Dolla

Financial Services

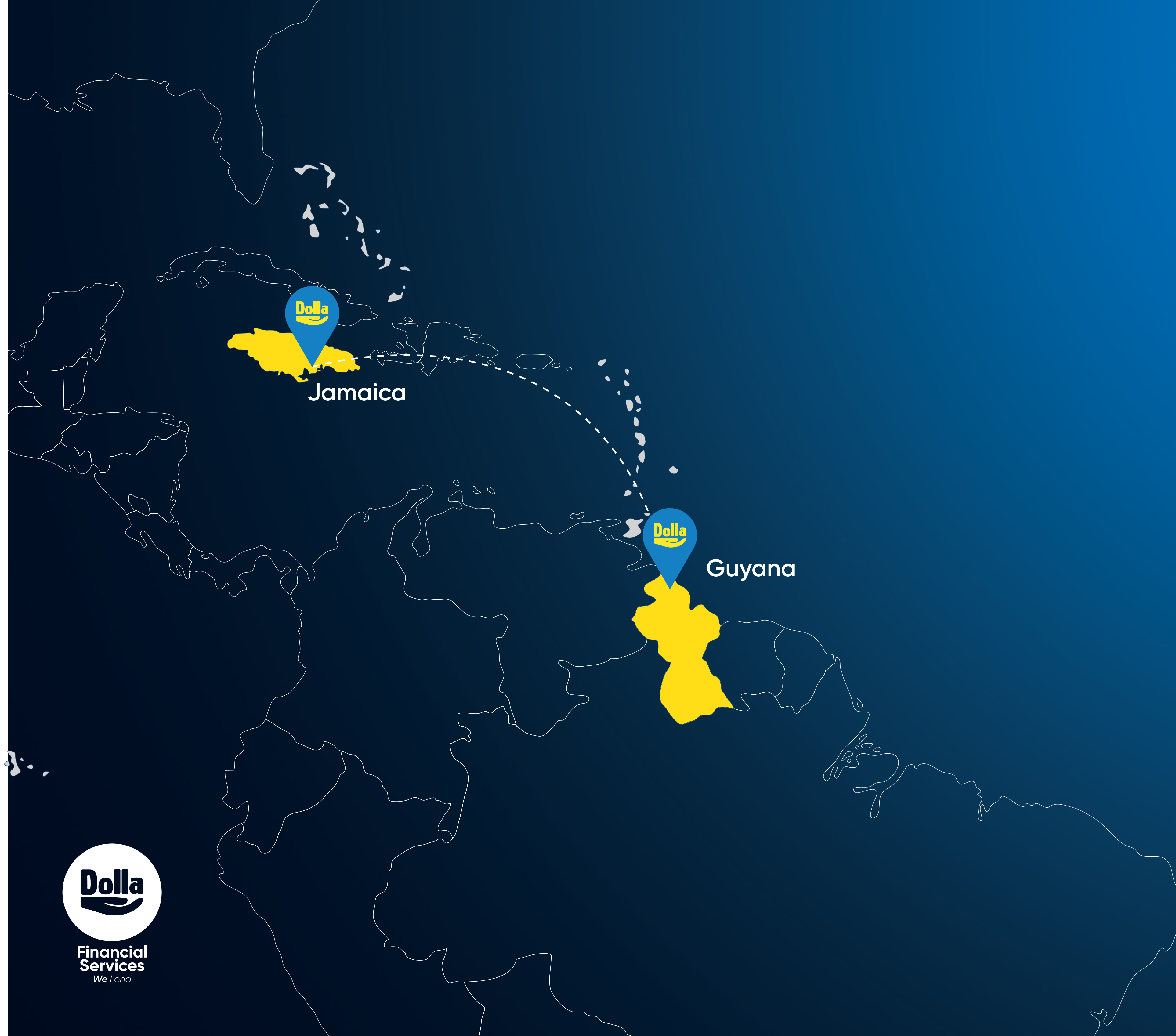
We Lend

2022 ANNUAL REPORT

A year of Monumental

Growth*-Unlocking *Boundaries

About Us



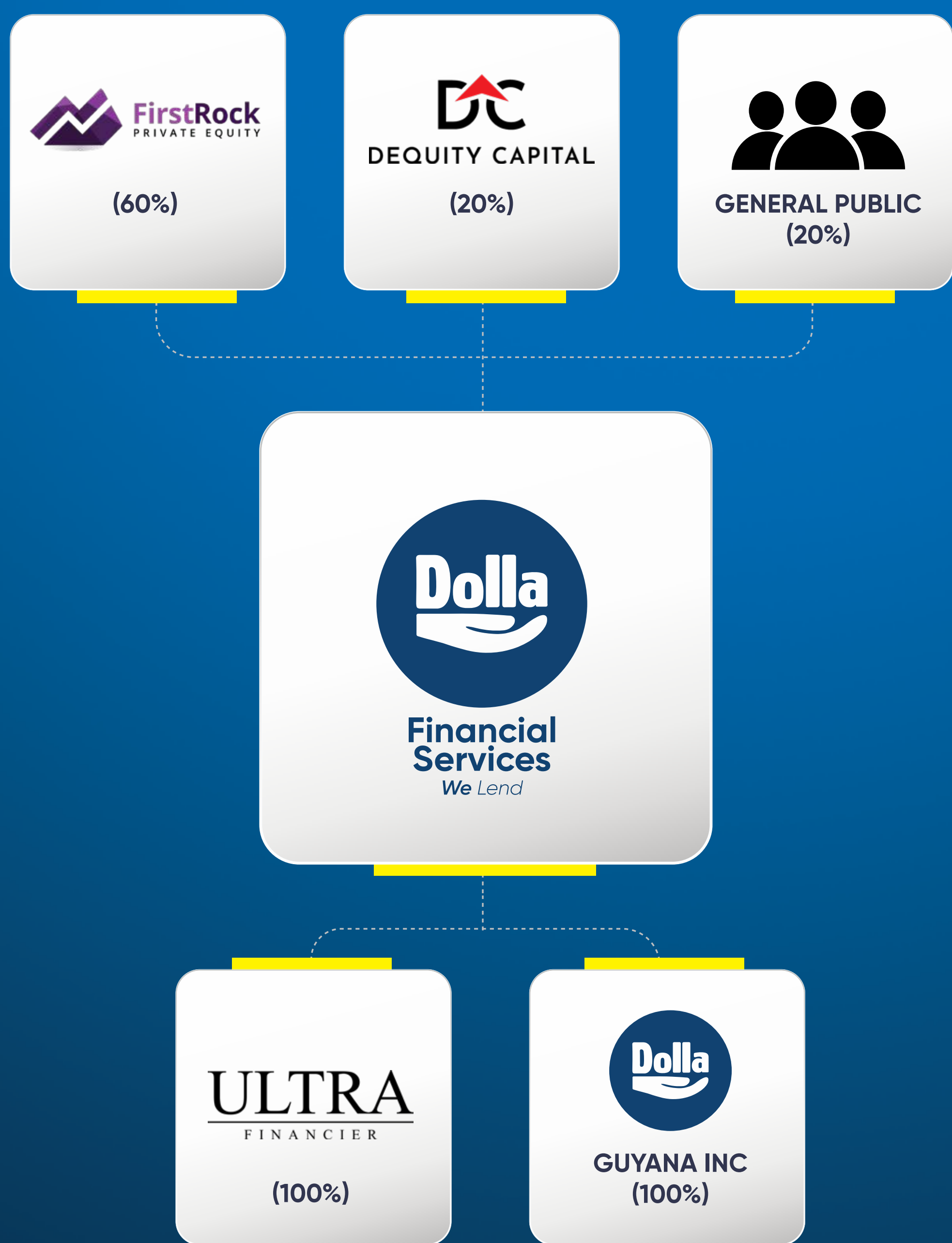
First Branch – Lucea, Hanover

Dolla started its journey in 2014 offering Cambio and Remittance Services. In 2016 the Company decided to solely focus all resources on offering Micro Financing solutions and discontinue its other services. This strategic shift would see Dolla allocating its resources where the returns were best seen. Lending was then boosted by the first acquisition of a loan portfolio owned by the CEO Kadeen Mairs, and this was followed by a private placement of shares in the capital of the Company (equivalent to 75% of the equity of the Company), contributing to the raising of additional funding for expansion. Subsequently, the Company has raised additional funding through debt and preference share issues.

The capital that we have raised to date has allowed Dolla to execute on its strategy of providing a wide range of loan products to a diversified customer base both locally and overseas. From a single branch at inception in Lucea, Hanover in 2014, Dolla now has ten (10) branches across Jamaica and two wholly owned subsidiaries, Dolla Guyana Inc. and Ultra Financier Limited. The Company was listed on the Junior Market of the Jamaica Stock Exchange (JSE) on June 15, 2022 with an oversubscription of \$5 billion. The Company was also granted its Microcredit License from the Bank of Jamaica on November 24, 2022. Utilizing the extensive branch network and the relationships with our customers over the years, the Group disbursed over \$4.30Bn in loans since inception, and generated profit before taxes attributable to shareholders of \$296 million in 2022.

Dolla
Financial Services
We Lend

Corporate Structure



A Year of Monumental Growth

HIRED EXCEPTIONAL TALENT
to Strengthen Growth and Gevernance

SUCCESSFUL INITIAL PUBLIC OFFERING (IPO)
Oversubscribed by $5Billion

RETURNED VALUE
to Our Communities....

LAUNCH OF
Ultra Financier Limted

SUCCESSFUL
$1.17 billion Bond Raise

RETURNED VALUE
to our Shareholders

48% GROWTH
in Customer Base

RECEIVED MICROCREDIT LICENSE

THROUGH PARTNERSHPS
with BillExpress, Lynk and our commercial banks, Dolla is now Cashless

CEO RECEIVED THE YOUNG ENTREPRENEUR AWARD
from the Montego Bay Chamber of Commerce for his leadership in the success of Dolla Financial Services Limited.

2022 Highlights

Year Ended 31 December 2022

$296m
Profit Before Tax
76%

$740m
Total Income
95%

$1.7bn
Loan Portfolio
130%

$2.2bn
Total Assets
161%

4.1% ECL	6.5% NPL	50% Efficiency Ratio (including ECL)

Loan Products

Dolla currently offers a suite of products that are catered to meet the needs and satisfaction of customers. These products are as follows:

Dolla Value Personal – a tailored financial solution designed specifically for micro-enterprises seeking working capital support and assistance with the purchase of fixed assets. This option is perfect for businesses that may be underserved by the traditional banking sector

Dolla MicroFunder – Tailored for micro-enterprises for working capital support and to facilitate the purchase of fixed assets. This option is ideal for businesses that are underserved by the traditional banking sector.

Dolla SME Grow – Provides financing for small and medium sized enterprises (SMEs), who have been in operation for over 12 months. Loans may be used for working capital support, for the purchase of fixed assets and for bridge financing.

Dolla Elite – This lending option is designed for entrepreneurs and business owners who need help with unexpected accounts payable. It's ideal for those who don't have a traditional brick and mortar business but can secure the loan with fixed assets such as land, motor vehicles, or business equipment

Dolla Line of Credit – Geared towards entrepreneurs and business owners, this product offers instant access to funds up to a predetermined limit. This revolving facility offers great flexibility and gives customers control over when and how much they pay.

One N' Ready – Specifically designed for taxi operators and allows qualifying customers to acquire or upgrade their vehicles, as well as to unlock equity using their vehicles. Existing Public Passenger Vehicle (PPV) operators can renew their insurance, repair their vehicles, and offset any other expenses.

MediPAY– Available to individuals who want to finance the cost of medical and cosmetic procedures which are offered through select medical companies.

4Pay – Designed for persons who want to upgrade or renovate their homes. Qualifying customers can finance the cost of furniture or equipment for their homes.

Fix Up Yuh Bar – Designed for qualifying existing bar owners and provides financing to acquire gaming machines for their businesses. These machines are acquired from select suppliers.

Dolla Green Energy Loan – Targets SMEs who are seeking savings through alternative energy solutions. It provides financing for items such as solar panels, solar water heaters, lithium batteries, etc.

The Company also customizes loan products for larger Borrowers on a case-by-case basis.

Our Mission

To economically empower our customers despite their ethnic or social background and striving as the best growth partners to our customers by providing financial solutions in a sustainable, ethical and profitable manner, whilst retaining highly resourceful and motivated employees and creating the highest value for our Shareholders and Communities.

Our Vision

To be the go to financial solutions provider and market leader in the provision of unique financial services, at world class standards.

Corporate Values

1. **Financial Inclusion:** At Dolla, we believe in providing the under banked with financial services, including but not limited to low-income individuals, small business owners, and women entrepreneurs.
2. **Empowerment:** We empower our clients by providing them with the tools and resources they need to succeed, including financial literacy training, business development support, and capital inclusion.
3. **Integrity:** We conduct our business with the highest level of integrity and transparency, and we are committed to complying with all applicable laws and regulations.
4. **Customer Focus:** Our customers are at the center of everything we do, and we are committed to providing them with personalized service and support.
5. **Innovation:** We are constantly exploring new and innovative ways to serve our clients and meet their evolving financial needs.

By focusing on these five core values, Dolla remains dedicated to delivering financial services that benefit our customers and the communities we serve.

Table of Contents

Dolla Financial Services *We Lend*

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of DOLLA FINANCIAL SERVICES LIMITED will be held by online broadcast from the AC Hotel by the Marriott, 38-42 Lady Musgrave Rd, in the parish of Saint Andrew, on Thursday, June 1, 2023, at 11:00 a.m. to consider and, if thought fit, pass the following special resolutions:

ORDINARY RESOLUTIONS

Resolution No. 1 - Audited Accounts
"THAT the Report of the Board of Directors and the Audited Accounts for the financial year ending December 31, 2023 be and are hereby adopted."

Resolution No. 2 - To ratify and declare Special Dividends Resolution
"THAT the special dividend of J$0.02 per share paid on December 6, 2022 to shareholders on record as at November 25, 2022 be and is hereby ratified and declared final for the year ended December 31, 2022."

Resolution No.3 – To retire, re-elect and appoint Directors
"THAT the Directors, who retire by rotation pursuant to Article 102 of the Articles of Incorporation are Ryan Reid, Kadeen Mairs, Lisa Lewis, Dane Patterson and Michael Banbury."

Resolution 3(i)
"THAT Mr. Ryan Reid who retires by rotation and being eligible for re-election be and is hereby re-elected and appointed as a Director of the Company."

Resolution 3(ii)
"THAT Mr. Kadeen Mairs who retires by rotation and being eligible for re-election be and is hereby re-elected and appointed as a Director of the Company."

Resolution 3(iii)
"THAT Ms. Lisa Lewis who retires by rotation and being eligible for re-election be and is hereby re-elected and appointed as a Director of the Company."

Resolution 3(iv)
"THAT Mr. Dane Patterson who retires by rotation and being eligible for re-election be and is hereby re-elected and appointed as a Director of the Company."

Resolution 3(v)
"THAT Mr. Michael Banbury who retires by rotation and being eligible for re-election be and is hereby re-elected and appointed as a Director of the Company."

Resolution No. 4 - Authorize the Board to appoint auditors
"THAT the Board of Directors be and are hereby authorized to appoint the auditors of the Company"

Resolution No.5 - Authorize to fix the remuneration of Auditors
"THAT the Board of Directors be and are hereby authorized to fix the remuneration of the Auditors of the Company"

Resolution No. 6 - Authorize to fix the remuneration of Directors
"THAT the Board of Directors be and are hereby authorized to fix the remuneration of the Directors of the Company"

Dated this day of April 30, 2023
BY ORDER OF THE BOARD OF DIRECTORS

____
Jordan Chin
Company Secretary

The following document accompanies this Notice of Annual General Meeting:

(1) A Form of Proxy. A shareholder who is entitled to attend and vote at the Annual General Meeting of the Company may appoint one or more proxies to attend in his/her place. A proxy need not be a shareholder of the Company. All completed original proxy forms must be deposited with the Secretary at the registered office of the Company not less than 48 hours before the time appointed for holding the meeting or to the Registrar and Transfer Agent, Jamaica Central Securities Depository, 40 Harbour Street, Kingston.

Corporate Data

DIRECTORS
Chairman – Ryan Reid
Vice Chairman – Christopher Yeung
Non-Executive - Michael Banbury
Executive – Kadeen Mairs
Independent – Dane Patterson
Independent – Lisa Lewis

MENTOR
Tania Waldron-Gooden

COMPANY SECRETARY
Jordan Chin

SENIOR MANAGEMENT
Chief Executive Officer – Kadeen Mairs
Chief Financial Officer – Trevene McKenzie
Chief Operating Officer – Kenroy Kerr
Governance and Compliance Manager (Nominated Officer) – Tricia Nicholas
Marketing Manager – Tashoni Ellis
Collections Manager – Kurt McKenzie

ATTORNEYS
Patterson Mair Hamilton
Attorneys-at-law
Temple Court
85 Hope Road
Kingston 6

BANKERS
Sagicor Bank Jamaica Limited
17 Dominica Drive
Kingston 5

National Commercial Bank
Matilda's Corner
15 Northside Drive
Kingston

Victoria Mutual Building Society
73-75 Half Way Tree Road
Kingston 10

EXTERNAL AUDITOR
PricewaterhouseCoopers
72 Port Royal Street
Kingston

REGISTRAR AND TRANSFER AGENT
Jamaica Central Securities Depository
40 Harbour Street
Kingston, Jamaica W.I.

REGISTERED OFFICE
Unit #1, Barbican Business Centre
88 Barbican Road
Kingston 6
Jamaica, W.I.
Telephone Numbers 876-92-DOLLA (36552) / 876-927-4881
Email Address: info@dollafinancial.com
www.dollafinancial.com
IG - @dollafinancial

BRANCHES
Portmore
Sunshine Outlet Mall, Braeton Parkway, Portmore, St. Catherine

Mandeville
Midway Mall, Caledonia Road, Mandeville, Manchester

Junction
Shop#12 Royes Plaza, Main Street, Junction, St Elizabeth

Savanna-La-Mar
Hendon Mall, Beckford Street, Savanna-La-Mar, Westmoreland

Lucea
Mosely Drive, Lucea, Hanover

Fairview
Block C3 Fairview II Office Park, Montego Bay, St. James

Barnett Street
105 Barnett Street, Montego Bay, St James

Falmouth
Shop #6 2-4 Duke Street, Falmouth

Discovery Bay
Main Street, Discovery Bay, St Ann

SUBSIDIARIES
Dolla Guyana Inc
Lot 92 Middle Street, North Cummingsburg, Georgetown, Guyana

Ultra Financier Limited
Suite #15 Barbican Business Centre, 88 Barbican Road, Kingston 6

Shareholders Profile

TOP TEN SHAREHOLDERS

Name of Shareholder	Units	% Ownership
FirstRock Private Equity Limited	1,500,000,000	60.0%
Dequity Capital Management Limited	500,000,000	20.0%
Mayberry Jamaican Equities Limited	23,625,388	0.9%
Kerry-Ann Spencer & Michelle N. Thomas-Freeman	10,118,015	0.4%
FEP Limited	10,000,000	0.4%
Kadeen Mairs	8,743,164	0.3%
Christopher Yeung	8,450,010	0.3%
Ian Kelly	8,284,376	0.3%
Randani Limited	8,123,017	0.3%
PAM - Pooled Equity Fund	5,762,008	0.2%
Total	**2,083,105,978**	**83.3%**
Others	414,133,496	16.7%
Total Issued Shares	**2,500,000,000**	**100.0%**

SCHEDULE OF SHAREHOLDINGS OF DIRECTORS

Name of Shareholder	Connected Party	Direct	Total Volume	% of Shares Issued
Ryan Reid		1,500,000		
FirstRock Private Equity Limited (connected party)	407,500,000			
Holdings for Ryleigh Limited (connected party)	1,000,000			
Norman & Pauleen Reid (connected party)	400,000		419,700,000	16.8%
D. Stephanie Harrison (connected party)	1,800,000			
Ryan Reid & D. Stephanie Harrison (connected party)	1,000,000			
Innovative Systems (connected party)	1,500,000			
FEP Limited	5,000,000			
Christopher Yeung		8,450,010	115,950,010	4.6%
FirstRock Private Equity Limited (connected party)	107,500,000			
Michael Banbury		2,500,000		
FirstRock Private Equity Limited (connected party)	407,500,000		416,000,000	16.6%
Gabrielle Kelly (connected party)	1,000,000			
FEP Limited	5,000,000			
Lisa Lewis		693,549	1,693,549	0.1%
Jamie Lewis (connected party)	1,000,000			
Dane Patterson	Nil	Nil	Nil	Nil
Kadeen Mairs		8,743,164	508,789,594	20.4%
Dequity Capital Management Limited (connected party)	500,046,430			

SCHEDULE OF SHAREHOLDINGS OF SENIOR MANAGERS

Name of Shareholder	Connected Party	Direct	Total Volume	% of Shares Issued
Kadeen Mairs		8,743,164	508,789,594	20.4%
Dequity Capital Management Limited (connected party)	500,046,430			
Mario Brown	-	4,530,872	4,503,872	0.2%
Kenroy Kerr	-	3,537,220	3,537,220	0.1%
Tricia Nicholas	-	2,585,577	2,585,577	0.1%
Trevene McKenzie	-	2,358,617	2,358,617	0.1%
Kahlilah Thompson	-	2,300,000	2,300,000	0.1%
Kurt McKenzie	22,299	1,000,000	1,022,299	0.0%
Aldane Tomlinson	-	1,000,000	1,000,000	0.0%
Deveta McLaren	-	582,338	582,338	0.0%

Message from the **Chairman and CEO**

Dear Fellow Shareholders:

Around the world, 2022 was another year of significant challenges but tremendous growth. Many countries, including Jamaica would have felt the effects of economic uncertainty, rising inflation and interest rates and still, the lingering impacts of COVID-19 and the Ukraine/Russia war. Despite the unpredictable landscape, 2022 was a monumental year for Dolla as it was successfully listed on the Junior Market of the Jamaica Stock Exchange, which was a pivotal moment for the Company. We also completed our largest fund raise of $1.17 billion by way of a Corporate Bond and launched a new subsidiary Ultra Financier, which is a one of a kind asset based lender in Jamaica.

2022 Financial Results

Overall growth in revenues, PBT, loan book and market share has put us in a position to complete our well designed year successfully. Income stood at $740 million which increased by 95% year over year. Our Profit Before Tax climbed to $296 million which is the best operating performance since inception. The loan book also grew to $1.7 billion and assets, $2.2 billion.

Our Growth

During a challenging year came a testament to the strength of our business model, our culture and spirit as we continued to produce results. Our strategies ensure we increase our market share in a growing industry. Our volumes grew tremendously and despite the looming recession and historically high levels of inflation, we recorded historial PBT, commendable return on capital and improved the quality of our loan book. We are proud to have developed one of the strongest and most diverse loan portfolios in the industry as we continue to be innovative and customer focused.

Outlook for 2023 and Beyond

We are fortunate to operate in an industry with strong competition. With the macroeconomic environment in mind, we have seen and learnt from changes in consumer behaviour in both Jamaica and Guyana. From this we have positioned ourselves as a resilient Company with a winning spirit, able to overcome adversities that may come. Thanks to the dedication of our people, we have created a growth mindset which has proved a catalyst to our successes. This is also supported by the strong customer relationships we have created over the years, and that we continue to create as we execute our strategic objectives. Looking at our solid portfolio and our internal capabilities, 2023 will prove to be another year of accelerating towards our vision.

We extend our gratitude to all our people, customers, partners and stakeholders as we embark on a new year where we will adapt to win.

Thank you for your support.

Ryan Reid J.P.
Chairman

Kadeen Mairs
Chief Executive Officer

Board of Directors

CHRISTOPHER YEUNG
DIRECTOR

KADEEN MAIRS
CEO & EXECUTIVE DIRECTOR

RYAN REID
CHAIRMAN

At Dolla Financial Services Limited and its subsidiaries, our Board of Directors carries out its responsibilities by practicing effective corporate governance. This is crucial to the company's operations and success.

Montego Bay

DANE PATTERSON
DIRECTOR

LISA LEWIS
INDEPENDENT DIRECTOR

MICHAEL BANBURY
NON-EXECUTIVE DIRECTOR

RYAN REID
Chairman

Ryan Reid is the Executive Chairman and Co-Founder of the FirstRock Group. Mr. Reid has over fourteen years of experience in the real estate and financial sectors. He is also the director and principal of Growth Tech Limited (a local technology company), Innovative systems, Bumble Bee Digital Agency Limited, Dream Entertainment Limited, Xodus Carnival Company, Century 21 Properties, Yes Iyah Limited, Dolla Financial Services, Ultra Financier and Medical Associates Hospital Limited.

He has also held directorships on various Government of Jamaica Boards. He is currently the Chairman of the National Education Trust and Director of the Water Resources Authority appointed by the Government of Jamaica. Ryan is also a Justice of the Peace for the parish of St Andrew.

KADEEN MAIRS
CEO, Executive Director

Mr. Kadeen Mairs serves as Director and Chief Executive Officer of Dolla Financial Services Limited. He also serves as Director of Dolla (Guyana) Inc. and Ultra Financier Limited, subsidiaries of Dolla Financial Jamaica Limited and Chairman of DeQuity Capital Management Limited, an associate stake shareholder of Dolla Financial Jamaica Limited.

Mr. Mairs has over 14 years of experience in the financial sector with 6 years at the executive level; working within the Credit Unions, Commercial Banks, Investment Banks, Venture Capital Companies and was founding member of the former Microfinance Institution, M-Twentyfour Investments Limited. He is designated as a Certified Expert in Microfinance by the Frankfurt School of Finance & Management in Germany; he has received a Bachelor of Science degree in Business Administration from the Montego Bay Community College, with a major in Management and has pursued a Master of Business Administration with a major in Marketing from the University of the Technology Jamaica.

CHRISTOPHER YEUNG
Vice Chairman

Christopher P. Yeung is the Managing Director of FirstRock Private Equity Limited (FRPE) and provides executive leadership over the portfolio companies' holdings and is responsible for the achievement of the company's strategic goals and objectives, as identified by the Board of Directors. He has over 12 years of experience in finance and banking, specializing in debt & equity financing, mergers & acquisitions, financial advisory, financial analysis, treasury and asset management.

Prior to joining FRPE, he served in various leadership roles managing Private Equity, Corporate Finance and Treasury teams for Proven Investments Limited. Mr. Yeung holds a BSc in Financial Economics from Centre College, USA, and an MBA (distinction) in Banking and Finance from the University of West Indies, Jamaica. He currently served as Vice Chairman for Dolla Financial Services Limited in 2022.

