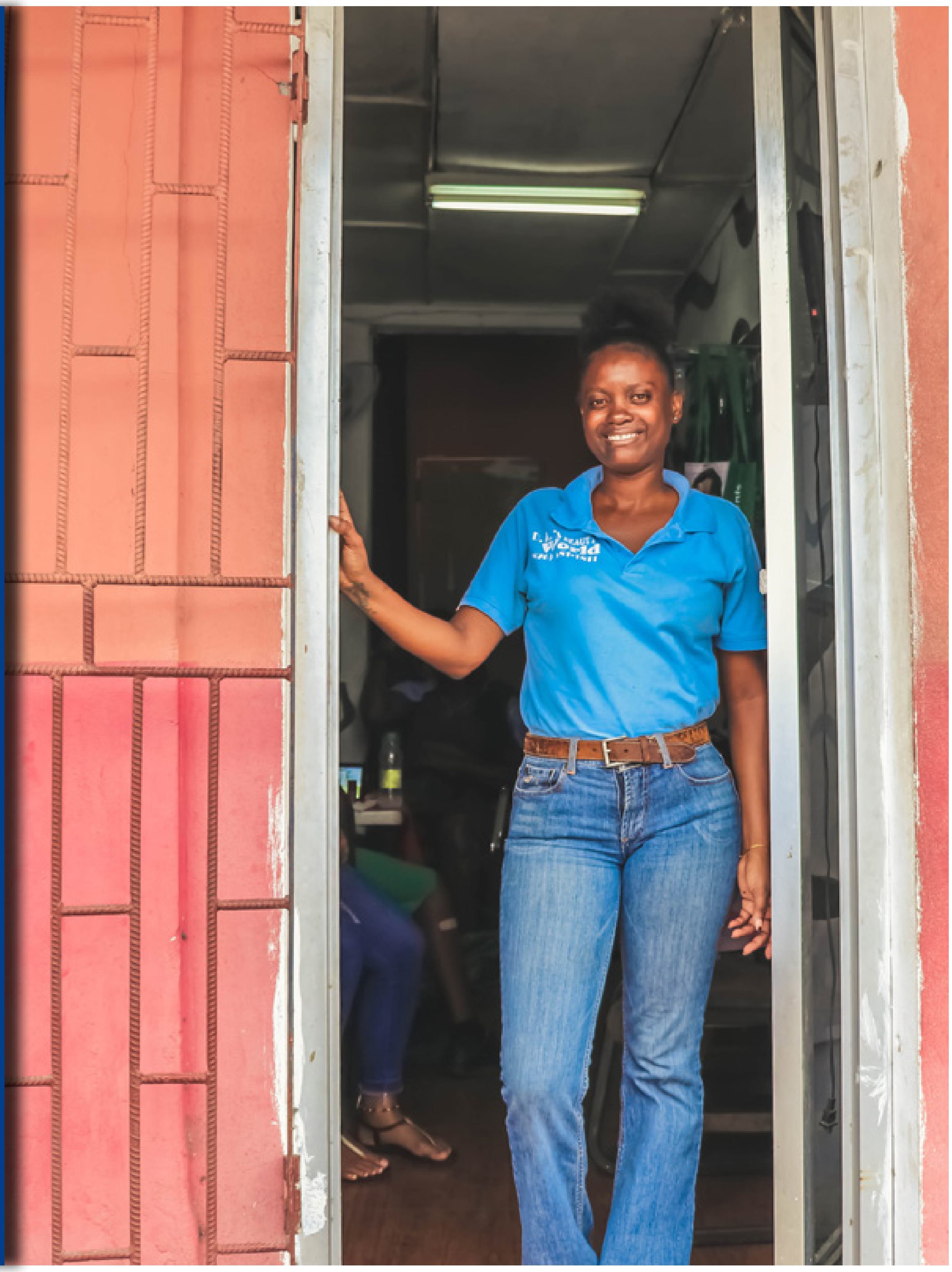
ACCESS
FINANCIAL SERVICES LTD.



UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
DECEMBER 31 2018

Director’s Statement

The Board of Directors of Access Financial Services Limited (AFS) is pleased to present the unaudited financial statement of the company for the nine month period ended 31 December 2018.

