPORT
SEPTEMBER 2017



Directors Statement

The Board of Directors of Access Financial Services Limited (AFSL) presents the unaudited financial statement of the company for the six-month period ended 30 September 2017.

Overview

Access Financial Services Limited (AFS) recorded growth of 25% in Net Trading Income of \$799 million for the six months ended September 30, 2017 compared with \$639 million for the corresponding 2016 period. Net profit attributable to shareholders for the period ended September 30, 2017 amounted to \$346 million remained flat when compared to the Net profit of \$353 million for the corresponding period ended September 30, 2016. Average return on equity of 41%, also showed a decline compared to the corresponding period ended September 30, 2016. The Asset base of the company grew by \$511 million representing an 19% increase over the comparative period.

FINANCIAL HIGHLIGHTS	Six months ended SEPT.2017 (Unaudited)	Six months ended SEPT.2016 (Unaudited)	Audited 31 March 2017	% Change YTD
OPERATING RESULTS (INCOME STATEMENT DATA):				
Net Profit After Tax - J\$ millions	346	353	678	(2%)
FINANCIAL POSITION & STRENGTH (BALANCE SHEET DATA):				
Loans & Advances - J\$ billions	2.68	2.42	2.62	11%
Total Asset - J\$ billions	3.28	2.77	3.11	19%
Stockholder's Equity - J\$ billions	1.91	1.48	1.72	29%
KEY PERFORMANCE HIGHLIGHTS:				
Annualized return on average stockholder's Equity (RCE)	41%	56%	47%	(26%)
Earnings Per stock unit (EPS) - J\$	\$1.26	\$1.29	\$2.47	(2%)
Productivity Ratio	45%	51%	47%	11%

Income Statement

Net operating income for the period ended September 2017 amounted to \$840 million, an increase of \$153 million, or approximately 23%, when compared to corresponding 2016 period. Income from loans increased by \$33 million or 6% to \$619 million. Net fees and commission income increased by \$125 million.

Total operating expenses for the period, increased by 49% or \$150 million when compared to the corresponding period ended September 2016. This increase resulted from an increase in staff cost and operating expenses relating to the new acquisitions, an increase in Allowances for credit losses in the current period offset by a positive adjustment in 2016 resulting in a decline in Total operating cost.

Accordingly, Earnings per share for the period under review was \$1.26, compared to \$1.29 for the comparative 2016 period.

Balance Sheet

The net loan portfolio continues to show growth, with an increase of \$263 million or 11% for the quarter under review; moving to \$2.68 billion from \$2.42 billion for the corresponding 2016 period. This resulted in a positive movement in Total assets as at September 2017 to \$3.28 billion an increase of 19%. Total liabilities increased marginally.



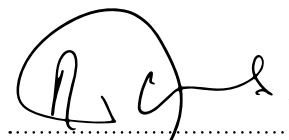
UnAudited Statement of Financial Position

For The Six Months Ended September 30, 2017

(Expressed in Thousands of Jamaican dollars)

	September 2017	September 2016	31-Mar-17
ASSETS			
Cash and Cash Equivalents	465,349	249,331	355,682
Financial Investments	2,756	2,013	2,756
Goodwill	0	21,354	0
Other Receivables	19,584	20,103	42,154
Loans and advances	2,680,153	2,416,895	2,619,163
Property, plant and equipment	45,658	55,308	46,133
Intangible Assets	59,327	518	34,358
Deferred Tax Assets	7,920	4,261	7,920
TOTAL ASSETS	3,280,747	2,769,783	3,108,166
LIABILITIES			
Accounts payables	67,788	225,852	186,069
Loan Payables	1,093,650	734,921	1,131,079
Project advance	105,026	95,153	0
9% unsecured Notes	-	199,849	0
Taxation Payable	101,614	32,675	73,736
Total Liabilities	1,368,078	1,288,450	1,390,884
SHAREHOLDERS' EQUITY			
Share Capital	96,051	96,051	96,051
Fair value reserve	743	743	743
Retained Earnings	1,815,874	1,384,539	1,620,488
Total Stockholders' Equity	1,912,669	1,481,333	1,717,282
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	3,280,747	2,769,783	3,108,166

