Dolla
Financial Services

ANNUAL REPORT 2023

WE LEND

SCAN ME

EMPOWERING COMMUNITIES • PIONEERING PROGRESS

ABOUT THE COMPANY

Dolla's journey started 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 former 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, taken up by FirstRock Private Equity Limited (FRPE), contributing to the raising of additional funding for expansion.

The capital raised to date has allowed Dolla to execute on its strategy of providing a wide range of loan products to a diversified customer base regionally. From a single branch at inception in Lucea, Hanover in 2014, Dolla now has ten (10) branches across Jamaica and two (2) wholly owned subsidiaries, Dolla Guyana Inc. and Ultra Financier Limited. On June 15, 2022, the Company was listed on the Junior Market of the Jamaica Stock Exchange (JSE) after a $5 billion oversubscribed invitation to the public.

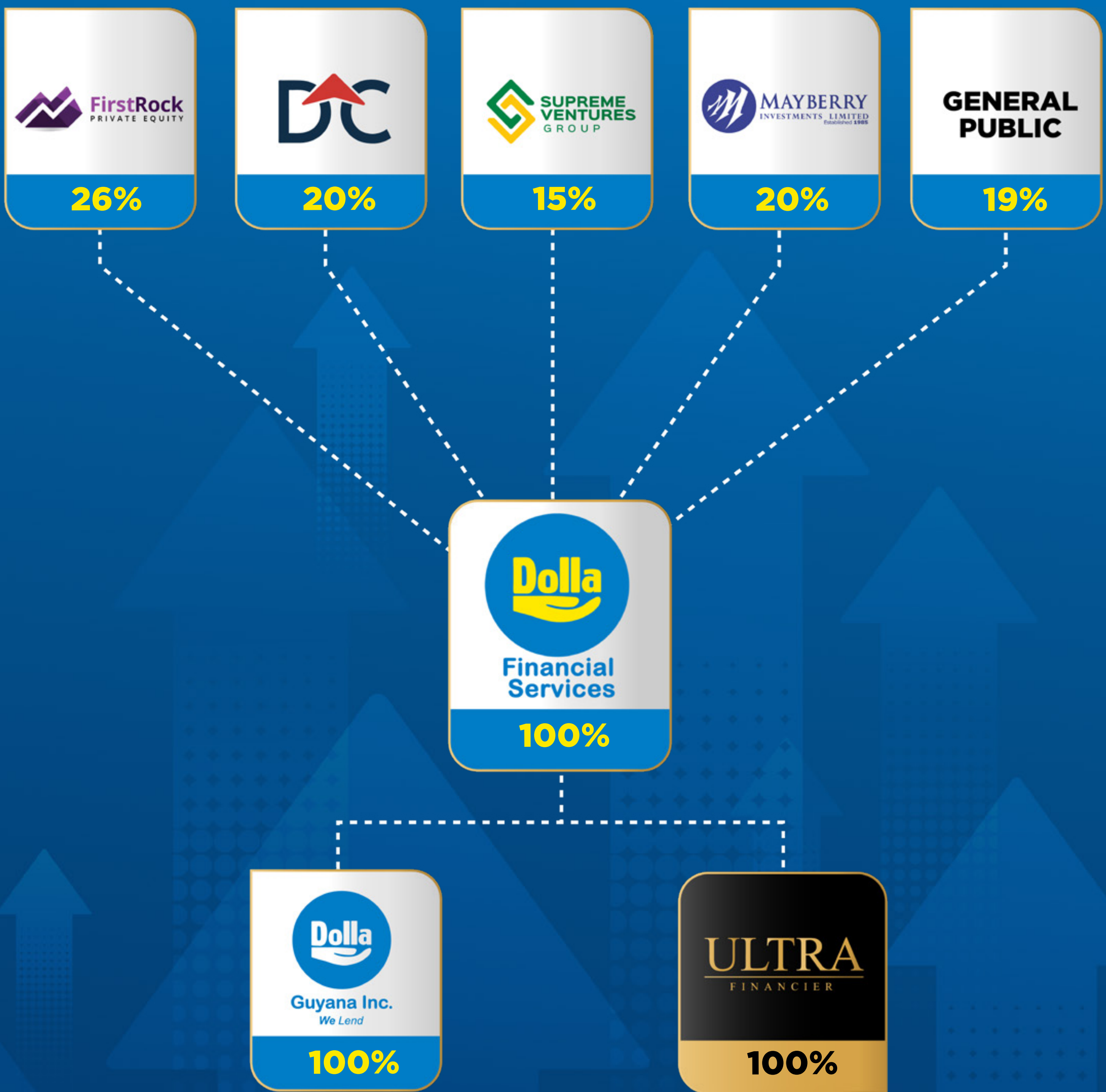
Through the listing FRPE sold 15% of its shares to the public and retained a 60% stake in the Company. On July 24, 2023, FRPE sold a further 15% of its shares to Supreme Ventures Limited, 10% to Widebase Limited and 9% to Mayberry Jamaican Equities Limited.

Utilizing the extensive branch network and the relationships with our customers

over the years, the Group disbursed over $6.30Bn in loans since inception, and generated profit before taxes attributable to shareholders of $445 million in 2023.

As of November 24, 2022, Dolla operates as a regulated entity under the Microcredit Act 2021, overseen by the Bank of Jamaica (BOJ). This regulatory oversight underscores Dolla's commitment to transparency, compliance, and responsible financial practices as it continues to serve the needs of its customers and contribute to economic development in the region.

CORPORATE STRUCTURE



2023 FINANCIAL HIGHLIGHTS

YEAR ENDED 31 DECEMBER 2023

PROFIT BEFORE TAX
$445m
50%

TOTAL INCOME
$1.2bn
58%

LOAN PORTFOLIO
$2.5bn
42%

TOTAL ASSETS
$2.9bn
33%

EXPECTED CREDIT LOSSES (ECL)
3.8%

NON-PERFORMING LOANS (NPL)
8.2%

EFFICIENCY RATIO
46%

2023 COMPANY HIGHLIGHTS

Held our 1st Annual General Meeting

Celebrated 1 year on the Jamaica Stock Exchange

Won 2nd runner up award for Corporate Disclosure and Investor Relations

Donated **$1,000,000** to the Bustamante Hospital for Children and contributed **$2,000,000** to other charitable projects

Celebrates

ONE YEAR!

ON THE JAMAICA STOCK EXCHANGE

Grew loan portfolio to **$2.5 Billion**

Returned **value** to **share-holders**

Formed strategic partnerships with **Mayberry**

Grew customer base by **36%**

Won **2nd runner up** for corporate disclosure and investor relations award

A YEAR OF Significant Progress & Expansion

VISIT ONE OF OUR
10 LOCATIONS ISLANDWIDE

LOAN PRODUCTS

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

Caters to employees of both private and public companies seeking financing for personal use. Loans may be secured or unsecured, with repayment options through salary deduction, bank transfers or over the counter (OTC).

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.

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.

Caters to entrepreneurs who require assistance with unexpected accounts payable. Typically, the applicant does not operate a traditional brick and mortar business but secures the loan with fixed assets such as land, motor vehicle(s), or equipment used in the business.

ONE n' READY

Specifically designed for taxi operators allows qualifying customers to acquire or upgrade 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 providers.

4 PAY

Designed for persons who want to upgrade or renovate their homes. Qualifying customers can finance the cost of furniture, fixtures, fitting or structural upgrades.

Dolla 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 $chola

This product is designed for parents with children or employed students who require financing to offset educational expenses. It provides solutions for tuition, back to school expenses and other expenses that come with education.

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.

MISSION, VISION AND VALUES

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.

Vision

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

CORPORATE VALUES

FINANCIAL INCLUSION

At Dolla, we believe in providing the under banked access to financial services, including but not limited to low-income individuals, small business owners, and women entrepreneurs.

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 access to capital.

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.

CUSTOMER FOCUS

Our customers are at the center of everything we do, and we are committed to providing them with personalized service and support.

INNOVATION

We are constantly exploring new and innovative ways to serve our clients to 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.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Dolla Financial Services Limited will be held by hybrid format which includes a physical meeting and online broadcast on:

Date: Friday, May 31, 2024
Place: Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5
Time: 11:00 a.m.
Purpose: To consider and, if thought fit, pass the following resolutions:

Ordinary Resolutions

Resolution No. 1 – To receive the reports of the directors and the Audited Accounts for the twelve (12) months ended December 31, 2023

"That the Report of the Board of Directors and the Audited Accounts for the financial year ended December 31, 2023, be and are hereby adopted."

Resolution No. 2 - To ratify Interim Dividend Payments and Declare them Final

"That the interim dividends of:
1. J$0.02 per share paid on April 6, 2023, to shareholders on record as at March 23, 2023;

2. J$0.025 per share paid on September 1, 2023, to shareholders on record as at August 18, 2023; and

3. J$0.021 per share paid on December 12, 2023, to shareholders on record as at November 28, 2023, be and is hereby ratified and declared as final and that no further dividend be paid in respect of the year under review."

Resolution No.3 – To retire and re-elect Directors

That the Directors, retiring by rotation pursuant to Article 102 and Article 103 of the Articles of Incorporation are Mr. Dane Patterson and Mr. Kadeen Mairs. To consider and (if thought fit) pass each of the following resolutions:

Mr. Dane Patterson, being eligible, offers himself for re-election.

Resolution 3(i)
"THAT Mr. Dane Patterson be and is hereby re-elected a Director of the Company."

Mr. Kadeen Mairs, being eligible, offers himself for re-election.

Resolution 3(ii)
"THAT Mr. Kadeen Mairs be and is hereby re-elected a Director of the Company."

Resolution No. 4 – To elect Directors

In accordance with Article 108 of the Company's Articles of Incorporation, Ms. Alison Taffe, having been appointed to the Board of Directors since the last Annual General Meeting, will retire from office and, being eligible, offers herself for election. To consider and if thought fit pass the following resolution:

"THAT Ms. Allison Taffe be and is hereby elected a Director of the Company."

Resolution No. 5 – To 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. 6 – To Authorize the Directors to fix the remuneration of the Auditors of the Company

"THAT the Board of Directors be and are hereby authorized to fix the remuneration of the Auditors of the Company."

Resolution No. 7 - 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 April 30, 2024
BY ORDER OF THE BOARD OF DIRECTORS

Jordan Chin
Company Secretary

CORPORATE DATA

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

Mentor
Tania Waldron-Gooden

Company Secretary
Jordan Chin

Senior Management
Chief Executive Officer – Kenroy Kerr
Chief Financial Officer – Trevene McKenzie
Group Legal Officer - Chad Wynter
HR Manager - Melissa Whyte
Operations Manager - Kahlilah Thompson
Credit Risk Manager - Lennia-Toya Williams
Governance and Compliance Manager (Nominated Officer) – Tricia Nicholas
Marketing Manager – Tashoni Ellis
Collections Manager – Kurt McKenzie
Regional Sales Manager I – Tachi-Lue Roye-Monteith
Regional Sales Manager II – Brenton Hudson

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

Internal Auditor
Ernst & Young
8 Olivier Rd, 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.

876-92-DOLLA (36552) /
876-927-4881

info@dollafinancial.com
www.dollafinancial.com
@dollafinancial

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 10 SHAREHOLDERS

NAME OF SHAREHOLDER	UNITS	% OWNERSHIP
FirstRock Private Equity Limited	500,000,000	20.0%
Dequity Capital Management Limited	500,000,000	20.0%
Supreme Ventures Limited	375,000,000	15.0%
Mayberry Jamaican Equities Limited	251,594,219	10.1%
Widebase Limited	250,000,000	10.0%
FRPE SPV Two Limited	75,000,000	3.0%
FRPE SPV One Limited	75,000,000	3.0%
FEP Limited	14,330,417	0.6%
PAM - Pooled Equity Fund	10,552,534	0.4%
Kerry-Ann Spencer & Michelle N. Thomas Freeman	10,118,015	0.4%
TOTAL	2,061,595,185	82.5%
Others	438,404,815	17.5%
TOTAL ISSUED SHARES	2,500,000,000	100.0%

SHAREHOLDINGS OF DIRECTORS

NAME OF SHAREHOLDER	CONNECTED PARTY	DIRECT	TOTAL VOLUME	% OF SHARES ISSUED
Kadeen Mairs		5,661,188	423,661,188	16.9%
Dequity Capital Management Limited (connected party)	418,000,000			
Ryan Reid		3,300,000	212,442,936	8.5%
FirstRock Private Equity Limited (connected party)	151,500,000			
FRPE SPV Two Limited	22,875,000			
FRPE SPV One Limited	22,875,000			
Holdings for Ryleigh Limited (connected party)	1,000,000			
Holdings for Reign Limited (connected party)	1,080,000			
Ryan Reid & D. Stephanie Hamson (connected party	2,647,727			
FEP Limited	7,165,209			
Michael Banbury		2,500,000	207,915,209	8.3%
FirstRock Private Equity Limited (connected party)	151,500,000			
FRPE SPV Two Limited	22,875,000			
ERPE SPV One Limited	22,875,000			
Gabrielle Kelly	1,000,000			
FEP Limited	7,165,206			
Lisa Lewis		693,549	1,693,549	0.1%
Jamie Lewis (connected party)	1,000,000			
Dane Patterson	Nil	Nil	Nil	Nil

SHAREHOLDINGS OF SENIOR EXECUTIVES

NAME OF SHAREHOLDER	CONNECTED PARTY	DIRECT	TOTAL VOLUME	% OF SHARES ISSUED
Kenroy Kerr	-	3,537,220	3,537,220	0.1%
Tricia Nicholas	-	2,585,577	2,585,577	0.1%
Trevene McKenzie	-	2,337,222	2,337,222	0.1%
Kahlilah Thompson	-	2,300,000	2,300,000	0.1%
Kurt McKenzie	22,299	1,000,000	1,022,299	0.0%
Kevin Laws	-	2,011,028	2,011,028	0.1%
Tashoni Ellis	-	291,017	291,017	0.0%
Lennia-Toya Williams	-	1,000,000	1,000,000	0.0%
Melissa Whyte	-	-	-	0.0%
Chad Wynter	-	772,000	-	0.0%

MESSAGE FROM THE CHAIRMAN & CEO

Dear Fellow Shareholders:

During 2023, Dolla stood as a beacon of resilience and innovation in the microfinance landscape. Amidst the backdrop of economic and market fluctuations, our journey was marked by significant strides and transformative achievements, underscoring our unwavering commitment to empower individuals and uplift communities.

Empowering Economic Progress

At Dolla, our mission transcends financial transactions; it embodies a profound commitment to fostering economic inclusion and empowerment. The year 2023 heralded a pivotal milestone with Dolla's accreditation as a Micro Finance Institution (MFI) by the Development Bank of Jamaica (DBJ). This accreditation not only underscores our financial robustness and strategic foresight but also amplifies our dedication to growth and innovation in the microfinance industry. Securing approval for a J$500 Million facility under DBJ's Micro Small and Medium-sized Enterprise (MSME) Line of Credit further fortifies our ability to extend financial lifelines to underserved entrepreneurs and budding enterprises, thereby nurturing a culture of resilience and growth.

Financial Resilience and Strategic Growth

Dolla emerged stronger than ever in 2023. Our financial performance bore testimony to our steadfast commitment to prudent resource management and operational excellence. Notably, Dolla achieved a record-breaking revenue of $1.2 billion, marking a significant 58% year-over-year surge. Our Profit Before Tax soared to an impressive $445 million, reflecting the efficacy of our strategic initiatives and the resilience of our business model. Bolstered by an expanding loan book of $2.5 billion and a robust asset base of $2.9 billion, Dolla continues to chart a trajectory of sustained growth and stability in the microfinance landscape.

Empathy, Innovation, and Customer-Centricity

Central to Dolla's ethos is a deep-seated commitment to empathy, innovation, and customer-centricity. In navigating the complexities of the microfinance terrain, we remain steadfast in our resolve to uplift and empower individuals at every juncture. The year 2023 witnessed the consolidation of our efforts to foster financial literacy, promote entrepreneurship, and nurture a culture of responsible borrowing. By fostering enduring relationships with our valued customers, Dolla continues to redefine the contours of micro-finance, making financial empowerment more accessible and inclusive than ever before.

Charting a Course for the Future

As we stand on the cusp of a new era, the horizon brims with opportunities and possibilities. With an unwavering commitment to our core values of integrity, empathy, and innovation, Dolla is poised to navigate the winds of change and unlock new vistas of growth and prosperity.

In the pursuit of our vision to be the beacon of hope and empowerment in the micro-finance landscape, we remain resolute in our determination to make a tangible difference in the lives of individuals and communities we serve.

We extend our heartfelt gratitude to our esteemed shareholders, dedicated employees, valued customers, and strategic partners. Your unwavering support and commitment fuels our aspirations and inspires us to reach greater heights.

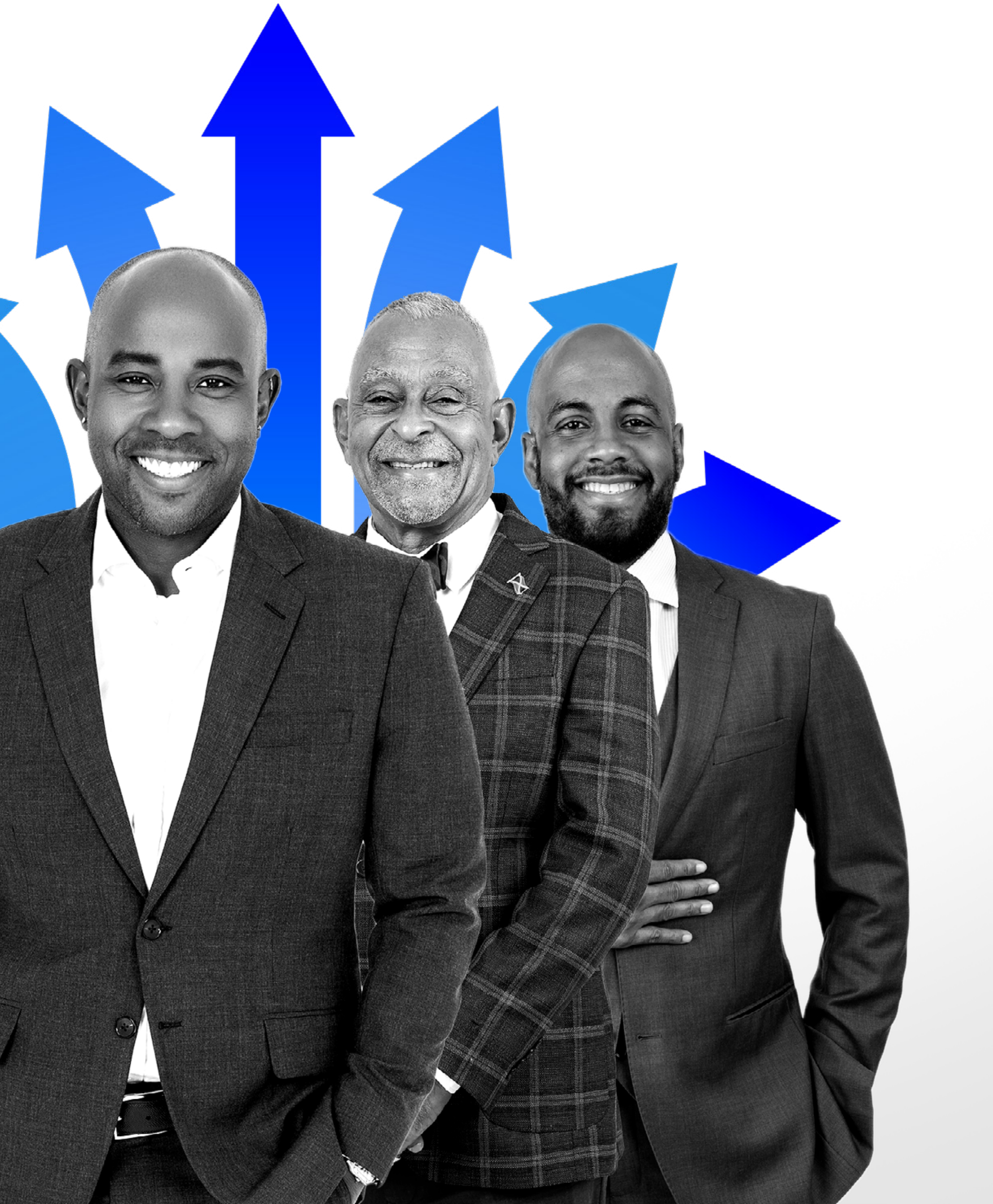
Thank you for entrusting Dolla with your confidence and support.