DANE PATTERSON
Independent Director

Dane Patterson is a Director of Dolla Financial Services Limited. He was called to the English Bar at Lincoln's Inn in 2013 and to the Jamaican Bar in 2014. As an Attorney-at-Law and Partner at the law firm, Patterson Mair Hamilton, his practice focus is corporate finance, restructuring and taxation, where he has represented clients as both junior and lead Attorney in a variety of mergers, acquisition, IPO's, APO's etc.

LISA LEWIS
Independent Director

Lisa Lewis has over 30 years of experience working in the private sector, with the majority of her career focused on the telecoms industry, building companies such as Digicel Group Limited and Cable & Wireless.

Lisa left telecoms in September 2019 to focus on her passion for making a difference in education. Today Lisa is the Operations Director of LHO Education Limited, a company that creates and distributes digital education products across the Caribbean. Their main product, www.learninghub.online, is a regional E-Learning and exam preparation platform that has over 100,000 registered users and contracts with several Caribbean Governments.

Prior to this, Lisa's focus was on managing Digicel's Government Relations Portfolio for the Caribbean starting with Bermuda and stretching through to Suriname. During her 20-year tenure at Digicel, Lisa also served as the Chairman of the Digicel Jamaica Foundation at which time they worked closely with the Ministry of Education to successfully achieve the United Nations Development Goals (UNDG) of 80% literacy for Jamaica at the grade 4 level.

Lisa has sat on several Government Boards including E-Learning Jamaica and the Jamaica Deposit Insurance Company, a position she held for 13 years. Lisa holds a B.Sc. in Computer Science and Business Administration from the University of the West Indies (1990).

MICHAEL BANBURY
Non-Executive Director

Dr. Michael Banbury is the Director and Co-founder of FirstRock Group. He is a Medical Doctor with a specialty in Primary Care and Diabetology. Dr. Banbury is a graduate of the University of the West Indies School of Medicine where he earned his Bachelor of Medicine and Surgery (M.B.B.S) and the Wharton Business School where his focus was in Distressed Asset Investing. He is also a Fellow of the Royal Society for Public Health (F.R.S.P.H).

Dr. Banbury serves at the Board level of various Private and Public sector entities and brings a wealth of management and business development experience. He is a Director of Dolla Financial Services Limited, and the Chairman of First Rock Private Equity and Medical Associates Hospital.

Mentor

Tania Waldron-Gooden, MBA, B.Sc.
Individual Investment Advisor, Mentor and Coach

Tania Waldron-Gooden is the Chief Executive Officer (CEO) of Chicken Mistress Limited trading as Island Grill.

Mrs. Waldron-Gooden served in the capacity of Deputy CEO and CEO of Caribbean Assurance Brokers Limited throughout the year, and has been a member of the Company's Board of Directors since November 2017.

She has nineteen years of experience in areas of Investment Banking, Investment Analysis and Research, New Product Development, Pension Fund and Portfolio Management and Insurance Brokerage.

Tania is a Director of, First Rock PE and Fundzaar Limited. She is the Jamaica Stock Exchange (JSE) Mentor and Director of Main Event Entertainment Group, and Derrimon Trading Company Limited. She is the Mentor to Spur Tree Spices Jamaica, Caribbean Flavors & Fragrances Limited, EduFocal Limited, Caribbean Assurance Brokers Limited and Dolla Financial Services. She is the JSE Mentor of Express Catering Limited and also provides mentorship services to Carbyne Capital Investments Limited.

As the Mentor to various Junior Market companies, she is responsible for providing the Board with support in establishing proper procedures, systems, and controls for its compliance with the Jamaica Stock Exchange Rule requirements for financial reporting, good corporate governance, and the making of timely announcements.

Mrs. Waldron-Gooden holds a Bachelor of Science degree (BSc. - Hons.) in Geology from the University of the West Indies, a Master of Business Administration degree (M.B.A) from the University of Sunderland in the U.K and has completed the Jamaica Securities Course as well as the Canadian Securities Course administered by the Canadian Securities Institute. Additionally, she holds a post graduate diploma in Paralegal Studies; and is registered/licensed by the Financial Services Commission as an Individual Investment Advisor as well as to sell and give advice on Life Insurance business and Sickness & Health Insurance business.

Directors Report

The Directors of DOLLA Financial Services Limited are pleased to present their report for the financial year ended December 31, 2022.

Financial Results
The statement of comprehensive income outlines $740 million in income and a loan book of $1.7 billion. Details of these results, along with the captive of the previous year's performance and the state of affairs of the Company are set out in the Management Discussion and Analysis and the Financial Statements which are included as a part of this annual report.

Dividends
An interim dividend of $0.0376 per share was paid on December 7, 2022 to shareholders on record as at November 25, 2022. This dividend was paid with respect to the nine months ended September 30, 2022.

Directors
The Directors of the Company as at December 31, 2022 were:

Chairman – Ryan Reid
Vice Chairman – Christopher Yeung
Executive – Kadeen Mairs
Non-Executive – Michael Banbury
Independent – Dane Patterson
Independent – Lisa Lewis

Dated this date of April 30, 2023
BY ORDER OF THE BOARD OF DIRECTORS

Jordan Chin
Company Secretary

Corporate Governance

The Chairman's primary function is to lead and guide the decision-making of the Board, provide management oversight and approve communication protocols with all stakeholders of the Company.

Corporate Governance Guidelines

Dolla's Corporate Governance guidelines provide a framework which guides the interaction between Shareholders, the Board of Directors, Executive Management, Employees and other key Stakeholders. It is designed to engender the confidence of all stakeholders in the effective and transparent management of the Company's affairs. Elements of the Private Sector Organization of Jamaica's (PSOJ's) Corporate Governance Code, the Rules of the JSE, the Minimum Expectation of Microcredit Institutions Corporate Governance Framework set by the Bank of Jamaica, International Best Practices, and requirements of applicable legislation are incorporated in this framework.

BOARD OF DIRECTORS

Board Responsibility

The Board is elected by the shareholders to oversee their interest in the long-term health, general policy direction, oversight and the overall success of the business and its financial strength. The Board, through the Chairman, works closely with board sub-committees and management, to ensure the effectiveness of the Company's operations and that shareholders' value is maintained over the long term.

The Board is committed to maintaining the highest level of transparency, accountability and integrity in all areas of the Company's operations. The primary responsibilities of the Board include oversight for the Company, its subsidiary Dolla Guyana Inc., as well as any other subsidiaries so established. The Board's general functions include, but are not limited to:

- Approving and monitoring strategic plans;
- Reviewing, and approving annual performance targets, annual budget, quarterly financial statements, and audited financial statements;
- Evaluating the Company's performance against set financial targets;
- Monitoring the performance of the Chief Executive Officer and Senior Management relative to agreed performance metrics;
- Reviewing and monitoring risk management, adequacy of internal controls, compliance of management with the Codes of Conduct and regulatory compliance;
- Reviewing and approving company disclosures externally;
- Monitoring and approving acquisitions, capital management, major or significant capital expenditure and divestment;
- Overseeing subsidiary operations including compliance with licensing requirements in Jamaica, Guyana and any other jurisdiction so established.
- Selecting and appointing suitably qualified directors to the Board;
- Approving acquisitions and major capital expenditure

Where deemed necessary, the Board of Directors have access to independent professional advice at the Company's expense to effectively execute its functions and responsibilities. This includes but not limited to the appointment of attorney(s) to provide representation and advice.

On an annual basis, the Board sets financial and non-financial performance targets for the Company. The Board meets on a quarterly basis, or as required, to review the Company's financial performance against established targets, and to examine the strategic initiatives geared towards achieving the Company's objectives.

BOARD APPOINTMENT, ROTATION, COMPOSITION & ROLES

I. Appointment

The appointment of board members is governed by the Company's Articles of Incorporation. Directors are also appointed to fill any casual vacancy or as an addition to the Board.

II. Rotation, Retirement and Tenure

Subject to Articles 102 of the Company's Articles of Incorporation, unless otherwise determined at an Annual General Meeting, one-third (1/3) of the directors, except for the Managing Director, shall retire or, if their number is not three (3) or a multiple of three (3), the number nearest one-third (1/3), shall retire from office.

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. However, retiring directors shall be eligible for re-election.

The tenure of each director is three (3) years. A director may resign or retire at any time by providing the Chairman with a written notice of resignation.

III. Board Composition

Subject to Article 81 of the Company's Article of Incorporation, unless otherwise determined by a General Meeting the number of directors of the Company shall be not more than eight (8) in number. The Board should have an adequate balance of Independent, Non-Executive and Executive Directors.

The Independent Directors are those who provide the absence of undue influence and bias which can be affected by the intensity of relationship between the Company and the director and therefore act in the best interest of the Company and its shareholders generally. The criteria for Independent Directors are those who:

- Not be employed by the Company, its affiliates, or be a director of any of its affiliates.
- Not have or a represents a shareholder with 20% or more of the voting rights of the Company.
- Not have any material business dealings with the Company, its Shareholders, Directors or any senior employee within the last three (3) years.
- Not have close family ties or immediate relatives with any of the Company's advisors, directors or senior management team or persons holds shares amounting to 20% or more of the voting rights of the Company.
- Not receive any additional remuneration from the Company, apart from Director's fees.
- Not have been paid or received a substantial amount or been a major shareholder of a company that has been paid or received from the Company a substantial amount of monetary benefit.
- Have not served on the Board for more than nine (9) years from date of first election.
- Not be a shareholder of another Microcredit Institution owning 20% or more of the voting rights of that company.
- Do not or have represented a shareholder owning more than 10% of the voting rights of the Company

The Non-Executive Directors of the Company are the directors who do not hold executive positions. These directors are valued for their subject matter expertise and industry experience in effectively overseeing the Company. The criteria for Non-Executive Directors are those who:

- Have integrity and high ethical standards
- Have sound and independent judgement on issues of strategy, performance, resources and standards of best business practice and conduct.
- Have the ability and willingness to probe
- Have strong interpersonal skills
- Should constructively challenge, help develop and approve proposals on strategy.

The Executive Director(s) of the Company are the directors who are employed to the Company and are normally responsible for aspects of the Company's day to day operations.

CHAIRMAN

The Chairman's primary function is to lead and guide the decision-making of the Board, provide management oversight and approve communication protocols with all stakeholders of the Company. He is the principal contact for the Chief Executive Officer, offering sage advice and counsel. The responsibilities of the Chairman shall include:

- To be provide leadership to the Board;
- Maintain and ensure a balance of powers between executive and non-executive directors;
- Secure effective participation of both executive and non-executive directors;
- Ensure the Board works effectively and discharges its responsibilities;
- Implement decisions or directions of authority;
- Ensure key issues are discussed by the Board in a timely manner;
- Ensure appropriate steps are taken to maintain effective communication with shareholders and communicate the views of shareholders;

COMPANY SECRETARY

Subject to Article 125 of the Company's Article of Incorporation, the secretary shall be appointed by a majority of the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

The Company Secretary is appointed by the Board of Directors to undertake the administrative and corporate governance functions related to the Board and Annual General Meetings. The Company Secretary is charged with the following responsibilities but not limited to:

- To ensure that the Board complies with its statutory obligations under the law and the Company's Articles

of Incorporation;
- To organize and keep record of all Company meetings;
- To assist the Chairman of the Board in organizing the Boards activities;
- Ensuring good information flows within the board and its committees and between senior management and non-executive directors, as well as facilitating induction and assisting with professional development as required;
- The company secretary should be responsible for advising the board on governance matters. Where the board has a dedicated corporate governance committee, or other committee with remit for governance matters, the company secretary should play a key role in guiding the committee on governance matters.

BOARD SKILLS AND EXPERIENCE

With diverse functional expertise, educational qualification, independence, gender mix and combination of Independent Non-Executive and Non-Executive Directors, the Board is placed to bring care, diligence and skill in the exercise of its decision-making process for the best interest of the Company. Each member of the Board has held a senior managerial position in an organization. The skills set of the Directors include without limitation:
- Strategy and Leadership
- Finance and Audit
- Governance and Compliance
- Mergers and Acquisitions
- Banking
- Risk Management
- Internal Controls

BOARD MEETINGS

Subject to Article 121, meetings of directors or of a committee of directors may be held wholly or partially by telephone and/or video and/or electronic or other conferencing system by virtue of which all participants are able to hear and speak to each other at the same time. A director who participates in a meeting in that manner, shall (notwithstanding being absent from the Island or otherwise remote from the venue of a meeting) be deemed present in person at the meeting and shall be counted in the quorum for and be entitled to vote at the meeting.

The Board of Directors meetings are held quarterly or with such frequency as the Board may decide.

Except in urgent cases, prior to Board or Committee meeting, Directors are entitled to receive information and materials that are important to their understanding of the business to be conducted five (5) days before the meeting in order to provide adequate time for review.

A record of Board submissions and papers, and of materials presented to the Board, shall be maintained and held by the Company Secretary together with minutes of meetings. All such records are accessible to Directors.

Subject to Article 113 of the Company's Articles of Incorporation, the quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be four (4) Directors.

MEETINGS OF THE BOARD FOR 2022

Directors' Areas of Competence	Ryan Reid	Christopher Yeung	Kadeen Mairs	Dane Patterson	Michael Banbury	Lisa Lewis	Linton Walters*
Finance & Audit	●	●	●	●	●		
Sales/Marketing	●		●				
Human Resource						●	
Legal				●			●
Business	●	●	●				
Governance & Compliance				●			●
Strategy and Leadership	●	●	●		●	●	
Mergers & Acquisitions	●	●		●	●		
Banking	●	●	●				
Risk Management		●		●			
Internal Control		●					

ATTENDANCE AT MEETINGS FOR THE YEAR 2022

	Board	Audit	Credit*	Remuneration	Compliance and Risk
Number of Meetings Held	5	3	-	1	1
Ryan Reid - Chairman	5	-	-	-	-
Christopher Yeung	5	2	-		1
Kadeen Mairs	5	-	-	-	-
Dane Patterson	5	3	-	1	1
Michael Banbury	5	-	-	-	-
Lisa Lewis	5	3	-	1	1
Linton Walters*	1	-	-	-	-

Note: Credit committee meetings are held to facilitate the review and approval of loans above the threshold of management. This is on an as needed basis and generally conducted by way of round robin.
**Linton Walters resigned from the Board in Q1 2022*

BOARD COMMITTEES

The Board has constituted four (4) standing committees to which specific responsibilities have been delegated. The Chairman for each sub-committee is selected by the Board These Committees are:
1. Audit Committee
2. Compliance & Risk Management Committee
3. Remuneration Committee
4. Credit Committee

COMPOSITION OF EACH COMMITTEE

Directors	Audit	Credit	Remuneration	Compliance and Risk
Ryan Reid - Chairman*	-	●	-	-
Christopher Yeung	●	●	-	●
Kadeen Mairs	-	●	-	-
Dane Patterson**	●	-	●	●
Michael Banbury	-	●	-	-
Lisa Lewis***	●	-	●	●

** Chairman, Credit Committee*
***Chairman, Audit and Compliance and Risk Management Committees*
****Chairman, Remuneration Committee*

COMPENSATION FOR MEETING ATTENDANCE

The Board sets remuneration for attendance at meetings at competitive rates to attract and retain the Directors, taking into consideration all relevant internal and external factors.

COMPOSITION OF EACH COMMITTEE

Directors	Ryan Reid	Christopher Yeung	Kadeen Mairs	Dane Patterson	Michael Banbury	Lisa Lewis	Linton Walters	Tania Waldron Gooden
Directors	200,000	200,000	200,000	200,000	200,000	200,000	-	-
Board	450,000	250,000	250,000	250,000	250,000	250,000	50,000	-
Audit	-	40,000	-	60,000	40,000	60,000	-	-
Compliance and Risk Management	-	20,000	-	35,000	-	20,000	-	-
Credit*	-	-	-	-	-	-	-	-
Remuneration	-	-	-	20,000	-	35,000	-	-
Mentorship	-	-	-	-	-	-	-	1,800,000
Total Fees	650,000	510,000	450,000	565,000	490,000	565,000	50,000	1,800,000

The four (4) Committees have been delegated with responsibilities to assist the Board. Of the four (4) Committees, three (3) are chaired by an independent director.

Audit Committee

Purpose: To assist the Board of Directors in fulfilling oversight responsibilities for the financial and operational reporting processes, accounting policies, internal controls, the audit process, financial compliance systems and procedures, statutory obligations and compliance with laws and regulations.

Quorum: Two (2)

Decisions and meeting frequency: Meetings are required to be held at least four times a year, or more frequently as it shall determine is necessary to carry out its duties and responsibilities.

Representatives of the external auditors, PricewaterhouseCoopers, are invitees for Audit Committee meetings.

Duties: The audit committee has executed its responsibilities during the year to offer its recommendation to the Board. Some of the activities undertaken included:

- Reviewed and approved the Group's Quarterly and Audited Financial Statements to ensure completeness
- Reviewed and approved Credit Risk Policies & Procedures Manual for management to effectively, identify, manage, monitor the company's credit risks.
- Reviewed and approved Accounting Policy to ensure that the financial statements conform to International Financial Reporting Standards (IFRS); assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.
- Review and recommend approval of the Company's annual Operational and Capital Budgets.
- Review of the External Auditor's proposed audit strategy, scope and fees for the audit of the
- year-end financial statements
- Review of related party transactions to ensure compliance with the policy on related party transactions.
- Review of succession planning strategies for executive leadership within the Group and its major subsidiaries
- Ensure that the financial statements comply with appropriate accounting standards and give true and fair view of the financial position and performance of the Company

Compliance and Risk Management Committee

Purpose: is to assist the Board in fulfilling its oversight responsibility with respect to the Company's risk management, compliance management and information security/privacy programs. The Compliance and Risk Management Committee shall ensure that management has identified the key risks that could affect the ability of the Company to achieve its strategies and preserve its assets, so as to identify, measure, monitor and report on the risks the company faces. All policies are reviewed by the Compliance and Risk Management Committee to ensure the Company's compliance with applicable laws, rules and regulations governing its businesses.

The Committee shall also assist management in setting the tone from the top and in developing a strong risk and compliance culture at all levels in the Company that results in appropriate consideration of risk and compliance in key strategic and business decisions.

Quorum: Two (2)

Decisions and meeting frequency: Meetings are required to be held at least once a year, or more frequently as it shall determine is necessary to carry out its duties and responsibilities.

Duties: The Compliance and Risk Management Committee has executed its responsibilities during the year to offer its recommendation to the Board. Some of the activities undertaken included:

- Reviewed and approved AML/CFT/CPF Compliance Manual which establishes the framework and requirements to manage the AML compliance for the Company;
- Reviewed and approved AML/CFT/CPF Risk Management Policy which establishes the framework and requirements to manage compliance risk for the Company;
- Reviewed and approved Credit Risk Policy & Procedures Manual for management to effectively, identify, manage, monitor the company's credit risks.
- Reviewed and approved Credit Collection Policy & Procedures Manual so as to articulate its commitment to ensure a fair, consistent and accountable approach to credit management, collection decisions and practices, while ensuring the fair, impartial and sensitive communication with its customers.
- Reviewed and approved Personnel Policy Manual to ensure there is a uniform and systematic approach to the administration of personnel policies and procedures for the Company.
- Reviewed and approved Corporate Communications Policy
- Reviewed and approved Complaints Policies and Procedures to ensure the effective and efficient handling of feedback/complaints by all employees so that customers are treated with dignity, fairness and transparency.
- Reviewed and approved Sales Training Manual so as to ensure there is a uniform and systematic approach to the administration of sales policies and procedures.
- Reviewed and approved Policies And Procedures Manual to shape the culture of an organization by being the guiding principle which governs the company's plans, norms and standards

Remuneration Committee

Purpose: To determine the framework and policy on terms of engagement (including remuneration) of the Executive Directors, members of the Management Board and Senior Management Staff.

Remuneration for Non-Executive Directors are decided by the Board.

Quorum: Two (2)

Decisions and meeting frequency: Meetings are required to be held at least once a year, or more frequently as it shall determine is necessary to carry out its duties and responsibilities.

Duties: The Remuneration Committee has executed its responsibilities during the year to offer its recommendation to the Board as it sees fit. Some of the activities undertaken included:

- providing for levels of remuneration which are sufficient to attract, retain and motivate the Senior Management and Executives of appropriate quality, skills and experience
- alignment with the Company's long-term strategic goals and with the Group's purpose, values and culture;
- the requirement for performance related elements of remuneration to form a significant proportion of the total remuneration package to be linked to corporate performance and be designed to promote the long-term sustainable success of the Company.

Credit Committee

Purpose: Credit committees are responsible for the reviewing of loan requests and initiating action against mature or past-due loans. The committee considers loans above the Management Credit Committee's authority limit, as determined by the Board from time to time.

Quorum: Two (2)

Decisions and meeting frequency: No meetings are required to be held by the Credit Committee, however, given the frequency of approving loans decisions are made through resolutions.

Duties: The Credit Committee has executed its responsibilities during the year to offer its recommendation to the Board as it sees fit. Some of the activities undertaken included:

- Review applications for loans and other forms of credit.
- Reviewing and approving credit-related strategies
- Identifying the applications with the highest probability of repayment.
- Approve loans for disbursements

ANNUAL GENERAL MEETINGS

General meetings with shareholders are held annually and communication with shareholders corporate decisions are shared on a timely basis through the JSE platform and occasionally through the newspaper. The Agenda for the annual general meeting is structured to allow shareholders to give input and have their queries answered.
The Minutes of the Annual General Meetings will be posted on the company's website.

ROUND ROBIN RESOLUTIONS

In the event that an urgent decision is required before the next scheduled meeting of the Board, a round robin may be circulated to all Directors. All Directors are required to approve the resolution.

Subject to Article 120 Of the Company's Articles of Incorporation, a resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the board of directors, or a meeting of a committee of the board of directors, shall be as valid and effectual as if it had been passed at a meeting of the board of directors, or a meeting of a committee of the board of directors, duly convened and held.

BOARD OF DIRECTORS CODE OF CONDUCT

The Board expects all Directors as well as officers and employees, to act ethically at all times and to adhere to all codes and policies specifically including "The Code of Ethics & Conduct Policy".

The Board of Directors of the Company will be guided by and should demonstrate the following values:

- Disclosure/transparency (see JSE Junior Market rules governing disclosure and the Company's

Corporate Governance Policy)
- Confidentiality
- Respect
- Fairness
- Honest & Integrity
- Accountability
- Compliance
- Professionalism
- Active participation

CONFLICT OF INTEREST AND RELATED PARTY TRANSACTIONS

All Directors are required to:
- Declare any interests that may give rise to potential or perceived conflict e.g. multiple directorships, business relationships or other circumstances that could interfere with exercise of objective judgment;
- Disclosure to be made by Directors of interest in contracts as stated in section 193 of the Companies Act and Article 94 of the Company's Articles of Incorporation.

MENTOR

The Company has appointed a mentor who acts as a compliance adviser to the Board of Directors. The mentor who has entered into the standard form Mentor Agreement and was approved by the Jamaica Stock Exchange before the Company's admission to the Junior Market. The duties and the responsibilities of the mentor as it relates to governance includes the overseeing of establishing procedures and controls for the purposes of compliance with good standard of corporate governance and adhering to junior market rules.

TRADING IN SECURITIES

Dolla has implemented a Securities Trading Policy to ensure the company remains compliant with the legislation, regulations and principles in relation to insider trading. This policy was prepared in keeping with the requirements stipulated by the Securities Act 1993, as well as the Jamaica Stock Exchange's rule book Appendix 7.

DIRECTOR INDUCTION

All individuals being elected as directors are required to go through a due diligence process administered by Dolla and submitted to the Bank of Jamaica to further conduct a fit & proper assessment. The assessments conducted are in keeping with section 2(2) of the Microcredit Act, 2021 so as to ensure that any such person joining the Dolla Board displays probity (honesty, integrity and reputation), financial soundness and competence.

BOARD EVALUATIONS

The Company recognizes that in order to meet the strategic goals and obligations of the Company, it is prudent to institute a system for the assessment of the Board's annual performance. This system will address the efficiency and effectiveness of the Board and its sub committees, its responsibilities, its overall organization and its communication and governance of management. The results of the evaluations shall remain confidential and recommendations will be considered for implementation.

KEY GOVERNANCE POLICIES

In addition to the company's Corporate Governance Guidelines and Securities Trading Policy, there are other key policies which have been implemented to ensure good governance practices and compliance for both board and employees.
- AML/CFT/CPF Compliance Manual
- AML/CFT/CPF Risk Management Policy
- Credit Risk Policy & Procedures Manual
- Credit Collection Policy & Procedures Manual
- Accounting Policy
- Personnel Policy Manual
- Corporate Communications Policy
- Complaints Policies and Procedures
- Sales Training Manual
- Policies And Procedures Manual

Dolla's Corporate Governance Guidelines (Board Charter) can also be viewed on the company's website at: dollafinancial.com

ARTICLES OF INCORPORATION

The Company's Articles of Incorporation was not amended since it became a public company. A copy of the company's amended Articles of Incorporation as a public company is available upon request for viewing. Feel free to make your request in writing sending via electronic mail at info@dollafinancial.com or:

Company Secretary
Dolla Financial Services Limited
Unit #1 Barbican Business Centre
88 Barbican Road
Kingston 6

Environmental Social Governance (ESG)

Dolla recognizes that sustainability surpasses consideration for not just the environment, but also entails social issues and the way an organization prioritizes its governance. Dolla has joined hands with institutions in 2022, creating partnerships geared towards funding for the acquisition of renewable energy for homes. Customers are able to receive discounted interest rates under the 'Green Energy Loan' product.

Dolla has also employed a cloud based model to its operations which reduces the emissions impact of on premise equipment and paper. This will become increasingly important as the growth of the Company will see workload increases and the increased need for storage.

Dolla prides itself as a diverse Company promoting inclusion, anti-discrimination, health, safety and data privacy. The Company remains socially aware with being keen on workforce requirements and future demographic and consumer changes. The Company also promotes itself as an equal opportunity employer and boasts women in particular being hired for positions at every level within the organization.

Dolla is also big on governance and ensuring transparency and accountability in its operations and disclosures to the public. We are also proactive as it relates to risk mitigation and promoting sound and informed decision making.

Enterprise Risk Management

SUMMARY OF RISK POLICY

Dolla Financial Services Limited operates in a dynamic operating space that is constantly changing, from interest rates due to economic variables to regulatory improvements. This extends to the understanding that a rigorous risk management system is required to achieve the Company's strategy. The Company has adopted a risk management policy which promotes efficiency in operations while anticipating risks, avoiding them and developing appropriate responses. Risk management starts with the Board of Directors who sets the "tone at the top". This then extends to the Compliance and Risk management Committee who ensures:

1. proper maintenance of the risk register;
2. effectiveness of controls;
3. takes into consideration laws, regulations and provisions as applicable, and;
4. ensures periodic reviews are conducted.