Overview

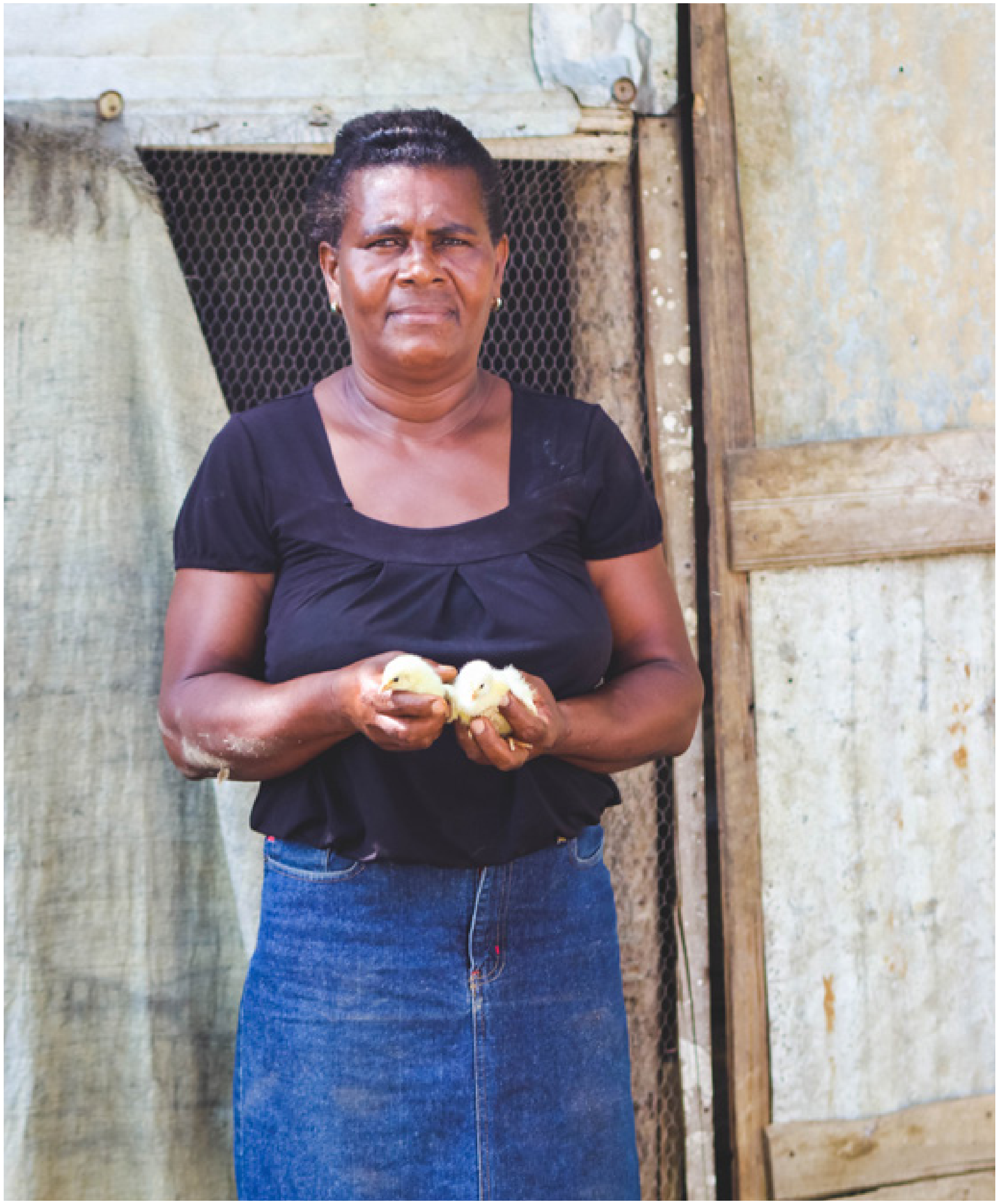
Access Financial Services Limited (AFS) recorded Net profit after tax of $584 million for the nine month period ending December 31, 2018. Compared to the Net profit of $504 million for the corresponding period ended December 31, 2017, this represents an increase of 16%.

On December 15, 2018 we concluded the acquisition of the Embassy Loans Inc, a Florida based Consumer finance Company. The results for the nine month period ended 31 December 2018 include the results of Embassy Loans for the 15-day period. The acquisition is currently being reviewed by our auditors, additional details of the transactions will be included in our next quarterly release.