Best regards,

Chairman, Dolla Financial Services Limited

CEO, Dolla Financial Services Limited

BOARD OF DIRECTORS



RYAN REID
CHAIRMAN

Ryan Reid is the Chairman, Group CEO and Co-Founder of FirstRock Group. He has 13 years of experience in the real estate and financial sectors (8 years at the executive level in the financial sector); formerly had responsibilities of leading sales, services, accounting, investments, and corporate finance teams.

Ryan is a director of multiple private sector companies. Ryan read for his BSc in Banking and Finance and his MBA in General Management with the University of the West Indies and the University of Wales, respectively. He also studied at the Wharton Business School with a focus on Distressed Asset Investing. He is a member of the First Angels Investor Group and the Young Presidents Organization (YPO). He is also a Justice of the Peace for the Parish of St. Andrew.

DR. MICHAEL BANBURY
VICE CHAIRMAN

Dr. Michael Banbury is the Director and Co-founder of FirstRock Group. 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 to the board. He is also the Chairman of FirstRock Private Equity and Medical Associates Hospital.

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.

KADEEN MAIRS
NON-EXECUTIVE DIRECTOR

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

Kadeen has over 13 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 Company 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. Kadeen is also the recipient of the Private Equity and Venture Capital certificate from Harvard Business School.

LISA LEWIS
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).

Tania - Waldron Gooden
Mentor

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

She has twenty years of experience in areas of Investment Banking, Investment Analysis and Research, New Product Development, Pension Fund Management, Portfolio Management and Insurance Brokerage. She also has over 10 years of experience as a Jamaica Stock Exchange mentor.

Tania is the Jamaica Stock Exchange (JSE) Mentor and Director of Main Event Entertainment Group, and Derrimon Trading Company Limited. Tania is also a Director of FirstRock PE and Jamaica Plumbing Supplies Limited. She is the JSE Mentor to Spur Tree Spices Jamaica, Caribbean Flavours & Fragrances Limited, EduFocal Limited, Caribbean Assurance Brokers Limited, Dolla Financial Services and Express Catering Limited and also provides mentorship and consulting services to Carbyne Capital Investments Limited, Lifespan Company Limited, WILCO Finance Limited and Omni Industries 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.

DIRECTORS' REPORT

Jordan Chin
COMPANY SECRETARY

The Directors of Dolla Financial Services Limited are pleased to present their report for the financial year ended December 31, 2023.

Financial Results
The statement of comprehensive income outlines $1.2 billion in income alongside a loan portfolio valued at $2.5 billion. Details of these results, as well as comparisons with 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 included within this annual report.

Dividends
i. 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. This dividend was paid with respect to the three months ended December 31, 2022.

ii. At a meeting held on 13 July 2023, the Board of Directors approved an interim dividend of $0.025 per share payable on 1 September 2023 to shareholders on record as at 18 August 2023. This dividend was paid with respect to the three months ended March 31, 2023.

iii. At a meeting held on 30 October 2023, the Board of Directors approved an interim dividend of $0.021 per share payable on 12 December 2023 to shareholders on record as at 28 November 2023. This dividend was paid with respect to the three months ended September 30, 2023.

Directors
The Directors of the Company as at December 31, 2023 were:

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

Dated this day of April 30, 2024
BY ORDER OF THE BOARD OF DIRECTORS

Jordan Chin,
Company Secretary

CORPORATE GOVERNANCE

CORPORATE GOVERANCE

Corporate Governance Statement

Dolla is committed to upholding the highest standards of corporate governance, driven by principles of transparency, accountability, and integrity. We believe that robust governance practices are fundamental to maintaining the trust of our stakeholders, fostering sustainable growth, and maximizing long-term shareholder value. The governance structure of the Company incorporates and aligns with best practices and regulatory requirements established by the Company's Articles of Incorporation, Jamaica's PSOJ's Corporate Governance Code, Rules of the JSE, the minimum expectation of Microcredit Institutions Corporate Governance Framework set by the Bank of Jamaica and relevant requirements of applicable legislation.

Board of Directors

The Board is elected by our 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. Our Board of Directors play a critical role in overseeing the governance and strategic direction of the Company. Comprised of experienced and dedicated directors, our Board is committed to upholding the highest standards of corporate governance.

The Board provides strategic guidance, evaluates risks, and monitors performance to ensure the long-term success and sustainability of the Company. Our directors bring diverse perspectives, expertise, and skills to the table, fostering constructive debate and informed decision-making. The Board operates with independence, objectivity, and diligence, fulfilling its fiduciary duties and responsibilities to shareholders and stakeholders.

Board Responsibility and Functions

The Board of Directors' general functions encompass a broad range of responsibilities aimed at ensuring effective oversight and strategic direction for the Company and its subsidiaries. These responsibilities include but is 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.

The Board of Directors carry out the above functions with a strong sense of duty and commitment to the growth of the Company and the interests of shareholders and stakeholders. By dedicating themselves to their responsibilities, the Board plays a pivotal role in shaping the organization's culture, fostering trust among employees and shareholders, and contributing to the Company's overall success.

Board Selection and Appointment

Selection

When selecting potential candidates for appointment to the Board, the Board of Directors ensure that candidates possess necessary skills and expertise that are beneficial to the operation of the Company. The Board of Directors ensure that whoever is selected commits to upholding the highest standards of governance and takes care in fulfilling their fiduciary duties as a director.

Appointment

The appointment of Board Members is governed by the Company's Articles of Incorporation. The Board exercises extreme diligence in the process of appointing new members to the Board.

Recognizing the critical role board members play in steering the organization's direction and upholding its values, extensive consideration is given to candidates' qualifications, expertise, and alignment with the company's mission.

Board Rotation, Retirement and Tenure

The Retirement, Rotation and Tenure of the Board Members are done in accordance with Article 102 of the Company's Article of Incorporation.

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 not be more than eight (8) in number.

Independent Directors

The Company's Independent Directors are Mr. Dane Patterson and Ms. Lisa Lewis. As Independent Directors they assist the Company by providing the Board with valuable, unbiased and impartial perspectives to aid in making corporate decision for the benefit of the company. The Company's Independent Directors have been carefully selected having satisfied the following requirements:

- Not be employed by the Company or its affiliates or be a director of any of its affiliates.
- Not have or represent a shareholder with 20% or more of the Company's voting rights.
- Not be a shareholder of the Company owning 20% or more of the Company's shares.
- Not be a shareholder of another Microcredit Institution owning 20% or more of the voting rights of that 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, senior managers or persons who hold shares amounting to 20% or more of the Company's voting rights.
- 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 the first election date.

Non-Executive Director

The Company's Non-Executive Directors are Dr. Michael Banbury and Mr. Kadeen Mairs*. The primary function of the Non-Executive Director is to provide the company with objective insight and advice. 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.

***Note: Mr. Kadeen Mairs held the position of Executive Director until July 2023 when he tendered his resignation as Chief Executive Officer. Following his resignation, he was thereafter made a Non-Executive Director of the Company.**

The Chairman

The Chairman of the Board is Mr. Ryan Reid. The Chairman's primary function is to lead and guide the decision-making of the Board. The Chairman focuses on overseeing the Company's business, provide management oversight and approve and maintain communication protocols with all stakeholders and shareholders of the Company. The Chairman of the Board is chosen based on his ability to:

- Provide leadership to the Board
- Maintain and ensure a balance of powers among all Directors of the Board;
- Secure effective participation of all Directors of the Board;
- Ensure that the Board works effectively and discharges its responsibilities;
- Implement decisions or directions of authority;
- Ensure key issues are discussed and addressed by the Board in a timely manner;
- Ensure appropriate steps are taken to maintain effective communication with shareholders and communicate the views of the said shareholders;

The Company Mentor

Pursuant to Rule 503 of the Junior Market Rules (JMR), the Company appointed Mrs. Tania Waldron-Gooden to be its appointed mentor.

Function and Responsibilities

In her role as Mentor, Mrs. Waldron-Gooden is expected to:

- Act honestly and in good faith with a view to the best interest of the Company and its shareholders;
- Advise the Board on the establishment of adequate procedures, systems and controls for the purposes of complying with good standards of corporate governance, good fiscal discipline and financial reporting;
- Ensure the Company discloses to the Jamaica Stock Exchange in a timely manner;
- Act with due diligence, skill and care in fulfilling her duties.

The Company Secretary

The Company Secretary is Mr. Jordan Chin, Attorney-at-Law. 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 the critical advisor to the Board on matters relating to legal, regulatory and risk and compliance obligations. The Company Secretary is charged with the following responsibilities:

- 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 Board 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;
- Advising the Board on governance matters. Where the Board has a dedicated corporate governance committee, or any other committee with remit for governance matters, the company secretary should play a key role in guiding the committee on governance matters.
- To carry out any other duties as may be assigned by the Board from time to time.

Board Meetings

Subject to Article 121 of the Company's Articles, 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.

DIRECTOR'S AREA OF COMPETENCE	RYAN REID	DR. MICHAEL BANBURY	DANE PATTERSON	LISA LEWIS	KADEEN MAIRS
Finance & Audit	✓	✓	✓		✓
Sales & Marketing	✓				✓
Human Resource				✓	
Legal			✓		
Business	✓	✓		✓	✓
Governance & Compliance			✓		
Strategy and Leadership	✓	✓		✓	✓
Mergers & Acquisitions	✓	✓	✓		✓
Banking	✓				✓
Risk Management			✓		
Internal Control			✓	✓	

DATE OF MEETING AND ATTENDANCE	RYAN REID	DR. MICHAEL BANBURY	DANE PATTERSON	LISA LEWIS	KADEEN MAIRS	*CHRIS YEUNG
February 23, 2023	✓	✓	✓	✓	✓	✓
May 1, 2023	✓	✓	✓	✓	✓	
July 25, 2023	✓	✓	✓	✓	✓	
July 28, 2023	✓	✓	✓	✓	✓	
October 24, 2023	✓	✓	✓	✓	✓	
December 1, 2023	✓	✓	✓	✓	✓	

*Note: Christopher Yeung resigned as a director on 23 February 2023

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.

DIRECTORS	RYAN REID	CHRISTOPHER YEUNG	KADEEN MAIRS	DANE PATTERSON	MICHAEL BANBURY	LISA LEWIS
Directors	200,000	33,333	200,000	200,000	200,000	200,000
Board	630,000	50,000	300,000	250,000	350,000	350,000
Audit	-	-	-	175,000	-	100,000
Compliance and Risk Management	-	-	-	105,000	-	60,000
Credit	-	-	-	-	-	-
Remunderation	-	-	-	100,000	60,000	175,000
Mentorship	-	-	-		-	
Total Fees	830,000	83,333	500,000	830,000	610,000	885,000

Board Commitee

Board Committees represent an essential part of the corporate governance of any Company. As such, the Board has constituted four (4) standing committees which specific responsibilities have been delegated. The Chairman for each committee is selected by the Board.
These Committees are:

1. The Audit Committee
2. The Compliance Risk & Management Committee
3. The Remuneration Committee; and
4. The Credit Committee.

Committee Chairman

The role of the Committee Chairman is multifaceted and crucial for the effective operation of the board committee. The Chairman is responsible for providing leadership to the committee and ensuring that its goals and objectives are aligned with that of the Company. The Chairman acts as the main liaison between the committee and the Board and works to ensure that the Committee executes the mandates as approved by the Board.

Composition of Each Committee

DIRECTORS	AUDIT	COMPLIANCE RISK & MANAGEMENT	REMUNERATION	CREDIT
Ryan Reid*				✓
Dr. Michael Banbury			✓	✓
Dane Patterson**	✓	✓	✓	
Lisa Lewis***	✓	✓	✓	
Kadeen Mairs				✓

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

The Audit Commitee

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)
Meeting Frequency: Meetings are required to be held at least four (4) times a year, or more frequently as it shall be determined is necessary to carry out its duties and responsibilities.

Roles and Responsibilities:

i. Reviewing and recommending for approval the unaudited and audited financial statements of the Company;

ii. Recommending the appointment of external and internal auditors;

iii. Monitoring and reviewing the effectiveness of the internal audit functions;

iv. Monitoring the integrity of the financial statements of the company;

v. Reviewing any formal announcements relating to the company's financial performance and any significant financial reporting judgements contained therein;

vi. To review the company's internal financial controls and risk management systems and processes;

vii. To make recommendations to the Board for the appointment, reappointment and/ or removal of the external auditor and to approve the remuneration and terms of engagement of the engaged external auditor;

viii. To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements;

ix. To develop and implement an internal policy on the engagement of the external auditor.

x. To carry out thorough investigations into reports of improprieties regarding financial reporting or any other financial matters.

xi. Any other duties assigned by the Board of Directors and/or reasonably expected to be undertaken by the Committee

During the 2023 fiscal year, the audit committee executed the following tasks: -

i. Ensured that the financial statements published met appropriate accounting standards and gave true and fair view of the financial position and performance of the Company

ii. Monitored and reviewed the effectiveness of the internal audit functions;

iii. Reviewed and approved the Group's Quarterly and Audited Financial Statements to ensure completeness.

iv. Reviewed and recommended approval of the Company's annual Operational and Capital Budgets.

v. Conducted review of the External Auditor's proposed audit strategy, scope and fees for the audit of the year-end financial statements

vi. Conducted review of the Internal Auditor's proposed audit strategy, scope and fees for the audit of the company's Data Protection Framework

Supervision of Financial Reporting

The Board alongside the Audit Committee oversees adherence to established procedures for preparing and releasing the annual report, quarterly unaudited financial statements, and other financial disclosures. Additionally, the Board, via the Audit Committee, supervises internal control measures and audit mechanisms pertaining to external financial reporting.

The Company's External Auditors, PricewaterhouseCoopers Limited, will prepare and share a report of the 2023 fiscal year. The Board will thoroughly review and, upon acceptance, implement any recommendations provided by the external auditor. At each sitting of the Board of Directors and the Audit Committee, an update on the process of the external audit is provided by the Chief Financial Officer of the Company to which the Board of Directors and Committee Members assess and provide feedback.

At the completion of the external audit, the Audit Committee shall conduct an overall assessment of the external auditors to determine their effectiveness and determine their nomination for the reappointment.

The Compliance and Risk Management Committee

Purpose: 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 Committee ensures that management identifies the key risks that could affect the Company's ability to achieve its strategies and preserve its assets, so as to identify, measure, monitor and report on risks the company may face. All policies prepared 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 further assists in developing a strong risk and compliance culture at all levels of the organization that results in appropriate consideration of risk and compliance in key strategic and business decisions.

Quorum: Two (2)

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.

Roles and Responsibilities:

i. Developing, recommending and reviewing corporate governance principles applicable to the Board.

ii. Ensuring that the Board and is committees are in compliance with all regulatory composition requirements, which shall include requirements for director independence.

iii. Reviewing, no less than once annually, the adequacy of the charters of the Board and its various subcommittees and submit to the Board any suitable recommendations in relation to the amendment of same.

iv. Reviewing, no less than once annually, the Company's Articles of Incorporation and overall corporate governance policy and practices and submit to the Board any suitable recommendations in relation to the amendment of same.

v. Preparing the annual Corporate Governance Statement for inclusion in the Company's Annual Report to its shareholders.

vi. Ensuring that there is accurate, timely and full financial governance reporting with strong internal controls and risk management.

vii. Ensuring that material information regarding the Company's operations is disclosed in a timely manner to the public and regulatory entities.

viii. Keeping abreast of the latest regulatory requirements, trends and guidance in corporate governance and updating the Board on corporate governance issues, where necessary.

The compliance and risk management committee has executed the following tasks throughout 2023:

i. The review of related party transactions to ensure compliance with the policy on related party transactions.

ii. Reviewed and recommended for approval the Company's 2023 updated policies and procedures.

iii. Reviewed and recommended for approval the company's new policies regarding Data Protection.

iv. Reviewed and recommended to the Board changes related to the Jamaica Stock Exchange – Junior Market Rules.

The 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)

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.

Roles and Responsibilities:

i. Set detailed compensation for Executive Directors and the Chairperson, including any payments required in the case of termination.

ii. Review the framework for the remuneration and terms and conditions of employment of the Chairman of the Board and of Executive Directors.

iii. Monitor the level and structure of the remuneration of Senior Managers.

iv. Set detailed remuneration of the Executive Directors and the Chairman including termination payments.

v. Ensure that Executive Directors are fairly rewarded for their contributions to the performance of the company

vi. Ensure transparency to shareholders of how the remuneration of the Company's Executive Directors are set.

The remuneration committee has executed the following tasks throughout 2023:

v. Recommending to the Board the remuneration strategy and policy of the Company as it applies to all employees;

vi. Reviewing and recommending for approval the remuneration arrangements of the Directors and Executives of the Company

The 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)

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.

Roles and Responsibilities:

i. Assess the credit risk associated with various lending activities undertaken by the Company;

ii. Evaluating creditworthiness of potential borrowers;

iii. Formulating and submitting for approval an internal Credit Policy;

iv. Oversee the overall credit risk management strategy of the Company.