The Board also reviews the risk appetite in congruence with the Company's business strategy and governance framework. This guides the organization as to the level of risk we are willing to accept for the principal risks, and the Board determines how to manage unforeseen risks that may come about as a result of economic climate changes.

Other principal risks include:

MACRO-ECONOMIC POLICIES

The Company's operations and financial performance may be affected by changes in the economic policies of the Jamaican Government. These changes could impact the capital markets, including the Junior Market of the JSE, and create both opportunities and challenges for the Company. This risk is not unique to the Company but is faced by many businesses operating in the same industry. To mitigate this risk we have formed alliances with reliable partners in various industries who may be able to withstand the effects of this risk. Additionally, the Company employs a rigorous cash flow forecasting system to provide better financial insight and limit its financial exposure.

CREDIT RISK OF LOAN PORTFOLIO

The Company faces credit risk, which is the risk that customers, clients or counterparties may default on their contractual obligations, resulting in financial loss for the Company. The Company manages this risk by diversifying its borrowers across industries and credit types, limiting its exposure to any one borrower, conducting comprehensive due diligence and credit assessments prior to extending loans, requiring satisfactory collateral or guarantors for loans exceeding a certain value, and adopting lending policies and strategies that comply with industry standards.

AVAILABILITY OF LOAN FUNDING

The Company's ability to lend to its customers depends on its ability to secure funds on favourable terms. The Company relies on various sources of funding, including revolving credit facilities with local banks, support from its parent company, internally generated funds from customer repayments, and the proceeds from private placements.

LIQUIDITY RISK

Liquidity risk is the risk of the Company incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost. Effective liquidity risk management is essential in order to maintain the confidence of our investors and partners, and to enable the core businesses to continue to generate revenue, even under adverse circumstances. To reduce this risk, the Company measures and forecasts cash inflows and outflows, including off-balance sheet cash flows by currency on a daily basis, and maintains a liquidity monitoring and contingency plan that specifies an approach for analysing and responding to actual and potential liquidity events.

CUSTOMER DEFAULT OR DEATH

The success of the Company is closely linked to the ability of its customers to repay their loans fully and on time. If customers default, either wholly or partially, on their loans, it could negatively impact the profitability of the Company. In particular, the death of customers or delays or non-payment of salary deductions by certain employers, especially for payroll loans, can pose significant risks. However, the Company has partnered with approved life insurance companies to provide customer creditor life and critical illness insurance for unsecured loans, which helps mitigate the risk. The Company may take appropriate measures to recover the outstanding sums from customers or their guarantors.

KEY PERSONNEL

There is a risk that the Company may face challenges in attracting and retaining highly skilled and qualified personnel. The failure to do so could result in increased loan default rates and negatively impact the Company's operating and financial performance. To address this risk, the Company has fostered a culture of providing meaningful learning opportunities to its staff, which facilitates their professional growth and development. Additionally, the Company maintains a pool of potential candidates who are actively seeking new opportunities.

RISK RELATED TO FUTURE ACQUISITION

The Company expects industry restructuring and consolidation to take place following the implementation of the new Microcredit Act, and is therefore exploring acquisition opportunities. However, the acquisition of another microcredit company or its portfolio comes with inherent risks. Some of these risks include inadequate due diligence, which could lead to the assumption of legacy risks in the portfolio; overpayment for the company or loan portfolio; integration risks, such as technological incompatibility, differences in business practices, culture, and client base; and client retention risk, where the Company may not be able to retain the acquired business's ongoing clients. The Company is aware of these risks and will take measures to mitigate them through appropriate due diligence, valuation, integration planning, and client retention strategies.

RISKS ASSOCIATED SUBSIDIARY'S COUNTRY

Country risk refers to the potential economic, social, and political factors that may negatively impact a financial institution's operations in a foreign country. The Company currently operates in Guyana and is open to exploring further expansion opportunities in the region. As a result, the Company's financial performance may be negatively affected by risks such as unfavorable regional political and economic conditions that may limit the Company's ability to borrow funds from financial institutions at attractive rates for onward lending purposes. However, the Company has taken steps to mitigate this risk by engaging a legal partner who keeps the management and Board informed about any changes in the operating environment and provides means of mitigation.

INTERNAL AUDIT

The Company understands the importance of maintaining effective internal control processes to ensure operational efficiency. As a part of this effort, the Company has decided to outsource this function to Ernst & Young Services Limited, a leading firm in the audit space that provides independent and objective services. By doing so, the Company aims to enhance the effectiveness and reliability of its internal control processes.

Compliance Report

BOJ CONDITIONAL REQUIREMENTS

Dolla received its microcredit license on 24 November 2023 from the Bank of Jamaica along with a letter noting their approval along with conditional requirements for the license. Arrangements have been made and documentations are being gathered for submission to be made before the deadlines stipulated starting January 2023.

AML/CFT/CPF COMPLIANCE

Compliance Roles and Responsibilities

Dolla has a policy where all staff members are responsible for implementing and maintaining the company's AML/CFT/CPF compliance program. Although the Nominated Officer is responsible for overall compliance, that person is not the only employee responsible for detecting and reporting suspicious activities. Instead, the compliance officer should be considered the "final line of defense" in the company's AML/CFT/CPF efforts.

Dolla is committed to abiding by the following mandatory obligations outlined in the BOJ 2018 Guidance Notes:

a. Risk-Based Framework
b. Know Your Customer Requirements
c. Customer Due Diligence
d. Special guidance – Listed Entities (Section V(B) & UNSEC Resolutions Section V(C)
e. Nominated Officer Regime
f. Compliance Monitoring
g. Board Responsibility and Employee Integrity and Awareness
h. Transaction Monitoring and Reporting
i. Record Keeping

IMPLEMENTATION OF RISK BASED FRAMEWORK

Dolla has started the process of reviewing and updating its policies for the approval of the Board. Among such policies are AML/CFT/CPF Compliance Manual and AML/CFT/CPF Risk Management Policy which will provide guidance on the company's AML and Risk Based Framework for both Board and Employees to adhere to.

To reduce the risk, Dolla has implemented a cashless policy as of December 1, 2022, and now accepts payments through various electronic platforms. This measure helps to prevent any financial crimes or threats. It should be noted that Dolla does not accept loan repayments in cash.

Discussions are also being held with multiple regulatory technology companies to provide a software system that can be integrated with the company's loan software so as to have an automated risk management system in place.

Know your Customer and Customer Due Diligence

The company's AML/CFT/CPF Compliance Manual includes the Know Your Customer Policy which outlines the adoption and implementation of a comprehensive Customer Due Diligence policies, procedures, and processes for all customers that is in keeping with the BOJ's Guidance Notes.

Dolla is aware that inadequate KYC standards can result in undue risk exposures such as reputational, operational, and legal risks. It is Dolla's policy to apply "Know Your Customer" policies and procedures to all transactions undertaken.

SPECIAL GUIDANCE – LISTED ENTITIES (SECTION V(B) & UNSEC RESOLUTIONS SECTION V(C)

In the development of its AML/CFT/CPF Compliance Manual shall ensure that due diligence programmes, policies, procedures and controls are in place to provide guidance so as to ascertain that it has no dealings with customers found on the Listed Entities and UNSEC Resolutions on the Proliferation of Weapons of Mass Destruction.

Dolla therefore ensures it holds an updated list of Listed Entities and UNSEC Resolutions that it uses to conduct its assessment on onboarding customers and to ensure that continuous assessments are done of its customers to ascertain their compliance.

NOMINATED OFFICER REGIME, COMPLIANCE MONITORING, TRANSACTION MONITORING AND REPORTING AND RECORD KEEPING

Dolla has appointed Tricia Nicholas, Governance & Compliance Manager as the Company's Nominated Officer who has led the company to its successful application for being granted its Microcredit license. The Nominated Officer will take lead in reporting, compliance monitoring, transaction monitoring and record keeping to ensure the company remains compliant.

The Nominated Officer participated in a training facilitated by FID and BOJ and awaits their permission to commence with the company's registration on the goAML platform to start its reporting in January 2023. The reporting obligations are as follows:

Report	Submission Deadline
Threshold Transaction Reports (TTR)/Nil TTR	15th day of each month (for the prior month's activity)
United Nations Security Council Resolutions Implementations Act (UNSCRIA)	The last day of January, May & September (for the immediately prior 4 months activity)
Terrorism Prevention Act (TPA) Listed Entities Report	The last day of January, May & September (for the immediately prior 4 months activity)

BOARD RESPONSIBILITY AND EMPLOYEE INTEGRITY AND AWARENESS

The Role of the Board of Directors

The ultimate responsibility for the AML/CFT/CPF compliance program rests with the Board of Directors. The Board must have a good working knowledge of the operating risks faced by the institution. The board is responsible for setting a culture of AML/CFT/CPF compliance. "Tone at the top" is critical to the success of any compliance regime. In addition to the above duties, the Board of Directors' responsibilities include:

- Approval of the AML/CFT/CPF compliance program.
- Approval of the risk assessment policy; ensuring policies, procedures and controls are in place that enables the company to manage and mitigate the risks that have been identified;
- Approval of all amendments to the AML/CFT/CPF programme.
- Appointing the Nominated Officer;
- Ensuring that adequate resources are available to facilitate the effective implementation of the compliance programme;
- Reviewing the quarterly compliance reports from the Nominated Officer addressing the AML/CFT risks faced by the company and the effectiveness of the mitigation measures employed.
- Requiring and reviewing compliance and audit reports indicating regulatory compliance as well as the independent auditor's reports and mandating that recommendations made be implemented.

THE ROLE OF THE CEO/MANAGER

"The CEO/Manager is the face of the organization and the person(s) to whom employees ultimately look for guidance and leadership." The CEO must reinforce and communicate the culture of compliance established by the Board of Directors. The duties include:

- Ensuring that a risk assessment of all business relationships and one-off transactions is conducted;
- Overseeing the implementation of the AML/CFT/CPF compliance programme approved by the Board of Directors;

- Ensuring that a Code of Ethics is in place to guide employee conduct;
- Ensuring that employees adhere to the policies procedures and controls and the Code of Ethics of the organization.
- Ensuring that the annual independent audit of the AML/CFT/CPF programme is conducted.
- Monthly or quarterly monitoring of Threshold Transactions against the report generated by the system, to endure that all applicable threshold transactions are captured in the reports;
- Ensuring that all Threshold Transaction Reports (TTR), TPA Reports and Suspicious Transaction Reports (STR) are filed on a timely basis by the Nominated Officer.

THE ROLE OF THE NOMINATED OFFICER

Regulation 5(3) of POC-MLPR and Section 18(3) of the TPA stipulate that "An institution must designate an officer of the institution to be responsible for ensuring the implementation of the programmes, policies, procedures and controls referred to in the legislation, as well as assume the responsibility for ensuring that the reporting requirements to the Designated Authority are being fulfilled".

The Nominated Officer is vital to the success of the company's AML/CFTCPF programme. The duties of the Nominated Officer are outlined below:

THE DUTIES OF THE NOMINATED OFFICER:

- Ensure the effective implementation and adherence to DFSL compliance programme to detect and prevent money laundering and terrorist/proliferation financing activities, as outlined in this Compliance Manual;
- Liaise with the regulatory authority and law enforcement agencies (FID, DPP, etc.) with regards to compliance matters and investigations;
- Evaluate reports of suspicious/unusual transactions by personnel and ensure the timely filing of Suspicious Activity Reports;
- Comply in a timely manner with any Investigative Order issued by the relevant authority;
- Responsible for filing Threshold Transaction and TPA reports to the FID;
- Advise staff of proposed or pending regulatory changes and ensure timely distribution of amendments to staff;
- Conduct/ oversee the risk assessment process, ensuring the appropriate risk profiles are established and the relevant measures and mechanisms commensurate with the risks assessed are implemented; ensure that these assessments are kept up to date;
- Prepare annual/quarterly (as warranted) reports to management on the effectiveness of the AML/CFT/CPF framework;
- On-going review and testing of staff's compliance with AML/CFT/CPF requirements;
- Proactive follow-up of exceptions identified at on-site inspections and internal/external audits to ensure that timely corrective actions are taken;
- Conduct ongoing review of customer transactions to identify complex, unusual or large transactions and patterns of transactions (completed or not), which appear to be inconsistent with customer's normal transactions;
- Undertakes regular random analysis of transactions including assessment of documentary evidence provided by customers.
- Establish a programme for the training of employees on an ongoing basis, ensuring that employees obtain training in: the identification of suspicious activities; responding to directives to applied financial sanctions notified by the United Nations Security Council.
- Instructing employees as to their responsibilities in respect of the law, regulatory guidance and 'best practice' standards;
- Maintain proper records of transactions and reports for at least seven (7) years;
- Review and update manual on an annual basis, obtain Board approval for amendments and disseminate information to Management and staff;
- Arrange and coordinate timely internal and external audit reviews to ensure adherence to the documented policy and the law;
- Provide guidance to management and staff on Anti-money laundering issues.
- Independently reports directly to the Board.
- Works independent of the business lines of the company to conduct objective assessment and monitoring and enforcement of the compliance operations and decisions.

THE ROLE OF FRONT-LINE STAFF

It is every employee's responsibility to actively participate in preventing the company from being used as a vehicle for money laundering and terrorist financing.

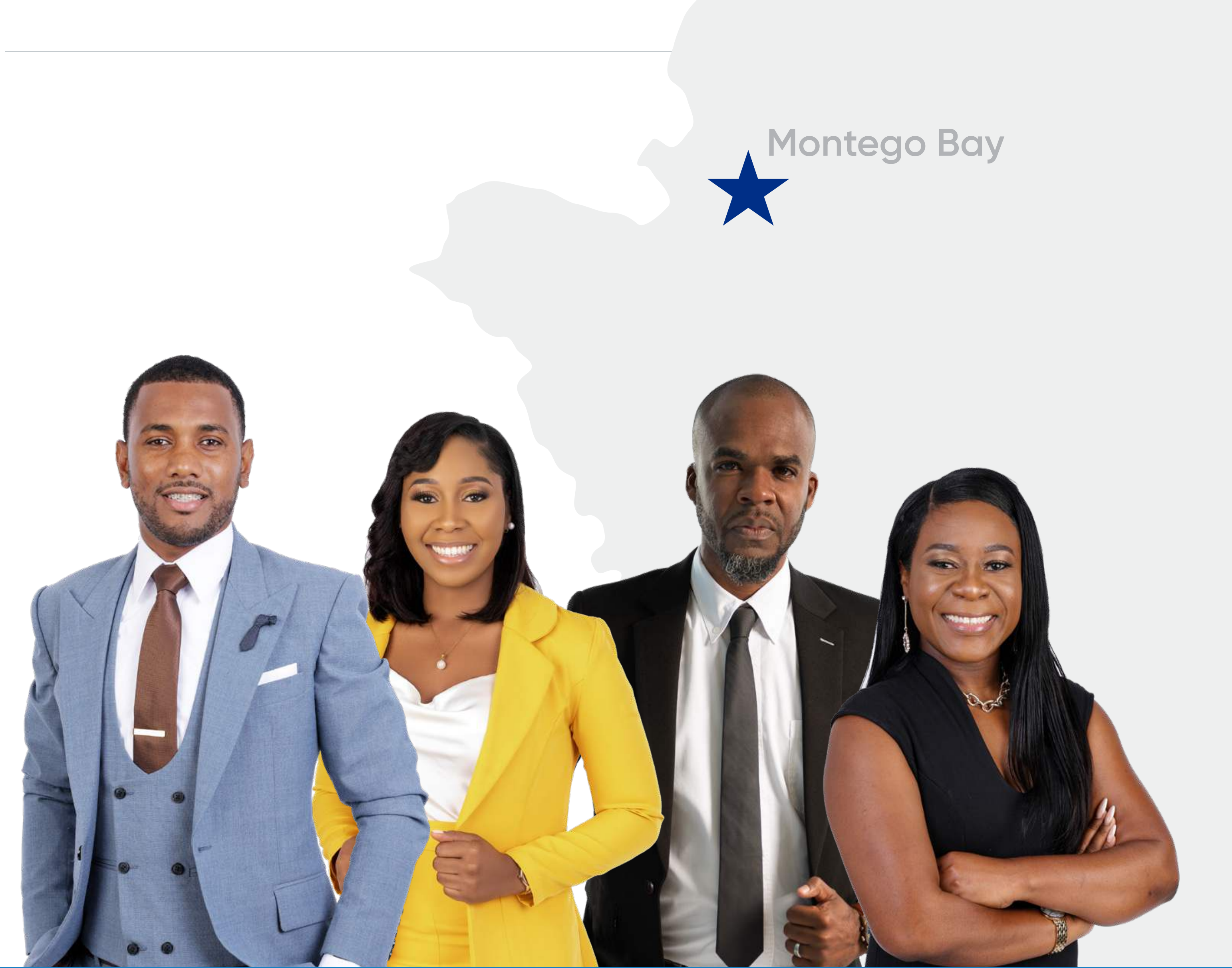
Frontline staff as the first line of defense against the introduction of illicit funds to the organization, plays a huge role in disrupting the activities of persons with criminal intent, by being able to identify and report suspicious transactions. The responsibilities of front-line staff include:

- Full knowledge and understanding of the contents of the AML/CFT/CPF compliance manual.
- Adherence to the policies and procedures that are stated in the manual.
- Requesting and correctly recording all relevant customer information and obtaining and retaining copies of current identification as outlined in this manual.
- Requesting source of funds information as outlined in the manual and recording customer's response accurately and clearly, ensuring that the information is credible; obtaining documentary evidence to verify source of funds, e.g. workplace ID, bank documentation, original receipts etc.
- Always being vigilant and alert to detect suspicious activity.
- Paying special attention to all complex, unusual or large transactions or unusual patterns of transaction whether completed or not, which are inconsistent with the transactions normally conducted by a customer and reporting such transactions to the Nominated Officer.
- Reporting all suspicious activities to the Nominated Officer.
- Obtaining assistance from the nominated officer on how to proceed, when there is any doubt regarding a transaction.
- Attending scheduled training sessions.

AML/CFT/CPF COMPLIANCE TRAINING

All Board Members, Officers and Employees are required to undergo training in anti-money laundering and counter financing of terrorism/proliferation. Arrangements are being made for training to be held January 2023 for the Board and CEO and in February for all other employees. All new employees are required to undergo training in anti-money laundering and counter financing of terrorism/proliferation during their onboarding phase of employment. The company is slated to have two (2) general training for the financial year.

Management Team



Kurt McKenzie
Collection Manager

Trevene McKenzie
Chief Financial Officer

Kenroy Kerr
Chief Operating Officer

Kahlilah Thompson
Human Resources Manager

Kadeen Mairs
CEO, Executive Director

Tashoni Ellis
Marketing Manager

Mario Brown
Country Manager

Tricia Nicholas
Governance and Compliance Manager

KADEEN MAIRS, CHIEF EXECUTIVE OFFICER
Kadeen, a member of Forbes Business Council, is the founder and CEO of Dolla Financial Services Ltd., the largest microfinancing firm listed on the Jamaica Stock Exchange by market capitalization as of December 2022. He also founded Dequity Capital Management Ltd in St. Lucia, which currently holds assets under management of US $20M and has invested in a portfolio of companies spanning financial services, real estate, healthcare, digital & print media, and education.

Under Kadeen's leadership, Dolla has grown to manage a loan portfolio of more than US $14M and disbursed over US $40M in loans. Kadeen spearheaded the growth of the company and has been instrumental in its success. He is a Certified Expert in Micro Finance from the Frankfurt School of Finance & Management, Germany, and holds a BSc in Business Administration.

Kadeen's entrepreneurial spirit and business acumen have been recognized by the Forbes Business Council, and she continues to drive growth and innovation in the financial services industry.

TREVENE MCKENZIE, CHIEF FINANCIAL OFFICER
As the CFO, Ms Trevene McKenzie provides leadership and oversight for Dolla's financial management, strategic planning, reporting, forecasting and analysis. She has developed a passion for accounting through several years of experience where she has worked in various industries such as banking and finance, BPO, public sector and most recently telecommunications with Digicel Group where she was appointed Technical Financial Controller in 2019 and most recently in 2021, Head of Finance for Technical and Networks.

She has earned a Bachelor's Degree in Accounting and Economics with the University of Technology, Jamaica, has a Certificate in Forensic Accounting, successfully passed all CPA exams with the Alaska State Board of Accountancy, is a member of the American Institute of Certified Public Accountants (AICPA) and the Institute of Chartered Accountants of Jamaica (ICAJ).

KENROY KERR, CHIEF OPERATING OFFICER
Kenroy Kerr is the Chief Operating Officer at Dolla Financial Services Limited, where he oversees the company's day-to-day administration and operations in accordance with the company's business model. His professional career spans over 13 years of progressive experience in banking and finance, having joined the Bank of Nova Scotia (BNS) in 2008 where he worked for almost ten years in various capacities.

Following his years with the bank, Kenroy was appointed to the position of Head of Credit and Risk at Dolla Financial Services Limited. His leadership has been instrumental in the development of new loan products that contributed to increased loan growth, and strategies that lowered non-performing loans and optimized the quality of the loan portfolio. Kenroy holds a master's degree in Business Administration (distinction) with a specialization in Organisational Development from Aston University, Birmingham, and a Bachelor of Science in Business Studies with a major in accounting (honours).

TRICIA NICHOLAS, GOVERNANCE AND COMPLIANCE MANAGER
Tricia Nicholas is the Governance and Compliance Manager of Dolla Financial Services Limited. She manages and maintains the Corporate Governance, Compliance, and Paralegal activities of the company. She has over 16 years of legal professional experience in Governance & Corporate law and over 8 years in Commercial & Litigation law. She also acts as the Nominated Officer and is the Recording Secretary for the Company and its subsidiary.

In addition, Miss Nicholas has experience in Human Resources, Administration, and Office Management. She previously worked as the Legal Assistant & Team Leader for the law firm, Nicholson Phillips. She was the Company Secretary for the charitable organization, BACK2LIFE Foundation for over 6 years.

She is currently a member of the International Compliance Association which continuously improves her skills and knowledge as a Regulatory and Financial Crime Compliance professional.

MARIO BROWN, COUNTRY MANAGER
Mario Brown is the Country Manager for Dolla Financial Services Jamaica Limited. Mr. Brown assumed responsibility for the Dolla portfolio after its acquisition of M-Twentyfour Investments Limited of which he is a founding member and the Operations Manager. Under his leadership, Dolla Financial has grown its loan portfolio exponentially with over J$2.5Bn in loans disbursed in Jamaica and Dolla receiving numerous plaudits for contribution to the small business community.

Mr. Brown started as a bank teller at the National Commercial Bank and was later promoted as a Business Development Representative. This experience gave him valuable insights into entrepreneurship, management, and sales culture. Mr. Brown is a Justice of the Peace and holds a Master of Business Administration in Banking and Finance with Distinction from the University of Technology, and a Bachelor of Science from The University of the West Indies with a major in Marketing.

KAHLILAH THOMPSON, HUMAN RESOURCES MANAGER
Kahlilah Thompson is the Human Resources Manager at Dolla Financial Services Limited. Her duties include Recruiting and Staffing, Employee Relations, Policy Development, Managing Staff performance, and improving systems. She has over 15 years of experience in the fields of Business, Banking, and Hospitality.

Ms. Thompson holds a bachelor's degree in the field of Business Administration from The University of Technology, Jamaica.

TASHONI ELLIS, MARKETING MANAGER

Tashoni Ellis is the Marketing Manager at Dolla Financial Services Ltd. With over seven (7) years of experience in marketing and sales, she has a proven track record of generating and building relationships, managing projects from concept to completion, and designing innovative and creative strategies. Ms. Ellis is responsible for creating and accelerating the company's marketing strategy and brand recognition across the region, with a focus on driving the company's vision to be the go-to financial solution provider and market leader in the provision of unique financial services at world-class standards.

Prior to joining Dolla Financial, Ms. Ellis was Assistant Manager - Marketing Specialist at JN Money Services Ltd., a role in which she had direct oversight for executing marketing strategies and achieving sustainable sales growth for Canada and the Caribbean. Ms. Ellis holds an MBA from the University of South Wales in the UK, as well as a bachelor's degree with a major in Marketing and minors in Economics and Management Studies from the University of the West Indies.

KURT MCKENZIE, COLLECTIONS MANAGER

Kurt McKenzie is the Collection Manager at Dolla Financial Services Limited where he heads and streamlines all processes concerning arrears and delinquency management in a comprehensive manner from administrative to pragmatic, hands-on approach. He is subscribed to ACA International; an association of collectors and credit professionals where he does industry-related, ongoing online enhancement courses aimed at improving collection strategies that complement the techniques needed to adapt to a dynamic industry.

Prior to entering the microfinance industry, he led a diverse team in the capacity of supervisor for payroll accounting at a leading BPO firm; Xerox, now Conduent. This and other vast experiences have developed his charismatic personality thereon enabling him to lead the Dolla collection team to the desired visions. He holds a degree from The University of Technology, where he majored in Production and Operations, and is currently seeking to enlist for the fall semester to start his MBA in Strategic Management.

His stature in receivables management at Dolla continues to appreciate; especially with a synergetic team that is always in sync with achieving the company's objectives and essentially Dolla's Mission.

Management Discussion and Analysis

Management Discussion and Analysis

OUR OPERATING ENVIRONMENT

Dolla's operating environment in the 2022 fiscal year was impacted by several factors including the introduction of the new microcredit act, which aimed to regulate microcredit institutions that provide financing to individuals and small to medium-sized enterprises, high inflation rates, the ongoing threat of a global recession, and the lingering effects of the pandemic. Despite these challenges, Dolla was able to deliver strong results, surpassing all of its key performance indicators.

The Company applied for and was granted a microcredit license by the Bank of Jamaica in 2022, as required by the recently enacted Microcredit Act, (2021). We further enhanced our compliance and operations processes to ensure that they are in accordance with our license. The granting of this license allows us to continue to operate within the Microcredit space while providing confidence to both our clients and partners in our sound, ethical and transparent business practices.

Inflation was persistent and widespread encompassing not only goods, but also services, influencing prices and would have led to elevated inflation expectations. During the financial year, the Point-to-Point inflation exceeded the upper limit of the Bank of Jamaica's targeted range of 4% - 6%, attributable to inflationary pressures from the 'Food and Non-Alcoholic Beverages', 'Housing, Water, Electricity, Gas and Other Fuels', and 'Restaurants and Accommodations Services' divisions, which were influenced by rising global commodity prices resulting from the ongoing geopolitical conflict in Ukraine. As of October 2022, the annual point to point inflation was 9.9%. This impacted the Company's operating expenses through price increases from supplier, and increased interest expenses as the cost of funds also increased. Both our existing and potential client were also affected as their purchasing power reduced, making it more difficult for them to afford and repay their loans. Despite the elevated inflation the Company maintained prudent lending practices which mitigated the risk of default and kept delinquency at a stable level.. The company's non-performing loans ratio increased slightly from 5.26% a year earlierto 6.7%, while ECL reduced from 5% int he prior year to 4% in 2022. It was also able to achieve its highest income and net profit since inception in 2022. The Bank of Jamaica expects inflation to decrease to single digits by early 2023 and return to the target range by December 2023.