During the period under review, the Asset base of the company grew by $1.5 billion which represents a 41% increase over the comparative period as we record organic growth in disbursements and the recognition of the assets of Embassy Loans Inc.

FINANCIAL HIGHLIGHTS	Nine Months ended December 2018 (Unaudited)	Nine Months ended December 2017 (Unaudited)	Audited 31 March 2018	YTD % Change
OPERATING RESULTS (INCOME STATEMENT DATA):				
Net Profit After Tax - J$ millions	584	504	716	16%
FINANCIAL POSITION & STRENGTH (BALANCE SHEET DATA):				
Loans & Advances - J$ billions	3.97	2.87	2.93	38%
Total Asset - J$ billions	4.99	3.54	3.52	41%
Stockholder's Equity - J$ billions	2.47	2.14	2.30	15%
PROFITABILITY:				
Return on average Stockholder's Equity (ROE)	51%	45%	47%	13%
Earnings Per Stock unit (EPS) - J$	$2.13	$1.84	$2.61	16%
Efficiency Ratio	51%	56%	53%	(9%)

Earnings per share for the nine month period of $2.13 compared to $1.84 earned during the comparative 2017 period represents a 16% increase.



Income Statement

Net Operating Income for the nine month period ended December 2018 amounted to $1.3 billion. Interest income from loans increased by $202 million or 20% to $1.2 billion. Net fees and commission for the period was $138m.

Operating expenses decreased by 3% or $23 million when compared to the corresponding period ended December 2018 as a result reduced allowances for credit loss.

Net profit after tax increased by approximately $79 million or 16%. Earnings per share for the nine month period of $2.13 compared to $1.84 earned during the comparative 2017 period represents a 16% increase.

Unaudited Statement of Financial Position

FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

(Expressed in Thousands of Jamaican dollars)

	December 2018 $'000	December 2017 $'000	31-Mar-18 $'000
ASSETS			
Cash and Cash Equivalents	406,738	432,847	315,928
Financial Investments	3,097	2,756	2,773
Other accounts receivables	88,634	12,337	35,212
Loans and advances	3,971,147	2,867,378	2,932,176
Property, plant and equipment	62,052	60,385	61,788
Intangible Assets	348,996	42,542	48,416
Deferred Tax Assets	107,202	122,184	122,250
TOTAL ASSETS	***4,987,866***	***3,540,429***	***3,518,543***
LIABILITIES			
Accounts payables	231,307	241,004	193,788
Loan Payables	2,238,750	1,040,797	964,741
Taxation Payable	45,612	120,372	56,738
Total Liabilities	***2,515,669***	***1,402,173***	***1,215,267***
SHAREHOLDERS' EQUITY			
Share Capital	96,051	96,051	96,051
Fair value reserve	789	743	760
Retained Earnings	2,375,357	2,041,462	2,206,466
Total Stockholders' Equity	***2,472,197***	***2,138,256***	***2,303,276***
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	***4,987,866***	***3,540,429***	***3,518,543***

Balance Sheet

The net loan portfolio grew by $1.1 billion or 38% for the quarter under review; moving to $4.0 billion from $2.87 billion for the corresponding 2017 period. This resulted in a positive movement in Total assets as at December 2018 to $4.99 billion an increase of 41%. Total liabilities increased by 79% primarily due to increases in loans payables as AFS secured funding by way of a $900 million bond issues to facilitate the acquisition of Embassy Loans Inc.

Approved for issue by the Board of Directors on January 29, 2019 and signed on its behalf by:

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Rex James
Chairman

……………………………………

Marcus James
Chief Executive Officer

Unaudited Statement of Profit or Loss and Other Comprehensive Income

FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

(Expressed in Thousands of Jamaican dollars)