ATTENDANCE AT COMMITTEE MEETINGS FOR THE YEAR 2023

	Audit	Credit*	Remuneration	Compliance and Risk
Number of Meetings Held	6		4	2
Ryan Reid - Chairman				
Kadeen Mairs				
Dane Patterson	6		4	2
Michael Banbury			2	
Lisa Lewis	6		4	2

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.

General Meetings

General meetings with shareholders are held annually and communication with shareholders regarding corporate decisions are shared on a timely basis through the JSE platform and occasionally through the local 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 are accessible via 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.

Trading in Securities

Dolla has implemented a Securities Trading Policy to ensure that 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

Every individual nominated as a director must undergo a due diligence procedure managed by the Company and subsequently submitted to the Bank of Jamaica for a fit & proper assessment. These assessments adhere to the criteria outlined in section 2(2) of the Microcredit Act, 2021 and the Standard of Sound Practice on Fit and Proper Assessments (For licensees under The Microcredit Act 2021).

This is to ensure that any prospective member joining the Board demonstrates probity (honesty, integrity, and reputation), financial stability, and competency. This is also in keeping with the Standard of Sound Practice on Fit and Proper Assessments under the Microcredit Act, 2021.

Board Training

Compliance Training

Each year, all members are required to attend mandatory AML training. The Company's Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) training is done virtually on an annual basis. The Directors are then tested and provided certification upon successful completion.

Data Protection Training

Each year, all members are required to attend mandatory Data Protection training. The Company's Data Protection training is done virtually on an annual basis. The Directors are then tested and provided certification upon successful completion.

Board Evaluations

The Company acknowledges the importance of achieving its strategic objectives and fulfilling its obligations, which necessitates the establishment of a system to evaluate the Board's annual performance. This system will assess the Board and its subcommittees' efficiency and effectiveness, their responsibilities, overall organization, as well as communication and governance of management. The evaluation outcomes will be treated confidentially, and recommendations will be duly considered for implementation.

Key Governance Policies

In addition to the company's Corporate Governance Guidelines and Securities Trading Policies, 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
- Data Protection Policy
- Data Retention Policy
- Data Security Policy
- Data Breach Policy

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

ENTERPRISE RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

Summary of Risk Policy

In the ever-evolving landscape of financial services, Dolla Financial Services Limited operates within a dynamic environment characterized by fluctuations in interest rates, influenced by economic factors, and evolving regulatory frameworks. Recognizing the imperative of navigating these complexities, Dolla has established a robust risk management framework integral to achieving its strategic objectives.

At the heart of Dolla's operations lies a comprehensive risk management policy geared towards enhancing operational efficiency while proactively addressing potential risks. This policy not only emphasizes the identification and analysis of risks but also emphasizes the importance of preemptive measures to mitigate them and develop effective responses.

Central to Dolla's risk management approach is the meticulous setting of risk limits and implementation of stringent controls, facilitated by appropriate information systems. Through these mechanisms, Dolla ensures continuous monitoring of risks and adherence to established limits, thereby safeguarding its operations and stakeholders.

Furthermore, Dolla remains committed to adaptability and agility in response to market dynamics, product reviews and evolving industry standards. Consequently, the Group conducts regular reviews of its risk management policies and systems, ensuring alignment with emerging best practices and the evolving landscape of financial services.

By prioritizing proactive risk management strategies, Dolla Financial Services Limited fortifies its resilience, sustains operational excellence, and remains poised to navigate the intricacies of its operating environment effectively.

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. 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 conducts regular reviews of the risk appetite in alignment with the Company's business strategy and governance framework. This process informs the organization about the acceptable level of risk for key risks, and the Board decides on strategies to address unforeseen risks arising from changes in the economic climate.

Other principal risks include:

Market Risk

Fluctuations in market prices, including interest rates, foreign exchange rates, equity prices, and Jamaican Government economic policies, can significantly influence the value of the Group's assets, liabilities, and overall financial performance. These shifts have the potential to impact capital markets, including the Junior Market of the JSE, presenting both opportunities and challenges for the Company. It's worth noting that this risk is not unique to our Company but is prevalent across the industry.

To mitigate this risk, we have forged strategic alliances with dependable partners across various sectors who possess resilience against such market volatilities. Moreover, the Company has implemented a stringent cash flow forecasting system aimed at enhancing financial visibility and curtailing financial exposure.

Credit Risk of Loan Portfolio

The Group assumes credit risk, which pertains to the potential financial loss the Group may incur if its customers, clients, or counterparties fail to fulfill their contractual obligations. Credit risk stands as the foremost concern for the Group's operations; hence, management meticulously oversees its exposure to such risks.

The Group's exposure to credit risk primarily hinges on the unique attributes of each customer. Accordingly, management has devised a credit policy wherein each customer undergoes individual scrutiny regarding creditworthiness before the Group extends loan facilities. Mitigating this risk involves various strategies, including diversifying borrowers across industries and credit categories, imposing limits on exposure to any single borrower, conducting thorough due diligence and credit assessments prior to loan issuance, stipulating satisfactory collateral or guarantors for loans surpassing a specified value, and adhering to lending policies and strategies in line with industry norms.

Moreover, Dolla has entered partnerships with accredited life insurance firms to offer customers creditor life and critical illness insurance for unsecured loans. This initiative serves to mitigate risk in unfortunate scenarios of customer critical illness or demise.

Availability of Loan Funding

The Group's ability to provide loans to its customers relies on its capacity to acquire funds under favorable terms. Dolla utilizes a diverse range of funding avenues, including revolving credit facilities established with local banks, support from its parent company, internally generated funds from customer repayments, and proceeds from private placements. These funding channels play a critical role in sustaining the company's lending operations, ensuring its efficient and effective support for the financial needs of its clientele.

Nevertheless, fluctuations in the availability or conditions of these funding sources could potentially expose the company to risks. Hence, diligent monitoring and strategic management of its funding portfolio are imperative to mitigate any adverse impacts on its lending activities.

Liquidity Risk

Liquidity risk pertains to the possibility that the Group may be unable to fulfill its payment obligations related to financial liabilities promptly or to replenish funds upon withdrawal. This may result in the failure to meet commitments, such as loan repayments and other incurred liabilities. The liquidity risk management process, overseen by the Board of Directors, entails:

(i) Regularly monitoring future cash flows and liquidity, which involves evaluating anticipated cash inflows and, if necessary, seeking credit from affiliated entities or financial institutions;

(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.

Key Personnel

The company recognizes the potential risk associated with attracting and retaining top-tier talent within its workforce. The absence of highly skilled and qualified personnel could lead to increased loan default rates, potentially impacting the company's operational and financial performance negatively. In response, the company has strategically fostered a culture that emphasizes providing significant learning and development opportunities for its employees, thereby supporting their professional growth and skill enhancement.

Additionally, the company takes proactive steps to maintain a robust pool of potential candidates actively seeking new opportunities, ensuring a continuous talent pipeline to address any challenges in talent acquisition. Through these proactive measures, the company aims to strengthen its workforce, enhancing its ability to manage potential staffing-related risks and maintain operational efficiency and financial resilience.

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 Group understands the importance of maintaining effective internal control processes to ensure operational efficiency. In a strategic move aimed at optimizing its internal control processes, the company has entrusted this pivotal function to Ernst & Young Services Limited, a leader in the audit domain renowned for its provision of independent and objective services. By leveraging the expertise and proficiency of Ernst & Young, the company endeavours to elevate the effectiveness and reliability of its internal control framework.

COMPLIANCE REPORT

COMPLIANCE REPORT

Overview

Dolla Financial Services Limited has been a licensed Microcredit Institution since 24 November 2022. From the outset, Dolla has been resolute in its commitment and diligence to maintain a robust AML/CFT compliance program. This program, designed to proactively prevent illicit financial activities and ensure strict adherence to relevant legislation and regulations, including but not limited to the Microcredit Act, Proceeds of Crime Act, Proceeds of Crime (Money Laundering) Regulations, the Terrorism Prevention Act, the Terrorism Prevention (Reporting Entities) Regulations, the Financial Investigation Division Act, the United Nations Security Council Resolutions Implementation Act and the Guidance Notes on the Prevention of Money Laundering and Countering the Financing of Terrorism, Proliferation and managing Related Risk.

This AML/CFT Compliance Report outlines the proactive efforts taken by Dolla to establish, develop and implement an effective Compliance Framework. It highlights the key measures implemented to combat money laundering, terrorist financing, proliferation, fraudulent activities, training programs, and outcomes achieved during the reporting period.

Board Approved Policies and BOJ'S 2018 Guidance Notes

In the financial year 2023, a system of internal policies, procedures, and controls was implemented in accordance with the company's Compliance Programme to identify, mitigate, and manage risks. The board reviewed and approved all policies and procedures and then they were disseminated to management and staff. In addition, the BOJ's 2018 Guidance Notes was disseminated and signed acknowledgement forms received from all staff.

This exercise also formed part of the compliance programme for onboarding new staff members. Staff members are given access to the board-approved policies and the BOJ's Guidance Notes to keep them aware of their obligations, and so they can easily access them for future reference. This promotes compliance with the law and company policies. As a result, all previous staff members and those hired during the 2023 financial year have signed and presented their signed acknowledgement forms.

Risk Assessment

Customer risk assessment was conducted to identify and evaluate the risks of all customers to ensure appropriate profiles are assigned and appropriate monitoring is in place. During this exercise, the overall customer risk was identified as low. Since the report was performed using a general risk profile methodology, steps have been taken to incorporate the company's risk management processes into the regulatory software to be more precise to the Company's inherent risks and matrices set out in AML/CFT/CPF Risk Management Policy.

Upon onboarding the customer risk assessment is being conducted manually for each customer. However, a regulatory software is being built to automate the risk assessments. The risk management system, once fully implemented, will include the necessary controls, management, and monitoring systems required to gain oversight and mitigate AML/CFT risks effectively, as well as the Countering the Financing of Proliferation risks. It will allow us to identify the risk rating of all active customers at the onboarding stage and analyse and assess threats to the company. Dolla will be able to ensure that a comprehensive customer risk assessment using the company's methodologies found in its Risk Management Policy is administered to ensure the effectiveness of a proper risk-based approach.

Further, a regulatory, business and financial risk assessment was conducted at the end of the financial year. Dolla's overall risk level was identified as medium, and the quality of the Compliance Risk Management process was determined to be satisfactory.

Know Your Customer (KYC) & Customer Due Diligence (CDD)

Appropriate measures have been implemented to improve and effectively onboard customers. This includes third-party, PEP and FATCA declarations, sanction checks, PEP checks, and disclosure of sources of funds and wealth. Since the manual onboarding process poses a risk to the business, all customers undergo enhanced due diligence (EDD) as a control measure to mitigate risks until the regulatory software is implemented and can effectively identify customer risk profiles beforehand.

Transaction Monitoring

Dolla has established a system through cross-department collaboration to monitor transactions and detect and report suspicious and threshold activities. Cash repayments are prohibited to minimise transactional risks. However, the unusual trends identified were mainly from early repayments. Key threats identified included: fraud, forgery, theft, and using family and third parties. As such, appropriate controls were administered to help mitigate any further risks.

Reporting and Record Keeping

Dolla's record-keeping regime was strengthened in 2023, and its reporting obligations started in January 2023. All 2023 statutory reports were filed and accepted by the Financial Investigation Division (FID).

Training and Wellness

Dolla partnered with the Jamaica Institute of Financial Services (JIFS) to facilitate the AML/CFT/CPF training. The Board of Directors and all staff members received training in January and February 2023, respectively. Certificates were issued by the end of May 2023 to all who had successfully completed the online quiz. AML training was also extended to all staff within the subsidiaries.

This was in keeping with S IV (87) of the BoJ Guidance Notes, 2018, which stipulated that Branches are not considered legally distinct from their head office and, therefore, are subject to Jamaican laws. Ultra Financier Limited staff members completed their training in July 2023, and the Dolla Guyana team completed their training in August 2023.

An AML computer-based training system was also implemented to onboard new staff.
By the end of the financial year, all staff members, including those hired during the period, have completed their training and successfully achieved their AML Certification.
A continuous training program was established to reinforce awareness when deficiencies are identified. All training highlights the steps and best practices for deterring and detecting Money Laundering, Terrorist Financing and preventing the Proliferation of Weapons of Mass Destruction.

Regulatory Engagement

Dolla continues to maintain good relationships with the Bank of Jamaica, the Financial Investigations Division, and other regulatory authorities. All reports, notices and submissions are done in a timely manner.

Dolla remains committed and continues to initiate plans to monitor, screen, and take preventative measures to manage its compliance and risks framework effectively.

SENIOR MANAGEMENT TEAM

Kenroy Kerr
Chief Executive Officer

Trevene McKenzie
Chief Financial Officer

Kenroy Kerr serves as the Chief Executive Officer of Dolla Financial Services Limited, offering forward-thinking leadership and overseeing the company's daily operations in alignment with a resilient business framework. With over 13 years of experience in banking and finance, Kenroy embarked on his professional journey in 2008 at the Bank of Nova Scotia, where he fulfilled various roles over nearly a decade.

Transitioning to Dolla Financial Services Limited, Kenroy assumed the position of Head of Credit and Risk, playing a pivotal role in shaping the company's sustained prosperity. His strategic emphasis on crafting innovative loan products has spurred significant loan expansion, complemented by adept risk management strategies that have effectively minimized non-performing loans, elevating the overall loan portfolio quality.

Kenroy's academic credentials include a master's degree in business administration, specializing in Organizational Development from Aston University, Birmingham, achieved with distinction. Additionally, he holds a Bachelor of Science in Business Studies with honors, majoring in accounting. Kenroy's academic prowess and extensive industry experience converge to underpin his expertise and vision, propelling Dolla Financial Services Limited toward enduring growth and triumph.

As Dolla's CFO, **Trevene McKenzie** brings extensive expertise to the table, offering leadership and oversight across financial management, strategic planning, reporting, forecasting, and analysis. Her journey began with a diverse range of experiences across multiple industries, including banking and finance, business process outsourcing, public sector, and most recently, telecommunications with Digicel Group. At Digicel, she served as Technical Financial Controller in 2019 and subsequently as Head of Finance for Technical and Networks in 2021.

Ms. McKenzie holds a bachelor's degree in accounting and economics from the University of Technology, Jamaica, complemented by a Certificate in Forensic Accounting. She was a successful candidate of the CPA exams and is an esteemed member of both the American Institute of Certified Public Accountants (AICPA) and the Institute of Chartered Accountants of Jamaica (ICAJ).

Chad Wynter
Group Legal Officer

Melissa Whyte,
Human Resources Manager

Chad D. Wynter is the Group Legal Officer at Dolla Financial Services Limited. He has oversight of the legal operations of the group of Companies as well as responsibility for the Company's compliance with the Data Protection Act, 2020. He obtained his Bachelor of Laws Degree with Honours in 2018 and thereafter went on to obtain his Legal Education Certificate (LEC) from the Norman Manley Law School.

Mr. Wynter was admitted to practice in Jamaica in December 2020. He was a member of the litigation department at the law firm Livingston, Alexander & Levy, and represented the interests of several international and local corporations. Mr. Wynter joined the Dolla Team in June 2023.

Melissa Whyte is the Human Resources Manager at Dolla Financial Services Limited. Her duties include Recruiting and Staffing, Employee Relations, Policy Development, Managing Staff performance, employee engagement and improving systems. She has over 12 years of experience in the fields of Dentistry, Finance and Insurance. Miss Whyte holds a bachelor's degree in the field of Business Management from Mercyhurst University in Erie, Pennsylvania and a Masters in Business Administration from the Mona School of Business.

Kahlilah Thompson,
Operations Manager

Kahlilah Thompson is the Operations Manager of Dolla Financial Services Limited. She is responsible for the day-to-day operational activities in the Branch Network, company procurement, monitoring and enhancing information Technology and continual customer experience improvement.

Ms. Thompson worked as Dolla Financial Services' Human Resources Manager for over 5 years. Ms. Thompson has over 20 years of experience in the industries of Business, Banking and Hospitality. She possesses a Bachelor of Business Administration degree from The University of Technology in Jamaica

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.

Tricia Nicholas
Governance & Compliance Manager

Kevin Laws
Senior Accountant

Tricia Nicholas is the Group Governance and Compliance Manager of Dolla Financial Services Limited. She leads the group's Corporate Governance, Compliance and Risk Management Unit and oversees the Compliance and Risk Management programs. As a part of the Executive Team, Miss Nicholas works closely with the Board and Senior Management to facilitate strategic growth, good corporate governance, risk management, controls, and compliance. She has over eighteen (18) years of professional experience in Governance and Corporate Law and over eight (8) years in Commercial and Litigation law as a Senior Legal Secretary. Miss Nicholas is the company's Nominated Officer and oversees Dolla's compliance and risk management programs. She is the Company Secretary for its subsidiary, Ultra Financier Limited. In addition, Miss Nicholas acts as the Recording Secretary for the Company and its subsidiaries.

Miss Nicholas also holds experience in Administration, Office Management and Human Resources. She previously worked as the Legal Assistant and Team Leader for Nicholson Phillips law firm. She was the Company Secretary for the charitable organisation BACK2LIFE Foundation. Miss Nicholas is an International Compliance Association Associate Member and was awarded as a Certified Risk and Compliance Practitioner. She holds a Level 5 – International UK Diploma in Business Management from The Association of Business Executives. She is pursuing the Financial Crime and Compliance MBA with Bangor University, which will allow her to gain a Master in Business Administration and the professional designation of Financial Intelligence Specialist.

Kevin Laws is the Senior Accountant of Dolla Financial Services Limited. Mr. Laws manages the accounting department, reports to the Chief Financial Officer, and maintains the financial compliance of the company.

He has over 21 years accounting experience in varying sectors including distribution and hospitality industry. Mr. Laws previously worked as an Accountant for Jamaica Pegasus Limited and currently a member of the Institute of Chartered Accountants of Jamaica.

Lennia-Toya Williams
Credit Risk Manager

Tashoni Ellis
Marketing Manager

Lennia-Toya Williams is the Credit Risk Manager at Dolla Financial Services Limited, overseeing the Credit Underwriting Unit and directing the entire Personal/Consumer and Business Loan approval process. With over 6 years of tenure, she diligently upholds the credit policy, conducts regular reviews of existing customer profiles, and assesses the creditworthiness of prospective clients. Ms. Williams is adept at tracking performance metrics, addressing challenges, and implementing solutions to enhance process efficiency. Her strategic focus is on expanding the loan portfolio while minimizing delinquency risks.