The GDP for the third quarter of 2022 was predicted to be 4.3%, down from 4.8% in the previous quarter. This was largely influenced by the global lifting of COVID-19 containment measures, which led to a continuation of the economic recovery process, increased employment as businesses ramped up to meet the demand, buoyed Business and Consumer confidence, and boosted agricultural output. Given the strengthening economies of its major trading partners, Jamaica's services sector, and tourism in particular, real GDP is expected to grow by 2.5% to 4.50% in fiscal years 2022 and 2023.

As of July 2022, the unemployment rate was 6.6%, down from 8.5% in the same month the previous year.

OUTLOOK FOR OPERATING ENVIRONMENTS IN 2023

The recovery of the tourism industry and the expansion of the Goods Industry are supporting Jamaica's continued economic growth. Tourism is a significant contributor to the country's economy, generating billions of dollars in revenue and creating job opportunities. The COVID-19 pandemic had a significant impact on the tourism industry, with travel restrictions and border closures resulting in a significant decrease in tourist arrivals. Recent data, however, indicate that the sector is recovering, with tourist arrivals expected to exceed pre-pandemic levels. This recovery is expected to give the country's economy a significant boost, opening up new opportunities for businesses in a variety of sectors, including microfinance. The Goods Industry, which includes agriculture, manufacturing, construction, and mining, is another important sector of Jamaica's economy. Except for mining and quarrying, the sector grew in all areas during the fiscal year. The expansion of the Goods Industry is a positive development for our businesses.

There may be obstacles to overcome such as persistent inflationary pressures, fuelled by rising global commodity prices and exacerbated by domestic price pressures. Throughout the fiscal year, point-to-point inflation trended above the upper limit of the BOJ's targeted range of 4% - 6%, reaching 9.9% in October 2022. As a result, the central bank has adopted a more aggressive monetary policy stance. While inflation is expected to fall into the single digits in early 2023 and return to the target range by December 2023, it remains a risk that could have an impact on our operating environment.

Despite these obstacles, we are optimistic about the future. In the face of external uncertainties, such as geopolitical tensions in Europe, Jamaica has demonstrated resilience. Furthermore, the labour market has improved, with unemployment falling to 6.6% in July. Additionally, the improvement in investor confidence, increased consumption and improvement in the labour market should also result in Dolla seeing a continued improvement in its financial performance in 2023.

Furthermore, Dolla has observed and learned from changes in the macroeconomic environment as well as changes in consumer behaviour. From this we have positioned ourselves as a resilient Company with a winning spirit, capable of overcoming adversities that may come. With our strong portfolio and internal capabilities, 2023 will be another year of progress toward our vision.

GUYANA'S FINANCIAL SECTOR PROSPECTS

Dolla currently operates in Jamaica and Guyana, with Guyana accounting for 10% of the company's consolidated loan portfolio, and 12% of profit before tax in 2022. Guyana's macroeconomic environment remains stable and presents diverse opportunities for Dolla. The economy has been resilient due to its recent oil discovery and is estimated to have recorded 19.9 percent GDP growth fuelled by oil and gas development. Non-oil GDP recovered, growing by 4.6 percent in 2021 despite economic headwinds caused by the pandemic. Guyana's total GDP is anticipated to grow by a further 57.8 percent in 2022. Guyana's inflation rate is projected to be 5.7 percent for calendar year 2022.

Despite these positive developments, there are still challenges facing microfinance companies in Guyana. One of the biggest challenges is the high level of informality in the economy, which has na impact on assessing creditworthiness and enforcing contracts. Additionally, many SMEs and individuals in Guyana still lack access to formal financial services. On the upside this creates a large untapped market for Dolla to serve.

In summary, the operating environment for Guyana remains stable and presents diverse opportunities for Dolla. Financial institutions in Guyana provide very limited wealth management services. The company's entry into the market has improve access to credit and the efficient provision of financial services to clients who lack access to formal financial institutions. Dolla's services has enabled its customers to build assets and reduce economic vulnerability. With the rapid transformation in several sectors such as extracting services, manufacturing, and construction during 2022, as well as the expected economic growth in 2023, Dolla believes this will give rise to the needs of individuals and small businesses to expand or invest in themselves and their ventures to be able to monetize the country's growth. This will result in Dolla bridging the gap between demand for cash and supply.

JAMAICA'S MICRO FINANCE SECTOR ANALYSIS

The microfinance industry plays a crucial role in the economic growth, development, and inclusion of Jamaicans, and is widely recognized for this contribution. It serves as a significant means of providing credit access to a large segment of the population and is expected to remain relevant in the foreseeable future. JAMFIN reported that the microfinance sector had loans revolving in the financial system totalling over J$20Bn in 2020.

In January 2021, the Microcredit Act was passed in Jamaica to bring order to the microfinance industry and ensure all firms are licensed and fully compliant with regulatory standards. This is intended to reduce the risk of money laundering and terrorist financing within the microcredit institutions. Dolla was among approximately ten entities that have been granted microcredit licenses, while others have received no objection letters from the BOJ to continue operating until their applications are reviewed. A large number of entities are still estimated to be unregulated. The implementation of the new act is expected to result in some amount of industry restructuring and consolidation. This is because many smaller and more vulnerable firms are likely to struggle with the cost of compliance.

The Company also believes that the regulation of the industry will create a more conducive environment to pursue its growth strategies, particularly through acquisition. This will result in increased market share, outreach, and economies of scale, which outweigh the cost of complying with the act. Microfinance institutions in Jamaica provide services primarily to customers in the public sector, business processing outsourcing, wholesale, tourism, retail, and construction industries. MSMEs in the transportation, distribution, and retail business segments also make up a significant portion of the loan portfolios in the industry. Competitive rivalry in the industry is believed to be relatively high, especially in relation to consumer loans, as loans to this sector are relatively easier to assess because they are based on consistent salaries. For example, the largest player in the industry has a consumer-to-business loan ratio of 9.3:0.7. Dolla has taken advantage of this opportunity by developing unique products and solutions such as our Dolla Elite and Dolla SME Growth, and strategically forging new partnerships to increase consumer loans. This is evident by the Company's consumer-to-business loan ratio of 1:4 as at FY ended 2022.

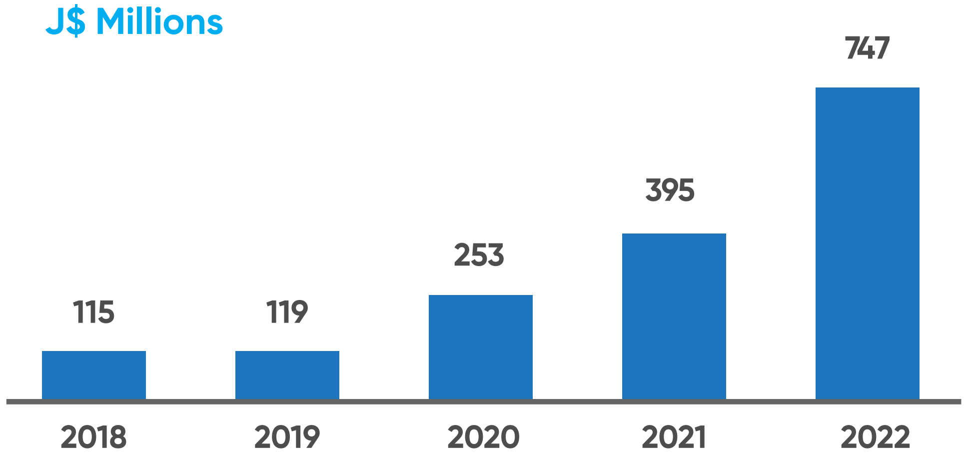
Financial Data

The financial year 2022 was a challenging but pivotal year as the rising interest rates, looming recession and the continuous impact of COVID-19 created pressures for both our business and our customers. Never the less we were able to navigate and produce tremendous results as we maintained focus on our strategy and commitment to performance

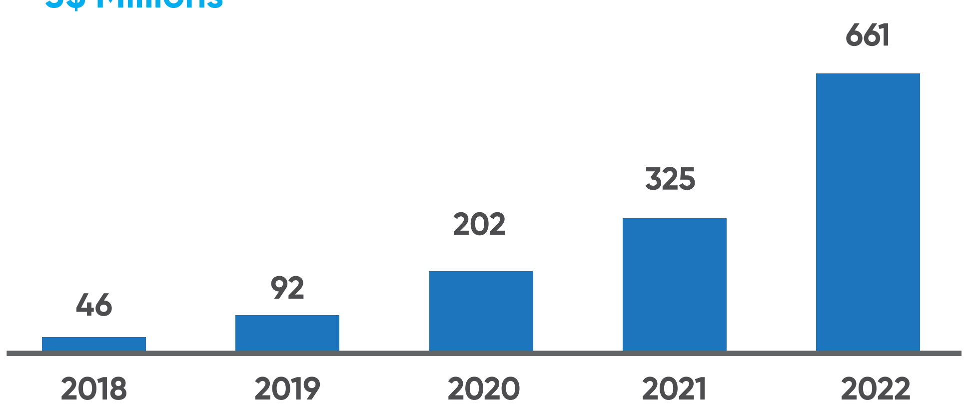
During 2020, after the acquisition of a 75% stake by FRPE, the company's financial year shifted from June to December to align with our parent company's fiscal year end. As a result, the data for 2020 represents 18 months from July 2019 to December 2020. Year on year view is presented further in this section.

	December 2022	December 2021	Change (YoY)	
INCOME STATEMENT			**$**	**%**
Total Income	746,519	395,275	351,244	89%
Net Interest Income	660,910	325,467	335,443	103%
Operating Expense	369,515	153,440	216,075	141%
Profit Before Tax	295,640	167,797	127,843	76%
BALANCE SHEET				
Total Assets	2,244,747	861,094	1,383,653	161%
Total liabilities	1,523,766	546,110	977,656	179%
Loan, Net of Loan Loss Provision	1,725,742	750,503	975,239	130%
Total Loans	1,797,841	793,244	1,004,597	127%
Expected Credit Losses (ECL)	(72,098)	(42,472)	(29,626)	70%
Cash and Cash Equivalents	352,935	65,587	287,348	438%
Financial Investments	63,431	-	63,431	100%
Shareholder's Equity	720,981	314,984	405,997	129%
Retained Earnings.	264,228	75,222	189,006	251%
CASH FLOW				
Net Cash provided by Operating Activities	255,031	(253,087)	508,118	-201%
Net Cash used in Investing Activities	(79,768)	(2,399)	(77,369)	3226%
Net Cash from Financing Activities	116,965	317,065	(200,100)	-63%
Cash and Cash Equivalents	352,935	65,587	287,348	438%
FINANCIAL RATIOS				
Efficiency Ratio	49%	39%	11%	72%
Net Interest Margin	53%	43%	10%	81%
Net Profit Before Tax Margin	40%	52%	-12%	7%
Return on Asset	19%	19%	0%	6%
Return of Equity	57%	53%	4%	93%
Debt to Capital	66%	61%	5%	97%
Non-Performing Loan %	7%	5%	1%	7%
Expected Credit Losses	4%	5%	-1%	12%

Dolla Financial Services Limited Total Income (2018-2022) J$ Millions



Dolla Financial Services Limited Net Interest Income (2018-2022) J$ Millions



TOTAL INCOME

Total income grew to $747 million, an 89% increase year over year (YoY). The growth in income is a direct representation of the upward movement in sales volume as there were no interest rate increases throughout the year. We would have seen a substantial increase in the demand for our services through the listing of the Company on the Junior Market of the JSE. We also streamlined out product offerings and through sales and market analysis, determined the products that may be best suited for various sectors. Through this, the Company was able to focus its efforts where the returns were being recognized. Access to funding also played a major role in our ability to grow income. We would have raise $1.5 billion throughout the course of the year which was effectively deployed in loan disbursements.

NET INTEREST INCOME

The Company recorded net interest income before expected credit loss of $661 million, an increase of $335 million or 103% over the prior year. Even though the Company assumed more debt throughout the year which lead to a 47% increase in interest expense, the tremnendous demand would have allowed interest income to increase by approximately twice the rate of the interest expense, thus leading to a positive growth in net interest income.

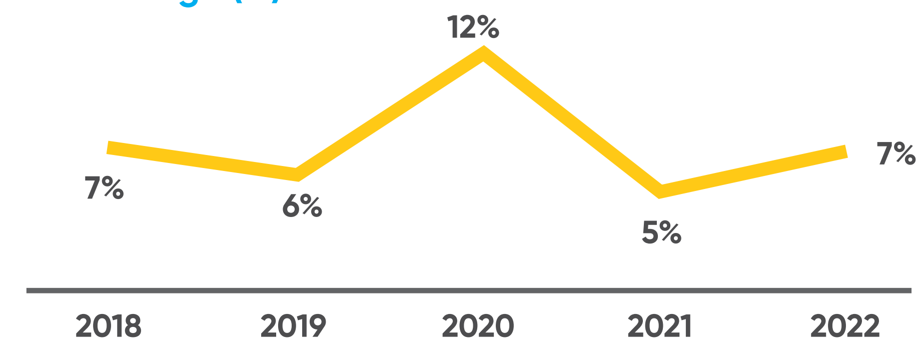
OPERATING EXPENSES

The company's operating efficiency stood at 49% which represents an increase of 11% relative to the 39% recognized in the prior year. Though the increase was unfavorable, the metric remains below the industry average and continues to reflect sound cost management. Operating expenses for the period were $370 million which increased by 141% over December 2021. 2022 represented a year of growth and with growth comes expansion in many areas to ensure sustainability. The Company would have invested immensely in its people, to drive strategy and sales. This lead to a 107% increase in staff costs YoY. legal and professional fees, along with marketing would have seen a 374% and 389% increase respectively YoY. The Company would have embarked on two (2) capital raises in 2022 which requires the engagement of professional services for a successful execution. The Company also made significant investments in marketing, to increase brand awareness, drive sales and promote brand loyalty. The Company would have also experienced the effects of rising prices as inflation rose to a high of 10% in 2022, moving from 6% in 2021. To combat all the external variables the Company continues to make a concerted effort to manage expenses through pricing negotiations and creating and maintaining relationships with suppliers. Expenses are also limited to an 'as needed' basis or where the benefits are quantifiable.

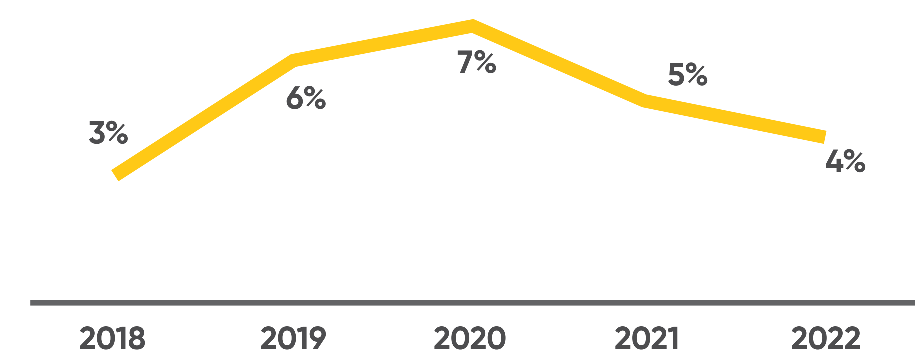
PROFIT BEFORE TAXATION (PBT)

For the financial year ended December 2022, the Company recorded a profit before tax of $296 million, an increase of $128 million or 76% relative to the period ended December 2021. The significant increase in PBT was driven by the growth in income and the effective management of expenses, including expected credit losses to achieve this outcome.

Dolla Financial Services Limited Non Performing Loans to Gross Loan (2018-2022) Percentage (%)



Dolla Financial Services Limited Expected Credit Loss to Gross Loan (2018-2022) Percentage (%)



Net profit generated stood at $280 million, a growth of $151 million or 116% year on year. Earnings per share was $0.18, a 98% or $8.50 decrease year on year. This is reflecting higher income but is more so a function of the significant increase in shares issued to facilitate the successful IPO.

The growth in PBT has resulted in an improvement in the Company's return on average equity, moving from 53% in 2021 to 57% in 2022. This was complemented by the efficient management of the Company's expenses, which also resulted in an increase efficiency ratio to 49% but still remained well within the industry average.

CONCESSIONARY REGIME FOR TAXATION OF JUNIOR MARKET COMPANIES

With the admission of the Company to the Junior Market of the JSE, it will take advantage of the special concessionary tax regime that is currently in place in alignment with the Company's strategy.. As at the date of listing, 100% of profits will be exempted from taxation for the initial five-year period. For the remaining five-year period, 50% of profits are exempted from taxation (listed entities enjoy 10-year tax relief by virtue of the listing on the Junior Market). The remission of tax requires the Company to meet the ongoing Junior Market requirements for at least 15 years from the date of listing. Assuming that those conditions are met, in the Company's first 5 years on the Junior Market, the Company will not be liable to pay any corporate income tax. In years 6 to 10 on the Junior Market, the Company will be liable to pay corporate income tax at half of the usual rate. If the Company breaches the requirements of the Junior Market, it may be liable to pay the taxes relieved under the concession.

CREDIT QUALITY

Expected credit losses (ECL) on loans stood at $72 million as at December 2022 and increased by $30 million over the prior year. The ECL movement is directly attributable to the growth in the loan portfolio, as well as additional provisions based on the revised assumptions incorporated in the impairment methodology of IFRS 9. Even though the provision has increased, the overall percentage of the portfolio being provided for has reduced from 5% in 2021 to 4% in 2022. Non-performing loans (NPLs) to gross loans moved from 5% to 7% year over year. This increase is due to specific large accounts in arrears as at year end. Management is taking the necessary steps to recover the accounts and liquidate collateral, where applicable. Despite the increase, both the NPL's and ECL remain below the industry average. This is as a result of the Company's mandate to maintain a diverse portfolio, limiting its exposure to any single borrower and placing emphasis on secured loans. Management also executes detailed due diligence and credit assessments before extending loan facilities to its customers. Management also believes that the maintenance of sound customer relationships have also assisted with the relatively low NPL assessment.

BALANCE SHEET

TOTAL ASSET

Total assets as at December 2022 stood at $2.2 billion, an increase of $1.3 billion of 161% YoY. The significant growth in the Company's asset base is directly attributable to the increase in the loan portfolio by 130%. This came as a result of the increase in capital and funding received throughout the year. The increase in cash and cash equivalents contributed to a lesser extent, also driven by the increase in funding, particularly the bond which closed in Q4, 2022.

LOAN PORTFOLIO

During the year ending December 31, 2022, our company recorded $1.7 billion in outstanding loans after expected credit losses (ECL), marking an impressive YoY increase of $983 million or 131%. This surge in loan acquisition was primarily fueled by increased disbursements, as our management placed a strong emphasis on providing adequately secured loans to businesses operating in thriving industries. To support this growth, Dolla raised $500 million through the IPO and a further $1.172 billion through corporate bonds, the net proceeds of which were used to bolster our lending capacity. Our strategic marketing efforts after the IPO and establishment of several partnerships that catered to our clients' needs also helped increase loan demand during the period. Since 2017, our net loan portfolio outstanding has grown at a compound average growth rate of 70.1% per annum. In the financial year that ended in December 2022, Dolla disbursed $1.96 billion in funds to its customers, representing a significant increase of $930 million or 90.0% from the same period a year earlier. The remarkable surge in loan sales highlights the effectiveness of our suite of products in addressing the needs of individuals and businesses both locally and regionally.

LIABILITIES AND SHAREHOLDER EQUITY

Total liabilities for the period increased by 156% or $978 million to $1.5 billion in 2022. Loans payable would have seen a substantial increase to $1.3 billion, representing a 156% or $862 million increase year on year. This was driven by the issuance of the $1.17 billion bond which closed in October 2022. Through this, the Company would have refinanced existing, more expensive debt and would have taken the opportunity to expand the loan book by fulfilling the existing demand from the brand awareness received from the IPO. Other elements such as lease liabilities would have increased to $51 million due to the branch network build out in Jamaica where 2 new branches were introduced as well as the relocation of the Corporate office in Montego Bay, St. James. Other payables and accruals increased by 133% to $55 million due to the increased commercial activity. Unidentified deposits also increased by 185% to $12 million. Management has made a concerted effort to ensure the timely application of customers loan repayments however, due to the increased loan activity, there was a proportional increase in repayments which lead to a similar increase in payments unable to be attributed to a customer. These are primarily from bank transfers and drop box payments where the bank is unable to provide additional information.

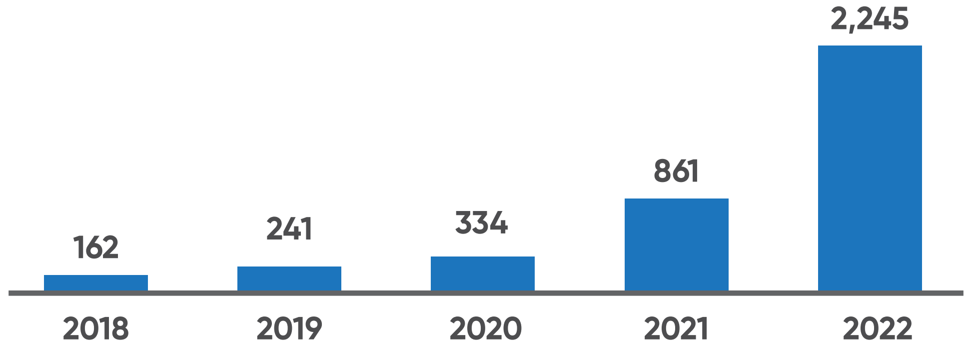
Shareholders equity increased to $721 million, a 129% increase YoY. This reflects the solid profit growth over the period net of the return of value to shareholders in December 2022 by way of a $92 million dividend payment.

LOAN PORTFOLIO ANALYSIS

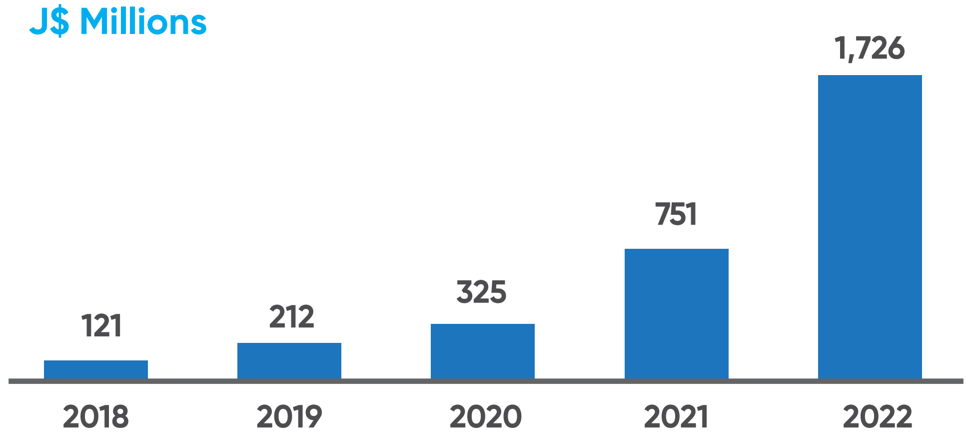
Dolla's loan portfolio is well-diversified in terms of sector concentration, business-to-consumer loan ratio, and secured-to-unsecured loan ratio. By achieving this level of diversification, the Company has effectively reduced the credit risk of its loan portfolio. Furthermore, Dolla has focused on creating value for customers in real sectors that have demonstrated strong growth potential. In particular, the Company has placed emphasis on sectors such as real estate and construction (22%), manufacturing (14%), and trucking, haulage, and transportation (24%). These strategic initiatives have contributed significantly to the Company's continued growth and success.

As of December 31, 2022, Dolla's loan portfolio consisted of 77% business loans and 23% personal/consumer loans. Secured loans, which were backed by real estate and motor vehicles, made up 79% of the loan portfolio - increasing from 67% in the prior year, while unsecured loans accounted for the remaining 21. This emphasis on secured loans has played a crucial role in the Company's ability to maintain a low percentage of non-performing loans and expected credit loss. Dolla's strong focus on risk management has allowed it to effectively mitigate credit risk and maintain a healthy and robust loan portfolio.

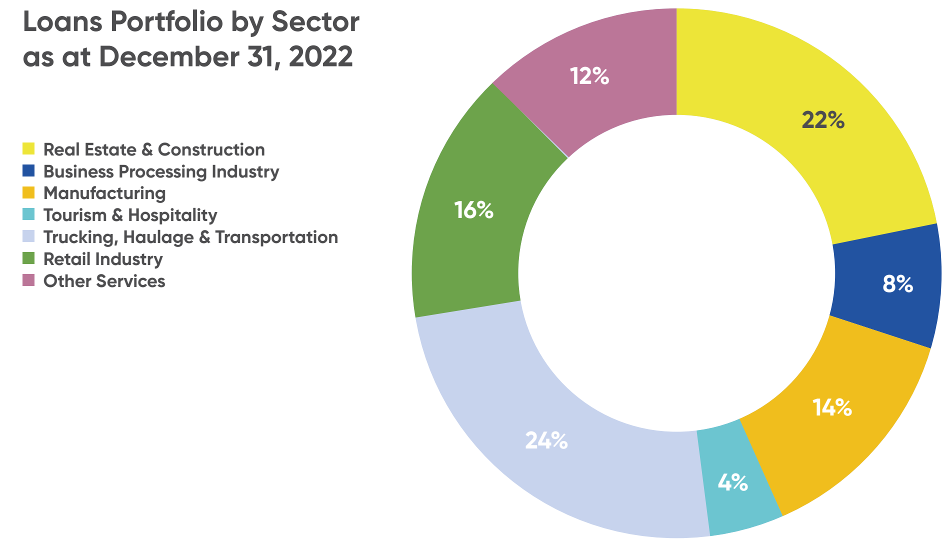
Dolla Financial Services Limited
Total Assets
J$ Millions



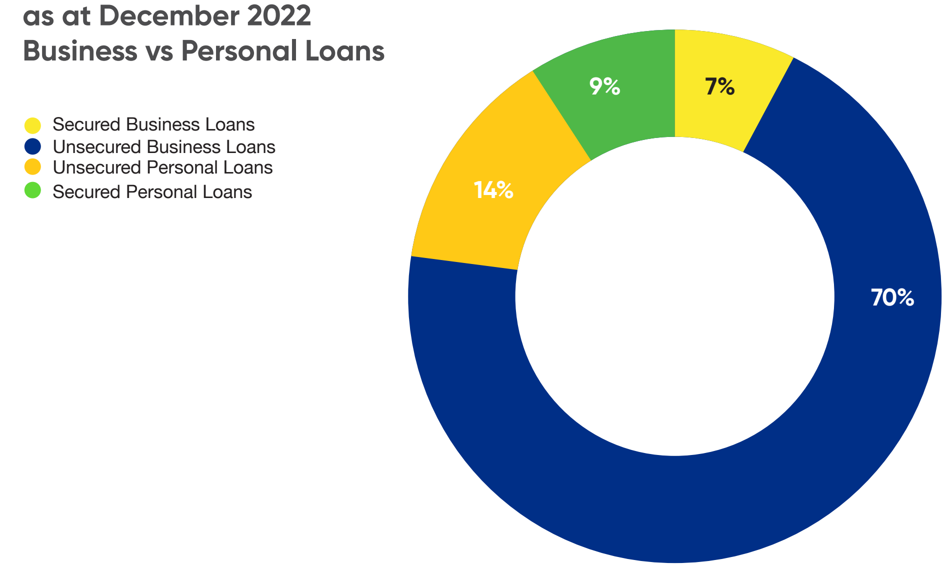
Dolla Financial Services Limited
Loan Portfolio Growth
J$ Millions



Loans Portfolio by Sector as at December 31, 2022



Loans Categories as at December 2022 Business vs Personal Loans



CASH RESOURCES AND LIQUIDITY

The Company's Cash and Cash equivalents grew by 438% to $353 million. The significant improvement is directly attributable to increased funding, particularly in the final quarter of 2022 where the $1.17 billion bond raise would have closed.

