



FINANCE SERVICES LTD.

UNAUDITED FINANCIAL STATEMENTS

2nd QUARTER ENDED JUNE 30 2024



**ISP FINANCE SERVICES LIMITED
UNAUDITED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2024**

DIRECTORS' REPORT TO STOCKHOLDERS

The Board of Directors of ISP Finance Services Limited (ISP) is pleased to present the Company's unaudited financial results for the 2nd Quarter (Q2) ended June 30, 2024.

The Company's Interest Income rose from \$119.4million to \$141.4million in Q2, representing an increase of \$22.0million or 18.4 % over the corresponding quarter in 2023.

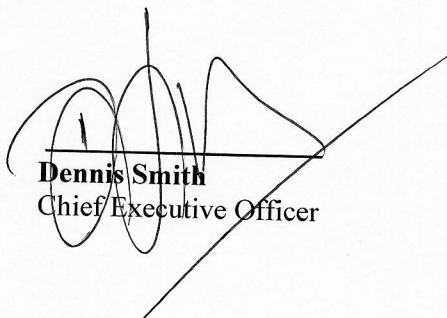
The Company's Net Operating Income after Interest Expenses and Commissions totaled \$121.3million versus \$96.2million, an increase of \$25.1million or 26.1%. This was driven largely by a 25.4% reduction in Commission Expenses. Q2 Operating expenses amounted to \$95.5million, up slightly from \$92.8 million, an increase of 2.9% or \$2.68million over Q2 2023.

The Company's net profit before tax for Q2 2024 was \$25.5 million, an increase of \$19.9 million or 361% over the same period last year. The was a result of diligent expense management leading to a reduction in staff costs by \$9.3million (-28.6%) but was tempered by increased Allowance for Credit Losses from \$27.2million to \$43.5million, a 37.4% increase.

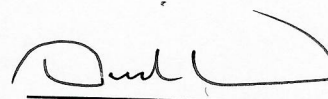
Earnings per share stood at \$0.202 at the end of the 2nd Quarter of 2024 compared to \$0.046 at the end of the 1st Quarter of 2023 reflecting an increase of 339.3%.

Net loans increased 4.0%, from \$959 million to \$997million, showing slightly slower growth in Q2. The total assets of the Company stood at \$1,182.6 million which represents a 9.1% increase over the comparative period.

The Company would like to thank all our members of staff for their commitment, our customers for their loyalty and our shareholders for their continued show of confidence.



Dennis Smith
Chief Executive Officer



Diyal R. Fernando
Chief Financial Officer



ISP FINANCE SERVICES LIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2024

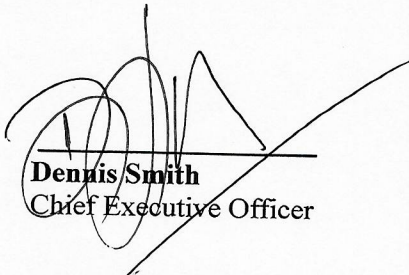
	Unaudited Three Months Ended June 30, 2024	Unaudited Three Months Ended June 30, 2023	Unaudited Six Months Ended June 30, '24	Unaudited Six Months Ended June 30, '23	Audited Year Ended December 2023
	\$	\$	\$	\$	\$
OPERATING INCOME					
Interest income from loans	141,451,983	119,448,807	281,601,077	230,357,235	507,509,698
Interest income from banks and other receivables	1,957	53	2,014	124	11,736,226
Total interest income	141,453,940	119,448,860	281,603,091	230,357,359	519,245,924
Interest expenses	15,368,831	16,908,794	30,737,992	30,680,439	60,482,407
Net interest income	126,085,109	102,540,066	250,865,099	199,676,920	458,763,517
Commission expenses on loans	(4,712,541)	(6,297,281)	(9,128,307)	(11,434,412)	(23,026,986)
Other operating income	121,372,568	96,242,785	241,736,792	188,242,508	435,736,531
Foreign exchange gain (loss)	(336,250)	30,000	(336,250)	30,000	(459,457)
Gain/Loss- Sale of FA	-	-	-	-	-
Other income	-	2,100,000	-	2,182,271	9,297,252
	(336,250)	2,130,000	(336,250)	2,212,271	8,837,795
	121,036,318	98,372,785	241,400,542	190,454,779	444,574,326
OPERATING EXPENSES					
Staff costs	23,203,965	32,467,090	46,165,838	53,589,903	103,656,685
Allowance for credit losses	43,528,226	27,247,219	84,062,101	55,354,964	128,800,000
Depreciation expense	1,474,733	1,483,266	2,934,122	3,032,340	9,355,950
Other operating expenses	27,320,498	31,644,326	56,634,906	66,057,515	126,909,657
	95,527,422	92,841,901	189,796,967	178,034,722	368,722,292
Profit before taxation	25,508,896	5,530,884	51,603,575	12,420,057	75,852,034
Taxation charge	(4,251,058)	(691,361)	(8,599,736)	(1,552,507)	(9,230,824)
Net profit	21,257,838	4,839,523	43,003,839	10,867,550	66,621,210
Other comprehensive income that may be reclassified to profit and loss					
Revaluation of property, plant and equipment	-	-	-	-	-
Total comprehensive income for the year	21,257,838	4,839,523	43,003,839	10,867,550	66,621,210
Earnings per share (\$)	0.202	0.046	0.410	0.104	0.63