Prior to her role at Dolla Financial Services Limited, Ms. Williams dedicated a decade to the education sector, nurturing the potential leaders of tomorrow. She holds a Teaching Diploma specializing in Guidance and Counseling from Sam Sharpe Teachers' College, a Bachelor of Arts Degree in Psychology from International University of the Caribbean and a Certificate in Credit Risk Management from CARE Advisory Research Training. Her extensive background enables her to efficiently manage the day-to-day underwriting operations and align them with the company's overarching objectives and targets.

Tashoni Ellis is the Marketing Manager at Dolla Financial Services Ltd. She joins with over a decade of experience in marketing and sales with a proven record of generating and building relationships, managing projects from concept to completion and designing innovative and creative strategies. She is responsible for creating and accelerating the company's marketing strategy and brand recognition across the region. She is focused 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 a part of the JN Group where her most recent role was Assistant Manager- Marketing Specialist at JN Money Services Ltd. In this role, she had direct oversight for executing marketing strategies and achieving sustainable sale's growth for Canada and the Caribbean. Ms. Ellis holds an MBA from the University of South Wales in the UK. She also holds a bachelor's degree with a Major in Marketing and minors in Economics and Management Studies from the UWI.

Tachi-Liue Roye-Montheith
Regional Sales Manager I

Brenton Hudson
Regional Sales Manager II

Tachi-Lue Roye-Monteith is one of the Regional Sales Managers. She has been a key team member for the past 5 years. With a total of 10 years in the Sales Industry, Tachi-Lue brings a wealth of experience and a proven track record of success to her role. Tachi-Lue is known for her excellent customer service skills, consistently going above and beyond to ensure client satisfaction. Her ability to understand client needs and provide tailored financial solutions has been instrumental in her success.

As a team player, Tachi-Lue believes in the power of collaboration and shared success. She is always ready to lend a hand to her colleagues and is known for her positive attitude and ability to motivate her team. Tachi-Lue's hard work and dedication have not gone unnoticed. She has been the Top Sales Officer at Dolla Financial Services for the past 3 consecutive years, a testament to her sales acumen and relentless pursuit of excellence. In her role, Tachi-Lue continues to set the bar high, striving for continuous improvement and aiming to make a significant impact in the financial services industry. Tachi-Lue holds a Bachelor of Science Degree in Business Administration from the Northern Caribbean University.

Brenton Hudson is one of the regional sales managers for Dolla Financial Services Ltd. He joins the team with over 15 years of experience in the industry of sales and banking and finance. Known for his exceptional sales ability & leadership skills, Brenton has a proven track record of meeting sales targets and driving revenue growth.

He is adept at building and nurturing relationships with clients, as well as motivating and coaching his sales team to achieve full potential. With a strong understanding of market trends and customer needs, Brenton is able to develop innovative sales strategies that deliver measurable results. Brenton holds a Bsc. in Business with a minor in Program & Project Management.

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

Our Operating Environment

For the 2023 financial year, Dolla operated in a challenging environment marked by various economic headwinds, including inflationary pressures, heightened interest rates, and geopolitical tensions. Moreover, we navigated through the regulatory changes brought about by the recent enactment of the Microcredit Act, which aimed to streamline operations within our sector catering to individuals and small to medium-sized enterprises. Despite these hurdles, Dolla demonstrated remarkable resilience, achieving unprecedented milestones and exceeding all key performance benchmarks.

Inflation emerged as a pervasive force, affecting not only the prices of goods, but also services, exerting notable influence on our operational dynamics. Throughout the fiscal period, the point-to-point inflation experienced a slight downtrend, settling at 5.3% by October 2023, which was within the target set by The Bank of Jamaica (BOJ). This trajectory was largely attributed to the BOJ's prudent fiscal and monetary policies. Notably, inflationary pressures were most pronounced in sectors such as food and non-alcoholic beverages (8.3%), furnishings, household equipment, and routine household maintenance (10.8%), and restaurants and accommodation services (13%). This impacted both consumer behaviour and our cost structure.

Consequently, our operating expenses witnessed upward pressure due to increased interest expenses, reflective of the increased cost of funds. Furthermore, the diminished purchasing power of our clientele presented challenges in loan affordability and repayment capacity. Despite these adversities, our steadfast adherence to prudent lending practices effectively mitigated the risk of defaults, maintaining a stable delinquency rate. While the non-performing loans ratio experienced a slight uptick from the preceding year, reaching 8.2% from 6.5%, our Expected Credit Losses (ECL) marginally decreased from 4.1% to 3.8%, underscoring our commitment to risk management and demonstrating the quality of the loan portfolio.

Against this backdrop, Dolla achieved its highest ever income and net profit since inception. Looking ahead, inflationary forecasts indicate a potential deviation from regulatory targets between December 2023 and March 2025, driven partly by anticipated fare increases in the public transportation sector, as projected by the BOJ.

Furthermore, macroeconomic indicators paint a mixed picture, with GDP growth moderating to 2.3% in the third quarter of 2023 from 4.3% in the corresponding period of the previous year. Projections for real GDP growth in FY2023/24 range between 1.0% to 3.0%, with a medium-term outlook of 1.0% to 2.0%, anchored on sustained economic expansion. Key drivers of growth include the Services and Goods Producing Industries, buoyed by improved economic conditions in our major trading partners and efforts to mitigate disruptions.

In tandem with economic progress, the country's unemployment rate reached a historic low of 4.5% as of July 2023, compared to 6.6% in the corresponding period of the preceding year, underscoring the resilience and vibrancy of our labour market.

Guyana's Financial Sector Prospects

Dolla currently operates in Jamaica and Guyana, with Guyana accounting for 5% of the company's consolidated loan portfolio, and 2% of profit before tax in 2023. During the first half of 2023, Guyana experienced a significant economic expansion of 59.5%. This growth was primarily driven by a real GDP increase of 12.3% in the non-oil sector, attributed to heightened crude oil production and enhanced performance in construction, agriculture, and services. These sectors benefited from governmental initiatives aimed at stimulating growth within the traditional segments of the economy.

Projections indicate that the local economy is poised to sustain this growth momentum throughout fiscal 2023, with an anticipated growth rate of 38.4%. Factors contributing to this projection include continued increases in oil production, enhanced outputs in traditional sectors such as construction, mining, quarrying, and services, as well as supportive fiscal and monetary policies implemented by the government. Inflation stood at 1.2% as of July 2023, reflecting decreases in transportation and communication prices, alongside governmental measures to mitigate price hikes. Year-end inflation is forecasted at 3.8%, driven by ongoing declines in both local and international prices.

Despite these positive economic indicators, Guyana faces uncertainties stemming from its longstanding territorial dispute with Venezuela over the Essequibo region, which escalated into a crisis in 2023. Dolla will continue to monitor this development and will act proactively to prudently manage any associated risk.

Jamaica's Micro Finance Sector

The microfinance sector in Jamaica plays a pivotal role in fostering economic growth, development, and inclusivity, garnering widespread recognition for its significant contributions. It serves as a vital conduit for extending credit access to a large segment of the population and is poised to maintain its relevance well into the future. In 2020, the sector, as reported by JAMFIN, facilitated loans totalling over J$20 billion within the financial system.

The enactment of the Microcredit Act in January 2021 marked a pivotal moment for the microfinance landscape in Jamaica. This legislative milestone aims to instill order in the industry, mandating licensing and full regulatory compliance for all firms. The primary objective is to mitigate the risks associated with money laundering and terrorist financing within microcredit institutions. Dolla was among the initial entities to be granted microcredit licenses, while others received no objection letters from the BOJ to sustain operations pending review of their applications. Despite these advancements, speculations are that a significant number of entities remain unregulated. The implementation of this new regulatory framework is anticipated to catalyse industry restructuring and consolidation, particularly impacting smaller, more vulnerable firms grappling with compliance costs.

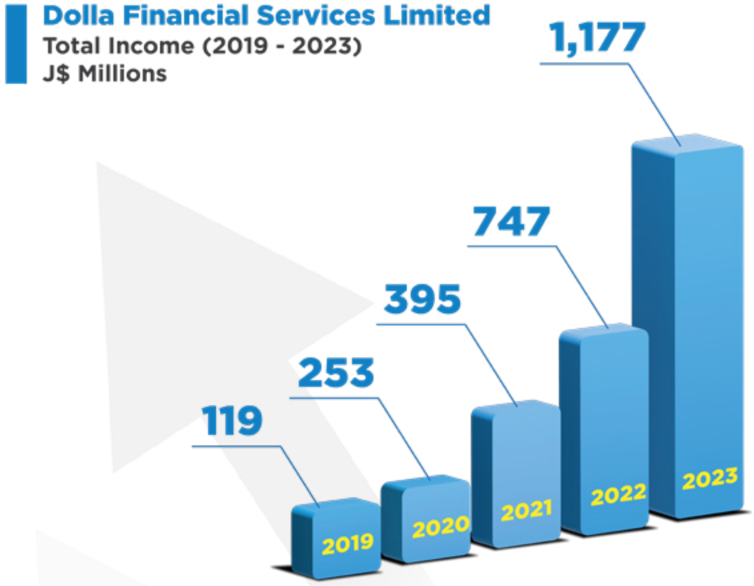
In securing the microcredit license, the company underscored its commitment to upholding stringent compliance standards mandated by the Act. It affirmed that all requisite policies and systems were in place to ensure adherence, while designated officers, including directors and substantial shareholders, were deemed fit and proper, possessing the requisite competence, financial stability, integrity, and honesty.

OVERVIEW OF FINANCIAL RESULTS

INCOME STATEMENT	DEC. 2023 (AUDITED)	DEC. 2022 (AUDITED)	CHANGE (YOY)	
Total Income	1,177,254	746,477	430,777	58%
Net Interest Income	1,001,596	660,910	340,687	52%
Operating Expense (Incl. ECL)	(549,961)	(369,515)	(180,446)	49%
Profit Before Tax	444,882	295,640	149,242	50%
BALANCE SHEET				
Total Assets	2,988,023	2,244,747	743,276	33%
Total Liabilities	2,002,640	1,523,766	482,874	32%
Loan, Net of Loan Loss Provision	2,451,080	1,725,742	725,337	42%
Total Loans	2,528,184	1,797,841	730,343	41%
Expected Credit Losses (ECL)	(77,104)	(72,098)	(5,006)	7%
Cash and Cash Equivalents	325,898	352,935	(27,037)	-8%
Financial Invesments	86,747	63,431	23,316	37%
Shareholders' Equity	981,383	720,981	260,403	36%
Retained Earnings	509,320	255,351	253,969	99%
CASH FLOW				
Net Cash from Operating Activities	193,345	255,031	(61,686)	-24%
Net Cash used in Investing Activities	(44,581)	(79,768)	35,187	-44%
Net Cash from Financing Activities	(186,813)	116,965	(303,778)	-260%
Cash and Cash Equivalents	309,424	352,935	(43,511)	-12%
FINANCIAL RATIOS				
Efficiency Ratio	47%	50%	-3%	
Net Interest Margin	48%	53%	-5%	
Net Profit Before Tax Margin	38%	40%	-2%	
Return on Asset	17%	19%	-2%	
Return of Equity	52%	57%	-5%	
Debt to Capital	66%	34%	32%	
Debt to Asset	64%	17%	47%	
Non-Performing Loan %	8.2%	6.5%	2%	
Expected Credit Losses (ECL)	3.8%	4.1%	0%	
Min. Interest Coverage Ratio	4.0	5.1		
Max Net Debt to EBITDA	2.3	4.4		
Max Debt to Equity	1.9	2.0		
Min. Equity to Total Asset	33%	32%		

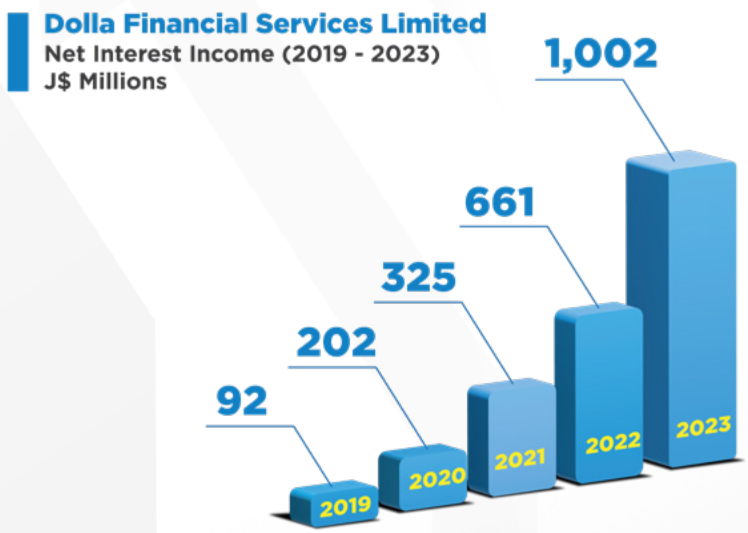
Total Income

The total income soared to $1,177 million, marking a remarkable 58% increase compared to the previous year. This surge in income directly mirrors the upward trend in sales volume, as there were no interest rate increases throughout the year. Consequently, there was a significant uptick in demand for our services across the board. Moreover, we refined our product offerings through meticulous sales and market analyses, identifying the most suitable products for various sectors. This strategic approach allowed the company to concentrate its efforts where the highest returns were realized. Access to funding also played a pivotal role in our income growth. We successfully raised $500 million over the course of the year, which was efficiently utilized in loan disbursements.



Net Interest Income

The Company recorded net interest income before expected credit loss of $1,002 million, an increase of $341 million or 52% over the prior year. Despite assuming more debt over the year, resulting in a 116% rise in interest expenses, the robust demand would have facilitated a noteworthy increase in interest income, thus leading to a positive growth in net interest income.



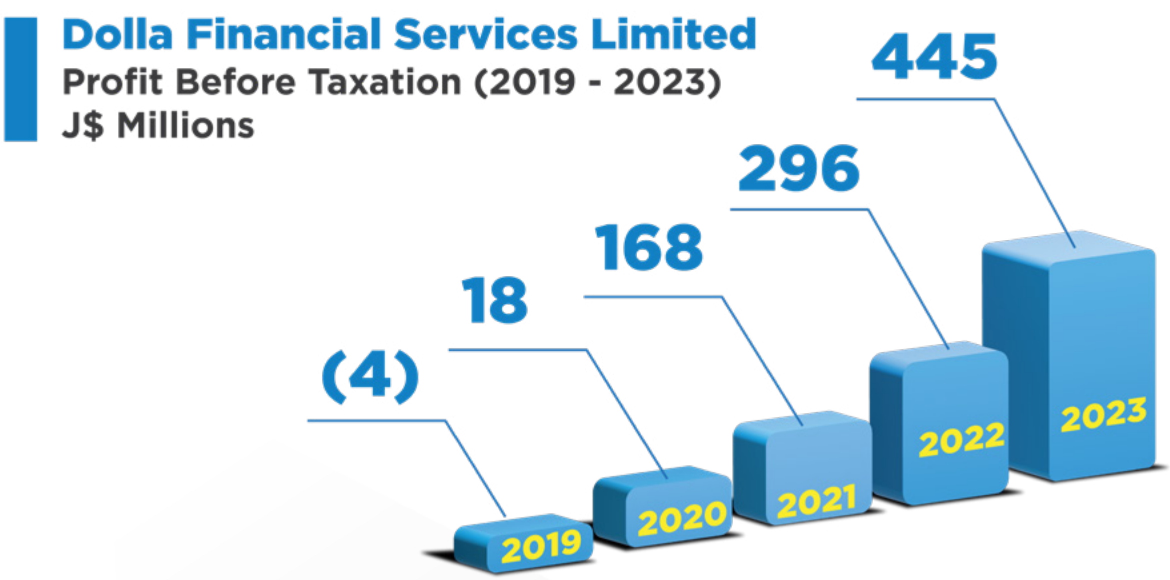
Operating Expenses

The company's operating efficiency remained steady at 47%, representing a marginal 2% decrease compared to the 50% recorded in the previous year.
We take pride in maintaining this metric below the industry average, reflecting our commitment to effective cost management.

Operating expenses for the period totalled $550 million, marking a 49% increase compared to December 2022. As 2023 marked another year of growth, expansion across various areas was necessary to ensure sustainability. Significant investments were made in our workforce to drive strategy and sales, resulting in a 57% year-on-year increase in staff costs. Legal and professional fees, as well as depreciation, also saw substantial rises of 93% and 91% respectively compared to the previous year.

The increase in Legal and professional fees is due to the additional costs related to listing on the Jamaica Stock Exhange and compliance with our micro credit license. The increase in depreciation can be attributed to the establishment of our new and upgraded locations in 2022, along with the acquisition of furniture and IT equipment to support our growth. Additionally, the company faced the impact of rising prices in 2023.

To address external factors, we remain focused on managing expenses through negotiations on pricing and fostering strong relationships with suppliers. Furthermore, expenses are carefully controlled, prioritized based on necessity, and implemented where tangible benefits are evident.



Profit Before Taxation (PBT)

During the fiscal year ending December 2023, the Company realized a profit before tax of $445 million, demonstrating a noteworthy $149 million increase or 50% growth compared to the period ending December 2022. This significant surge in profit before tax was primarily attributed to the expansion of income streams and effective expense management, including the careful handling of expected credit losses, all contributing to this favorable outcome.

The net profit generated reached $419 million, marking a notable increase of $139 million or 50% compared to the previous year. While earnings per share remained relatively stable at $0.17, slightly down from $0.18 in the preceding year, this is primarily attributable to the weighted average utilized in the prior period, influenced by the uptick in shares issued to support the successful IPO. The rise in profit before tax (PBT) contributed to a commendable return on average equity of 52%.

Concessionary regime for taxation of Junior Market Companies

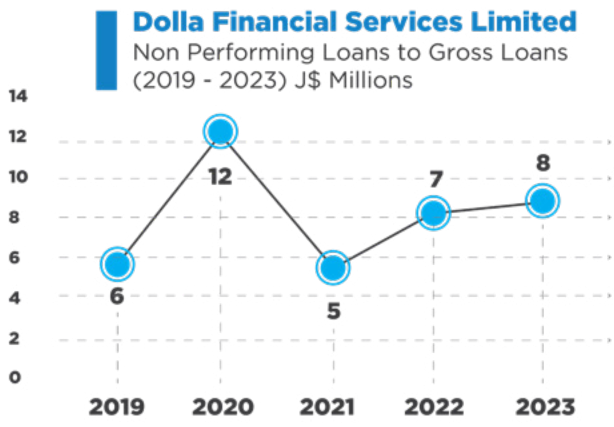
With the admission of the Company to the Junior Market of the JSE, it will take advantage of the special concessionary tax regime that is currently in place in alignment with the Company's strategy. As at the date of listing, 100% of profits will be exempted from taxation for the initial five-year period. 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).