FORWARD LOOKING

As the Company looks ahead, the strategic direction sees significant growth being projected for the year 2023. Shareholders and stakeholders at large will see additional branches being added to the network and continuous efforts being placed on expanding the Company's reach regionally.

Considering the significant growth in the past and the anticipation of what's to come, the Company will also continue to place effort on returning value to our Dolla communities, as we build, uplift and seek to improve the lives of our fellow citizens.

With increased growth also comes the need for system and process improvements through technology and innovation as well as a structure to ensure sound corporate governance. We have engaged internal auditors to ensure continuous monitoring and reporting on internal controls and have commenced a review of our estate to ensure our systems are appropriate for the volume and growth being projected for the coming year and the future. This is also in an effort to be ready to accommodate the parameters of the impeding Data Protection Act, 2020.

As we also embark on our journey as a licensed Microcredit Institution and a listed Company on the Junior Market of the Jamaica Stock Exchange we are tasked with ensuring appropriate and timely reporting and disclosures, to ensure you, our Shareholders and potential investors remain informed.

Human Resources

WE ARE OUR PEOPLE

To be resilient is the ability to recover quickly from difficulties which is the epitome of the Dolla family. During the pandemic, COVID-19, employees were facing a myriad of issues including worries regarding the health and wellness of themselves and their loved ones, navigating the new normal, financial concerns, changes in family routines and general uncertainty about the future. In the face of adversity, our employees continued to show perseverance and dedication everyday providing exceptional services to Dolla clients. Dolla is very proud to support such talented, dedicated, and hardworking employees.

Talent Management

During 2022, Dolla experienced rapid expansion, investing in its management team and expanding its branch network and support staff. From an initial team of 32 employees across all branches, we ended the year with a workforce of 52 employees. We emphasize that our employees are our most valuable asset, and we are committed to attracting and retaining top talent. To this end, we prioritized the development of critical skills and competencies, while also prioritizing the employee experience and well-being. Strategic staffing was at the core of our approach in building a qualified workforce. We focused on workforce planning, recruitment, and retention as key aspects of Human Resource Management recognizing their critical importance to our long-term business success. Our aim is to recruit and retain the best candidates while also fostering internal growth and development; with our junior staff receiving grooming and training to prepare them for senior positions within the company.

Training and Development

At Dolla, we are committed to our staff development program, which aims to create an environment that fosters growth and provides opportunities for our employees to thrive both personally and professionally. Our team members are trained by department heads and branch managers in accordance with our established staff training procedures. Our employees are equipped with the necessary tools to carry out their respective roles, offering both internal and external training as required.

Employee Experience and Wellness

Our compensation and benefits packages are competitively priced. They are an important component of our strategies for attracting and retaining top talent. We provide comprehensive benefits, such as health and life insurance to improve employee well-being and engagement while also fostering an equitable workplace. Team members also benefit from a preferential rate for loans. Throughout the pandemic, both Dolla and its employees encountered numerous challenges that underscored the critical importance of prioritizing employee health and wellness. These experiences have also reinforced the value of fostering a positive employee experience to retain top talent and establish a workplace culture that enables employees to flourish. In light of these insights, we have introduced several new benefits for our staff:

Pension

Dolla also introduced its new Pension Program in April 2022. As a company, we recognize the importance of providing our employees with a comprehensive benefit package that supports their financial well-being, both now and in the future. Our new pension program is designed to provide a reliable source of retirement income for our employees, allowing them to plan for their future with greater confidence and security. We believe that this program will not only benefit our employees but also contribute to the overall success of our business by creating a more engaged and loyal workforce.

The Employee Share Ownership Plan 'Dolla ESOP'

We were excited to have launched our Employee Stock Ownership Program (ESOP) in May 2022 in line with our IPO, which was aimed at providing our valued employees with an opportunity to become co-owners of the company. With this program, we hope to not only reward our team members for their hard work and dedication but also to align their interests with the long-term success of the business. The ESOP program enabled employees to invest in Dolla's future so they can benefit from its growth, while also fostering a stronger sense of ownership and commitment to our shared goals.

Paternity Leave

The introduction of our Paternity Leave benefit was a key highlight during 2022. We recognize that the arrival of a new child is a significant life changing event for both parents and we believe in providing support our employees during this time. This program provides eligible male employees with the opportunity to take time off work to bond with their new child, adjust to their new family dynamic, and support their partner. By offering this benefit, we aim to create a more inclusive and supportive workplace culture that values work-life balance and family commitments.

Staff Retreat and Employee Rewards Programme

In 2022, Dolla organized its annual Retreat which provided employees with an opportunity to relax, participate in team-building activities and to be recognized for their exceptional performance during the previous year.

The awards included Outstanding Performance Award Loan Growth, Outstanding Performance Award Lowest Delinquency, Outstanding Performance Award Service and Outstanding Performance Award Branch of the Year. The Retreat which was housed at Mystic Mountain in St. Ann and was deemed a success based on the positive feedback received from our employees.

Marketing

In the 2022 fiscal year, Dolla, maintained its customer engagement strategy to strengthen brand value, recognition, and loyalty. We had donated $500,000 to the Manning's School's football program, launched the Earn a Dolla Referral Program, partnered with Innovative Systems to provide credit for tech products, participated in the solar financing seminar, sponsored several events such as the Red Bull Car Park Drift competition, Levy Cheek Couples Swept Away Tennis Championship, Young Entrepreneurs' Association Summit, the Mellorific Pre Christmas Road Tour, and the Jamaica Stock Exchange Best Practices Award.

In October 2022, we proudly announced our partnership with Baywest Wellness Hospital, as part of our commitment to providing innovative financial solutions. This collaboration enabled us to offer our customers financing options for cosmetic surgeries, leveraging the expertise and quality care of Baywest Wellness Hospital. We are excited to continue working with them, and to deliver the best possible financial solutions to our valued customers.

Another exciting strategic partnership that we had added was with RTA BIZ, a leading provider of solar equipment, to offer financing options for customers looking to invest in solar energy solutions. Through this partnership, we were able to offer our customers more affordable and accessible options for financing their solar equipment purchases. We recognized the importance of renewable energy and its positive impact on the environment, and we were excited to be able to offer financing options that would help more customers make the switch to solar.

In 2022, we made significant strides in establishing strategic partnerships to enhance the customer experience and streamline our operations. One notable achievement was our successful relationship with Grace Kennedy Payment Services, which now included us as an authorized biller on their Bill Express platform. This partnership allowed our customers to conveniently pay their bills at Bill Express locations island-wide or by paying online using the Bill Express platform, thereby expanding our range of services and making it easier for customers to make their payments more effectively.

Additionally, we collaborated with Lynk to offer a cashless payment option to our customers, eliminating the need for cash transactions in our branches. This partnership not only improved the safety and security of our operations but also enhanced the efficiency of our processes. Through this partnership, our customers could now conveniently make payments using their mobile phones or other electronic devices, reducing the need for physical cash handling.

During the fiscal year, we successfully expanded our reach by opening two new locations in Portmore and Falmouth, providing financial services to the residents of these areas and surrounding communities. With this expansion, we aimed to enhance our ability to serve the financial needs of more individuals and businesses across the country.

We also launched a special Christmas promotion, "Bounce into Christmas with a Dolla Xtra Bonus Loan," during the holiday season of 2022, providing individuals with suitable lending solutions to ease their financial burden during this time of year. Additionally, we sought to instill a sense of hope and cheer into the lives of our customers. The promotion was a success and ended on December 31st, 2022.

Overall, these partnerships and initiatives were a testament to our commitment to providing innovative solutions that met the evolving needs of our customers, while also optimizing our operations for greater efficiency and effectiveness. We are excited to continue exploring new partnerships and initiatives that will further strengthen our position as a leading microfinance institution in Jamaica.

Corporate Social Responsibility

At Dolla Financial Services Limited, we believe in giving back to the community and making a positive impact in the lives of those we serve. In 2022, we continued to demonstrate our commitment to social responsibility through various initiatives

As part of Dolla's Corporate Social Responsibility (CSR) initiatives, the company donated two television sets to the paediatric ward at the Spanish Town Hospital in May 2022. This donation aimed to bring comfort and entertainment to young patients during their stay at the hospital. In addition, Dolla made a PPE (Personal Protective Equipment) donation to the University Hospital of the West Indies (UHWI), demonstrating our commitment to supporting the healthcare sector and contributing to the fight against COVID-19.

In November 2022, Dolla donated a tablet to Ms. Jheanelle Staple, a teacher at the Junction Early Childhood Institution. The tablet was donated to assist with the learning of her students, who are four years old. We understand the importance of early childhood education and the challenges that teachers face in providing quality education to their young students. By donating this tablet, we hope to support Ms. Staple and her students in their educational journey and provide them with the necessary tools to enhance their learning experience.
At Dolla, we are committed to supporting education initiatives in our communities, and we were honored to have the opportunity to make a positive impact on the lives of Ms. Staple and her students. We believe that investing in education is crucial to the future of our society, and we will continue to support initiatives that promote learning and development.

As part of our commitment to social responsibility, our directors, Kadeen Mairs and Christopher Yeung, presented a donation of $1 Million towards the JSE Telethon at the Jamaica Stock Exchange Best Practices Awards.
The JSE Telethon, which aired from December 16-18, 2022, aimed to raise $100 million to fund three social projects supported by the Jamaica Social Stock Exchange (JSSE). These projects included Choose Life International, Love Changes Life, and JaMIN Music Studio, a project under the Agency for Inner city Renewal Limited (AIR). The funds received were used to support inner-city renewal, suicide prevention, youth employment, and financial literacy education.

As a part of our yearly philanthropic efforts, Dolla partnered with Sampars and the Bridge99FM to bring joy to 100 children through the "Make a Child Smile this Christmas" initiative and donated $200,000 towards the cause . On Thursday, December 15, 2022, the Dolla team visited the Maxfield Park Children's Home, where they engaged the children in caroling, karaoke, talent shows, fun day activities, dinner, and gift-giving. We remain committed to making a positive impact in the lives of those we serve.

These initiatives showcase our dedication to making a positive impact in the community and fulfilling our CSR responsibilities. In conclusion, we recognize the importance of social responsibility and will continue to engage in activities that contribute to the well-being of our community.

Dolla Financial Services Limited
Media Timeline

THE JAMAICA OBSERVER
Dolla Donates Gifts For Spanish Town Hospital's Paediatric Ward
May 21, 2022

Dolla Financial Services Limited's Group Marketing Manager, Sherianne Thompson Hart, handed over two television sets to the paediatric ward at Spanish Town Hospital. The handover event involved a discussion between Paediatrician Dr Bovette Butler and Sherianne Thompson Hart. The donation of the television sets demonstrates Dolla's commitment to supporting the community and improving the quality of healthcare for children in need.

https://www.jamaicaobserver.com/news/gifts-for-spanish-town-hospitals-paediatric-ward/

THE GLEANER COMPANY
Dolla Financial Goes For Maximum With $500m IPO
May 23, 2022

Dolla Financial Services announces plans to raise $500 million from stock market investors, the maximum equity raise allowed for new listings of junior market companies. The offer, priced at $1 per share, is made available to investors during this period May 27 - June 10, the company plans to use the proceeds from the offering to fund acquisitions and expand its business.

https://jamaica-gleaner.com/article/business/20220523/dolla-financial-goes-maximum-500m-ipo#:~:text=Kadeen%20Mairs%2C%20CEO%20of%20Dolla,listings%20of%20junior%20market%20companies.

LOOP & THE JAMAICA OBSERVER
Dolla Financial and RTA Biz partner on energy financing
June 22, 2022

Dolla Financial Services Limited has partnered with RTA Biz Energy Solutions to offer financing options for alternative energy solutions to its clients. Through the "Dolla Green Energy Loan," customers can access up to 80 percent financing for solar panels, solar water heaters, and generators supplied and installed by RTA Biz Energy. This partnership demonstrates Dolla's commitment to supporting sustainable energy solutions and expanding access to financing options for its customers.

https://jamaica.loopnews.com/content/dolla-financial-and-rta-biz-partner-energy-financing

https://www.jamaicaobserver.com/business/dolla-financial-partners-with-rta-biz-energy-solutions/

LOOP
Dolla Financial Sees Six-Fold Rise In Profit
July 19, 2022

Dolla Financial Services Limited experienced a remarkable growth in its profits, with a six-fold increase to $59.2 million for the June quarter of 2022 compared to $9.1 million in the previous year. In addition, the company's revenue increased to $144 million from $46.4 million the previous year. The successful opening and closing of the company's initial public offering on May 27 was also a significant milestone, exceeding the target and breaking records in interest and shareholder volumes on the junior market. These results demonstrate Dolla's strong performance and successful strategic execution.

https://jamaica.loopnews.com/content/dolla-financial-sees-six-fold-rise-profit

THE JAMAICA OBSERVER
Portmore Branch Opens, Fuelling Aggressive Growth Strategies
August 9, 2022

Dolla Financial opened a new branch in the popular Sunshine Outlet Mall in Portmore as part of its aggressive growth strategy. The location was well positioned in an area where other established entities were already located. Dolla Financial's CEO, Kadeen Mairs, was optimistic about the move, stating that it aligned with the company's growth plans and with the ongoing developments in Portmore. Mairs anticipated that the branch would become one of the company's strongest, following its recent bond raise.

https://www.jamaicaobserver.com/business/dolla-opens-new-branch-in-portmore/

THE GLEANER COMPANY
Dolla adds punch to Manning's football programme
September 1, 2022

In the past year, DOLLA Financial Services Limited provided support to The Manning's School's football program. A cheque of $500,000 was handed over to the school to purchase essential items such as footballs, football boots, jerseys, and nutritional support. The contribution was aimed at enhancing the school's participation in the Inter-Secondary Schools Sports Association (ISSA) competitions, particularly the senior daCosta Cup championship.

https://jamaica-gleaner.com/article/sports/20220901/dolla-adds-punch-mannings-football-programme#:~:text=DOLLA%20FINANCIAL%20Services%20Limited%20has,handover%20of%20a%20%24500%2C000%20cheque.

OUR TODAY
Dolla raises J$1 billion already from bond issue
October 5, 2022

Micro lender Dolla Financial Services raised the J$1 billion sought from its latest bond offer on Jamaica's capital market. The bond issue was successful, and the company issued an advisory to the stock market confirming the J$1 billion raise. However, the company opted to increase the capital raise and extended the closing date of the bond issue to October 18. As a result, Dolla raised a total of J$1.5 billion from the bond offer.

https://our.today/dolla-raises-j1-billion-already-from-bond-issue/

THE GLEANER COMPANY
Dolla Financial and Dequity Capital offering free mammogram screenings
October 10, 2022

In October , Dequity Capital partnered with Dolla Financial Services Limited and Johnston Development Group Limited to offer free mammogram screenings to women in recognition of Breast Cancer Awareness Day and National Mammogram Day. The collaboration provided 25 complimentary screenings, which took place at Royale Medical Hospital in Savanna-la-Mar, Westmoreland. Eligible women who were among the first 25 to arrive at the hospital for testing were offered the opportunity to undergo the screening.

https://www.jamaicaobserver.com/news/dequity-capital-and-dolla-financial-offering-free-mammogram-screenings/

OUR TODAY
Dolla forms Ultra Financier Limited for high-net worth borrowers; to provide loans up to $150m
October 22, 2022

In 2022, Dolla had a successful year and formed Ultra Financier Limited to cater to the needs of high-net worth clients by offering loans up to $150 million. The company's focus on high-net worth clients proved to be a profitable strategy. Dolla launched Ultra Financier Limited as a wholly owned subsidiary, with David Henriques appointed as the CEO of the new subsidiary, recruited from ATL Group where he was the executive in charge of the Porsche dealership.

https://our.today/dolla-forms-new-subsidiary-ultra-financier-limited/

Dolla's CEO won the Montego Bay Chamber of Commerce Young Entrepreneur of The Year award
December 2, 2022

In December 2022, the Montego Bay Chamber of Commerce Industrial Awards recognized excellence in entrepreneurship at the Montego Bay Convention Centre. Dolla Financials' CEO, Kadeen Mairs, won the Young Entrepreneur of the Year award, highlighting his exceptional performance. The awards honour businesses and individuals for their excellence throughout the year, contributing to Montego Bay's economy. The event successfully celebrated achievements and inspired future entrepreneurs.

OUR TODAY
Dolla Donate J$1 million towards JSE Telethon
December 9, 2022

In support of the Jamaica Stock Exchange's Best Practices Awards, Dolla donated J$1 million towards the JSE Telethon. During the event held at The Jamaica Pegasus hotel in New Kingston, Dolla's directors Kadeen Mairs and Christopher Yeung presented the donation to JSE's Managing Director Marlene Street Forrest. The JSE Telethon, scheduled from December 16-18, aims to raise J$100 million..

https://our.today/dolla-donates-j1-million-towards-jse-telethon/#:~:text=Dolla's%20directors%2C%20Kadeen%20Mairs%20and,at%20raising%20J%24100%20million.

LOOP
Dolla & Derrimon Partnered with Bridge FM to Make a Child Smile
December 22, 2022

Dolla Financial and Derrimon Trading Limited (DTL) sponsored the annual Make A Child Smile Christmas Toy Drive, gifting 250 meals and treats to the Maxfield Park Children's Home during the holiday season. The event was a successful philanthropic effort, highlighting the companies' commitment to giving back to the community.

https://jamaica.loopnews.com/content/derrimon-and-dolla-partner-bridge-99-fm-make-child-smile

LOOP
Ultra Financier grows loan book to quarter-billion
December 23, 2022

Ultra Financier Limited, a subsidiary of Dolla Financial Services Limited, has grown its loan book to $250 million in just two months since its formation in October 2022. The company provides asset-based financing to high net-worth individuals, with zero risk in its portfolio. The experienced marketer David Henriques leads Ultra.

https://jamaica.loopnews.com/content/ultra-financiers-loan-book-grows-quarter-billion-dollars

Subsidiaries

DOLLA GUYANA INC.

2022 was a year of remarkable growth for Dolla Guyana Inc. As a new player in the Guyanese financial market, we were determined to make our mark and establish ourselves as a leading provider of financial services. Since opening our doors to the public in September 2021, at our Georgetown branch, the team has worked tirelessly to promote our services and build our brand. Through strategic marketing activities, we successfully raised awareness of our loan facilities among a diverse range of clients, including those employed in both the private and public sectors, self-employed individuals in key sectors such as construction, real estate, mining, public transportation, vendors, and other small businesses. Our unwavering commitment to providing high-quality financial services has paid off, and we are thrilled to have achieved significant growth and success in just one year.

For the twelve (12) months ended December 2022, Dolla Guyana's net interest income increased to G$91 million which represents a growth of G$82 million or 911% year over year. Operating expenses during the period amounted to G$41 million or J$20 million which increased by 518% year on year. This resulted in net profits of G$38 million or J$27 million which represents a change of 882% year on year.

Net Loans receivables stood at G$244 million or J$177 million up 870% year on year. Cash and cash equivalents increased to G$50 million or J$36 million growing by 120% year on year. Dolla's Guyana's overall asset base increased to G$317 million or J$231 million representing a 157% increase year over year. This growth is directly attributable to the sales throughout the period coupled with repayments from customers.

Expected credit losses (ECL) on loans stood at G$6 million as at December 2022 and increased by $5m over the prior year. The ECL movement is directly attributable to the growth in the loan portfolio, Non-performing loans (NPLs) to gross loans moved from 0% to 9% year over year. This increase is due to specific large accounts in arrears as at year end, as well as the ageing of the portfolio. Management is taking the necessary steps to recover the accounts and liquidate collateral, where applicable. Despite the increase, both the NPL's and ECL remain at a manageable level.

Shareholders' equity stood at G$75 million as at December 2022 and consists of G$33 million in retained earnings and G$42 million in share capital.

During 2022 Dolla Guyana Inc also started working on a partnership with Money Mobile Guyana "mmg+", an electronic wallet platform in Guyana. This partnership will offer clients an alternative, convenient way of making loan payments. In addition, the Company was approved by the Bank of Guyana to be designated as a Credit Information Provider. The Company partnered with EveryData Guyana (formerly CreditInfo) to assist in making better credit decisions and reduce the risk of delinquency in loan approvals.

Dolla Guyana Inc. is proud of the progress we have made and the partnerships we have formed to better serve our clients. We remain committed to providing innovative and convenient financial solutions to our clients across Guyana, and we are excited to announce our plans to open another branch in New Amsterdam, Berbice by the second quarter of 2023. This expansion will enable us to further serve our growing customer base and meet the increasing demand for our financial products and services. We look forward to continuing to build on our success and expanding our presence in Guyana in the years to come.

ULTRA FINANCIER LIMITED

Ultra Financier, a wholly owned subsidiary of Dolla Financial began operations in November 2022. As of December 2022 the loan portfolio has reached $251 million with a Non-performing loans at 0%.

For the two (2) months ended December 2022, Ultra Financiers' profit before tax grew to $12 million. Ultra Financier recorded a total income of $17 million. Operating expenses during the period amounted to $5 million which resulted in a net profit before tax of $12 million.

Net Loans receivables stood at $250 million which represents the net of gross loans ($249.9 million and ECL of $0.4 million). Ultra ended the period with cash and cash equivalents of $0.6 million and an overall asset base of $253 million. The Company recorded net interest income before expected credit losses (ECL) of $17.1 million for the period. The table below outlines the net interest income growth.

Operating expenses for the period ended December 31, 2022 were $4.8 million. The main areas of spend for the two month period were salaries and the associated statutory charges, as well as marketing, occupancy and ECL. The ECL for the period remained low at 0.4 million and relates solely to a single unsecured loan with a maturity date of June 2023.

Ultra recorded a total net profit before tax of $12.4 million for the period ended December 2022. This was largely due to the $259 million loans disbursed and minimal expenses incurred.

Ultra's total assets grew to $253 million during the period and is largely due to the increase in loan book size to $250 million. The balance is mainly attributable to the build out of the Ultra office.

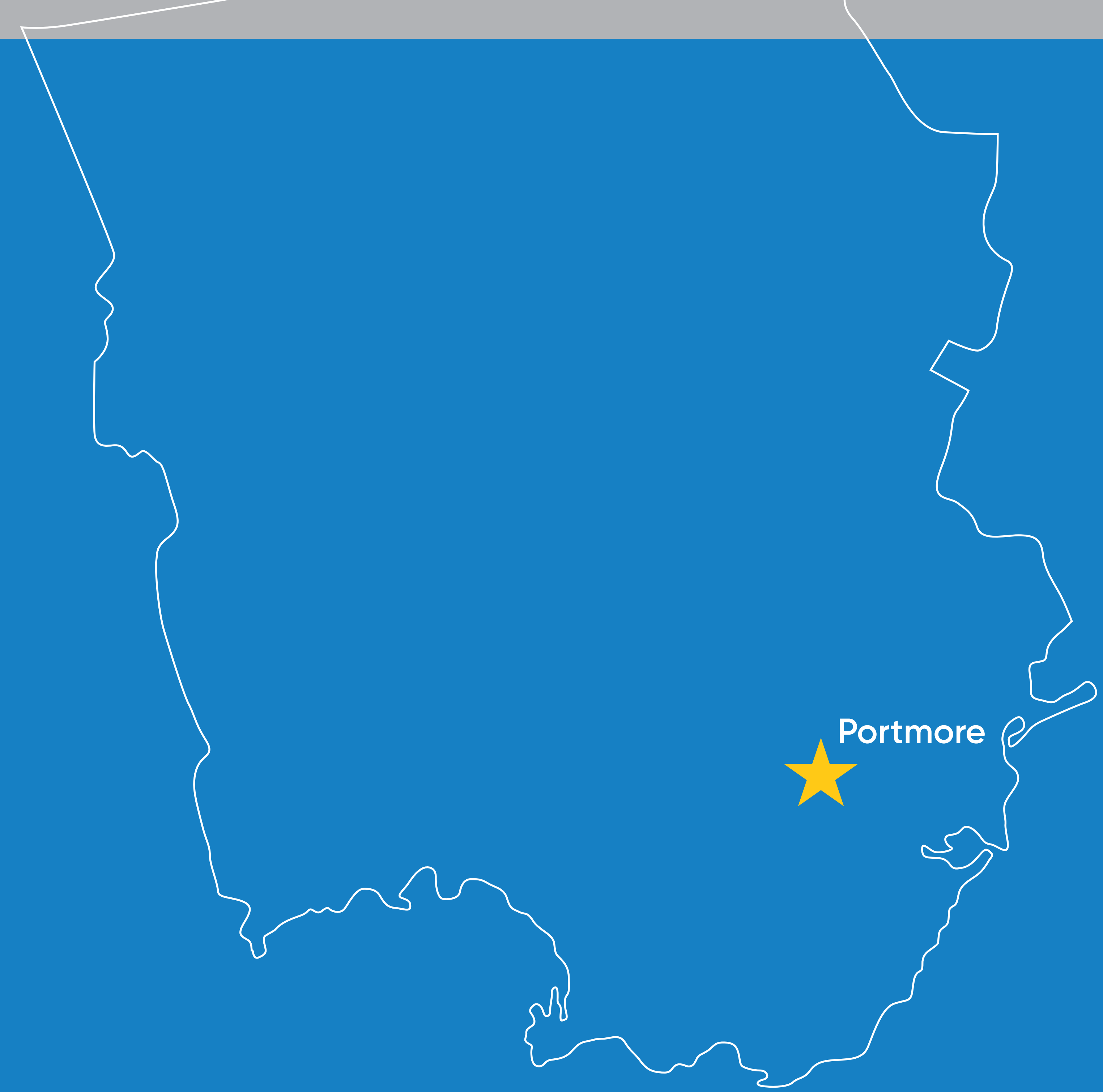
During the period ended December 2022, there were no loans outstanding however, there is a balance of $238 million due to Dolla Financial Services Limited (Dolla) which will be converted as a part of the $350 million loan to Ultra in January 2023, as per resolution signed in October 2022.