Approved for issue by the Board
of Directors on October 26, 2017
and signed on its behalf by:



Rex James

Chairman



Marcus James

Chief Executive Officer

UnAudited Statement of Profit and Loss and Other Comprehensive Income

For The Six Months Ended September 30, 2017 (Expressed in Thousands of Jamaican dollars)

	Quarter ended September 2017	Quarter ended September 2016	Six Months Ended September 2017	Six Months Ended September 2016	Year Ended March 2017
Operating Income					
Interest Income from Loans	312,559	318,109	651,875	618,729	1,257,556
Securities	2,800	1,589	6,522	3,465	9,118
Total Interest Income	315,359	319,698	658,397	622,194	1,266,674
Interest Expense	(29,061)	(33,688)	(57,058)	(55,136)	(111,770)
Net Interest Income	286,298	286,010	601,338	567,058	1,154,905
Fee and Commission Income	99,714	43,012	197,316	71,903	221,669
Total Trading Income	386,012	329,022	798,654	638,961	1,376,574
Other Operating Income					
Money Services	417	598	844	1,189	2,131
Foreign exchanges losses/ gains	2,030	4,752	8,642	12,655	16,104
Other Income	18,015	27,784	31,712	34,771	7,340
	20,462	33,134	41,198	48,615	25,575
Net Operating Income	406,474	362,156	839,852	687,576	1,402,149
Operating Expenses					
Staff Costs	89,682	71,762	177,981	135,856	292,681
Allowances for credit losses	71,084	(6,185)	122,829	37,129	128,282
Depreciation and amortization	7,102	5,644	13,092	10,910	23,575
Marketing Expenses	4,685	4,396	11,844	11,135	27,374
Other Operating Expenses	62,618	71,720	134,301	114,524	179,710
	235,171	147,337	460,047	309,554	651,622
Profit before taxation	171,303	214,819	379,806	378,022	750,527
Taxation	13,399	7,769	33,439	25,339	72,050
Profit for the period	157,904	207,050	346,367	352,683	678,477
OTHER COMPREHENSIVE INCOME:					
Items that may be reclassified to profit or loss					
Unrealised gains on available-for-sale- investments	0	0	0	0	743
TOTAL COMPREHENSIVE INCOME:	157,904	207,050	346,367	352,683	679,220
EARNINGS PER STOCK UNIT	\$0.58	\$0.76	\$1.26	\$1.29	\$2.47

UnAudited Statement of Cash Flows

For The Six Months Ended September 30, 2017

(Expressed in Thousands of Jamaican dollars)

	Year to Date ended September 2017	Year to Date ended September 2016	Period Ended March 2017
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Profit for the year	346,367	352,683	678,477
Items not affecting cash resources:			
Exchange loss/(gains) on foreign balances	(8,642)	12,655	(16,104)
Depreciation and Amortization	13,092	10,910	23,575
Increase in allowance for loan losses	122,829	37,129	128,282
Interest Income	(651,875)	(622,194)	(1,266,674)
Interest expense	57,058	55,136	111,770
Taxation	33,439	25,339	75,708
Deferred tax	-	-	(3,659)
	(87,732)	(128,342)	(268,625)
Changes in operating assets and liabilities			
Loans and advances	(182,378)	(311,772)	(623,186)
Other Receivables	22,570	16,915	(7,407)
Advance payments - Loans	24,959	(4,169)	
Loans payable, Net	(37,429)	(94,196)	93,246
Accounts payable	(40,045)	9,039	(40,592)
	(300,055)	(512,525)	(846,564)
Interest received	654,012	607,089	1,268,947
Interest paid	(57,652)	(51,472)	(106,092)
Taxation paid	(5,247)	(7,304)	(16,612)
Cash provided by operating activities	291,058	35,788	299,679