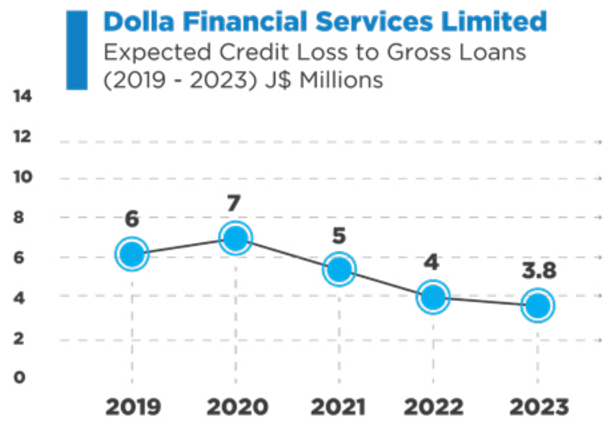
The remission of tax requires the Company to meet the ongoing Junior Market requirements for at least 15 years from the date of listing. Assuming that those conditions are met, in the Company's first 5 years on the Junior Market, the Company will not be liable to pay any corporate income tax. In years 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

As of December 2023, expected credit losses (ECL) on loans amounted to $77 million, representing a marginal $5 million increase compared to the previous year. This rise in ECL can be directly linked to the expansion of the loan portfolio. Despite the increase in provisions, the proportion of the portfolio covered by these provisions decreased slightly from 4% in 2022 to a record low of 3.8% in 2023.

The ratio of non-performing loans (NPLs) to gross loans increased from 6.5% to 8.2% year over year, primarily due to the presence of specific large accounts in arrears at the end of the year. Management is actively pursuing measures to recover these accounts and liquidate collateral where applicable. Despite these challenges, both NPLs and ECLs remain well within budgeted expectations and below the industry average. This outcome underscores our prudent risk management practices and steadfast commitment to ensuring the long-term sustainability of our lending operations.

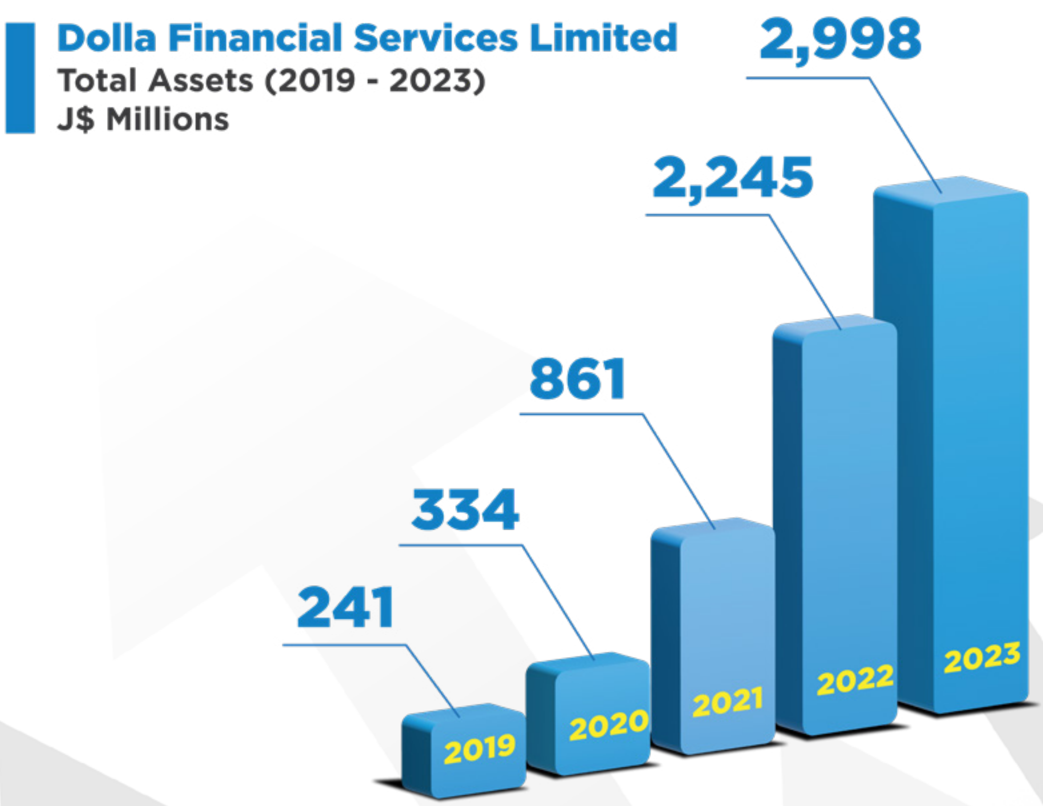




Total Asset

As of December 2023, total assets amounted to $3 billion, reflecting a substantial increase of $743 million or 33% year over year (YoY). This notable expansion in the company's asset base can be directly linked to a 41% surge in the loan portfolio. This growth was fueled by increased sales from both funding obtained and daily loan repayments over the course of the year.

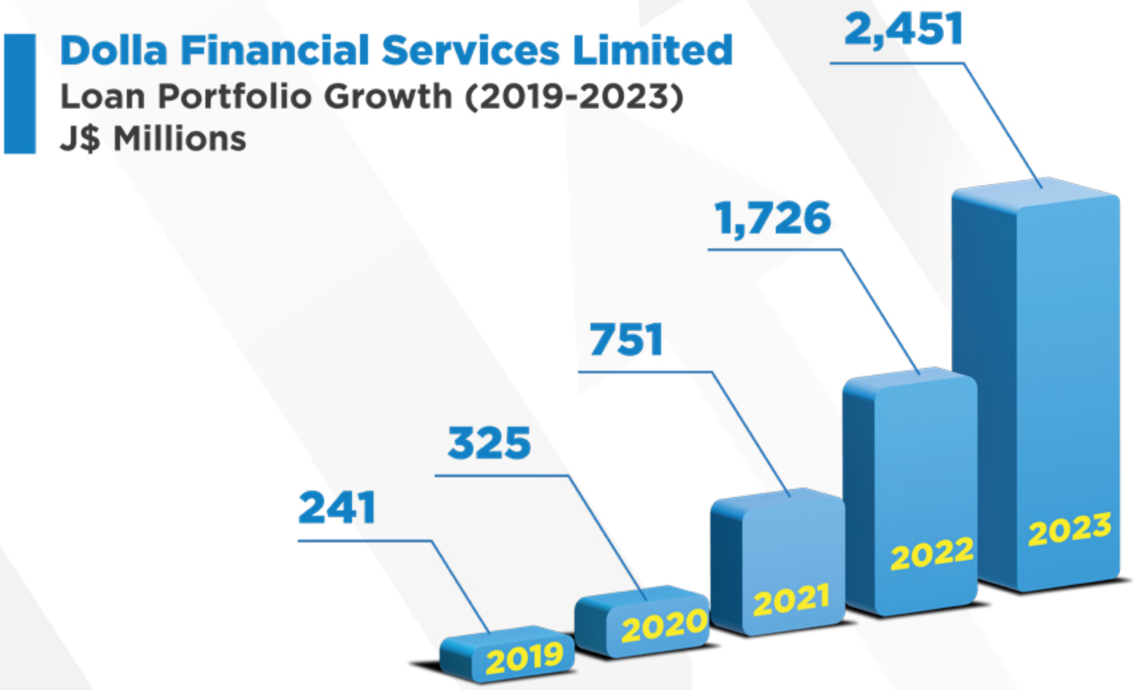
The rise in cash and cash equivalents, though to a lesser extent, also played a contributing role. This increase was primarily driven by the funding, particularly short-term loans received in the latter part of Q4, 2023.



Loan Portfolio

During the fiscal year ending on December 31, 2023, Dolla recorded exceptional growth, with loans outstanding after expected credit losses (ECL) reaching $2.5 billion. This impressive figure reflects a substantial year-on-year increase of $730 million or 41%. The surge in loan acquisition was predominantly driven by heightened disbursements, showcasing our commitment to providing secure loans to businesses operating in thriving sectors.

A significant achievement during the year was Dolla's accreditation as a Micro Finance institution (MFI) by the Development Bank of Jamaica (DBJ). This accreditation facilitated access to funding, resulting in the approval of a J$500 million facility under the Micro Small and Medium-sized Enterprise (MSME) Line of Credit. Notably, $200 million of this allocation was received in Q4, providing further support for our ongoing loan growth.



Strategic marketing efforts along with the establishment of strategic partnerships tailored to our clients' needs, played a pivotal role in driving increased demand for loans during the period. Since 2018, our net loan portfolio has exhibited an impressive compound average growth rate of 70.1% per annum.

In the financial year ending December 2022, Dolla disbursed over $2 billion in funds to its customers, representing a significant increase over the previous year. This noteworthy uptick in loan disbursements underscores the effectiveness of our product suite in meeting the diverse needs of individuals and businesses, both locally and regionally.

Liabilities and Shareholder Equity

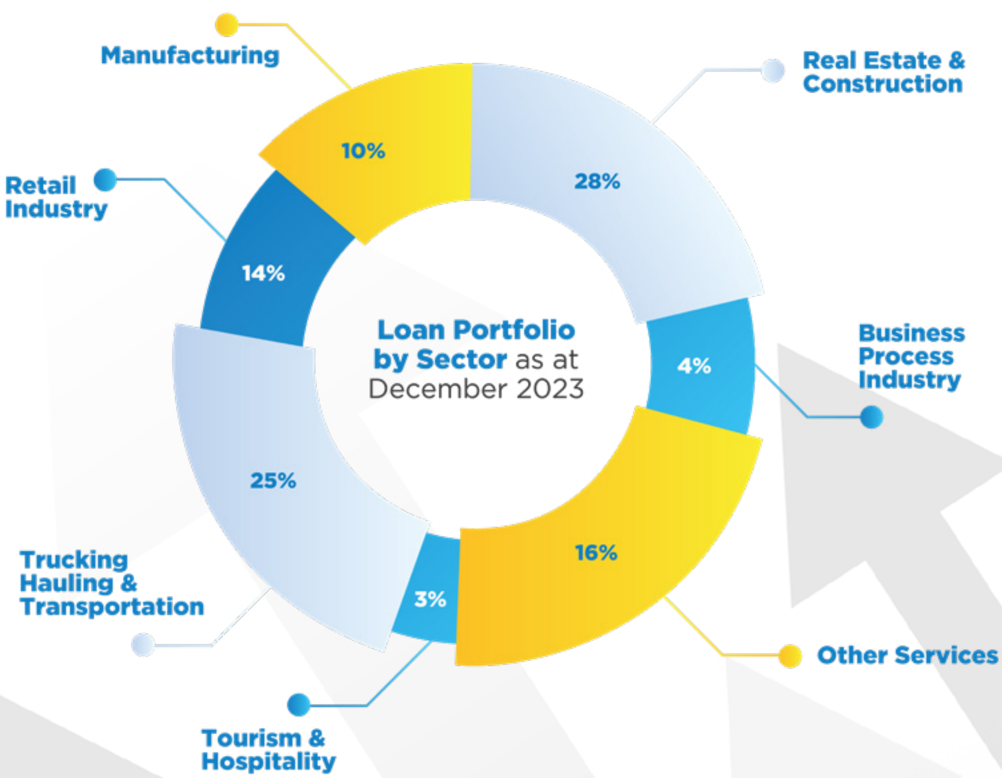
During the fiscal period of 2023, our total liabilities experienced a notable upswing, climbing by 32% or $483 million, reaching a total of $2 billion. Among these, loans payable saw a significant surge, marking a 33% or $457 million increase year-over-year, reaching $1.9 billion. This boost can be chiefly attributed to the partial drawdown of funds from the Development Bank of Jamaica and the acquisition of a short-term loan in the fourth quarter of 2023. Additionally, other payables and accruals rose by 54% to $83 million, propelled by heightened commercial activity during the period. Despite the expansion of our network with the addition of a new branch, elements such as lease liabilities remained steady year-on-year.

Shareholders' equity witnessed a commendable upturn, soaring to $981 million, marking a 36% increase year-over-year. This upsurge underscores the robust profit growth achieved during the period, even after accounting for the return of value to our shareholders in 2023 through multiple dividend payments totalling $156 million.

Loan Portfolio Analysis

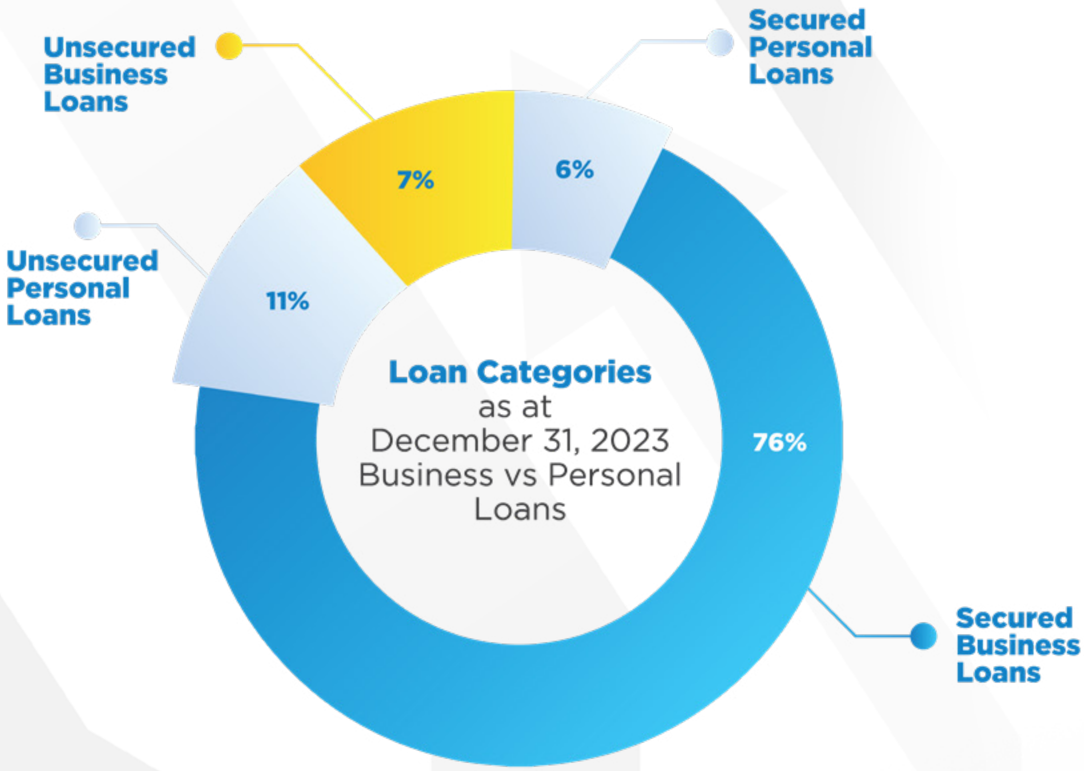
Dolla's loan portfolio stands out for its robust diversification across sectors, business-to-consumer ratios, and secured-to-unsecured ratios, effectively minimizing credit risk. Through a deliberate focus on diversification, the Company has strengthened the resilience of its loan portfolio.

Furthermore, Dolla's strategic emphasis on sectors exhibiting significant growth potential has been pivotal in delivering value to its customers. Notably, the Company has prioritized sectors such as real estate and construction (28%), retail (14%), and transportation, including trucking and haulage (25%). These targeted initiatives have played a key role in driving Dolla's sustained growth and success throughout the year.



As of December 31, 2023, Dolla's loan portfolio composition stood at 83% business loans and 17% personal/consumer loans. Secured loans, backed by real estate and motor vehicles, constituted 82% of the total portfolio, showing an increase from 79% in the preceding year, while unsecured loans comprised the remaining 18%. Our strategic focus on collateralized loans has been pivotal in preserving the integrity of our loan portfolio, a testament to our sound risk management approach.

Despite facing market headwinds, our non-performing loans (NPLs) have maintained stability at 8.2%, and Expected Credit Losses (ECL) reached a record low of 3.8%, well within our anticipated range and below sector benchmarks. This accomplishment underscores our disciplined risk management practices and unwavering dedication to ensuring the enduring viability of our lending operations.



The Company witnessed a 17% decline in Cash and Cash equivalents, which amounted to $261 million, down from $316 million in the previous year. This decrease can be attributed to heightened loan disbursements, dividend payments, and operational expenses incurred during the period.

Cash Resources and Liquidity

The Company witnessed a 17% decline in Cash and Cash equivalents, which amounted to $261 million, down from $316 million in the previous year. This decrease can be attributed to heightened loan disbursements, dividend payments, and operational expenses incurred during the period.

Forward Looking

The outcomes for the fiscal year concluded on December 31, 2023, underscore Dolla's steadfast dedication to fostering prosperity, expanding market reach, and delivering significant value to our esteemed stakeholders. We remain committed to leveraging our distinctive business model, strengthening our loan portfolio, and upholding prudent risk management practices. Looking ahead, our strategic vision foresees substantial growth in 2024.

We will persist in nurturing a culture of collaboration and trust, fostering inclusivity through shared values and a common purpose. Recognizing our past growth and anticipating future developments, we will intensify efforts to enhance performance and streamline customer experiences through increased productivity and efficiency. Prioritizing technological innovation and process enhancements, we aim to bolster corporate governance standards while ensuring robust internal controls with the assistance of internal auditors. Additionally, a review of our infrastructure is underway to align systems with projected growth.

Furthermore, we will deepen client relationships to accelerate the development of new products and solutions, driving sustainable and profitable growth, with the goal of becoming the premium microcredit institution in Jamaica.will intensify efforts to enhance performance and streamline customer experiences through increased productivity and efficiency. Prioritizing technological innovation and process enhancements, we aim to bolster corporate governance standards while ensuring robust internal controls with the assistance of internal auditors. Additionally, a review of our infrastructure is underway to align systems with projected growth.

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DO YOU HAVE WHAT IT TAKES
TO BECOME THE FIRST

MILLION Dolla WOMAN

Submit your business pitch and apply for a loan for up to $200,000 and you could
WIN A SHARE OF

$3 MILLION

3 WINNERS OF 1 MILLION EACH

PROMOTION RUNS FROM
MAR 8 - MAR 31, 2022
DRAW DATE : DEC 22, 2023

REQUIREMENTS

- Female owners of micro and small businesses.
- The business must have been in operation for at least one (1) year.
- Business Plan
- Last two annual financial statements (if applicable)
- Financial projections

CONDITIONS APPLY*

HUMAN RESOURCES

WE ARE OUR PEOPLE

Talent Management

During 2023, Dolla experienced rapid expansion, investing in its management team and expanding its branch network and support staff. The company saw a 37% increase in staff compliment in 2023, From 52 employees across all branches, we ended the year with a workforce of 71 employees. The recruitment processed was revamped to ensure that the company hired qualified candidates who could help the company on its growth path. Along with the revamping of the recruitment process we ensured that we implemented our Know Your Employee (KYE) processes, such as; background checks and police reports to be in adherence with the BOJ Guidelines.