Shareholders' equity stood at $10.6 million as at December 2022 and consists of $9.6 million in retained earnings and $1.0 million in share capital.

The Ultra Location has been built out at Unit 15 Barbican Business Centre - 88 Barbican Road, Kingston 6.

Dolla Financial Services Limited

Financial Statements



Dolla Financial Services We Lend

Independent Auditor's Report

To the Members of Dolla Financial Services Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Dolla Financial Services Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2022, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- The consolidated statement of financial position as at 31 December 2022;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended;
- The company statement of financial position as at 31 December 2022;
- The company statement of comprehensive income for the year then ended;
- The company statement of changes in equity for the year then ended;
- The company statement of cash flows for the year then ended; and
- The notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: 876) 922 7581, www.pwc.com/jm

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The context of our audit is set by the Group's major occurrences and business activities for 2022. The Group's businesses are the provision of lending services to small and medium-sized enterprises through micro lending and also secured lending to high net worth individuals. In June 2022, the Company was listed on the Junior Market of the Jamaica Stock Exchange through an initial public offering (IPO). The Group also raised debt through the capital markets, and incorporated a new subsidiary, Ultra Financier Limited which is located in Jamaica.

We determined the scope of our audit by first considering the internal organisation of the Group and then identifying the components of the audit that have the most significant impact on the financial statements. The Group comprised three reporting components, all of which represent the principal business units within the Group and are located in Jamaica and Guyana. Full scope audits were performed for two components, while an audit of one or more financial statements line items was performed for the remaining component. The audit work performed covered 100% of the Group's total assets and 100% of total revenue. Two of the reporting components were audited by PwC Jamaica, while the other component, located in Guyana, was audited by a non-PwC firm, familiar with the local laws and regulations to perform this audit work. Throughout the audit we had regular meetings and correspondence with management and component auditor teams to follow up on progress of work for all components. The Group engagement team reviewed workpapers relating to the audit approach and findings of the component auditors.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
IFRS 9 'Financial Instruments' – Probabilities of Default, Forward-Looking Information & Significant Increase in Credit Risk (Group and Company) *Refer to notes 3(f), 4(b), 7 and 27(a) to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.* As at 31 December 2022, loans, net of provision for credit losses, totalled $1.7 billion and $1.3 billion on the Group's consolidated, and the Company's stand-alone statement of financial position respectively. These balances represent 77% of total assets for the Group and 64% of total assets for the Company. The impairment provisions recorded under the IFRS 9 expected credit loss (ECL) model amounted to $72 million for the Group and $66 million for the Company. The IFRS 9 ECL impairment model takes into account reasonable and supportable forward-looking information as well as probabilities of default (PDs). PDs represent the likelihood of a borrower defaulting on its obligation over the next twelve months or over the remaining lifetime of the obligation. PDs are developed by management, based on the Group and Company's specific historical default rates for each industry classification. In performing historical analyses, management identified economic variables impacting credit risk and ECLs for each portfolio. Various scenarios were identified, and weightings assigned using macro-economic factors as well as management's experience and judgement. Management also performs scenario analyses to determine the impact of future economic conditions on PDs in the countries and industries where the Group and Company have loan exposures. A macro-economic indicator is determined, which is statistically linked to the credit risk loan exposure.	Our approach to addressing the matter involved the following procedures, amongst others: • Updated our understanding of management's ECL model including any changes to source data and assumptions and tested the mathematical integrity of the model. • Evaluated the competence, independence and objectivity of management's expert. • Evaluated the design and tested the operating effectiveness of certain relevant controls over the forward-looking information and SICR in the ECL determination by performing inquiries with management and inspecting management's evaluation, review and approval of key assumptions, judgements and forward-looking information. • Evaluated, with the assistance of our specialists, the appropriateness of management's judgements pertaining to forward-looking information, including macro-economic factors and the basis of the multiple economic scenarios used. We sensitised the various inputs and assumptions as part of our reasonableness tests. • Evaluated the reasonableness of management's judgements pertaining to PD, SICR and forward-looking information, including macro-economic factors. • Tested the completeness and accuracy of the historical data used, on a sample basis, by agreeing the details of the customer payment profile to source documents. • Tested the staging of a sample of loans by reference to the number of days outstanding on the loan. • Tested the critical data fields, where applicable, used in the ECL model for the PD determination, such as default date, effective interest rate, write-off data, and loan type by tracing data back to source documents. • Evaluated the reasonableness of the weightings used for the base case, upside and downside scenarios by agreeing the forward-looking economic information to external sources published or pronounced by reputable third parties.

Key audit matter	How our audit addressed the key audit matter
We focused on this area because of the complexity of the techniques used to determine PDs and the number of significant judgements made by management regarding possible future economic scenarios. We further focused on management's assessment of Significant Increase in Credit Risk (SICR) as stage migrations can materially impact the ECL. Management's determination of PDs, forward-looking information and SICR was made with the assistance of an external expert.	• Sensitised the probability weightings used in the ECL calculation. The results of our procedures indicated that the assumptions used by management for determining the probabilities of default, significant increase in credit risk and forward-looking information were not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Garfield Reece.

PricewaterhouseCoopers

Chartered Accountants
15 March 2023
Kingston, Jamaica

DOLLA FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Assets			
Cash and cash equivalents	6	352,935	65,587
Loans, net of provisions for credit losses	7	1,725,742	750,503
Short Term Deposits	8	63,431	-
Deferred tax asset	16	1,597	-
Property, plant and equipment	12	69,296	36,668
Intangible assets	11	2	32
Other assets	9	31,744	8,304
Total assets		2,244,747	861,094
Liabilities			
Taxation payable		13,153	29,865
Borrowings	13	1,405,380	455,901
Lease liabilities	17	50,966	31,550
Preference shares	14	-	5,151
Deferred tax liabilities	16	-	5,839
Other payables and accruals	15	54,267	17,804
Total liabilities		1,523,766	546,110
Equity			
Share capital	18	462,145	240,349
Translation reserves		(5,392)	(587)
Capital redemption and fair value reserves	30	8,877	10,000
Retained earnings		255,351	65,222
Total shareholders' equity		720,981	314,984
Total liabilities and shareholders' equity		2,244,747	861,094

Approved for issue by the Board of Directors on 15 March 2023 and signed on its behalf by:

Ryan Reid — Chairman

Kadeen Mairs — Director

DOLLA FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Year Ended 31 December 2022 $'000	Year Ended 31 December 2021 $'000
Interest income	22	739,739	379,049
Interest expense	23	(78,829)	(53,582)
Net interest income		660,910	325,467
Provision for expected credit losses	7	(29,626)	(20,423)
Net interest income after credit losses		631,284	305,044
Non-interest income:			
Fees and other income	24	6,738	16,226
Foreign exchange losses		(2,658)	(33)
Total net interest income and other revenue		635,364	321,237
Operating expenses			
Administrative expenses	25	(339,724)	(153,440)
Profit before taxation		295,640	167,797
Taxation	26	(15,168)	(38,248)
Net profit		280,472	129,549
Other comprehensive income, net of tax - Exchange differences on translation of foreign operations, being total other comprehensive income		(4,805)	(587)
TOTAL COMPREHENSIVE INCOME		275,667	128,962
Basic and diluted earnings per stock unit	19	$0.18	$8.68

Net profit and comprehensive income for the year are entirely attributable to stockholders of the parent company.

DOLLA FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Translation Reserves $'000	Capital redemption and Other Reserves $'000	(Accumulated Deficit)/ Retained Earnings $'000	Total $'000
Balance at 1 January 2021		63,799	-	-	(54,327)	9,472
Net profit		-	-	-	129,549	129,549
Other comprehensive income		-	(587)	-	-	(587)
Total comprehensive income		-	(587)	-	129,549	128,962
Transactions with owners						
Issue of shares	18	176,550	-	-	-	176,550
Other						
Transfer to capital redemption reserve		-	-	10,000	(10,000)	-
Balance at 31 December 2021		240,349	(587)	10,000	65,222	314,984
Net profit		-	-	-	280,472	280,472
Other comprehensive income		-	(4,805)	-	-	(4,805)
Total comprehensive income		-	(4,805)	-	280,472	275,667
Transactions with owners						
Issue of shares	18	221,796	-	-	-	221,796
Dividends Declared	20	-	-	-	(91,466)	(91,466)
Other						
ESOP staff benefit		-	-	(1,123)	1,123	-
Balance at 31 December 2022		462,145	(5,392)	8,877	255,351	720,981

DOLLA FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Year Ended 31 December 2022 $'000	Year Ended 31 December 2021 $'000
Cash flows from operating activities:			
Net profit		280,472	129,549
Adjustments for:			
Depreciation and amortisation	25	19,431	12,731
Interest income	22	(739,739)	(379,049)
Interest expense		78,829	53,582
Foreign exchange losses		2,658	33
Taxation expense		15,168	38,248
Expected credit losses		29,626	20,423
		(313,555)	(124,483)
Change in operating assets and liabilities:			
Loans receivable		(858,456)	(451,001)
Other current assets		(22,709)	(3,161)
Other payables and accruals		35,399	7,127
Cash used in operations		(1,159,321)	(571,518)
Interest received		594,404	353,383
Lease Interest paid		(3,486)	(2,808)
Loan repaid		(310,584)	-
Loan interest repaid		(62,310)	(27,172)
Loan received		1,238,974	351,112
Preference shares interest paid		(5,297)	(16,865)
Redemption of preference shares	30	-	(10,000)
Taxation paid		(37,349)	(4,972)
Net cash provided by operating activities (carried forward to page 5)		255,031	71,160

DOLLA FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW (Cont'd)
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Year Ended 31 December 2022 $'000	Year Ended 31 December 2021 $'000
Net cash from operating activities (brought forward from page 4)		255,031	71,160
Cash flows from investing activities:			
Additions to property, plant and equipment	12	(16,337)	(2,399)
Short term deposits	8	(63,431)	-
Net cash used in investing activities		(79,768)	(2,399)
Cash flows from financing activities:			
Dividends		(86,809)	-
Share Issue		221,796	-
Lease principal payment		(18,022)	(7,182)
Net cash provided by/(used in) financing activities		116,965	(7,182)
Net increase in cash and cash equivalents		292,228	61,579
Effects of exchange rate changes on cash and cash equivalents		(4,880)	(1,569)
Cash and cash equivalents at beginning of year		65,587	5,577
Cash and cash equivalents at end of year	6	352,935	65,587

DOLLA FINANCIAL SERVICES LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Assets			
Cash and cash equivalents	6	316,177	50,256
Loans, net of provisions for credit losses	7	1,299,095	693,235
Short term deposits	8	63,431	-
Investment in subsidiaries	10	32,179	4
Deferred tax asset	16	1,218	-
Due from related party		241,160	-
Property, plant and equipment	12	53,903	25,327
Intangible assets	11	2	32
Other assets	9	29,985	6,385
Total assets		2,037,150	775,239
Liabilities			
Taxation payable		2,994	29,865
Due to related party	28(a)	-	76,626
Borrowings	13	1,251,810	299,454
Lease liabilities	17	39,445	19,890
Preference shares	14	-	5,151
Deferred tax liabilities	16	-	5,839
Other payables and accruals	15	49,559	17,279
Total liabilities		1,343,808	454,104
Equity			
Share capital	18	462,145	240,349
Capital redemption and fair value reserves	30	8,877	10,000
Retained earnings		222,320	70,786
Total shareholders' equity		693,342	321,135
Total liabilities and shareholders' equity		2,037,150	775,239

Approved for issue by the Board of Directors on 15 March 2023 and signed on its behalf by:

Ryan Reid — Chairman

Kadeen Mairs — Director

DOLLA FINANCIAL SERVICES LIMITED
COMPANY STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Year Ended 31 December 2022 $'000	Year Ended 31 December 2021 $'000
Interest income	22	638,342	370,643
Interest expense	23	(61,041)	(51,305)
Net interest income		577,301	319,338
Provision for expected credit losses	7	(24,819)	(19,456)
Net interest income after credit losses		552,482	299,882
Non-interest income:			
Fees and other income	24	6,780	16,226
Foreign exchange (losses)/gains		(1,778)	1,144
Total net interest income and other revenue		557,484	317,252
Operating expenses			
Administrative expenses	25	(310,360)	(143,891)
Profit before taxation		247,124	173,361
Taxation	26	(4,124)	(38,248)
Net profit being total comprehensive income		243,000	135,113

The accompanying notes on pages 9 to 56 form an integral part of these financial statements

DOLLA FINANCIAL SERVICES LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Capital Redemption and Other Reserves $'000	(Accumulated Deficit)/ Retained Earnings $'000	Total $'000
Balance at 1 January 2021		63,799	-	(54,327)	9,472
Profit for the year being total comprehensive income		-	-	135,113	135,113
Transactions with owners					
Issue of shares	18	176,550	-	-	176,550
Other					
Transfer to capital redemption reserve		-	10,000	(10,000)	-
Balance at 31 December 2021		240,349	10,000	70,786	321,135
Profit for the year being total comprehensive income		-	-	243,000	243,000
Transactions with owners					
Issue of shares	18	221,796	-	-	221,796
Dividends	20	-	-	(91,466)	(91,466)
Other					
ESOP staff benefit		-	(1,123)	-	(1,123)
Balance at 31 December 2022		462,145	8,877	222,320	693,342

DOLLA FINANCIAL SERVICES LIMITED
COMPANY STATEMENT OF CASH FLOWS
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Year Ended 31 December 2022 $'000	Year Ended 31 December 2021 $'000
Cash flows from operating activities:			
Net profit		243,000	135,113
Adjustments for:			
Depreciation and amortisation	25	14,553	10,076
Interest income	22	(638,342)	(370,643)
Interest expense		61,041	51,305
Foreign exchange losses		1,778	1,683
Taxation expense		4,124	38,248
Expected credit losses		24,819	19,456
		(289,027)	(114,762)
Change in operating assets and liabilities:			
Loans receivable		(510,010)	(394,012)
Due to related party		-	76,626
Due from related party		(313,352)	-
Other current assets		(22,284)	(1,242)
Other payables and accruals		32,600	6,602
Cash used in operations		(1,102,073)	(426,788)
Interest received		521,131	343,395
Lease Interest paid		(2,197)	(1,920)
Loan repaid		(310,584)	-
Loan interest repaid		(44,183)	(25,832)
Loan received		1,238,974	197,136
Preference shares interest paid		(5,297)	(18,265)
Redemption of preference shares	30	-	(10,000)
Taxation paid		(37,349)	(4,972)
Net cash provided by operating activities (carried forward on page 10)		258,422	52,754

DOLLA FINANCIAL SERVICES LIMITED
COMPANY STATEMENT OF CASH FLOWS (Cont'd)
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Year Ended 31 December 2022 $'000	Year Ended 31 December 2021 $'000
Net cash provided by operating activities (brought forward on page 9)		258,422	52,754
Cash flows from investing activities:			
Investment in subsidiary		(31,351)	(4)
Additions to property, plant and equipment	12	(11,648)	(1,958)
Short term deposits	8	(63,431)	-
Net cash used in investing activities		(106,430)	(1,962)
Cash flows from financing activities:			
Dividends		(86,809)	-
Share Issue		221,796	-
Lease principal payment		(14,638)	(7,256)
Net cash provided by/(used in) financing activities		120,349	(7,256)
Net increase in cash and cash equivalents		272,341	43,536
Effects of exchange rate changes on cash and cash equivalents		(6,420)	1,143
Cash and cash equivalents at beginning of year		50,256	5,577
Cash and cash equivalents at end of year	6	316,177	50,256

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

(i) Dolla Financial Services Limited ("the Company"), is a limited liability company incorporated and domiciled in Jamaica. The Company's parent company is FirstRock Private Equity Limited, which is incorporated in Barbados and owns a 60% interest in the Company. The Bank of Jamaica, on November 24, 2022, granted the Company a license to operate as a Microcredit Institution, pursuant to the Microcredit Act, 2021.

The principal place of business and registered office is located at Unit #1, Barbican Business Centre, 88 Barbican Road, Kingston 6.

On June 15, 2022 the Company was listed on the Junior Market of the Jamaica Stock Exchange after a fully subscribed invitation by the public. Through the listing, FRPE sold 15% of its shares to the public and now retains 60% stake in the Company, maintaining majority ownership.

The Company's principal activities during the year were the provision of short-term loans.

(ii) Dolla Guyana Inc.
During 2021, the Group established its fully owned subsidiary, Dolla Guyana Inc., which is incorporated in Guyana. The principal activity of the subsidiary during the year was the provision of short-term loans.

(iii) Ultra Financier Limited
During 2022, the Group established its fully owned subsidiary, Ultra Financier Limited, which is incorporated in Jamaica. The principal activity of the subsidiary during the year was the provision of short-term loans.

The Company's subsidiaries which together with the Company are referred to as "the Group"

2. Statement of Compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined there was no impact.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are mandatory for the Group's accounting periods beginning on or after 1 January 2023 or later periods but were not effective at the statement of financial position date. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

Amendments to IAS 1, *Presentation of financial statements* on classification of liabilities, (effective for annual periods beginning on or after 1 January 2023). These narrow-scope amendments to IAS 1 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and not early adopted (continued)

Amendment to IAS 12, ***Income Taxes*** on deferred tax related to assets and liabilities arising from a single transaction, (effective for annual periods beginning on or after 1 January 2023) . These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for the Group's financial year beginning on 1 January 2023). On 12 February 2022, the IASB ('the Board') issued amendments to the following standards:

- Disclosure of Accounting Policies, which amends IAS 1 and IFRS Practice Statement 2; and
- Definition of Accounting Estimates, which amends IAS 8.

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

The IASB amended IAS 1, *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies. The amendment provides the definition of material accounting policy information. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

To support this amendment, the Board also amended IFRS Practice Statement 2, *Making Materiality Judgements*, to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Group is currently assessing the impact of the amendments on its financial statements. There are no other standards, interpretations and amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Group.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation

(i) Subsidiaries
Subsidiaries are entities over which the Group has control. The Group has control over an entity when the Group is exposed to the variable returns from its ownership interest in the entity and when the Group can affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group, and subsidiaries are de-consolidated from the date on which control ceases.

All material intra-group balances, transactions and gains are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The company carries its investments in subsidiaries at cost less impairment.

(c) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Jamaican dollars, which is the Group's presentation currency.

(ii) Transactions and balances
Foreign currency transactions that require settlement in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All foreign exchange gains and losses recognised in profit or loss are presented within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

(iii) Group companies
The results and financial position of the Group's overseas subsidiary, which has a functional currency different from the presentation currency, is translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented is translated at the closing rate at the date of that statement of financial position;
- Income and expenses for items included in the profit or loss and cash flows are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of stockholders' equity in the translation reserve.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(c) Foreign currency translation (continued)

(iii) Group companies (continued)
On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to stockholders' equity. When a foreign operation is sold, such exchange differences are recognised in the profit or loss as part of the gain or loss on sale.

(d) Segment reporting
An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment. Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker is the Chief Executive Officer.

(e) Cash and cash equivalents
Cash and cash equivalents consist of current and savings account balances held with licensed financial institutions and cash in hand, net of bank overdrafts.

(f) Financial assets and liabilities
A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity in another entity.

Financial assets

(i) Classification
The Group classifies its financial assets in the following measurement category:
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Business model assessment
Business models are determined at the level which best reflects how the Group manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, funding a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Group intends to generate profits from holding a portfolio of assets; and
- The historical and future expectations of asset sales within a portfolio.

Solely payments of principal and interest ("SPPI")
Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets would be classified and measured at fair value through profit and loss (FVPL).

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(f) Financial assets and liabilities (continued)

Financial assets (continued)

(i) Classification (continued)
Recognition and derecognition
Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost or fair value. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provision of the instrument. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(ii) Measurement
At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets measured at amortized cost
The Group classifies its bank and deposit accounts, loan receivables and other current assets at amortised cost. These are assets that are held for collection of contractual cash flows where those cash flows represent SPPI and are measured at amortised cost. Interest income from these financial assets is recognised in profit or loss as part of interest income, using the effective interest rate 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. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the consolidated and company statement of comprehensive income. The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs.

(iii) Modification of loans
The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Group assesses whether the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:
- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan;
- Significant extensions of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency in which the loan is denominated; and
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset.

The date of negotiation is considered to be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(f) Financial assets and liabilities (continued)

Financial assets (continued)

(iv) Impairment
The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its loans receivable carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk (SICR). For other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The ECL in relation to sundry receivables is immaterial.

For loans, at initial recognition, an allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECLs resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

SICR
On initial recognition, the Group assesses the credit risk associated with each exposure as discussed in Note 28(a). The Group assumes that there is no significant increase in credit risk for instruments that have a low credit risk. Such assumption is applied to the Group's cash and cash equivalents.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available including information from the past and forward-looking information.

Factors such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment, or a change in the borrower's employment arrangements, payment method, industry or personal conditions are considered in determining whether there has been a SICR of the borrower.

SICR is determined by observing the extent to which adverse changes in one or more of the credit risk drivers could increase the likelihood of default since the origination of the loan. A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A change in the borrower's employment arrangements, payment method, industry or personal conditions could be deemed significant enough to trigger a forward migration of loans to Stage 2.

The Group determines that loans are credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether: contractual payments of either principal or interest are past due for 90 days or more; there are other indications that the borrower is impaired, and the maturity date has passed. If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(f) Financial assets and liabilities (continued)

Financial assets (continued)

(iv) The general approach to recognising and measuring ECL

Measurement
ECLs are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the lifetime ECL on initial recognition (i.e., Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience but given that IFRS 9 requirements have been applied for only a few years, there has been little time available to make these comparisons. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement.

This is particularly relevant for lifetime PDs, and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions with the current two geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivity analyses are considered in relation to factors to which the ECLs are particularly sensitive, and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 ECLs is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates will continue to leverage existing processes for estimating losses on impaired loans, however, these processes are updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An ECL estimate is produced for each individual exposure, including amounts which are subject to a more simplified model for estimating ECLs.

The measurement of ECLs for each stage and the assessment of SICR must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(f) Financial assets and liabilities (continued)

Financial assets (continued)

(v) The general approach to recognising and measuring ECL (continued)
For defaulted financial assets, based on management's assessment of the borrower, a specific provision for ECLs which incorporates collateral recoveries, is calculated, and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information
The estimation and application of forward-looking information require significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the ECL calculation has forecasts of the relevant macroeconomic variables – including, but not limited to, unemployment rates and gross domestic product, interest rate and inflation, subsequently reverting to long-run averages. The estimation of ECLs in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario is based on macroeconomic forecasts where available. Upside and downside scenarios are set relative to the base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design includes the identification of additional downside scenarios that occur on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to management's best estimate of the relative likelihood based on historical frequency and current trends and conditions. The weightings assigned to each economic scenario as at 31 December 2021 and 31 December 2022 were as follows:

	Base	Upside	Downside
31 December 2022:			
Lending portfolios	50%	20%	30%
31 December 2021:	50%	20%	30%
Lending portfolios			

Financial assets measured at amortized cost recognize impairment gains and losses in profit or loss in the statement of comprehensive income. Interest income is included on the face of the consolidated statement of comprehensive income.

(vi) Write-off
Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this would generally be after the receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(f) Financial assets and liabilities (continued)

Financial liabilities
The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the Group opted to measure a liability at FVPL.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(g) Accounts payable
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method.

(h) Interest-bearing borrowings
Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(i) Property, plant and equipment

a. Costs:

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied in the part will flow to the Group and its cost can be reliably measured. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(i) Property, plant and equipment (continued)

b. Depreciation:
Property, plant and equipment are depreciated on the straight-line basis at annual rates to write down the assets to their estimated residual values over their expected useful lives and is generally recognised in profit or loss. The depreciation rates are as follows:

Furniture, fixtures and equipment	10%
Computer equipment	20 %
Motor Vehicle	20%
Leasehold improvements	33⅓%

The depreciation method, useful lives and residual values are reassessed at each reporting date.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(j) Intangible assets
Costs that are directly associated with acquiring software licences, which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. These assets are stated at cost less accumulated amortisation and impairment losses, if any. The assets are amortised commencing on the date that they are available for use, using the straight-line method over their expected useful lives, not exceeding a period of four years. Costs associated with maintaining computer software programs are recognised as an expense, as incurred.

(k) Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets are reviewed at each financial year end to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash- generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Group that generates cash flows that largely are independent of other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(l) Revenue recognition
Revenue is income that arises in the course of the ordinary activities of the Group. It is comprised principally of fees and commissions and net interest income earned from loans.

a. Fee and commission income:
Fee and commission income are income recognised in profit or loss on the accrual basis when the service has been provided. Loan application fees are an integral part of the effective interest rate of the loan and are amortised using the effective interest rate method through interest income in the statement of comprehensive income over the period of the related loan agreement.

Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

b. Other income:
Other revenue items are recognised on the accrual basis.

(m) Interest expense
Interest expense is recognised in profit or loss 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 asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial liability. The effective interest rate is established on initial recognition of the financial liability and is not revised subsequently.

(n) Taxation
Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Company was listed on the Junior Market of the Jamaica Stock Exchange on June 15, 2022, and will receive a 5-year tax concession, under which it will pay no corporate income tax for the period and 50% of its applicable income tax thereafter. This tax incentive requires the Company to remain listed on the Junior Market for a minimum of 15 years to benefit from the tax incentive, otherwise the company will be liable to remit the taxes relieved under the concession. In years 6 to 10 on the Junior Market, the Company will be required to remit corporate tax at half the usual rate.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries, to the extent that it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(n) Taxation (continued)
Deferred tax is measured at the tax rates that will be applied to the temporary differences when they are expected to reverse, based on the laws that have been enacted as at the reporting date. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

(o) Provisions
A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(p) Employee benefits
Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, statutory contributions, annual vacation and sick leave, and non-monetary benefits, such as medical care. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(q) Leases
The Group leases various office spaces. The Group acting as lessee, recognises a right-of-use asset and lease liabilities for all leases with a term of more than 12 months. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

3. Summary of Significant Accounting Policies (Continued)

(r) Leases (continued)
Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of use asset is depreciated over the underlying asset's useful life. Right of use assets are not revalued.