	Year to Date ended September 2017	Year to Date ended September 2016	Period Ended March 2017
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property, Plant, and Equipment	(37,585)	(11,049)	(48,380)
Purchased Goodwill	-	(21,354)	-
Cash used in investing activities	(37,585)	(32,403)	(48,380)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Project advance	-	(19,292)	(75,861)
Dividends paid	(150,980)	(87,843)	(178,431)
Cash used in financing activities	(150,980)	(107,135)	(254,292)
NET INCREASE IN CASH AND ACSH EQUIVALENTS FOR THE PERIOD/ YEAR	102,493	(103,750)	(2,993)
Exchange gain on foreign cash balances	7,174	242	5,836
Cash and cash equivalents at the beginning of the year	355,682	352,839	352,839
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	465,349	249,331	355,682

UnAudited Statement of Changes in Equity

For The Six Months Ended September 30, 2017

(Expressed in Thousands of Jamaican dollars)

	Share Capital	Fair Value Reserve	Retained Earnings	Total
Balance as at 1 April 2016	96,051	-	1,120,442	1,216,493
Total Comprehensive Income:				
Net Profit	-	-	352,683	352,683
Transaction with Owners:				
Dividends Paid	-	-	(87,843)	(87,843)
Balance as at 30 September 2016	96,051	-	1,385,282	1,481,333
Balance as at 1 April 2017	96,051	743	1,620,488	1,717,282
Total Comprehensive Income:				
Net Profit	-	-	346,367	346,367
Transaction with Owners:				
Dividends Paid	-	-	(150,980)	(150,980)
Balance as at 30 September 2017	96,051	743	1,815,874	1,912,669

Notes to the Financial Statements

1. Identification and Principal Activities

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

2. Statement of Compliance and Basis of Preparation

Interim Financial Reporting

The condensed interim financial statements for the six months ended September 30, 2017 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements should be read in conjunction with the accounting policies as set out in Note 3 of the audited financial statements for the year ended 31 March 2017 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

There have been no changes in accounting policies since the most recent audited accounts as at March 31, 2017.

Basis of Measurement

The financial statements are prepared on the historical cost basis. They are also prepared in accordance with provisions of the Jamaican Companies Act.

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. All financial information has been rounded to the nearest thousand.

Accounting estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the period then ended. Actual amounts could differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

- **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 they may be a measurable decrease in the estimated future cashflows from loan receivables for example, through unfavorable economic conditions and default. Management will apply historical loss experience to individually significant receivables with similar characteristics such as credit risk where impairment indicators are not observable in their respect.

- **Depreciable assets**

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The company applies a variety of methods in an effort to arrive at these estimates from which actual may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

3. Significant Accounting Policies

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans are stated at amortized cost, net of any unearned income and impairment losses, if any.

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.

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.

IFRS3 Business combination:

On 19 June 2017, the company finalized the agreement to purchase the Net Assets of Micro Credit Limited as a going concern comprising mainly loan portfolio, fixed assets, and net other receivables. In accordance with IFRS 3, Business Combinations, the transaction was accounted for as a business combination using the acquisition method. The estimated initial goodwill computed under this methodology (subject to an independent valuation) comprises of the following factors:

	\$'000
Purchase consideration	85,461
Value of Net assets acquired	76,749
Goodwill	8,712

The MCL portfolio adapts the Latin American “solidarity group” micro-credit methodology into a viable loan product for the Jamaican environment. Goodwill will be assess for impairment.

1. Dividend Declaration

Subsequent to the quarter-ended on September 30, 2017, The Board of Directors of Access Financial Services Limited declared an interim dividend of \$0.17 per share with a record date of 11 November 2017 and a payment date of 25 November 2017.

2. Earnings per Stock Unit

Access Financial Services Limited Earnings per stock unit “EPS” is computed by dividing the profit attributable to stockholders of JA\$157,904,269 by the number of ordinary stock units in issue during the reporting period numbering 274,509,840 shares.