Employee Engagement

At Dolla Financial Services our employees' engagement is top priority, having engaged employees enhances productivity, fosters innovation, and improves retention rates. They are more committed to their work, resulting in better customer service and a positive company culture. In April 2023 we had our annual staff retreat at Yaaman Adventure Park, here we recognised our top sales performers and the team engaged in the various activities offered at the park such as their ATV rides.

Rewards & Recognition

Rewarding and recognizing our employees was top of mind during 2023. Reward and recognition programs are vital in our organization as we continue to grow, they motivate employees, boost morale, and enhance engagement.

By acknowledging achievements and contributions, these initiatives foster a positive work culture, improve performance, and aid in talent retention, ultimately driving organizational success through a motivated and committed workforce. In 2023 we implemented an employee Big Up, each month employees who performed exceptionally were nominated by their supervisors to receive a Big Up. We also recognized our top performing administrative assistants by giving them gift certificates through the GiftMe platform.

MARKETING

MARKETING

In the fiscal year, Dolla Financial Services embarked on several strategic initiatives and community engagements, solidifying its commitment to customer satisfaction, innovation, and social responsibility.

The year kicked off with the opening of Dolla's 10th branch in Falmouth on January 3, 2023, extending its services to residents of Trelawny and enhancing accessibility to personal and business loans. This expansion underscored Dolla's dedication to serving diverse communities across Jamaica.

Campaigns & Promotions

Dolla's promotional efforts encompassed various initiatives aimed at engaging customers, fostering community involvement, and promoting social causes. The 'Earn a Dolla with Love' promotion during Valentine's Day incentivized customer referrals, culminating in one lucky customer winning a dinner for two, enhancing brand engagement both online and in branches.

The Million Dolla Woman Campaign, launched on International Women's Day, exemplified Dolla's commitment to empowering female entrepreneurs, with three participants receiving one million dollars each through collaborations with key partners like the Jamaica Stock Exchange Learn Grow Invest, The Entrepreneurial You, Transformation Life Solutions, Young Entrepreneurs Association and brand ambassador Romeich Major.

The Vox Pop initiative and updates on the campaign strengthened community engagement and awareness. Dolla's introduction of the Dolla Schola educational loan product and the 'Tun Up Yuh Business' campaign emphasized its dedication to education, entrepreneurship, and community development. During Breast Cancer Awareness Month, Dolla's campaign raised awareness and support, showcasing its corporate responsibility through donations and partnership with Royal medical to cover the cost of 10 mammograms for our customers.

The Dollaful Christmas Campaign offered specialized loan packages and participated in seasonal promotions, such as black Friday and cyber-Monday enhancing customer experiences and fostering loyalty during the holiday season. These initiatives collectively reflect Dolla's commitment to customer satisfaction, social responsibility, and community enrichment.

Significant Milestones

In June, Dolla Financial Services achieved significant milestones in its corporate journey. The company successfully hosted its inaugural Annual General Meeting since its listing on the Jamaica Stock Exchange in June 2022.

This event provided shareholders with a comprehensive overview of Dolla's performance throughout the 2022 Financial Year, demonstrating its commitment to transparency, strategic insights, and community engagement. Concurrently, Dolla celebrated the 1 Year Anniversary of its record-breaking IPO on the Jamaica Stock Exchange.

These initiatives underscore Dolla's dedication to corporate governance, shareholder relations, and strategic growth, reflecting its ongoing commitment to excellence and stakeholder value.

Strategic Partnerships

Dolla Financial Services has forged strategic partnerships over the 12 month period to enhance its service offerings and accessibility for customers. Collaborating with FosRich Company Limited, Dolla now provides up to 90% financing for solar energy solutions, expanding sustainable energy accessibility in Jamaica.

Additionally, an exclusive partnership with Exclusive Travel Deals Partners offers Dolla's Exclusive customers up to 75% financing for travel expenses, enriching travel flexibility. Further, the MediPay MOU with Royale Winchester Hospital Group grants Dolla customers access to medical services, reinforcing affordable healthcare options. Dolla's collaboration with Century 21 brings expert real estate guidance, while partnerships with 3D Gynaecology Limited and Optimum Distributors introduce specialized financing products for healthcare and dental needs, respectively.

Through strategic alliances, Dolla remains committed to providing accessible financial solutions while expanding its service horizons.

Sponsorships & Events

Dolla Financial proudly sponsored the Jamaica Stock Exchange 18th Regional Investments & Capital Markets Conference 2023, held from January 24th to 26th at the Jamaica Pegasus Hotel in Kingston, under the theme "Capital Markets Reimagined: Achieving the Impossible."

Our objectives for the conference were to increase regional brand awareness, promote our products and services, and engage with potential investors. Additionally, Dolla actively participated in General Accident's Customer Appreciation Day on December 8, showcasing our diverse range of loan products and packages to enhance brand recognition within our customer base.

We also sponsored the "Learn Grow Invest: Grow Your Wealth" Business Conference on December 1st, which facilitated valuable connections and insights into effective business management strategies. Dolla was honoured as the 2nd runner-up at the Jamaica Stock Exchange's Corporate Governance Best Practices Award ceremony, underscoring our commitment to transparency and strong investor relationships.

These engagements reflect Dolla's dedication to fostering trust, visibility, and growth within the finance industry.


Dolla
Dolla
Financial Services
We Lend
BCIC
WIN A SHARE OF
$3 MILLION
OF 1 MILLION EACH
ULTRA
MILLION

■ IGNITING SUCCESS

The Million Dolla Woman

Campaign Chronicles

Igniting Success

The Million Dolla Woman Campaign Chronicles

In Kingston, Jamaica, Dolla Financial, the leading microfinance company, proudly celebrated the conclusion of its ground breaking Million Dolla Woman Campaign. Launched on March 8, 2023, in honour of International Women's Day, the campaign aimed to empower women entrepreneurs across Jamaica.

The campaign's pinnacle moment arrived on December 29, 2023, leaving an indelible mark on Jamaica's entrepreneurial landscape. It sparked inspiration and success, providing valuable insights, resources, and support for women venturing into business.

The campaign wasn't merely about financial assistance; it was a call to arms, a proclamation of belief in the untapped potential of women entrepreneurs. It offered not just capital, but also invaluable insights, resources, and unwavering support, nurturing dreams into reality.

AT ITS HEART, THE MILLION DOLLA WOMAN CAMPAIGN DARED WOMEN TO DEFY CONVENTIONAL LIMITATIONS.

At its heart, the Million Dolla Woman Campaign dared women to defy conventional limitations. It challenged them to secure loans, embrace risks, and transform financial backing into resounding success. Twenty bold women heeded the call, each determined to carve their mark in the chronicles of business history.

In a riveting pitch competition, five finalists took the stage, their aspirations palpable, their dreams tangible. Among them emerged three victors: Sania Nembhard, Michelle Shadeed, and Nicola Romator—visionaries whose entrepreneurial acumen illuminated the path to greatness.

Michelle Shadeed reflected on her journey, stating, "This campaign was a game-changer for me." Dolla Financial didn't merely provide funds; it offered resources and mentorship, paving the way for unprecedented success. Her sentiments resonated with Nicola Romator, who hailed the campaign as a beacon of financial responsibility, guiding her through the tumultuous sea of entrepreneurship.

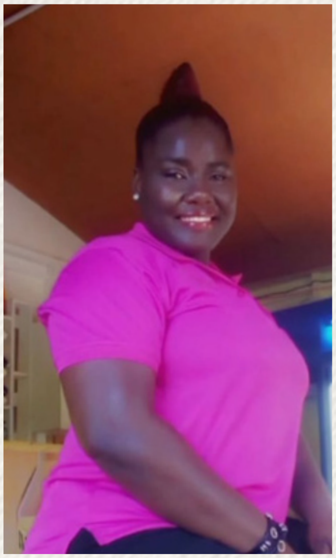
Sania Nembhard, one of the winners, also expressed gratitude for the financial boost and support from Dolla Financial. She acknowledged Dolla's commitment to empowering women and expressed pride in being part of the journey.

The grand finale witnessed finalists presenting their business pitches to distinguished judges, culminating in the selection of the outstanding participants. Michelle Shadeed expressed her gratitude for Dolla Financial's support in turning her business into a success. Nicola Romator emphasized the transformative experience and financial responsibility gained through the campaign.

The campaign's impact extended far beyond mere financial assistance. It fostered a network of esteemed partners, visionaries committed to nurturing budding talent. From workshops led by industry stalwarts Learn Grow Invest, Heneka Watkis Porter, Transformational Life Solutions and Young Entrepreneurs Association (YEA) to collaborative efforts with renowned figures like Dr. Marlene J. Street-Forrest and Romeich Major, the campaign became a symphony of collaboration, each note resonating with the promise of progress.

Kenroy Kerr, the visionary CEO of Dolla Financial, lauded the campaign's success, heralding it as a testament to the resilience and innovation inherent in women entrepreneurs. Sania Nembhard, a beacon of inspiration and one of the campaign's triumphant victors, echoed his sentiments, acknowledging Dolla's unwavering commitment to empowerment.

As the curtains drew on the Million Dolla Woman Campaign, Dolla Financial didn't bid farewell; it merely turned the page to a new chapter. For the campaign wasn't just an event—it was the prelude to an odyssey of empowerment, innovation, and unparalleled achievement.



THE CAMPAIGN'S IMPACT EXTENDED FAR BEYOND MERE FINANCIAL ASSISTANCE.

In the heart of Kingston, amidst the rhythmic beats of progress, Dolla Financial stood tall—a testament to the transformative power of belief, the indomitable spirit of entrepreneurship, and the enduring legacy of the Million Dolla Woman Campaign.
The end was merely the beginning.


Dolla
REVIEW
CORNER

ADRIAN WILLIAMS

So far so good, better than the other companies. People can actually get through with the loan when they come to you.

Found us through social media

ALEX COOK

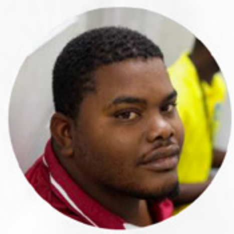
One of my friends started a taxi company because you helped him and he sent me to you.

Referral from a friend

DEVONI WILLIAMS

You were clear about the process, you guys didn't throw a bunch of numbers in our faces.

Referral from a friend



ANDRE PARKER

Just signing up for my loan and process has been smooth.

Found us through social media

RYAN ANDERSON

I am the owner of RTA Biz Group where we offer shipping services and energy solutions. We have a great working relationship with Dolla for over 4-5 years. Dolla assisted us to expand our manufacturing capabilities to respond to demands in a more timely manner we were also able to diversify our business into other products

Referral from a friend

BUSINESS OWNER #1

I am an owner of a construction company. Dolla was there for me when I needed cashflow to pay my workers, they have helped me to clear my containers off the wharf and get projects completed and to revamp my store

Referral from a friend

EXTRA EXTRA READ ALL ABOUT IT !

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILTY

Dolla Financial Services demonstrated unwavering dedication to corporate social responsibility (CSR) throughout the fiscal year, by engaging in a series of impactful initiatives aimed at uplifting communities and fostering positive change. One of the notable endeavors was the partnership with Educatours Jamaica and Natty Platforms for the Math and Money (M&M) Project, an initiative designed to enhance financial literacy among youths in the Tivoli Gardens Community. Through this collaboration, Dolla provided essential funding of $480,000 to support 80 young individuals, aged 14-16, by facilitating the opening of investment accounts, thereby empowering them with practical financial knowledge and skills.

Furthermore, Dolla's sponsorship of the Math and Money Challenge Project in Tivoli Gardens, in conjunction with Natty Platforms, Educatours, and Learn Grow Invest, highlighted the company's commitment to community enrichment and educational empowerment. The initiative aimed to equip 80 youths with essential financial literacy education, laying the foundation for their financial well-being and future success.

In addition to educational initiatives, Dolla proudly participated in the official listing of three social projects on the Jamaica Social Stock Exchange. This involvement underscored Dolla's dedication to supporting initiatives focused on enhancing the quality of life for vulnerable populations, reflecting its core values of social responsibility and community impact. Moreover, Dolla extended its support to local community initiatives, including sponsorship for the "It's a Love Thing" event organized by the Irish Boyz association, aimed at uplifting the Clintons Boys home. Dolla also provided assistance to Sophia Clarke, a victim of a devastating house fire in Westmoreland, by offering a generous donation of $80,000 to aid in her recovery efforts. Additionally, the sponsorship of the Cheapside Early Childhood Basic School in St. Elizabeth exemplified Dolla's commitment to education and community development, with funds allocated for the school's painting and upgrading.

Dolla collaborated with the First Rock Real Estate Investment team for a Labour Day project at Mustard Seed Communities. The project involved the beautification of a meditation garden and the cultivation of vegetables for community consumption, showcasing the company's commitment to sustainability and community well-being. Dolla also participated in the Bert's Charity 5k event on October 1, 2023, supporting the primary objective of raising funds for housing unit construction through a partnership with Food for The Poor Jamaica.

During the festive season, Dolla's Dollaful Christmas campaign extended acts of kindness and generosity to various adult and children's homes, reflecting its ethos of corporate giving and community support. Moreover, the "12 Days of Gifting" initiative, launched in December 2023, underscored Dolla's commitment to spreading joy and making a positive impact on the lives of others. Throughout the initiative, Dolla's branches, corporate offices, and Ultra Financier participated in various charitable activities, including donations to the Jamaica Stock Exchange's Yuletide Telethon and contributions to adult and children's homes such as Faith Adult Care Centre, Manning's Boys' Home, Clifton Boys' Home, and Jamaica National Children's Home.

Additionally, Dolla demonstrated its commitment to pediatric healthcare by donating $1,000,000 to the Bustamante Children's Hospital, providing life-saving heart surgeries for children in need. These initiatives collectively highlight Dolla's dedication to corporate social responsibility and its unwavering commitment to community enrichment and support.


Dolla
Financial Services
We Lend
Business & Personal Loans
Contact Us Today
Pay to the order of Sophia Clarke
Eighty Thousand
Dollars
For Building Restoration
Authorized Signature
#GIVING4IMPACT
I donated to the social projects!
SOCIAL STOCK EXCHANGE
Growth Through Partnership
#INCLUSION #EQUITY #SDGs
DONATE
Welcome to the
Tegwyn
Unit
NO MASK NO ENTRY
MERRY CHRISTMAS
379
373
372
5K

ENVIRONMENTAL SOCIAL GOVERNANCE

In 2023, Dolla continues to emphasize sustainability, recognizing its multifaceted nature that encompasses environmental concerns, social issues, and governance priorities. Building on initiatives launched in the previous year, Dolla continued to forge partnerships with institutions aimed at financing the adoption of renewable energy solutions for households, exemplified by our 'Green Energy Loan' product offering discounted interest rates to customers.

Furthermore, Dolla operates on a cloud-based operational model, effectively reducing emissions associated with on-premise equipment and paper usage. This strategic shift aligns with Dolla's commitment to environmental responsibility, a critical aspect as the company anticipates continued growth and corresponding increases in workload and data storage needs.

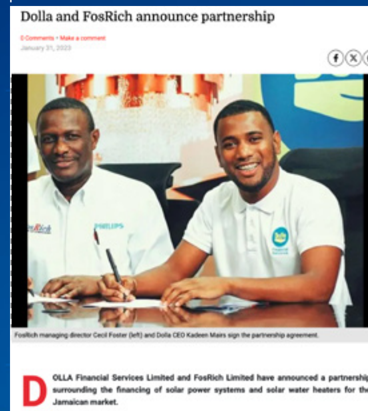
In fostering a diverse and inclusive workplace culture, Dolla remains steadfast in its promotion of anti-discrimination policies, prioritizing health, safety, and data privacy for all employees. The company's dedication to social awareness extends to proactive workforce planning, recognizing evolving demographic trends and consumer preferences. Notably, Dolla prides itself on being an equal opportunity employer, with a particular emphasis on the hiring and advancement of women across all organizational levels.

Moreover, Dolla places a strong emphasis on governance, emphasizing transparency, accountability, and risk mitigation across its operations and public disclosures. The company remains committed to promoting sound decision-making processes, ensuring that stakeholders are informed and empowered to contribute to the organization's ongoing success.

DOLLA FINANCIAL SERVICES LIMITED
MEDIA TIMELINE

MEDIA TIMELINE 2023

Q1



Dolla and FosRich announce partnership

FosRich managing director Cecil Foster (left) and Dolla CEO Kadeen Mairs sign the partnership agreement.

DOLLA Financial Services Limited and FosRich Limited have announced a partnership surrounding the financing of solar power systems and solar water heaters for the Jamaican market.

Dolla and FosRich announce partnership: January 31, 2023

DOLLA Financial Services Limited and FosRich Limited have announced a partnership surrounding the financing of solar power systems and solar water heaters for the Jamaican market. The announcement was made last Thursday at the Jamaica Stock Exchange's (JSE) 18th Regional Investments and Capital Market Conference at the Jamaica Pegasus hotel in St Andrew.

https://www.jamaicaobserver.com/2023/01/31/dolla-and-fosrich-announce-partnership/

Next Step Digital Solutions offers more support to Jamaican MSMEs

Reading Time: 3 minutes

Next Step Digital Solutions offers more support to Jamaican MSMEs: March 4, 2023

Digital transformation company, Next Step Digital Solutions (NSDS), is taking its client relations a step further with 'Jamaica Small Business Group' and 'Next Step Business Club'.The two business support services provide micro and small enterprises with digital resources for business development, including a business branding package, an online marketplace and directory.

Mohan Beckford, chief vision officer at Next Step Digital Solutions, says the services ensure that small and medium businesses have the opportunity to compete in the digital space without breaking the bank.

https://our.today/next-step-digital-solutions-offers-more-support-to-jamaican-msmes/

Dolla hunting cash to expand loan book and country locations

Share this Story:

Published: Sunday | March 26, 2023 | 12:21 AM

Kadeen Mairs, CEO of Dolla Financial Services Limited.

Microlender Dolla Financial Services approached investors again for fresh capital, having already run through the $1.2 billion raised less than a year ago, says CEO Kadeen Mairs. This time, Dolla is seeking US$5 million, or around $750 million in ...

Dolla hunting cash to expand loan book and country locations: March 26, 2023

Microlender Dolla Financial Services approached investors again for fresh capital, having already run through the $1.2 billion raised less than a year ago, says CEO Kadeen Mairs. This time, Dolla is seeking US$5 million, or around $750 million

https://jamaica-gleaner.com/article/business/20230326/dolla-hunting-cash-expand-loan-book-and-country-locations

Q2


Honeymoon run for Dolla Financial Services

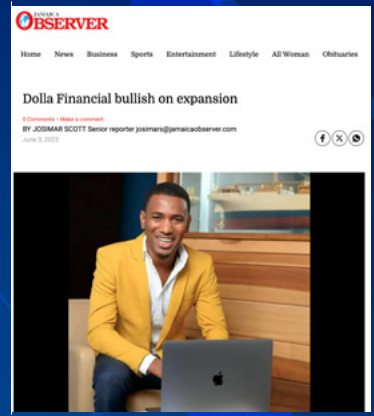
Reading Time: 4 minutes

Honeymoon run for Dolla Financial Services: May 5, 2023

Dolla Financial Services is seeing a honeymoon run of performance since being listed on the Junior Market of the Jamaica Stock Exchange 11 months ago.