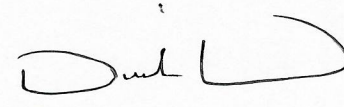


ISP FINANCE SERVICES LIMITED

**UNAUDITED STATEMENT OF FINANCIAL POSITION
SIX MONTHS ENDED JUNE 30, 2024**

	Unaudited Six Months Ended June 30, 2024 \$	Unaudited Six Months Ended June 30, 2023 \$	Audited Twelve Months December 31, 2023 \$
ASSETS			
Cash and cash equivalents	92,005,939	37,613,522	42,835,759
Marketable Securities / Investments	25,000,000	25,000,000	25,000,000
Loans net of provisions for credit losses	997,600,965	959,440,798	1,024,989,649
Other receivables	42,607,425	42,589,118	6,555,263
Deposit	1,047,949	1,047,949	1,047,949
Right-of-use asset	4,908,453	-	4,908,453
Deferred tax assets	836,191	161,178	836,191
Property, plant and equipment	18,677,613	18,451,773	16,822,953
TOTAL ASSETS	<u>1,182,684,535</u>	<u>1,084,304,338</u>	<u>1,122,996,217</u>
LIABILITIES AND EQUITY			
LIABILITIES:			
Accounts payable and other liabilities	24,419,595	34,659,708	19,427,334
Secured corporate bond and promissory note	462,261,956	456,076,992	459,169,474
Notes payable	52,535,511	51,785,511	52,535,511
Lease Liability	7,017,107	-	7,017,107
Taxation Payable	8,599,736	10,141,038	-
	554,833,905	552,663,249	538,149,426
EQUITY			
Share capital	195,903,128	195,903,128	195,903,128
Revaluation surplus	3,841,596	3,841,596	3,841,596
Accumulated surplus	428,105,906	331,896,365	385,102,067
	627,850,630	531,641,089	584,846,791
TOTAL EQUITY AND LIABILITIES	<u>1,182,684,535</u>	<u>1,084,304,338</u>	<u>1,122,996,217</u>


Dennis Smith
 Chief Executive Officer


Diyal R. Fernando
 Chief Financial Officer



ISP FINANCE SERVICES LIMITED
UNAUDITED STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2024

	Share Capital \$	Revaluation Surplus \$	Accumulated Surplus \$	Total \$
Balance as at December 31, 2023	195,903,128	3,841,596	385,102,067	584,846,791
Other comprehensive income				
Net profit for the period	-	-	43,003,839	43,003,839
Total comprehensive income	-	-	43,003,839	43,003,839
Balance as at June 30, 2024	<u>195,903,128</u>	<u>3,841,596</u>	<u>428,105,906</u>	<u>627,850,630</u>
Balance as at December 31, 2022	195,903,128	3,841,596	321,028,815	520,773,539
Other comprehensive income				
Net profit for the period	-	-	10,867,550	10,867,550
Total comprehensive income	-	-	10,867,550	10,867,550
Balance as at June 30, 2023	<u>195,903,128</u>	<u>6,841,596</u>	<u>331,896,365</u>	<u>531,641,089</u>