(s) Operating expenses
Expenses include legal, marketing, professional and other fees. They are recognised in profit or loss in the period in which they are incurred on an accrual basis.

(t) Share capital
Common shares which are non-redeemable, and for which the declaration of dividends is discretionary are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds. Shares are classified as equity when there is no obligation to transfer cash or other assets.

(u) Dividends
Dividends on stock units are recognised in stockholders' equity in the period in which they are approved by the Company's Board of Directors.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

4. Critical Accounting Estimates and Judgments in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) Income taxes
The Group is subject to income taxes. Significant judgement is required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company will benefit from a tax concession for a period of ten (10) years, provided that the remains listed on the Junior Market of the Jamaica Stock Exchange for a minimum of 15 years, otherwise the Company will be liable to pay the taxes relieved under the concession.

(b) Measurement of the ECL
The measurement of the ECL for financial assets measured at amortised cost requires the use of models and significant assumptions about future economic conditions and credit behaviour such as the likelihood of customers defaulting and the resulting losses.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:
- Determining criteria for SICR;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing appropriateness of forward-looking information.

Forward looking information

A forward-looking score card model is used to estimate the potential impact of future economic conditions on the expected credit loss. The model accounts for the fact that a number of key macro-economic variables simultaneously play a role in impacting the overall state of the economy – albeit at varying degrees. The model is based on the premise that the probability of default is higher in a weak economic environment. The converse is true when the fundamentals of the economy are moving in the right direction. Four of the economic variables that are likely to have material the greatest degree of impact on the institution's expected credit loss include the following: inflation, interest rate, unemployment and gross domestic product. Weights are assigned to the respective economic variables based on the degree of influence that each variable is presumed to have on the borrowers' overall likelihood of default.

Macroeconomic variables that affect the performance of the portfolio the most are chosen and their significance (weighting) assigned. Each macroeconomic variable is then given a state, depending on management expectation. Each state is assigned a corresponding multiplier which indicates the impact of the state on the portfolio. The multipliers determine the range of ECL fluctuation. If the range is narrow, it means that the portfolio is less prone to macro-economic conditions. If the range is wide, the portfolio is easier affected by the indicators identified. This exercise is performed for all scenarios which represent different macroeconomic outlook. The set of variables remain the same, however the states may vary depending on each specific scenario. The three scenarios are weighted based on the range of macroeconomic scenarios they cover. The score and probability of impact of each scenario are multiplied, and the results are summed for all three scenarios.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Information

Operating segments are reported in accordance with the information analysed by the Chief Executive Officer (the chief operating decision-maker) of the Group, who is responsible for allocating resources to the reportable segments and assessing its performance.

The Group has identified three reportable segments of its business:

(a) Loan operations in Dolla Jamaica
(b) Loan operations in Dolla Guyana
The amounts provided to the Board in respect of total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment. As all assets and liabilities have been allocated to the operating (reportable) segments, reconciliations of reportable segments' assets to total assets, and of reportable segments' liabilities to total liabilities, are not presented.
(c) Loan operations from Ultra Financier Limited
The amounts provided to the Board in respect of total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment. As all assets and liabilities have been allocated to the operating (reportable) segments, reconciliations of reportable segments' assets to total assets, and of reportable segments' liabilities to total liabilities, are not presented.

The tables below show results and net assets by segment and geographical location.

	2022				
	Jamaica $'000	**Guyana $'000**	**Ultra $'000**	**Eliminations $'000**	**Group $'000**
Interest income	638,342	84,286	17,111	-	739,739
Interest expense	(61,041)	(17,788)	-	-	(78,829)
Provision for expected credit losses	(24,819)	(4,446)	(361)	-	(29,626)
Fee and other income	6,780	(42)	-	-	6,738
Foreign exchange losses	(1,778)	(880)	-	-	(2,658)
Depreciation and amortisation	(14,553)	(4,878)	-	-	(19,431)
Other administrative expenses	(295,807)	(20,093)	(4,393)	-	(320,293)
Operating profit/(loss)	247,124	36,159	12,357	-	295,640
Taxation	(4,124)	(8,238)	(2,806)	-	(15,168)
Net profit	243,000	27,921	9,551	-	280,472
Total assets	2,037,150	230,113	252,859	(275,375)	2,244,747
Total liabilities	1,343,808	175,698	242,307	(238,047)	1,523,766
Other segment items:					
Additions to property, plant & equipment (Note 12)					52,059

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

5. Segment Reporting (Continued)

	2021			
	Jamaica $'000	Guyana $'000	Eliminations $'000	Group $'000
Interest income	370,643	8,406	-	379,049
Interest expense	(51,305)	(2,277)	-	(53,582)
Provision for expected credit losses	(19,456)	(967)		(20,423)
Fee and other income	16,226	-	-	16,226
Foreign exchange losses	1,144	(1,177)	-	(33)
Depreciation and amortisation	(10,076)	(2,655)		(12,731)
Other administrative expenses	(133,815)	(6,894)	-	(140,709)
Operating profit	173,361	(5,564)	-	167,797
Taxation	(38,248)	-	-	(38,248)
Net profit	135,113	(5,564)	-	129,549
Total assets	775,239	163,078	(77,223)	861,094
Total liabilities	454,104	168,640	(76,634)	546,110
Other segment items:				
Additions to property, plant & equipment (Note 12)				22,219

6. Cash and Cash Equivalents

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash in hand	214	122	199	107
Deposits (a)	252,489	-	252,489	-
Cash at bank	100,232	66,164	63,489	50,848
	352,935	66,286	316,177	50,955
Bank overdraft	-	(699)	-	(699)
	352,935	65,587	316,177	50,256

(a) This represents a Certificate of Deposit of $250,000,000 being held at VMBS for 90 days at an interest rate of 9.5%. The facility matures on February 10, 2023, and the current balance includes interest accrued year to date.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

7. Loans, Net of Provision for Credit Losses

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Gross loans and advances	1,596,130	750,343	1,185,471	693,380
Loan interest and other receivables	201,710	42,632	179,948	41,360
	1,797,840	792,975	1,365,419	734,740
Less: ECL	(72,098)	(42,472)	(66,324)	(41,505)
	1,725,742	750,503	1,299,095	693,235
Current portion of loans:				
Gross loans and advances	958,296	559,100	588,341	509,214
Loan interest and other receivables	130,131	35,256	112,895	34,116
	1,088,427	594,356	701,236	543,330
Less: ECL	(62,715)	(40,336)	(57,082)	(39,269)
	1,025,712	554,020	644,154	504,061

The movement in the provision for credit losses determined under the requirements of IFRS is:

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Provision for expected losses at beginning of year	42,472	22,049	41,505	22,049
Provided for during the year	29,626	20,423	24,819	19,456
	72,098	42,472	66,324	41,505

Provision for expected credit losses

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Increase on loan loss provision during the year	29,626	20,423	24,819	19,456
Charged to profit or loss during the year	29,626	20,423	24,819	19,456

Certain loan balances have been pledged as collateral for the $1,140,868,000 secured bond (Note 13).

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

8. Short Term Deposits

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
(a) Victoria Mutual Wealth Management Limited (VMWM) Repo	32,865	-	32,865	-
(b) Sagicor Bank Jamaica (SBJ) Certificate of Deposit	30,566	-	30,566	-
	63,431	-	63,431	-

(a) This represents an investment of $32,666,330.78 in a Repurchase Agreement at 6.25% p.a. secured by an MOF BN Fixed rate 10% Bond. The facility matures on November 14, 2023. Current balance includes interest accrued year to date.

(b) This represents a Certificate of Deposit of $30,000,000 being held at SBJ for 365 days at an interest rate of 5%. The facility matures on June 29, 2023. Current balance includes interest accrued year to date.

9. Other Assets

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Staff advance	3,403	529	3,403	529
Sundry receivables	17,478	675	17,466	648
Prepayments	5,462	5,636	5,130	4,544
Security deposits	5,401	1,464	3,986	664
	31,744	8,304	29,985	6,385

All other receivable balances including those in the prior year are current

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

10. Investment in Subsidiaries

	The Company	
	2022	**2021**
	$'000	**$'000**
Shares in:		
Dolla Guyana Inc.	31,179	4
Ultra Financier Limited	1,000	-
	32,179	4

11. Intangible Assets

	Group and Company
	Software
	$'000
Cost -	
At 31 December 2021 and 31 December 2022	1,301
Amortisation -	
Balance at 31 December 2021	1,269
Charge for the year	30
Balance at 31 December 2022	1,299
Net Book Value -	
At 31 December 2022	2
At 31 December 2021	32

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

12. Property, Plant and Equipment

	The Group						
	Furniture Fixtures and Equipment $'000	Computer Equipment $'000	Leasehold Improvement $'000	Work-in Progress $'000	Right-of-use Asset $'000	Motor Vehicle $'000	Total $'000
Gross carrying amount							
Balance 1 January 2021	3,823	4,581	13,676	474	30,032	-	52,586
Additions	898	1,501	-	-	19,820	-	22,219
Balance at 31 December 2021	4,721	6,082	13,676	474	49,852	-	74,805
Additions	2,575	4,016	7,713	-	35,722	2,033	52,059
Balance at 31 December 2022	7,296	10,098	21,389	474	85,574	2,033	126,864
Depreciation							
Balance at 1 January 2021	1,186	3,104	12,160	-	9,048	-	25,498
Charge for the year	431	669	946	-	10,593	-	12,639
Balance at 31 December 2021	1,617	3,773	13,106	-	19,641		38,137
Charge for the year	515	1,270	799	-	16,665	182	19,431
Balance at 31 December 2022	2,132	5,043	13,905	-	36,306	182	57,568
Net Book Value-							
At 31 December 2022	5,164	5,055	7,484	474	49,268	1,851	69,296
At 31 December 2021	3,104	2,309	570	474	30,211	-	36,668

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

12. Property, Plant and Equipment (Continued)

	The Company					
	Furniture Fixtures and Equipment $'000	Computer Equipment $'000	Leasehold Improvement $'000	Work-in Progress $'000	Right-of-use Asset $'000	Total $'000
Gross carrying amount						
Balance at 1 January 2021	3,823	4,581	13,676	474	30,032	52,586
Additions	762	1,196	-	-	6,265	8,223
Balance at 31 December 2021	4,585	5,777	13,676	474	36,297	60,809
Additions	1,591	3,743	6,314	-	31,481	43,129
Balance at 31 December 2022	6,176	9,520	19,990	474	67,778	103,938
Depreciation						
Balance at 1 January 2021	1,186	3,104	12,160	-	9,048	25,498
Charge for the year	428	653	946	-	7,957	9,984
Balance at 31 December 2021	1,614	3,757	13,106	-	17,005	35,482
Charge for the year	498	1,041	829	-	12,185	14,553
Balance at 31 December 2022	2,112	4,798	13,935	-	29,190	50,035
Net book Values						
At 31 December 2022	4,064	4,722	6,055	474	38,588	53,903
At 31 December 2021	2,971	2,020	570	474	19,292	25,327

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

13. Long Term Loan

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Current portion of long-term loan	239,267	255,044	86,551	100,000
Long term loan	1,140,869	197,136	1,140,869	197,136
	1,380,136	452,180	1,227,420	297,136

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Unsecured loans (a)	86,551	100,000	86,551	100,000
Corporate notes payable (b)	1,140,869	197,136	1,140,869	197,136
USD Promissory note (c)	152,716	155,044	-	-
	1,380,136	452,180	1,227,420	297,136
Interest payable	25,244	3,721	24,390	2,318
	1,405,380	455,901	1,251,810	299,454

(a) This represents an unsecured loan facility from FirstRock Private Equity Limited for general business purposes in the sum of $86,551,000 at an interest rate of 15% per annum.

(b) This represents the carrying value of corporate notes issued through a private placement by Dolla Financial Services Limited in 2022 to institutional and individual investors. The proceeds were used for growing the Company's loan portfolio and to expand the offering of high value loans through our new subsidiary, Ultra. A total of $1,170,822,000 was raised from this private placement through the issuance of thirty-one (31) 10.50% variable interest rate bonds Senior Secured Notes with a maturity date of 3 October 2025 and fifteen (15) 11.75% variable interest rate bonds Senior Secured Notes with a maturity date of 3 October 2027. The notes are secured by a debenture creating a fixed and floating charge over all assets of the Company. The Group remains compliant with all financial covenants outlined in the terms of the bond agreement.

(c) This represents a US$1,000,000 promissory note. This was issued to Dolla Guyana Inc. during the year 2021 to fund the growth of its loan portfolio. The loan attracts interest at a rate of 11% per annum. The loan is unsecured and matures on 11 January 2023.

(d) Fair value

	Group			
	Carrying Amounts		Fair Values	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Unsecured loans	86,551	100,000	85,904	100,748
Corporate notes payable	1,140,869	197,136	1,128,087	195,047
USD Promissory note	152,716	155,044	149,792	152,075
	1,380,136	452,180	1,363,783	447,870

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

13. Long Term Loan (Continued)

(d) Fair value (continued)

	Company			
	Carrying Amounts		Fair Values	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Unsecured loans	86,551	100,000	85,904	100,748
Corporate notes payable	1,140,869	197,136	1,128,087	195,047
	1,227,420	297,136	1,213,991	295,795

The carrying amounts in the tables above exclude the amounts for interest payable. Management assumes that the carrying value and fair value for interest payable are the same.

The fair values disclosed above are Level 3 measurements.

Reconciliation of liabilities arising from financing activities

The tables below details changes in the Group's and Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	The Group					
	31 December 2021 $'000	Financing cash flows $'000	Non-cash changes – new leases $'000	Non-cash changes – foreign exchange movements $'000	Operating cash flow charge $'000	31 December 2022 $'000
Lease liabilities	31,550	(21,508)	35,925	1,513	3,486	50,966
	31,550	(21,508)	35,925	1,513	3,486	50,966

	The Company					
	31 December 2021 $'000	Financing cash flows $'000	Non-cash changes – new leases $'000	Non-cash changes – foreign exchange movements $'000	Operating cash flow charge $'000	31 December 2022 $'000
Lease liabilities	19,890	(16,835)	31,481	2,712	2,197	39,445
	19,890	(16,835)	31,481	2,712	2,197	39,445

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

13. Long Term Loan (Continued)

The Group

	31 December 2020	Financing cash flows	Non-cash changes – new leases	Non-cash changes – foreign exchange movements	Operating cash flow charge	31 December 2021
	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	20,882	(9,990)	19,819	(2,215)	3,054	31,550
	20,882	(9,990)	19,819	(2,215)	3,054	31,550

The Company

	31 December 2020	Financing cash flows	Non-cash changes – adoption of IFRS 16	Non-cash changes – foreign exchange movements	Operating cash flow charge	31 December 2021
	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	20,882	(9,176)	6,265	-	1,919	19,890
	20,882	(9,176)	6,265	-	1,919	19,890

14. Preference Shares

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Preference shares	-	-	-	-
Interest payable	-	5,151	-	5,151
	-	5,151	-	5,151

In April 2021, the Company entered a preference share agreement with FirstRock Real Estate Investments Limited where the Company issued 1,300,000 preference shares at a consideration of $186,550,000. Shares valued at $10,000,000 were redeemed during the period (Note 29). The remaining preference shares were converted to equity at 31 December 2022. See Note 17. The interest payable as at 31 December 2021 of $5,151,000 was repaid in January 2022.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

15. Other Payables and Accruals

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current liabilities				
Audit fees payable	10,180	3,403	7,948	3,403
Statutory payables	4,702	2,346	4,464	1,830
Unallocated cash	11,905	6,440	11,763	6,278
Undisbursed funds	5,762	-	5,762	-
Dividends Payable	4,658	-	4,658	-
Accrued expenses	17,060	5,615	14,964	5,768
Total	54,267	17,804	49,559	17,279

All amounts are short-term and the carrying value is considered to be a reasonable approximation of fair value.

16. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

	The Group		The Company	
	2022	2021	2022	2021
Deferred income taxes	(1,597)	5,839	(1,218)	5,839

The movement on the deferred income tax account is as follows:

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Liability/(asset) at beginning of year	5,839	(1,827)	5,839	(1,827)
Credited/(charged) to statement of comprehensive income (Note 26)	(7,436)	7,666	(7,057)	7,666
Liability/(asset) at end of year	(1,597)	5,839	(1,218)	5,839

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

17. Deferred Income Taxes (Continued)

Deferred income tax assets and liabilities are attributable to the following items:

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deferred tax (assets)/liability -				
Interest payable	(5,839)	1,867	(5,839)	1,867
Other	33	-	-	-
Tax losses unused	374	-	-	-
Unrealised foreign currency losses	-	-	-	
Property, plant & equipment depreciation	7,152	1,140	7,057	1,140
Deferred tax liabilities -				
Unrealised foreign currency gains	(123)	(285)	-	(285)
Interest receivable	-	(8,561)	-	(8,561)
Net deferred tax (liabilities) / asset	1,597	(5,839)	1,218	(5,839)

The amounts shown in the statement of financial position included the following:

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deferred tax assets to be recovered after more than 12 months	-	-	-	-
Deferred tax liabilities to be recovered after more than 12 months	7,152	1,140	7,057	1,140

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

18. Leases

This note provides information for leases where the Group is a lessee.

a) Amounts recognised in the statement of financial position

	The Group		The Company	
Right-of-use assets	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Buildings	49,268	30,211	38,588	19,292
	49,268	30,211	38,588	19,292
Lease liabilities				
Current	24,530	10,755	16,963	7,685
Non-current	26,436	20,795	22,482	12,205
	50,966	31,550	39,445	19,890

b) Amounts recognised in the statement of comprehensive income

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Depreciation charge on right-of-use assets				
Buildings	16,665	10,593	12,815	7,957
Interest expense (Note 23)	3,486	2,856	2,197	1,920
Total expenses related to leases	20,151	13,449	15,012	9,877

The total cash outflow for the Group for leases in 2022 was $21,508,000 (2021: $9,990,000) and for the Company, it was $15,691,000 (2021: $9,176,000).

19. Share Capital

	Number	2022 $'000	2021 $'000
Authorised:			
Unlimited			
Stated capital			
Issued and fully paid:			
At the beginning of year	26,597,360	240,349	63,799
Shares issued during the year	2,473,402,640	221,796	176,550
	2,500,000,000	462,145	240,349

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

18. Share Capital (Continued)

The following actions were passed unanimously by shareholders on May 5, 2022:

(a) Increase maximum authorized share capital from 100,000,000 to an unlimited number of shares.
(b) Existing ordinary shares be subdivided resulting in an increase of ordinary shares from 26,597,360 to 2,250,000,000.
(c) Approval of the Initial Public Offering (IPO), listing of the Company and the issuance of 250,000,000 new shares.

The Company listed 2,500,000,000 shares on the Junior Market of the Jamaica Stock Exchange on June 15, 2022 and the proceeds of fully subscribed 250,000,000 newly issued ordinary shares amounted to $221,796,000 net of transaction costs of $28,204,000.

19. Earnings per Stock Unit

Basic earnings per stock unit are calculated by dividing the net profit attributable to shareholders by the weighted average number of stock units outstanding during the year.

	2022	2021
Net profit attributable to shareholders ($'000)	280,472	129,549
Weighted average number of stock units in issue	1,550,860,401	14,931,159
Basic earnings per stock unit	$0.18	$8.68

The Group has no dilutive potential stock units. The diluted earnings per stock unit are the same as the basic earnings per stock unit.

20. Dividends

	2022 $'000	2021 $'000
Declared at $0.0376 (2021: 0.00) cents per share	91,466	-
Total dividends to shareholders	91,466	-

At a meeting held on 08 November 2022, the Board of Directors approved an interim dividend of $0.0376 per share payable on 07 December 2022 to shareholders on record as at 25 November 2022.

At a meeting held on 23 February 2023, the Board of Directors approved an interim dividend of $0.02 per share payable on 6 April 2023 to shareholders on record as at 23 March 2023.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

21. Net Profit and Retained Earnings

	2022 $'000	2021 $'000
(i) Net profit dealt with in the financial statements of:		
The Company	243,000	135,113
The subsidiaries	37,472	(5,564)
	280,472	129,549
(ii) Retained earnings reflected in the financial statements of:		
The Company	222,320	70,786
The subsidiaries	33,031	(5,564)
	255,351	65,222

22. Interest Income

	The Group		The Company	
	Year Ended 31 December 2022 $'000	Year Ended 31 December 2021 $'000	Year Ended 31 December 2022 $'000	Year Ended 31 December 2021 $'000
Interest income – loans	704,941	378,889	603,544	370,483
Interest income – cash and deposits	34,798	160	34,798	160
	739,739	379,049	638,342	370,643

23. Interest Expense

	The Group		The Company	
	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000
Interest on loans	75,343	27,309	58,844	25,968
Interest on preference shares	-	23,417	-	23,417
Interest on leases	3,486	2,856	2,197	1,920
	78,829	53,582	61,041	51,305

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

24. Fees and Other Income

	The Group		The Company	
	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000
Creditors' insurance premium fees	-	1,181	-	1,181
Other	6,780	15,045	6,738	15,045
	6,780	16,226	6,738	16,226

25. Expenses by Nature

Total direct, administration and other operating expenses recognized were:

a. Staff costs:

	The Group		The Company	
	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000
Salaries and benefits	164,510	84,726	152,492	82,978
Statutory payroll contributions	16,228	8,105	15,473	7,979
Other	15,531	1,971	15,394	1,958
	196,269	94,802	183,359	92,915

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

25. Expenses by Nature (Continued)

b. Administrative expenses comprise:

	The Group		The Company	
	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000
Directors' fees	9,261	3,442	9,261	3,442
Advertising	20,885	4,268	18,631	3,610
Audit fees	12,282	4,513	9,900	4,513
Bank charges	2,344	1,149	2,066	1,076
Information technology	1,333	2,112	1,333	2,112
Depreciation and amortization	19,431	12,731	14,553	10,076
Irrecoverable GCT	6,984	2,786	6,984	2,786
Donations and subscriptions	9,839	7,944	9,789	7,759
Insurance	-	90	-	90
Legal and other professional fees	28,052	5,917	25,447	5,127
Office and other expenses	7,953	3,128	7,101	3,085
Postage and utilities	6,332	4,609	5,439	4,429
Repairs and maintenance	2,264	1,338	2,265	1,338
Staff costs (Note 25(a))	196,269	94,802	183,359	92,915
Travel and entertainment	3,618	3,686	1,267	608
Management fees	12,000	-	12,000	-
Security	877	925	965	925
Total administration expenses	339,724	153,440	310,360	143,891

26. Taxation

a. Recognised in profit or loss:

The income tax charge is computed at 25% of the results for the year as adjusted for taxation purposes, and comprises:

	The Group		The Company	
	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000
Current tax	22,604	30,582	11,181	30,582
Deferred tax (Note 16)	(7,436)	7,666	(7,057)	7,666
Tax expense	15,168	38,248	4,124	38,248

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

26. Taxation (Continued)

The theoretical charge for the year can be reconciled to the effective tax charge as follows:

	The Group		The Company	
	Year ended 31 December 2022 $'000	Year ended 31 December 2021 $'000	Year Ended 31 December 2022 $'000	Year ended 31 December 2021 $'000
Profit before tax	295,640	167,797	247,124	173,361
Tax at 25%	73,910	41,949	61,781	43,340
Tax effect of expenses not deductible for tax purposes	6,365	3,958	6,364	3,958
Prior year deferred tax adjustment	-	2,860	-	2,860
Employment & Corporate tax credits	(5,166)	(13,106)	(4,791)	(13,106)
Difference in tax rates	(31,043)	-	(31,043)	-
Tax Remittance notice (Jamaica Stock Exchange Junior Market)	(30,194)	-	(30,194)	-
Other credit/(charge)	1,296	2,587	2,007	1,196
Income tax	15,168	38,248	4,124	38,248

The Company was listed on the Junior Market of the Jamaica Stock Exchange (JSE) on June 15, 2022 which allows for the remission of taxes for ten (10) years (years 1 – 5 at 100% and years 6 – 10 at 50%), provided the entity complies with the criteria set forth by the Junior Market rules of the JSE below:

a) The Company remains listed for 15 years and is not suspended from the JSE due to breaches;
b) Maintaining subscribed participating voting shareholders not exceeding $500 million, and;
c) Maintaining at least 50 participating voting shareholders.

27. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is the most important risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from loans receivable and cash at bank.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty. The Group manages its credit risk by screening its customers, establishing credit limits, collateral for loans where applicable, and the rigorous follow-up of receivables.

Credit review process

Senior management personnel meet on a monthly basis to discuss an analysis of the ability of customers and other counterparties to meet repayment obligations.

(i) Loans receivable
Loans receivable are balances which have been recognised when cash is advanced to borrowers. Receivables are monitored and followed up on a regular basis and provisions made as deemed necessary based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

(ii) The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established a credit policy under which each customer is analysed individually for credit worthiness prior to the Group offering loan facilities.

Customers are required to provide proof of collateral to be held as security.

The Group uses three categories for loans which reflect their credit risk and how the loan loss provision is determined for each of those categories.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Definition of Category	Basis for recognition of ECL
Performing	• Loans for which there is no evidence of a SICR since the origination date. • Loans that are due to mature within 12 months of the reporting date providing that such loans are not in a state of default.	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1).
Underperforming	• Loans past due between 30 to 89 days • Loans that experienced a SICR even if the 30 days past due days threshold is not met	Lifetime expected losses (stage 2).
Non-Performing (credit impaired)	• Loans that are past due 90 days and over • Loans for which the maturity date has elapsed • Loans that show evidence of impairment even if the 90 days past due threshold is not met	Lifetime expected losses (stage 3).
Write-off	See note 3(f)(vi)	Asset is written off.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

Over the term of the loans, the Group accounts for its credit risk by appropriately providing for ECLs on a timely basis.

(i) Cash and cash equivalents
The Group limits its exposure to credit risk by placing cash and cash equivalents with counterparties that have high credit quality and on terms that allow for high levels of liquidity. Accordingly, management does not expect any counterparty to fail to meet its obligations.

Maximum exposure to credit risk

The maximum credit exposure, the total amount of loss the Group would suffer if every counterparty to the Group's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position. There was no change in the nature or exposure to credit risk to which the Group is subjected or its approach to measuring and managing the risk during the year.