The micro-finance company posted another commendable quarterly performance with total income for the March quarter surging by 110 per cent to close the period at J$297 million, an increase of J$156 million year-over-year (YoY). Dolla recorded net interest income before expected credit losses (ECL) of J$249 million for the first quarter, representing an increase of J$120 million or 93 per cent YoY.

https://our.today/honeymoon-run-for-dolla-financial-services/


OBSERVER

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Dolla Financial bullish on expansion

Dolla Financial bullish on expansion: June 3, 2023

Local microcredit provider Dolla Financial is in the process of pursuing expansion opportunities but may be hampered by the new Microcredit Act, among other challenges.

CEO Kadeen Mairs revealed during the company's annual general meeting on Thursday that the company is eyeing opening new locations locally, but was less direct when speaking about prospects for regional expansion.

Dolla Financial bullish on expansion - Jamaica Observer


Dolla pulls brake on Guyana branch but expanding in Jamaica

Share this Story:

Dolla Financial Service CEO, Kadeen Mairs.

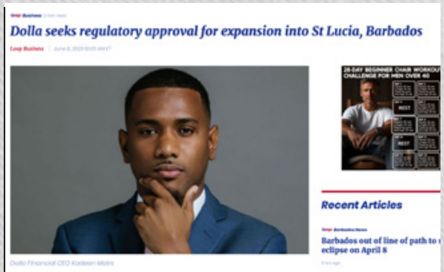
Microlender Dolla Financial has set aside plans for a second branch in Guyana, and instead will put more muscle behind growing the Georgetown operation launched two years ago.

Dolla hunting cash to expand loan book and country locations: June 4, 2023

Microlender Dolla Financial has set aside plans for a second branch in Guyana, and instead will put more muscle behind growing the Georgetown operation launched two years ago.
CEO Kadeen Mairs made the disclosure during the company's annual general meeting on Thursday.

https://jamaica-gleaner.com/article/business/20230604/dolla-pulls-brake-guyana-branch-expanding-jamaica

Q3



Dolla seeks regulatory approval for expansion into St Lucia, Barbados

Recent Articles

Barbados out of line of path to eclipse on April 8

Dolla Financial CEO Kadeen Mairs

Dolla seeks regulatory approval for expansion into St Lucia, Barbados: June 8, 2023

Micro-lender Dolla Financial Services has revealed its plans to expand its operations into two additional regional territories, St Lucia and Barbados. However, the company is awaiting regulatory approval from the Bank of Jamaica (BOJ) to proceed with its expansion strategy.n

https://barbados.loopnews.com/content/dolla-seeks-regulatory-approval-expansion-st-lucia-barbados-0

Dolla Financial gains 40.5% value

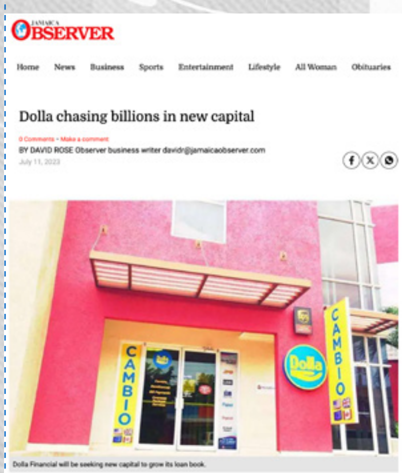
Loop News

Kadeen Mairs, Dolla CEO places the company's nameplate on the listing board at the Jamaica Stock Exchange during Dolla's listing in 2022.

Dolla chasing billions in new capital: July 11, 2023

Dolla Financial Services gained 40.5 per cent in value, equivalent to $2.9 billion in market cap, to lead gains thus far with Friday trading underway on the Jamaica Stock Exchange (JSE).Dolla is now valued at $7.2 billion in market cap.The stock gained 1.16 cents since Monday to open trading at $2.88 after a round of strong buying with over 12 million units changing hands this week. It is still off its 52-week high of $3.10.

https://jamaica.loopnews.com/content/dolla-financial-market-capitalisation-72-billion



Jamaica Observer

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Dolla chasing billions in new capital

0 Comments • Make a comment

BY DAVID ROSE Observer business writer davidr@jamaicaobserver.com

July 11, 2023

Dolla Financial will be seeking new capital to grow its loan book.

Dolla chasing billions in new capital: July 11, 2023

DOLLA Financial Services Limited will be returning to the capital markets in short order based on the insatiable demand which has pushed its loan book past $2.57 billion and seen its inventory of cash and deposits drop to $111.31 million.

https://www.jamaicaobserver.com/2023/07/11/dolla-chasing-billions-in-new-capital/

New shareholder SVL joins Dolla line-up

Share this Story:

Published: Friday | July 28, 2023 | 12:11 AM

Dolla Financial CEO Kadeen Mairs.File

Supreme Ventures Limited, SVL, has acquired 15 per cent of Dolla Financial Services, an investment that has already climbed in value to more than $1 billion.

Dolla chasing billions in new capital: July 11, 2023

DOLLA Financial Services Limited will be returning to the capital markets in short order based on the insatiable demand which has pushed its loan book past $2.57 billion and seen its inventory of cash and deposits drop to $111.31 million.

Dolla CEO resigns, on 'garden' leave

Share this Story:

Published: Saturday | July 29, 2023 | 9:47 AM

Kadeen Mairs. File

Kadeen Mairs has resigned as chief executive officer of Dolla Financial Services.

JSE: Dolla Financial Services Limited (Dolla) – Notice Of Appointment Of Interim Chief Executive Officer For Outgoing Chief Executive Officer: July 28, 2023

Dolla Financial Services Limited (Dolla) wishes to advise that Mr. Kenroy Kerr, the current Deputy Chief Executive Officer, has been appointed as the Interim Chief Executive Officer for Dolla as the current Chief Executive Officer, Mr. Kadeen Mairs, has tendered his resignation and commences his garden leave today, July 28, 2023.

https://www.jamstockex.com/dolla-financial-services-limited-dolla-notice-of-appointment-of-interim-chief-executive-officer-for-outgoing-chief-executive-officer/

Dolla Financial Services Limited (Dolla) – Notice Of Appointment Of Interim Chief Executive Officer For Outgoing Chief Executive Officer

July 28, 2023 6:56 pm

Dolla Financial Services Limited (Dolla) wishes to advise that Mr. Kenroy Kerr, the current Deputy Chief Executive Officer, has been appointed as the Interim Chief Executive Officer for Dolla as the current Chief Executive Officer, Mr. Kadeen Mairs, has tendered his resignation and commences his garden leave today, July 28, 2023.

JSE Updates

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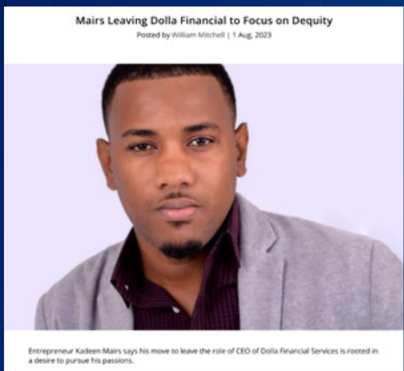
https://www.jamstockex.com/dolla-financial-services-limited-dolla-notice-of-appointment-of-interim-chief-executive-officer-for-outgoing-chief-executive-officer/



Dolla chasing billions in new capital: August 1, 2023

Entrepreneur Kadeen Mairs says his move to leave the role of CEO of Dolla Financial Services is rooted in a desire to pursue his passions. Mr. Mairs is moving to address 'numerous questions' following the announcement that he's leaving the post.

https://nationwideradiojm.com/mairs-leaving-dolla-financial-to-focus-on-dequity/

Business Active TV JA: Kenroy Kerr Takes Helm at Dolla Financial Services Following CEO's Departure: August 9, 2023

Kenroy Kerr Takes Helm at Dolla Financial Services Following CEO's Departure. In a surprising move, Kadeen Mairs, the CEO of Dolla Financial Services – a dominant player in Jamaica's micro lending arena and a listed entity on the Jamaica

https://jamaica-gleaner.com/article/lifestyle/20230924/new-dolla-head-kenroy-kerr-talks-change-balance-and-his-inspirations

Business Active TV JA: Kenroy Kerr Takes Helm at Dolla Financial Services Following CEO's Departure: August 9, 2023

Kenroy Kerr Takes Helm at Dolla Financial Services Following CEO's Departure. In a surprising move, Kadeen Mairs, the CEO of Dolla Financial Services – a dominant player in Jamaica's micro lending arena and a listed entity on the Jamaica Stock Exchange – has stepped down from his role. As of Friday, July 28, Mairs commenced his garden leave, marking an end to his tenure which saw substantial growth for the firm. inventory of cash and deposits drop to $111.31 million.

https://batvja.com/kenroy-kerr-takes-helm-at-dolla-financial-services-following-ceos-departure/

Jamaica Gleaner: Dolla Financial strikes deal with Century 21: August 16, 2023

Dolla Financial Services has struck a deal with real estate brokerage firm Century 21 Heave-Ho Properties Limited to become the preferred financing partner for short term loans to its clients and agents, covering home purchase fees and incidentals.

https://jamaica-gleaner.com/article/business/20230816/dolla-financial-strikes-deal-century-21

Q4

Dolla Financial Services Limited (Dolla) Is Pleased To Announce The Appointment Of Mr. Kenroy Kerr As The Company's Chief Executive Officer

October 2, 2023 4:02 pm

The Board of Directors of Dolla is pleased to announce that the unanimous decision was taken to appoint Mr. Kenroy Kerr as the Company's Chief Executive Officer effective September 29, 2023.

Kenroy has a deep knowledge of the Company's operations and the industry having served in various management and executive roles at Dolla since joining the Company in 2018. These roles include the Head of Credit & Risk, the Chief Operating Officer, the Deputy CEO and the Company's Interim CEO. Kenroy holds a BSc. in Business Administration with Honors and a Master of Business Administration (MBA) specializing in Organizational Development with Distinction.

JSE Updates

Jamaica Stock Exchange: Dolla Financial Services Limited (Dolla) Is Pleased To Announce The Appointment Of Mr. Kenroy Kerr As The Company's Chief Executive Officer: October 2, 2023

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https://www.jamstockex.com/dolla-financial-services-limited-dolla-is-pleased-to-announce-the-appointment-of-mr-kenroy-kerr-as-the-companys-chief-executive-officer/

Dolla Financial appoints Kenroy Kerr as CEO

2:21 pm, Tue October 3, 2023

The Board of Directors of Dolla Financial Limited last week announced the appointment of Kenroy Kerr as the company's Chief Executive Officer.

RJR News: Dolla Financial appoints Kenroy Kerr as CEO: October 3, 2023

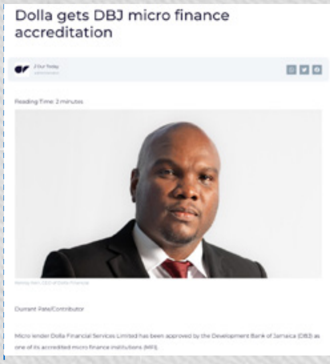
The Board of Directors of Dolla Financial Limited last week announced the appointment of Kenroy Kerr as the company's Chief Executive Officer. The move took effect last Friday. Mr. Kerr has served in various management and executive roles at Dolla since joining in 2018.

https://radiojamaicanewsonline.com/business/dolla-financial-appoints-kenroy-kerr-as-ceo

Loop News: Dolla Financial seeks to double loans in two years: October 31, 2023

Microfinance company Dolla Financial registered a net profit of $328 million for the nine months up to September this year, an increase of 74 per cent over the comparative period. Backed by adequate financing, the microlender has ambitious plans to double its loan portfolio over the next two years, from its current $2.6 billion to over $5 billion.

https://jamaica.loopnews.com/content/dolla-financial-seeks-double-loans-two-years



Our Today: Dolla gets DBJ micro finance accreditation: November 30, 2023

Micro lender Dolla Financial Services Limited has been approved by the Development Bank of Jamaica (DBJ) as one of its accredited micro finance institutions (MFI).Dolla joins 12 other micro lenders designated as accredited DBJ MFIs. They are :Access Financial Services, Bull Investments, C&WJ Co-operative Credit Union, COK Sodality Co-operative Credit Union, EduCom Co-operative Credit Union etc.

https://our.today/dolla-gets-dbjs-micro-finance-accreditation/

Jamaica Observer: Dolla and Ultra healing hearts for Christmas: December 4, 2023

DOLLA Financial Services and Ultra Financier, subsidiaries of FirstRock Group, are rewriting the script on corporate compassion with a donation of $1 million to Chain of Hope Jamaica, dedicated to fostering life-changing heart surgery at Bustamante Hospital for Children.

This reflects Dolla and Ultra's commitment to creating a lasting impact on the lives of children facing health challenges.

https://www.jamaicaobserver.com/2023/12/04/dolla-and-ultra-healing-hearts-for-christmas/

Dolla

Guyana Inc.

We Lend

ALDANE TOMLINSON
Country Manager
Dolla Guyana

Aldane Tomlinson serves as Country Manager of Dolla Guyana Inc. and in this capacity oversees the day to day operations of the Company. He has over 10 years' experience in the financial sector having previously worked with Grace Kennedy Remittance Services (GKRS). Aldane started his career at Dolla Financial in 2017 as the Branch Manager for Savanna-la-mar and has served in several roles including Training & Relief Manager before ascending to the Country Manager post. He holds a Bachelor of Science Degree in Business Studies, majoring in Finance and Management.

Company Performance

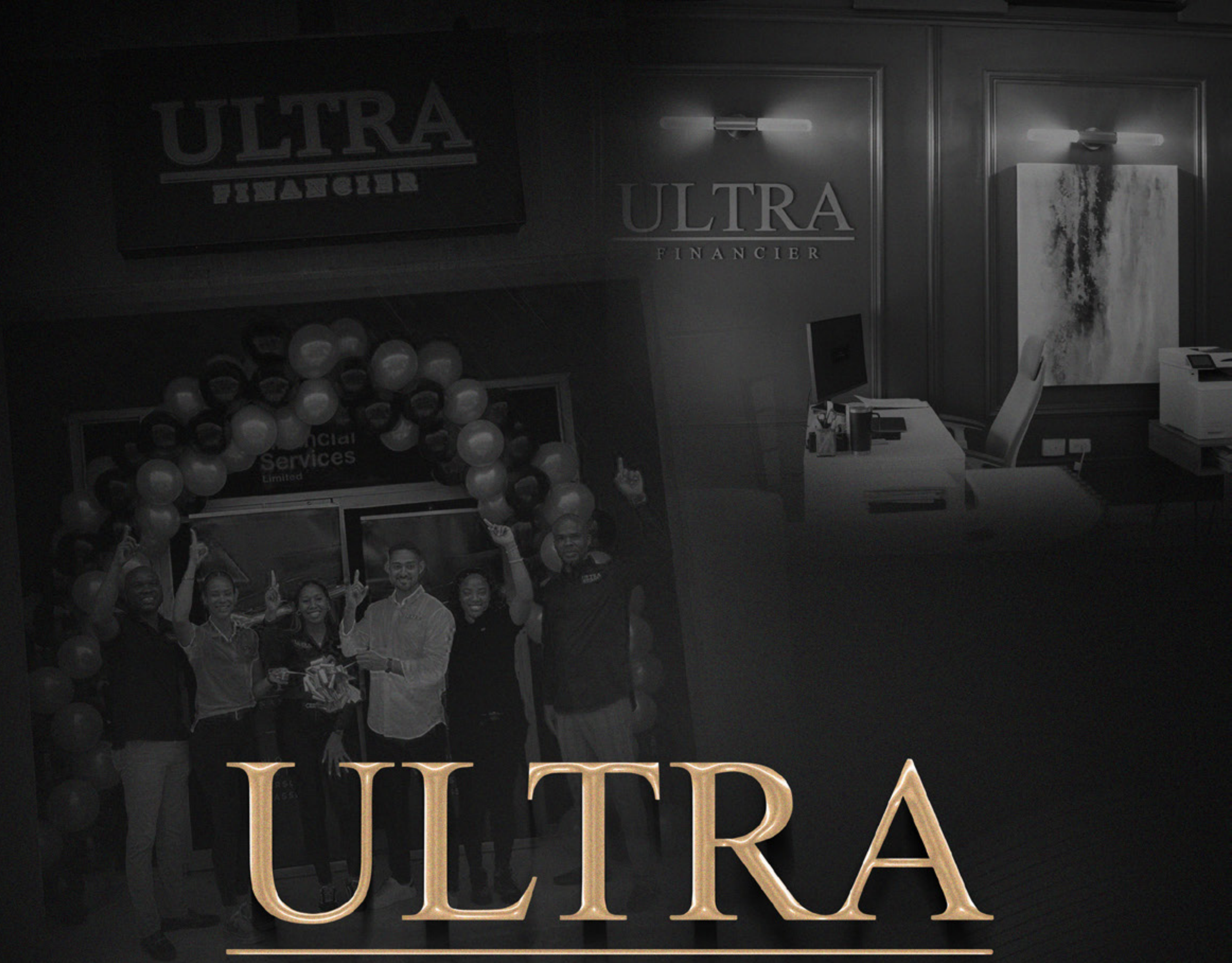
In the year 2023, with a loan portfolio valued at G$230 million after a previous year of aggressive growth, Dolla Guyana Inc took the time to settle and become more familiar with the economic environment. The company endured a more challenging year in 2023 adjusting to the market and changing its approach to provide the best services to customers in the Guyanese market. Despite the challenged, the Company was able to expand its customer base to approximately 600 clients by December 2023. Dolla Guyana had its brand being more widely known in Georgetown as there is a constant demand for loans with applications being made on a daily basis.

Dolla Guyana had extended its branch office space in 2023 to accommodate more staff which comprises of a branch manager, administrative assistant, business development representative, credit clerk, collections officer and field collections officer. The expansion within the branch attributed to an increase in staff costs and cost for new office furniture and computers. The sales team of the branch disbursed an average of G$10.9 million in loans monthly for the year 2023. Various marketing activities and promotions took place in the year where the team went into areas of the city to promote the services of the company. Applications came in from both the private and public sectors, self-employed individuals in key sectors such as construction, real estate, public transportation, vendors, and other small businesses. The branch also had several salary deduction partnerships where our loan officers would visit staff of these partners to promote loan services and do applications on spot.