	Quarter ended December 2018	***Quarter ended*** December 2017	***Nine Months Ended*** December 2018	***Nine Months Ended*** December 2017	***Year Ended*** March 2018
Operating Income					
Interest Income from Loans	445,077	375,993	1,229,786	1,027,856	1,456,152
Securities	3,242	2,531	5,802	9,052	10,621
Total Interest Income	**448,319**	**378,524**	**1,235,588**	**1,036,908**	**1,466,773**
Interest Expense	(34,591)	(28,347)	(83,129)	(85,405)	(105,574)
Net Interest Income	**413,728**	**350,177**	**1,152,459**	**951,503**	**1,361,199**
Fee and Commission Income	67,966	73,511	138,283	270,823	314,089
Total Trading Income	***481,694***	***423,688***	***1,290,742***	***1,222,326***	***1,675,288***
Other Operating Income					
Money Services	453	271	1,298	1,115	1,443
Foreign exchanges losses/ gains	(11,119)	(8,330)	7,407	312	1,312
Other Income	6,482	3,264	29,467	34,977	26,310
	-4,184	-4,795	38,172	36,403	29,065
Net Operating Income	***477,510***	***418,894***	***1,328,915***	***1,258,730***	***1,704,353***
Operating Expenses					
Staff Costs	126,263	99,157	331,938	277,138	382,083
Allowances for credit losses	29,068	63,003	79,188	185,832	226,658
Depreciation and amortization	3,452	7,192	21,649	20,284	19,038
Marketing Expenses	8,212	3,957	22,792	16,429	25,442
Other Operating Expenses	86,456	66,230	220,857	200,166	249,183
	253,448	**239,539**	**676,424**	**699,849**	**902,404**
Profit before taxation	**224,061**	**179,355**	**652,491**	**558,881**	**801,949**
Income tax	35,996	21,370	68,806	54,524	85,922
NET PROFIT AXTER TAX	**188,065**	**157,986**	**583,684**	**504,357**	**716,027**
EARNINGS PER STOCK UNIT - JMD cents	**$0.69**	**$0.58**	**$2.13**	**$1.84**	**$2.61**

Unaudited Consolidated Statement of Comprehensive Income

FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

	Quarter ended December 2018	***Quarter ended*** December 2017	***Nine Months Ended*** December 2018	***Nine Months Ended*** December 2017	***Year Ended*** March 2018
NET PROFIT	**188,065**	**157,986**	**583,684**	**504,357**	**716,027**
OTHER COMPREHENSIVE INCOME:					
Items that are or may be reclassified to profit or loss:					
Unrealised Gains/(loss) on available-for-sale- investments	-184	0	324	0	17
TOTAL COMPREHENSIVE INCOME:	**187,882**	**157,986**	**584,008**	**504,357**	**716,044**

Unaudited Statement of Cash Flows

FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

(Expressed in Thousands of Jamaican dollars)

	Year to Date ended December 2018	Year to Date ended December 2017	Period Ended March 2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Profit for the year	583,684	504,357	716,027
Items not affecting cash resources:			
Exchange loss/(gains) on foreign balances	(7,407)	(312)	(1,312)
Depreciation and Amortization	21,649	20,284	19,038
Increase in allowance for loan losses	75,082	185,832	226,658
Interest Income	(1,235,588)	(1,036,908)	(1,466,773)
Interest expense	83,129	85,405	105,574
Adjustment to property, plant and equipment			(1,205)
Taxation	49,277	54,524	85,988
Deferred tax	15,048	-	(66)
Gains on disposal of property, plant and equipment	-		(2,910)
	(415,126)	**(186,819)**	**(318,981)**
Changes in operating assets and liabilities			
Loans and advances	(1,320,144)	(434,878)	(539,430)
Other accounts receivable	(44,832)	29,887	6,962
Loans payable, Net	1,274,009	(90,282)	(166,338)
Accounts payable	41,055	35,566	1,957
	(465,045)	**(646,526)**	**(1,015,830)**

	Year to Date ended December 2018	Year to Date ended December 2017	Period Ended March 2018
Interest received	1,235,490	1,036,838	1,466,753
Interest paid	(95,648)	(62,688)	(99,797)
Taxation paid	(60,399)	(7,870)	(102,986)
Cash provided by operating activities	**614,398**	**319,755**	**248,140**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property, Plant and Equipment	(24,891)	(44,399)	(47,546)
Proceeds from sale of property, plant & Equipment		-	2,910
Purchased Goodwill	(297,602)		
Cash used in investing activities	**(322,493)**	**(44,399)**	**(44,636)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	(208,627)	(197,647)	(244,314)
Cash used in financing activities	**(208,627)**	**(197,647)**	**(244,314)**
NET INCREASE IN CASH AND ACSH EQUIVALENTS FOR THE PERIOD/ YEAR	**83,278**	**77,709**	**(40,810)**
Exchange gain on foreign cash balances	7,532	(544)	1,056
Cash and cash equivalents at the beginning of the year	315,928	355,682	355,682
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	**406,738**	**432,847**	**315,928**