Credit quality of financial assets

The following table sets out the staging of the Group's and Company's financial assets, exposed to credit risk, and shows their maximum exposure to credit risk. The amounts shown in the tables reconcile to the carrying values as shown in the financial statements. The tables below exclude other assets, which are in stage 1 and for which there is no ECL. All of the items listed below were in stages 1-3 and loss allowances were recorded only for loans receivable classified at amortised cost. There were no financial assets that were purchased credit impaired.

	The Group ECL Staging 2022				The Company ECL Staging 2022			
	12-month ECL	Stage 2 – Lifetime ECL	Stage 3 – Lifetime ECL	Total	12 - month ECL	Stage 2 – Lifetime ECL	Stage 3 – Lifetime ECL	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December								
Loans receivable Not rated**	1,146,025	266,685	385,130	1,797,840	1,089,123	193,094	83,202	1,365,419
Short Term Deposits - A	63,431	-	-	63,431	63,431	-	-	63,431
Cash at bank - A	352,935	-	-	352,935	316,178	-	-	316,178
Gross carrying amount	1,562,391	266,685	385,130	2,214,206	1,468,732	193,094	83,202	1,745,028
ECL	(7,191)	(1,557)	(63,350)	(72,098)	(5,860)	(1,705)	(58,759)	(66,324)
Gross carrying amount, net of ECL	1,555,200	265,128	321,780	2,142,108	1,462,872	191,389	24,443	1,678,704

SICR was experienced for loans receivable based on increases in days past due for certain loans.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

	The Group ECL Staging 2021				The Company ECL Staging 2021			
	12-month ECL	Stage 2 – Lifetime ECL	Stage 3 – Lifetime ECL	Total	12 - month ECL	Stage 2 – Lifetime ECL	Stage 3 – Lifetime ECL	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December								
Loans receivable Not rated**	679,350	55,193	58,432	792,975	621,115	55,193	58,432	734,740
Cash at bank - A	65,465	-	-	65,465	50,149	-	-	50,149
Gross carrying amount	744,815	55,193	58,432	858,440	671,264	55,193	58,432	784,889
ECL	(6,238)	(1,547)	(34,687)	(42,472)	(5,270)	(1,548)	(34,687)	(41,505)
Gross carrying amount, net of ECL	738,577	53,646	23,745	815,968	665,994	53,645	23,745	743,384

Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to loans experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new loans recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and lifetime ECL; and
- Impacts on the measurement of ECL due to changes made to models and assumptions.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowances (continued)

	The Group				
	Stage 1	Stage 2	Stage 3	2022	2021
	12-month ECL	Lifetime ECL	Lifetime ECL	Total	Total
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Gross carrying amount as at 1 January	679,350	55,193	58,432	792,975	316,308
New financial assets originated	829,764	217,874	284,728	1,332,366	1,051,107
Transfer from Stage 1 to Stage 2	(46,221)	46,221	-	-	-
Transfer from Stage 1 to Stage 3	(38,499)	-	38,499	-	-
Transfer from Stage 2 to Stage 1	566	(566)	-	-	-
Transfer from Stage 2 to Stage 3	-	(4,163)	4,163	-	-
Financial assets fully derecognised during the period	(607,175)	(47,874)	(692)	(655,741)	(654,074)
Changes in principal and interest	328,240	-	-	328,240	79,634
Gross carrying amount as at 31 December	**1,146,025**	**266,685**	**385,130**	**1,797,840**	**792,975**

	The Company				
	Stage 1	Stage 2	Stage 3	2022	2021
	12-month ECL	Lifetime ECL	Lifetime ECL	Total	Total
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Gross carrying amount as at 1 January	621,115	55,193	58,432	734,740	316,308
New financial assets originated	799,899	145,183	23,665	968,747	962,968
Transfer from Stage 1 to Stage 2	(45,322)	45,322	-	-	-
Transfer from Stage 1 to Stage 3	(32,321)	-	32,321	-	-
Transfer from Stage 2 to Stage 1	566	(566)	-	-	-
Transfer from Stage 2 to Stage 1	-	(4,163)	4,163	-	-
Financial assets fully derecognised during the period	(562,927)	(47,875)	(35,379)	(646,181)	(642,082)
Changes in principal and interest	308,113	-	-	308,113	97,546
Gross carrying amount as at 31 December	**1,089,123**	**193,094**	**83,202**	**1,365,419**	**734,740**

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowances (continued)

	The Group				
	Stage 1	Stage 2	Stage 3	2022	2021
	12-month ECL	Lifetime ECL	Lifetime ECL	Total	Total
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Loss Allowance as at 1 January	6,238	1,547	34,687	42,472	22,049
New financial assets originated	6,775	1,345	36,688	44,808	-
Transfer from Stage 1 to Stage 2	(499)	499	-	-	-
Transfer from Stage 1 to Stage 3	(1,031)	-	1,031	-	-
Transfer from Stage 2 to Stage 1	77	(77)	-	-	-
Transfer from Stage 2 to Stage 3	-	(223)	223	-	-
Financial assets fully derecognised during the period	(4,601)	(1,129)	(9,035)	(14,765)	(11,756)
Changes to inputs used in ECL calculation	232	(405)	(244)	(417)	32,179
Loss Allowance as at 31 December	7,191	1,557	63,350	72,098	42,472

	The Company				
	Stage 1	Stage 2	Stage 3	2022	2021
	12-month ECL	Lifetime ECL	Lifetime ECL	Total	Total
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Loss Allowance as at 1 January	5,271	1,547	34,687	41,505	22,049
New financial assets originated	5,715	1,253	14,358	21,326	-
Transfer from Stage 1 to Stage 2	(423)	423	-	-	-
Transfer from Stage 1 to Stage 3	(830)	-	830	-	-
Transfer from Stage 2 to Stage 1	77	(77)	-	-	-
Transfer from Stage 2 to Stage 3	-	(222)	222	-	-
Financial assets fully derecognised during the period	(4,158)	(884)	(11,867)	(16,909)	(11,756)
Changes to inputs used in ECL calculation	208	(335)	20,529	20,402	31,212
Loss Allowance as at 31 December	5,860	1,705	58,759	66,324	41,505

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowances (continued)

The gross carrying amount of loan receivables, and thus the maximum exposure to loss, is as follows:

	The Group	
	2022	**2021**
	$'000	**$'000**
Performing	1,146,025	679,350
Underperforming	266,685	55,193
Non-Performing (credit impaired)	385,130	58,432
Total gross loan receivables	1,797,840	792,975
Less: Loan loss allowance	(72,098)	(42,472)
Loan receivables net of expected credit losses	1,725,742	750,503

	The Company	
	2022	**2021**
	$'000	**$'000**
Performing	1,089,123	621,115
Underperforming	193,094	55,193
Non-Performing (credit impaired)	83,202	58,432
Total gross loan receivables	1,365,419	734,740
Less: Loan loss allowance	(66,324)	(41,505)
Loan receivables net of expected credit losses	1,299,095	693,235

Collateral

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

Loans – Cash and other near cash securities, mortgages over commercial and residential properties, charges over equipment and motor vehicles. Fair value of properties held as collateral is mainly based on obtained valuations from third parties and management's assessment of comparative sales, where valuations are not available.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held. As at 31 December 2022, management estimates the fair value of collateral held to be $4,145,792,000 (2021 – $1,276,724,000).

Repossessed collateral

The Group can obtain assets by taking possession of collateral held as security. Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

Economic variable assumptions for exposure

In 2022, the global financial markets continued to experience effects from the coronavirus pandemic known as COVID-19. The outbreak of COVID-19 had resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The Russia/Urkraine war which emerged in 2022 has also impacted financial markets with uncertainty. The extent and duration of the impact on global and local economies, financial markets, and sectors and specific industries remains uncertain and has created additional consideration to reporting entities in estimating forward looking adjusted ECL.

The Group has adopted the scorecard approach for forward looking adjustments which is based on qualitative assessment. Macroeconomic variables that affect the performance of the portfolio the most are chosen and its significance (weighting) assigned. Each macroeconomic variable is then given a state, depending on management expectation.

Each state is assigned a corresponding multiplier which indicates the impact of the state on the portfolio. The multipliers determine the range of ECL fluctuation. If the range is narrow, it means that the portfolio is less prone to macro-economic conditions. If the range is wide, the portfolio is more easily affected by the indicators identified. This exercise is performed for all scenarios which represent different macroeconomic outlooks.

The set of variables remain the same however the states may vary depending on each specific scenario. The three scenarios are weighted based on the range of macroeconomic scenarios they cover. The score and probability of impact of each scenario are multiplied, and the results are summed for all 3 scenarios.

The assumptions and the related macroeconomic variables used by the Group for its loans net of provisions for credit losses are as follows:

- Inflation – Given a weight of 20% (2021 – 20%)
- Interest rates – Given a weight of 20% (2021 – 25%)
- Gross Domestic Product (GDP) – Given a weight of 25% (2021 – 20%)
- Unemployment – Given a weight of 35% (2021 – 35%)

The scenarios used and the weight assigned are as follows:

- Base case – 50% (2021 – 50%)
- Upside – 20% (2021 – 20%)
- Downside – 30% (2021 - 30%)

The multipliers used for the various outlook forecasts are as follows:

- Positive – Multiplier of 0.90 (2021 – 0.6)
- Stable – Multiplier of 1.05 (2021 – 1.1)
- Negative – Multiplier of 1.30 (2021 – 1.6)

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(a) Credit risk (continued)

Economic variable assumptions for exposure (continued)

		Group and Company 2022								
		Base Case Scenario			***Upside Scenario***			***Downside Scenario***		
		Outlook	***Multiplier***	***Score***	***Outlook***	***Multiplier***	***Score***	***Outlook***	***Multiplier***	***Score***
Inflation	20%	*Stable*	1.1	0.2	*Positive*	0.6	0.1	*Negative*	1.6	0.3
Interest Rate	20%	*Negative*	1.6	0.3	*Stable*	1.1	0.2	*Negative*	1.6	0.3
GDP	25%	*Stable*	1.1	0.3	*Positive*	0.6	0.2	*Negative*	1.6	0.4
Unemployment	35%	*Positive*	0.6	0.2	*Positive*	0.6	0.2	*Negative*	1.6	0.6
SCORE				**1.0**			**0.7**			**1.6**
Probability of Impact				**50%**			**20%**			**30%**
Weighted Average PD Adjustment Factor		**1.13**		**0.51**			**0.14**			**0.48**

		Group and Company 2021								
		Base Case Scenario			***Upside Scenario***			***Downside Scenario***		
		Outlook	***Multiplier***	***Score***	***Outlook***	***Multiplier***	***Score***	***Outlook***	***Multiplier***	***Score***
Inflation	20%	*Stable*	1.1	0.2	*Positive*	0.6	0.1	*Negative*	1.6	0.3
Interest Rate	25%	*Negative*	1.6	0.4	*Stable*	1.1	0.3	*Negative*	1.6	0.4
GDP	20%	*Stable*	1.1	0.2	*Positive*	0.6	0.1	*Negative*	1.6	0.3
Unemployment	35%	*Stable*	1.1	0.4	*Positive*	0.6	0.2	*Negative*	1.6	0.6
SCORE				**1.2**			**0.7**			**1.6**
Probability of Impact				**50%**			**20%**			**30%**
Weighted Average PD Adjustment Factor		**1.24**		**0.61**			**0.15**			**0.48**

Sensitivity analysis

The below sensitivity analyses are based on a change in the forward-looking assumption (FLI) while holding all other assumptions constant. In practice, this is unlikely to occur. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

% Change in FLI Factor		**FLI factor applied**		**ECL**	
				2022	**2021**
2022	**2021**	**2022**	**2021**	**$'000**	**$'000**
+50%	+57%	1.70	1.95	78,524	47,847
-50%	-57%	0.57	0.53	66,536	37,097

Company

% Change in FLI Factor		**FLI factor applied**		**ECL**	**ECL**
				2022	**2021**
2022	**2021**	**2022**	**2021**	**$'000**	**$'000**
+50%	+57%	1.70	1.95	70,164	46,879
-50%	-57%	0.57	0.53	63,346	36,131

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to fulfil loan payments and other liabilities incurred.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Board of Directors, includes:

(i) Monitoring future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows and accessing credit from related parties or financial institutions if required;

(ii) Managing the concentration and profile of debt maturities; and

(iii) Monitoring financial position liquidity ratios against internal requirements.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Company and its exposure to changes in interest rates and exchange rates.
The following table presents the undiscounted contractual maturities of financial liabilities on the basis of their earliest possible contractual maturity:

	The Group 2022				
	Within 3 months	**3 to12 months**	**Over 12 Months**	**No specific maturity**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets					
Loans, net of provision for credit losses	470,151	935,605	495,989	-	1,901,745
Other current assets	-	-	-	26,281	26,281
Short term deposits	-	66,208	-	-	66,208
Cash and cash equivalents	348,100	-	-	-	348,100
	818,251	1,001,813	495,989	26,281	2,342,334
Financial liabilities					
Other payables and accruals	54,267	-	-	-	54,267
Lease liabilities	7,247	19,760	33,470	-	60,477
Borrowings	299,960	97,818	1,528,960	-	1,926,738
Total financial liabilities	361,474	117,578	1,562,430	-	2,041,482
Net financial position	456,777	884,235	(1,066,441)	26,281	300,852
Maturity gap	456,777	1,341,012	274,571	300,852	-

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

The Company

	2022				
	Within 3 months $'000	3 to12 months $'000	Over 12 Months $'000	No specific maturity $'000	Total $'000
Financial assets					
Loans, net of provision for credit losses	319,878	637,868	472,659	-	1,430,405
Other current assets	-	-	-	24,854	24,854
Due from related party	-	-	-	241,160	241,160
Financial assets	-	66,208	-	-	66,208
Cash and cash equivalents	311,343	-	-	-	311,343
	631,221	704,076	472,659	266,014	2,073,970
Financial liabilities					
Other payables and accruals	49,560	-	-	-	49,560
Lease liabilities	4,736	12,226	25,727	-	42,689
Borrowings	145,019	97,818	1,528,960	-	1,771,797
Total financial liabilities	199,315	110,044	1,554,687	-	1,864,046
Net financial position	431,906	594,032	(1,082,028)	266,014	209,924
Maturity gap	431,906	1,025,938	(56,090)	209,924	-

The Group

	2021				
	Within 1 month $'000	3 to12 months $'000	Over 12 Months $'000	No specific maturity $'000	Total $'000
Financial assets					
Loans, net of provision for credit losses	366,616	415,515	148,343	-	930,474
Other current assets	-	-	-	2,668	2,668
Cash and cash equivalents	65,587	-	-	-	65,587
	432,203	415,515	148,343	2,668	998,729
Financial liabilities					
Other payables and accruals	17,279	-	-	535	17,814
Lease liabilities	4,329	12,579	22,930	-	39,838
Borrowings	14,115	195,379	308,450	-	517,944
Preference shares	-	-	-	5,151	5,151
Total financial liabilities	35,723	207,958	331,380	5,686	580,747
Net financial position	396,480	207,557	(183,037)	(3,018)	417,982
Maturity gap	396,480	604,037	421,000	417,982	-

There has been no change to the Group and Company's exposure to liquidity risk or the manner in which it measures and manages the risk.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

The Company

	2021				
	Within 1 month $'000	3 to12 months $'000	Over 12 Months $'000	No specific maturity $'000	Total $'000
Financial assets					
Loans, net of provision for credit losses	341,207	369,382	142,974	-	853,563
Other current assets	-	-	-	1,841	1,841
Cash and cash equivalents	50,256	-	-	-	50,256
	391,463	369,382	142,974	1,841	905,660
Financial liabilities					
Other payables and accruals	17,279	-	-	-	17,279
Due to related party	-	-	-	76,626	76,626
Lease liabilities	2,239	6,718	13,366	-	22,323
Borrowings	2,452	28,963	308,451	-	339,866
Preference shares	-	-	-	5,151	5,151
Total financial liabilities	21,970	35,681	321,817	81,777	461,245
Net financial position	369,493	333,701	(178,843)	(79,936)	444,415
Maturity gap	369,493	703,194	524,351	444,415	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and equity prices will affect the value of the Group's assets, the amount of its liabilities and/or the Group's income. Market risk arises in the Group due to fluctuations in the value of liabilities and the value of investments held. The Group is exposed to market risk on all of its financial assets.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The nature of the Group's exposure to market risk and its objectives, policies and processes for measuring and managing market risk have not changed significantly from the prior period.

There has been no change to the Group's exposure to market risks or the manner in which it measures and manages the risks.

(i) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk. The Group's interest rate risk policy requires it to manage interest rate risk by negotiating market rates for loans. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. The Group does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss as these are carried at amortised cost.

In 2021 and 2022, the Group did not have any significant interest rate risk exposure. The following table summarises the Group and Company's exposure to interest rate risk.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

	The Group 2022						
	Within 1 Month $	1 to 3 Months $	3 to 12 Months $	1 to 5 Years $	Over 5 Years $	Non-interest bearing $	Total $
At 31 December 2022:							
Financial assets							
Loans net of provision for credit losses	510,645	22,923	528,005	664,169	-	-	1,725,742
Other assets	-	-	-	-	-	26,281	26,281
Short Term Deposits	-	-	63,431	-	-	-	63,431
Cash and cash equivalents	352,935	-	-	-	-	-	352,935
Total financial assets	863,580	22,923	591,436	664,169	-	26,281	2,168,389
Financial liabilities							
Other payables and accruals	-	-	-	-	-	54,267	54,267
Lease liabilities	1,849	3,735	16,143	29,239	-	-	50,966
Borrowings	264,511	-	-	1,140,869	-	-	1,405,380
Total financial liabilities	266,360	3,735	16,143	1,170,108	-	54,267	1,510,613
Total interest repricing gap	597,220	19,188	575,293	(505,939)	-	(27,986)	657,776
Cumulative interest repricing gap	597,220	616,408	1,191,701	685,762	685,762	657,776	-

	The Company 2022						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-interest bearing $'000	Total $'000
At 31 December 2022:							
Financial assets							
Loans net of provision for credit losses	398,337	20,698	252,560	627,500	-	-	1,299,095
Other assets	-	-	-	-	-	24,825	24,825
Due from related parties	-	-	-	-	-	241,160	241,160
Short Term Deposits	-	-	63,431	-	-	-	63,431
Cash and cash equivalents	316,177	-	-	-	-	-	316,177
Total financial assets	714,514	20,698	315,991	627,500	-	265,985	1,944,688
Financial liabilities							
Other payables and accruals	-	-	-	-	-	49,559	49,559
Lease liabilities	1,336	2,698	11,229	24,182	-	-	39,445
Borrowings	110,941	-	-	1,140,869	-	-	1,251,810
Total financial liabilities	112,277	2,698	11,229	1,165,051	-	49,559	1,340,814
Total interest repricing gap	602,237	18,000	304,762	(537,551)	-	216,426	603,874
Cumulative interest repricing gap	602,237	620,237	924,999	387,448	387,448	603,874	-

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

	The Group 2021						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-interest bearing $'000	Total $'000
At 31 December 2021:							
Financial assets							
Loans net of provision for credit losses	81,806	63,273	411,195	194,229	-	-	750,503
Other current assets	-	-	-	-	-	2,668	2,668
Cash and cash equivalents	65,587	-	-	-	-	-	65,587
Total financial assets	147,393	63,273	411,195	194,229	-	2,668	818,758
Financial liabilities							
Other payables and accruals	-	-	-	-	-	17,804	17,804
Lease liabilities	903	1,828	8,570	20,249	-	-	31,550
Borrowings	-	-	155,044	297,187	-	3,670	455,901
Preference shares	-	-	-	-	-	5,151	5,151
Total financial liabilities	903	1,828	163,614	317,436	-	26,625	510,406
Total interest repricing gap	146,490	61,445	247,581	(123,207)	-	(23,957)	308,352
Cumulative interest repricing gap	146,490	207,935	455,516	332,309	332,309	308,352	-

	The Company 2021						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-interest bearing $'000	Total $'000
At 31 December 2021:							
Financial assets							
Loans net of provision for credit losses	81,520	60,012	366,458	185,245	-	-	693,235
Other current assets	-	-	-	-	-	1,841	1,841
Cash and cash equivalents	50,256	-	-	-	-	-	50,256
Total financial assets	131,776	60,012	366,458	185,245	-	1,841	745,332
Financial liabilities							
Other payables and accruals	-	-	-	-	-	17,279	17,279
Due to related party	-	-	-	-	-	76,626	76,626
Lease liabilities	618	1,249	5,818	12,205	-	-	19,890
Borrowings	-	-	-	297,135	-	2,319	299,454
Preference shares	-	-	-	-	-	5,151	5,151
Total financial liabilities	618	1,249	5,818	309,340	-	101,375	418,400
Total interest repricing gap	131,158	58,763	360,640	(124,095)	-	(99,534)	326,932
Cumulative interest repricing gap	131,158	189,921	550,561	426,466	426,466	326,932	-

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

Interest rate sensitivity

Floating rate instruments expose the group to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk. The Group earns interest on its loans receivables and pays interest on its borrowings (Notes 7, 12 and 13), these interest rates are fixed rate, accordingly, the group does not have significant exposure to interest rate risk as these financial instruments are carried at amortised cost.

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaica Dollar and the Guyanese dollar. The main foreign currency giving rise to this risk is the United States Dollar. The Group ensures that the risk is kept to an acceptable level by matching foreign currency assets with foreign currency liabilities as far as practicable.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in thousands of Jamaica dollars was as follows:

	The Group	
	US$ J$'000 2022	US$ J$'000 2021
Financial Assets		
Cash and cash equivalents	833	30,627
	833	30,627
Financial Liabilities		
Borrowings	152,716	155,044
Lease liabilities	39,695	33,475
	192,411	188,519
Net financial position	(191,578)	(157,892)

	The Company	
	US$ J$'000 2022	US$ J$'000 2021
Financial Assets		
Cash and cash equivalents	833	22,682
	833	22,682
Financial Liabilities		
Other payables and accruals	-	-
Lease liabilities	32,884	14,737
	32,884	14,737
Net financial position	(32,051)	7,945

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

27. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

	The Group			
	Changes in currency rate 2022	Effect on profit before tax 2022	Changes in currency rate 2021	Effect on profit before tax 2021
	%	$'000	%	$'000
Currency:				
USD				
Devaluation	4%	(7,663)	6	(9,473)
Revaluation	1%	1,915	2	3,158

	The Company			
	Changes in currency rate 2022	Effect on profit before tax 2022	Changes in currency rate 2021	Effect on profit before tax 2021
	%	$'000	%	$'000
Currency:				
USD				
Devaluation	4%	1,282	6	476
Revaluation	1%	(321)	2	(158)

(iii) Fair value of financial instruments

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received. The fair value of a liability reflects its non-performance risk

At 31 December 2022 and 31 December 2021, there were no financial assets and financial liabilities measured at fair value.

(i) The fair value of short-term assets and liabilities maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.

(ii) Loans are carried at amortised cost which is assumed to approximate fair value as loans are issued at terms and conditions available in the market for similar transactions; and

(iii)The fair value of the borrowings is disclosed in Note 13(d).

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

28. Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to sustain future development of the business in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's Board of Directors review the financial position of the Company at regular meetings.

The Company is not subject to any external imposed capital requirements.

29. Related Party Transactions and Balances

Related parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Related companies include the ultimate parent company and subsidiary. Related parties include directors, key management and companies for which the company and its parent company are provided with management services.

(a) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Borrowings (i)	86,551	102,317	86,551	102,317
Preference share (ii)	-	5,151	-	5,151
Due to related parties (iii)	-	-	-	76,626
	86,551	107,468	86,551	184,094

This balance represents the following:

i. This represents loan facilities in the sum of $86,551,000, at an interest rate of 15% per annum. See Note 13(a).

ii. Non-redeemable preference shares of $186,550,000 issued to FirstRock Real Estate Investments Limited on 1 April 2021, with a dividend rate of 12% per annum were converted to equity at 31 December 2022 and interest due of $5,151,000 paid on 04 January 2022.

iii. This represents amounts due to subsidiary which do not attract interest and have no fixed repayment dates.

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

29. Related Party Transactions and Balances (Continued)

(b) Related party transactions

The following transactions were carried out with related parties:

i) Administration, other operating and interest expenses:

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Dividend Paid				
Parent company	47,226	-	47,226	-
Other	44,240	-	44,240	-
	91,466	-	91,466	-
Directors' fees				
Fees	3,455	3,442	3,455	3,442
Remuneration	39,022	20,776	39,022	20,776
Other benefits	5,806	-	5,806	-
	48,283	24,218	48,283	24,218
Loans Receivable				
Directors	59,471	-	59,471	-
Key Management	4,876	-	4,876	-
	64,347	-	64,347	-
Interest expenses:				
Parent company	2,618	36,201	2,618	36,201

Loans receivable to Directors and Key Management relate to the Employee Stock Ownership Plan (ESOP). Under this program, an interest free loan is granted to the Director/Employee for a maximum of 5 years to purchase DOLLA shares at IPO/market price.

ii) Key management compensation

Key management compensation disclosed below excludes Directors' fees disclosed above.

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Salaries and travelling benefits	64,644	33,946	64,644	33,946
Statutory contributions	6,277	3,727	6,277	3,727
Other	7,267	354	7,267	354
	78,188	38,027	78,188	38,027

DOLLA FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

30. Capital Redemption and Other Reserves

The capital redemption reserve was created on the redemption of preference shares in conformity with the provisions of the Jamaican Companies Act. A total of 69,686 preference shares at a value of $10,000,000 were redeemed on 25 August 2021.

The other reserves include the apportioned discount applied to non-interest bearing loans provided to Directors and Employees throughout the period. This represents the cumulative value of fair value changes taking into account those amounts expensed upfront in accordance with IFRS 2 and IFRS 9.

NOTES

Financial Services
We Lend

NOTES

FORM OF PROXY

POSTAGE STAMP

I/We..of
.... being members of the above Company, hereby appoint the Chairperson of the Meeting or failing him .... of
.... as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at virtually on June 1, 2023 at 11:00 a.m. or at any adjournment thereof.

Signed this _____________ day of ____________ 20___.

Print Name: ___________________________________
Signature: ____________________________________

Unless otherwise directed the proxy will vote as he thinks fit.

Notes:

1. When completed, this form must be received by the Registrar of the Company at the address given below, not less than forty-eight (48) hours before the time for holding the meeting.
2. The Proxy Form should bear stamp duty of $100.00 which may be adhesive and duly cancelled by the person signing the proxy form.
3. If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorized in writing.

Send to:
The Registrar and Transfer Agent
Jamaica Central Securities Depository
40 Harbour Street
Kingston Jamaica, W.I.

Dolla
Financial
Services
We Lend
Unit No. 1 Barbican Business Centre, 88 Barbican Road, Kingston 6, St. Andrew, Jamaica