ISP FINANCE SERVICES LIMITED
UNAUDITED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2024

	Unaudited Six Months Ended June 30, 2024 \$	Unaudited Six Months Ended June 30, 2023 \$	Audited Twelve Months Ended December 31, 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before interest and taxation	73,741,831	41,547,989	75,852,034
Adjustments for items not affecting cash resources:			
Depreciation on property, plant and equipment	2,934,122	3,032,340	5,891,160
Depreciation on right-of-use asset	-	-	3,464,790
Lease Interest expense	-	-	645,905
Unrealized foreign exchange gain	336,250	(30,000)	459,457
Bond amortization	3,092,482	3,092,482	6,184,964
Deferred taxation	8,599,736	10,141,037	-
	<u>88,704,421</u>	<u>57,783,848</u>	<u>92,498,310</u>
(Increase) /decrease in operating assets:			
Loans and other receivables	(17,763,765)	(214,397,196)	(262,367,425)
Deposit	-	-	-
Due from related party	-	-	-
Due from director	-	-	-
Increase /(decrease) in operating liabilities:			
Accounts payables and other payables	(2,887,715)	391,750	(3,316,395)
Cash provided by/(used in) operating activities	<u>68,052,941</u>	<u>(156,221,598)</u>	<u>(173,185,510)</u>
Interest paid	(29,247,688)	(27,564,549)	-
Taxation paid	(9,230,875)	(8,588,531)	(8,518,000)
Net cash used in operating activities	<u>29,574,378</u>	<u>(192,374,678)</u>	<u>(181,703,510)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(4,788,782)	(899,987)	(2,129,988)
Proceeds from the sale of investments	24,384,584	224,959,473	200,000,000
Proceeds from the sale of property, plant and equipment	-	-	-
Net cash used in investing activities	<u>19,595,802</u>	<u>224,059,486</u>	<u>197,870,012</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Bond	-	-	-
Lease Liabilities payments	-	-	(4,550,000)
Proceeds from secured bonds	-	-	-
Proceeds from notes payable	-	-	750,000
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>(3,800,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS -	49,170,180	31,684,808	12,366,502
CASH AND CASH EQUIVALENTS -Beginning of the year	42,835,759	30,928,714	30,928,714
Exchange and gains on foreign cash balance	-	-	(459,457)
CASH AND CASH EQUIVALENTS - End of the quarter	<u>92,005,939</u>	<u>62,613,522</u>	<u>42,835,759</u>
REPRESENTED BY:			
Cash and cash equivalents	<u>92,005,939</u>	<u>62,613,522</u>	<u>42,835,759</u>



ISP FINANCE SERVICES LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2024

1. IDENTIFICATION

ISP Finance Services Limited (the "Company") is incorporated in Jamaica under the Jamaican Companies Act (the Act).

On March 30, 2016, ISP Finance Services Limited became a public listed entity on the Jamaica Stock Exchange Junior Market. Consequently, the Company is entitled to full remission of income taxes for the first five (5) years and fifty percent (50%) remission for the following 5 years providing it complies with the requirements of the Jamaica Stock Exchange Junior Market.

The Company is domiciled in Jamaica, with its registered office at 17 Phoenix Avenue, Kingston 10. The principal activity of the Company is the granting of commercial loans and personal short term loans.

2. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with IAS 34, 'Interim financial reporting' and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2023 which have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Act. There have been no changes in accounting policies since the most recent audited accounts as at December 31, 2023.

The financial Statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, unless otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Property, plant and equipment

All property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, except for motor cars which are carried at fair value, are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Valuations are performed frequently enough to ensure that the fair value of revalued motor cars does not significantly differ from its carrying amount. The increase of the carrying amount of a motor car as a result of revaluation is credited directly to equity (under the heading "revaluation surplus"). A revaluation decrease should be charged directly against any related revaluation surplus, with any excess being recognized as an expense in the statement of comprehensive income.