Unaudited Statement of Changes In Equity

FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

(Expressed in Thousands of Jamaican dollars)

	Share Capital	Fair Value Reserve	Retained Earnings	Total
Balance as at 1 April 2017	96,051	743	1,734,752	1,831,546
Total Comprehensive Income:				
Net Profit	-	-	504,357	504,357
Other Comprehensive Income	-	-		-
Transaction with Owners:				
Dividends Paid	-	-	(197,647)	(197,647)
Balance as at 30 September 2017	**96,051**	**743**	**2,041,462**	**2,138,256**
Balance as at 1 April 2018	96,051	760	2,000,300	2,097,111
Total Comprehensive Income:				
Net Profit	-		583,684	583,684
Other Comprehensive Income	-	29	-	29
Transaction with Owners:				
Dividends Paid	-	-	(208,627)	(208,627)
Balance as at 30 September 2018	**96,051**	**1,311**	**2,375,357**	**2,472,197**

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, Jamaican Capital Market, government entities and non-governmental organizations. The company also operates a money services division and offers bill payment services.

2. 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.

3. Statement of Compliance and Basis of Preparation

Interim Financial Reporting

The condensed interim financial statements for the Nine months ended December 31, 2018 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 31March 2018 which have been prepared in accordance with International Financial Reporting Standards (IFRS) with exception for the adoption of new standards, being IFRS 9 "Financial Instrument". The impact of adopting the new standard is outlined in Note 5.

New Standard Effective and Adopted In The Current Year

IFRS 9, "Financial instruments"

On April 1, 2018, the company adopted IFRS 9 "Financial Instruments" which replaces IAS 39, "Financial Instruments: Recognition and Measurement. IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their contractual cash flow characteristics.

The transition provisions for IFRS9 dœs not require a retrospective application to prior periods, accordingly the initial adoption effect is reflected in the opening balance of retained earnings for the financial year 2018. Comparative periods in the notes of this report are presented in the structure according to IAS 39.

Classification

From 1 April 2018, AFS classifies its financial assets in the following measurement categories:

- Those measured at amortised cost.
- Those to be measured subsequently at fair value through other comprehensive income (OCI).

The classification depends on the business model used for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Measurement

The Company classifies its debt instruments into three measurement categories:

- **Amortised Cost:** These assets are held to collect contractual cash flows. Cash flows from these assets are solely payments of principal and interest. Contractual cash flows, that are solely principal and Interest, are consistent with a basic lending arrangement. Interest is consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period of time. It can also include consideration for other basic lending risks (e.g., liquidity risk) and costs (e.g., administrative costs) associated with holding the financial asset for a particular period of time; and a profit margin that is consistent with a basic lending arrangement. Interest income from these financial assets are included in the income statement using the effective interest rate model. Interest income for financial assets that are classified as being impaired is calculated by applying the effective interest rate to the amortized cost (i.e., the gross carrying amount less the credit loss allowance).

- **Fair Value Through Other Comprehensive Income:** These assets are held for the collection of contractual cash flows and for selling the financial assets. Changes in the fair value are taken through Other Comprehensive Income (OCI).

- **Fair Value Through Profit and Loss (FVTPL):** Any financial asset that is held for trading or that dœs not fall into the Hold to Collect nor Hold to Collect and Sell business models shall be assigned into the Other business model and is measured at fair value through profit or loss (FVTPL). Any gains or loss on these instruments are recognized in the profit or loss in the period in which it arises. The Company measures all equity investments at fair value. We have elected to present fair value gains and losses on equity investments in Other Comprehensive Income (OCI) with no option to reclassify these gains or losses to profit or loss following derecognition.

- **Impairment:** From the 1 April 2018, the Company records allowance for credit loss using a forward-looking model for expected credit loss under IFRS 9. Expected Credit loss is calculated by multiplying the probability of default (PD), Loss Given Default (LGD) and the Exposure at Default (EAD).

The company has four types of financial assets that are subject to the new expected credit loss model under IFRS 9:

- Loans and advances.
- Receivables
- Debt instruments carried at amortised cost and
- Debt instrument carried at fair value through other comprehensive income.

The company revised its impairment methodology on a phased basis, with emphasis on the material class of asset. The revision of the impairment model for all other assets class will be incorporated in subsequent periods along with any impact from the review of the methodology which may arise.

The approach uses a three-stage approach based on the extent of credit deterioration since origination:

- **Stage 1:** The company, recognizes a credit loss allowance at an amount equal to a 12-month expected credit loss to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. Expected Credit loss for assets in this category is computed using a 12- month Probability of Default (PD) that represents the probability of default occurring over the next 12 months.

- **Stage 2:** The company recognizes a credit loss allowance at an amount equal to lifetime expected credit losses for those Financial Assets which are considered to have experienced a significant increase in credit risk subsequent to origination but are not credit impaired. This requires the computation of Expected Credit Loss (ECL) based on lifetime probability of default (LTPD) which represents the probability of default occurring over the remaining lifetime of the Financial Asset. Allowance for credit losses are higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to the 12 months in Stage 1.

- **Stage 3:** The company recognizes a loss allowance at an amount equal to lifetime expected credit losses, for financial assets that have an objective evidence of impairment.

Under IFRS 9, when determining whether the credit risk (i.e., risk of default) of a Financial Asset has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information based on the company's historical experience, credit risk assessment and forward-looking information (including macro-economic factors). The company also uses three scenarios that are probability weighted to determine expected credit loss. The contractual period as well as historic default rates and periods have also been incorporated in the assessment of significant credit deterioration. The key indicator which determines when to move a Financial asset from measuring an allowance based on 12-month ECLs to one that is based on lifetime ECLs (i.e. Stage 1 to Stage 2), is significant change in credit risk. The company uses judgment when considering these factors that affect the determination of impairment.

- **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 makes judgments regarding indicators of impairment, that is, whether there are indicators to suggest there may be a measurable decrease in the estimated future cashflows from loan receivables for example, through unfavorable economic conditions and default.

- **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.

4. Significant Accounting Policies

- **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.

- **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.

- **Interest Income:**
  Interest income is recognized in profit or loss for all interest-earning instruments on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset to its carrying amount. Interest income for financial assets that are classified as being in impaired is calculated by applying the effective interest rate to the amortized cost (i.e., the gross carrying amount less the credit loss allowance).

- **Interest expense:**
  Interest expense is recognized in profit or loss on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to its carrying amount.

5. Effects of New Standards

The Financial Statements of the company have been restated as at 1 April 2018 to reflect the effect of the adoption of IFRS 9 "Financial Instruments". The transition provision do not require comparative figures to be restated. The total impact of the phased adoption is therefore recognised in the opening statement of financial position on 1 April 2018 as reflected in the table below:

Unaudited Effect on Statement of Financial Position

	March 31 2018 As originally presented $'000	Effects of IFRS 9 $'000	April 1 2018 as restated $'000
ASSETS			
Cash and Cash Equivalents	315,928		315,928
Financial Investments	2,773		2,773
Other accounts receivables	35,212		35,212
Loans and advances	2,932,176	206,166	2,726,010
Property, plant and equipment	61,788		61,788
Intangible Assets	48,416		48,416
Deferred Tax Assets	122,250		122,250
Total Assets	**3,518,543**	**206,166**	**3,312,378**
LIABILITIES			
Accounts payables	193,788		193,788
Loan Payables	964,741		964,741
Taxation Payable	56,738		56,738
Total Liabilities	**1,215,267**	**0**	**1,215,267**
SHAREHOLDERS' EQUITY			
Share Capital	96,051		96,051
Fair value reserve	760		760
Retained Earnings	2,206,466	206,166	2,000,300
Total Stockholders' Equity	**2,303,276**	**206,166**	**2,097,111**
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	**3,518,543**	**206,166**	**3,312,378**

The table below outlines the phased impact of IFRS 9 on the company's equity:

Unaudited Effect on Equity Components

As At 1 April 2018:

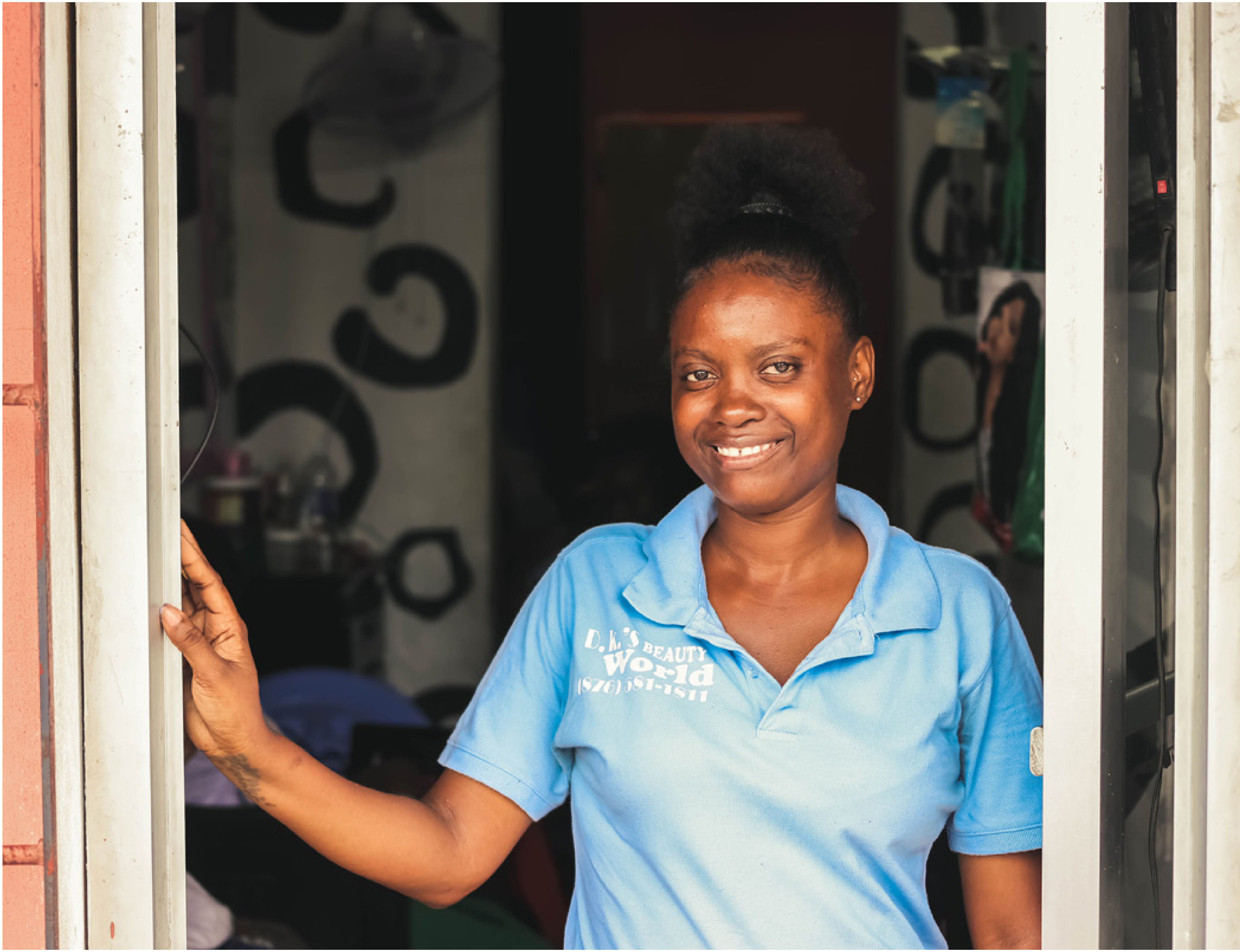
	Share Capital $'000	Fair value reserve $'000	Retained Earnings $'000	Total $'000
Closing equity components 31 March 2018	96,051	760	2,206,466	2,303,277
IFRS 9 Impact				
Decrease in provision for loan receivables	-	-	206,166	206,166
Revised equity components 1 April 2018	96,051	760	2,000,300	2,097,111

6. Dividend Declaration

Subsequent to the quarter-ended on December 31, 2018, The Board of Directors of Access Financial Services Limited declared an interim dividend of $0.48 per share with a record date of 13 February 2018 and a payment date of 27 February 2018.

7. Earnings per Stock Unit

Access Financial Services Limited Earnings per stock unit "EPS" is computed by dividing the profit attributable to stockholders of JA$583,684,146 by the number of ordinary stock units in issue during the reporting period numbering 274,509,840 shares.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