For the twelve (12) months ended December 2023, Dolla Guyana's interest income increased to G$122 million which represents a growth of G$7 million or 6% over prior. Operating expenses during the period amounted to G$68 million which increased by G$33 million or 94% over prior year. This resulted in net profits of G$13 million which represents a decrease of G$36 million over prior year. Net Loans receivables stood at G$179 million, Cash and cash equivalents decreased to G$19 million as funds were periodically transferred to Jamaica to be deployed for a higher yeild. Dolla's Guyana's overall asset base decreased to G$269 million. This decline is attributable to the lower sales throughout the period due to lending mostly smaller sized loans and due to the focus being more on collections to reduce the NPL.

The Board of Directors resolved to initiate the orderly wind-down of DGI's operations. This will be executed through the gradual runoff of its loan portfolio and is expected to be completed and close its operations on or before the 31st of March 2025. This comes in light of recent geopolitical challenges that have created significant uncertainty.

Dolla's decision to wind down DGI is a proactive step to prudently manage potential operational risks associated with the ongoing geopolitical crisis. By effectively reallocating resources, Dolla aims to enhance operational efficiency and fulfill its commitment to delivering value to shareholders. Furthermore, this strategic reallocation will enable the company to focus efforts on Jamaica, where returns far exceed those in Guyana. Concentrating resources on Jamaica reflects the company's dedication to maximizing shareholder value and ensuring long-term success.



ULTRA

FINANCIER

DAVID HENRIQUES
Chief Executive Officer
Ultra Financier

David Henriques is the Chief Executive Officer of Ultra Financier Limited, a wholly owned subsidiary of Dolla Financial Services Limited. At Ultra, David has direct oversight of sales, operations and business development and has led the Company to a tremendous year end, closing with a loan book of over $800m.

David previously served as the General Manager of ATL Automotive Group with direct oversight of the Porsche Brand. He has over 15 years of experience in the sales industry with 4 years' experience at the executive level where he led a team in building a world-renowned brand in Jamaica. As the General Manger in charge of the Porsche Brand, David oversaw multiple locations, controlled costs and was able to exceed sales expectations in a new market.

David earned a Bachelor of Science in Biology from the University of Western Ontario (UWO). David is focused on relationship building and creating a tailor-made customer experience geared towards increasing sales and brand loyalty as he believes these are the key pillars for any organization's success.

MARIO BROWN

Vice President of Sales
Ultra Financier

Mario Brown was promoted to the Vice President of Sales for Ultra Financier in 2023. Previously, Mr. Brown held the position of Country Manager at Dolla and 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 to over J$2.5Bn and is recognized for its 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.

COMPANY PERFORMANCE

Ultra Financier - Wholly owned subsidiary of Dolla Financial began operations in November 2022. As of December 2023, the loan portfolio has reached $847 million with non-performing loans at 0%.

For the twelve (12) months ended December 2023, Ultra Financiers' income grew to $316 million. Operating expenses during the period amounted to $152 million which resulted in a net profit before tax of $129 million.

Net Loans receivables stood at $847 million which represents the net of gross loans. Ultra ended the period with cash and cash equivalents of $51 million and an overall asset base of $900 million.

Operating expenses for the period ended December 31, 2023, were $152 million. The main areas of spend for the two-month period were salaries and the associated statutory charges, as well as marketing, occupancy, management fees, shared service costs and ECL.

Ultra profits was largely due to the $847 million loans disbursed and minimal expenses incurred. Ultra's total assets grew to $902.4 million during the period and is largely due to the increase in loan book size to $847 million. Shareholders' equity stood at $127.7 million as at December 2023 and consists of $126.7 million in retained earnings and $1.0 million in share capital.

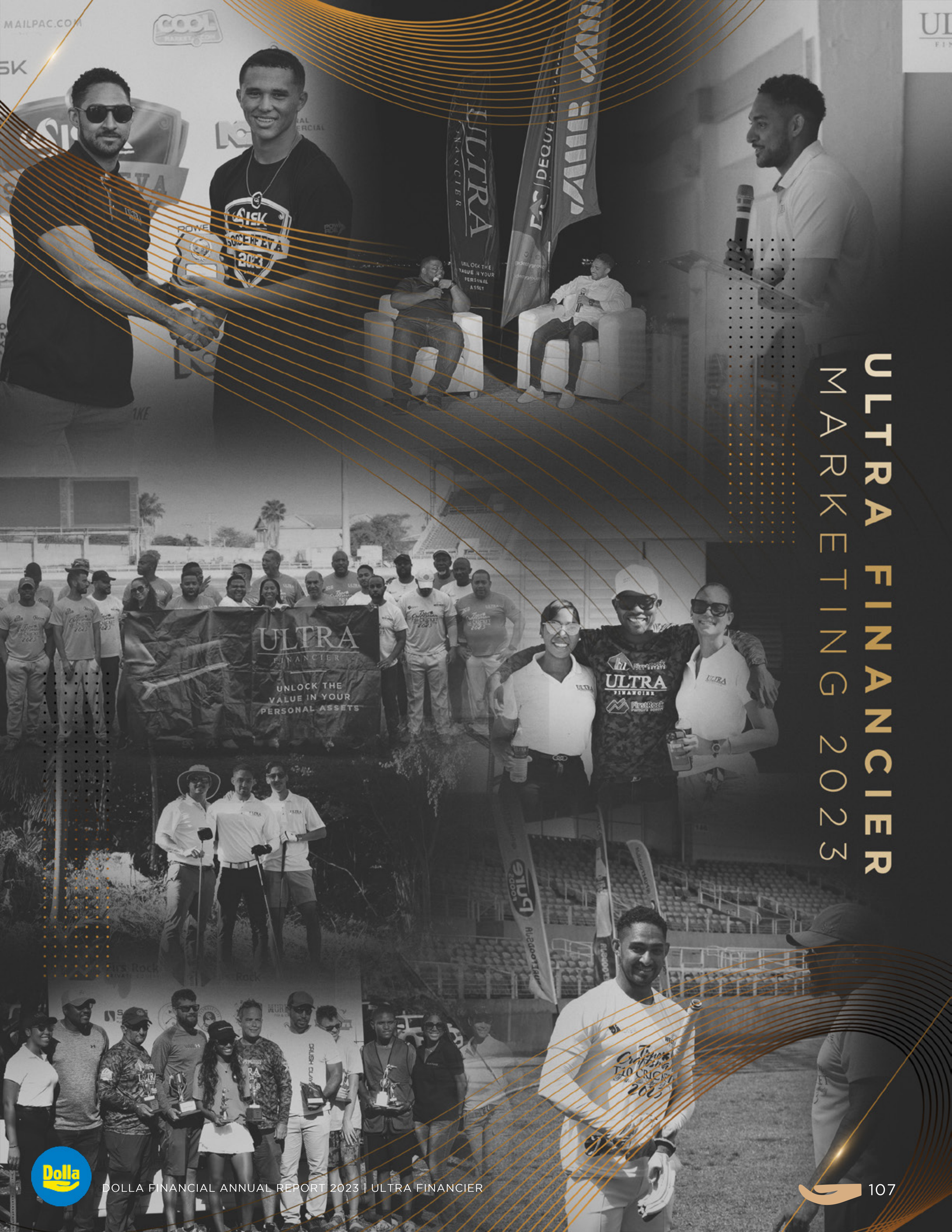
MARKETING

Throughout 2023, Ultra Financier remained committed to community engagement, brand visibility, and fostering meaningful connections through various sponsorships, events, and initiatives. CEO David Henriques took part in prominent platforms like the Stocks on the Rocks Podcast and the Learn Grow Invest CEO Series, sharing insights into Ultra's financial position and journey. The company proudly sponsored events like the Caymanas Corporate Golf Tournament, the Jackson Bay Fishing and Gun Club Event, and the Kick 4 Ur Heart Youth Select Football Tournament, showcasing its commitment to community engagement and diverse causes. Notably, Ultra expanded its reach with the inauguration of a new office in Montego Bay, underscoring its dedication to serving high net worth clients and delivering tailored financial solutions.

Moreover, Ultra leveraged holiday campaigns and collaborative initiatives to deepen customer engagement and support philanthropic causes. Through initiatives such as the Holiday Loan Offering and festive collaborations with Dolla Jamaica, Ultra demonstrated its adaptability and dedication to customer-centric initiatives. Throughout the year, Ultra Financier remained unwavering in its mission to promote financial literacy, community development, and brand resonance, aligning its efforts with core values of integrity, innovation, and social responsibility.

The Ultra office is located at Unit 15 Barbican Business Centre - 88 Barbican Road, Kingston 6 and Unit 25, Block C3, Fairview Office Park, Montego Bay, St James.

ULTRA FINANCIER MARKETING 2023



AUDITED FINANCIALS

pwc

Dolla Financial Services Limited

Financial Statements
31 December 2023

Dolla Financial Services Limited
Index
31 December 2023

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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 2023, 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 IFRS Accounting Standards 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 2023;
- 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 2023;
- 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, comprising material accounting policy information 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.

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 the Company and two further 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 the Company and one other component, 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 26(a) to the financial statements for disclosures of related accounting policies, judgements, estimates and balances.* As at 31 December 2023, loans, net of provision for credit losses, totalled \$2.45 billion and \$1.97 billion on the Group's consolidated, and the Company's stand-alone statement of financial position respectively. These balances represent 82% of total assets for the Group and 69% of total assets for the Company. The impairment provisions recorded under the IFRS 9 expected credit loss (ECL) model amounted to \$77 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 by reviewing assessments provided by global credit rating agencies and applying sensitivities to the forward looking information multiplier. ● 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 Accounting Standards 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
Kingston, Jamaica
28 March 2024

Dolla Financial Services Limited

Consolidated Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Assets			
Cash and deposits	6	325,898	352,935
Loans, net of provisions for credit losses	7	2,451,080	1,725,742
Short term deposits	8	86,747	63,431
Deferred tax asset	15	-	1,597
Property, plant and equipment	12	72,921	69,296
Intangible assets	11	929	2
Other assets	9	50,448	31,744
Total assets		2,988,023	2,244,747
Liabilities			
Taxation payable		14,467	13,153
Borrowings	13	1,861,808	1,405,380
Lease liabilities	16	42,935	50,966
Deferred tax liabilities	15	4,276	-
Other payables and accruals	14	83,154	54,267
Total liabilities		2,006,640	1,523,766
Equity			
Share capital	17	462,145	462,145
Translation reserves		(82)	(5,392)
Capital redemption and fair value reserve	29	10,000	8,877
Retained earnings	20	509,320	255,351
Total shareholders' equity		981,383	720,981
Total liabilities and shareholders' equity		2,988,023	2,244,747

Approved for issue by the Board of Directors on 25 March 2024 and signed on its behalf by:

Ryan Reid **Chairman**

Michael Banbury Director

Dolla Financial Services Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Interest income	21	1,171,926	739,739
Interest expense	22	(170,330)	(78,829)
Net interest income		1,001,596	660,910
Provision for expected credit losses	7	(14,506)	(29,626)
Net interest income after credit losses		987,090	631,284
Non-interest income:			
Fees and other income	23	5,328	6,738
Foreign exchange losses		(12,082)	(2,658)
Total net interest income and other revenue		980,336	635,364
Operating expenses			
Administrative expenses	24	(535,454)	(339,724)
Profit before taxation		444,882	295,640
Taxation	25	(25,756)	(15,168)
Net profit		419,126	280,472
Other comprehensive income, net of tax -			
Exchange differences on translation of foreign operations, being total other comprehensive income		5,310	(4,805)
TOTAL COMPREHENSIVE INCOME		424,436	275,667
Basic and diluted earnings per stock unit	18	$0.17	$0.18

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 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Translation Reserves $'000	Capital Redemption and Other Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2022		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	17	221,796	-	-	-	221,796
Dividends declared	19	-	-	-	(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
Net profit		-	-	-	419,126	419,126
Other comprehensive income		-	5,310	-	-	5,310
Total comprehensive income		-	5,310	-	419,126	424,436
Transactions with owners		-	-	-	-	-
Dividends declared		-	-	-	(164,034)	(164,034)
Other						
ESOP staff benefit		-	-	1,123	(1,123)	-
Balance at 31 December 2023		462,145	(82)	10,000	509,320	981,383

Dolla Financial Services Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Cash flows from operating activities:			
Net profit		419,126	280,472
Adjustments for:			
Depreciation and amortisation	24	34,304	19,431
Interest income	21	(1,171,926)	(739,739)
Interest expense	22	170,330	78,829
Foreign exchange losses		12,082	2,658
Taxation expense		25,756	15,168
Expected credit losses		14,506	29,626
		(495,822)	(313,555)
Change in operating assets and liabilities:			
Loans receivable		(875,782)	(858,456)
Other current assets		(18,704)	(22,709)
Other payables and accruals		28,887	35,399
Cash used in operations		(1,361,421)	(1,159,321)
Interest received		947,809	594,404
Lease interest paid		(4,579)	(3,486)
Loan repaid		(467,859)	(310,584)
Loan interest repaid		(167,745)	(62,310)
Loan received		1,271,582	1,238,974
Preference shares interest paid		-	(5,297)
Taxation paid		(24,442)	(37,349)
Net cash provided by operating activities (carried forward to page 5)		193,345	255,031

Dolla Financial Services Limited

Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Net cash from operating activities (brought forward from page 4)		193,345	255,031
Cash flows from investing activities:			
Purchase of intangible assets	11	(969)	-
Additions to property, plant and equipment	12	(20,295)	(16,337)
Short term deposits		(23,317)	(63,431)
Net cash used in investing activities		(44,581)	(79,768)
Cash flows from financing activities:			
Dividends		(156,359)	(86,809)
Share issue		-	221,796
Lease principal payment		(30,454)	(18,022)
Net cash (used in)/provided by financing activities		(186,813)	116,965
Net (decrease)/increase in cash and cash equivalents		(38,049)	292,228
Effects of exchange rate changes on cash and cash equivalents		(5,462)	(4,880)
Cash and cash equivalents at beginning of year		352,935	65,587
Cash and cash equivalents at end of year	6	309,424	352,935

Dolla Financial Services Limited

Company Statement of Financial Position
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Assets			
Cash and cash equivalents	6	261,045	316,177
Loans, net of provisions for credit losses	7	1,973,270	1,299,095
Short term deposits	8	86,747	63,431
Investment in subsidiaries	10	32,179	32,179
Deferred tax asset	15	-	1,218
Due from related party	28	339,387	241,160
Property, plant and equipment	12	62,795	53,903
Intangible assets	11	929	2
Other assets	9	96,040	29,985
Total assets		2,852,392	2,037,150
Liabilities			
Taxation payable		2,995	2,994
Due to related party	28	43,931	-
Borrowings	13	1,861,808	1,251,810
Lease liabilities	16	38,051	39,445
Deferred tax liabilities	15	4,660	-
Other payables and accruals	14	73,009	49,559
Total liabilities		2,024,454	1,343,808
Equity			
Share capital	17	462,145	462,145
Capital redemption and other reserves	29	10,000	8,877
Retained earnings	20	355,793	222,320
Total shareholders' equity		827,938	693,342
Total liabilities and shareholders' equity		2,852,392	2,037,150

Approved for issue by the Board of Directors on 25 March 2024 and signed on its behalf by:

Ryan Reid — Chairman

Michael Banbury — Director

Dolla Financial Services Limited
Company Statement of Comprehensive Income
Year ended 31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Interest income	21	818,547	638,342d
Interest expense	22	(169,488)	(61,041)
Net interest income		649,059	577,301
Provision for expected credit losses	7	(8,981)	(24,819)
Net interest income after credit losses		640,078	552,482
Non-interest income:			
Fees and other income	23	115,726	6,780
Foreign exchange (losses)/gains		(3,212)	(1,778)
Total net interest income and other revenue		752,592	557,484
Operating expenses			
Administrative expenses	24	(449,207)	(310,360)
Profit before taxation		303,385	247,124
Taxation	25	(5,878)	(4,124)
Net profit being total comprehensive income		297,507	243,000

The accompanying notes on pages 9 to 63 form an integral part of these financial statements

Dolla Financial Services Limited

Company Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Capital Redemption and Other Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2022		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	17	221,796	-	-	221,796
Dividends		-	-	(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
Profit for the year being total comprehensive income		-	-	297,507	297,507
Transactions with owners					
Dividends	19	-	-	(164,034)	(164,034)
Other					
ESOP staff benefit		-	1,123	-	1,123
Balance at 31 December 2023		462,145	10,000	355,793	827,938

Dolla Financial Services Limited
Company Statement of Cash Flows (Continued)
Year ended 31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Cash flows from operating activities:			
Net profit		297,507	243,000
Adjustments for:			
Depreciation and amortisation	24	26,655	14,553
Interest income	21	(818,547)	(638,342)
Interest expense	22	169,488	61,041
Foreign exchange losses		3,212	1,778
Taxation expense		5,878	4,124
Expected credit losses		8,981	24,819
		(306,826)	(289,027)
Change in operating assets and liabilities:			
Loans receivable		(557,405)	(510,010)
Due to related party		-	-
Due from related party		(54,295)	(313,352)
Other current assets		(66,055)	(22,284)
Other payables and accruals		23,450	32,600
Cash used in operations		(961,131)	(1,102,073)
Interest received		663,471	521,131
Lease Interest paid		(3,736)	(2,197)
Loan repaid		(314,426)	(310,584)
Loan interest repaid		(170,358)	(44,183)
Loan received		935,142	1,238,974
Preference shares interest paid		-	(5,297)
Taxation paid		-	(37,349)
Net cash provided by operating activities **(carried forward on page 10)**		148,962	258,422

Dolla Financial Services Limited

Company Statement of Cash Flows (Continued)

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Net cash provided by operating activities (brought forward on page 9)		148,962	258,422
Cash flows from investing activities:			
Investment in subsidiary		-	(31,351)
Additions to property, plant and equipment	12	(17,913)	(11,648)
Short term deposits		(20,000)	(63,431)
Net cash used in investing activities		(37,913)	(106,430)
Cash flows from financing activities:			
Dividends		(156,359)	(86,809)
Share Issue		-	221,796
Lease principal payment		(22,842)	(14,638)
Net cash (used in)/provided by financing activities		(179,201)	120,349
Net (decrease)/increase in cash and cash equivalents		(68,152)	272,341
Effects of exchange rate changes on cash and cash equivalents		(3,454)	(6,420)
Cash and cash equivalents at beginning of year		316,177	50,256
Cash and cash equivalents at end of year	6	244,571	316,177

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 (FRPE), which is incorporated in Barbados and owned 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 (JSE) after a fully subscribed invitation to the public. Through the listing FRPE sold 15% of its shares to the public and retained 60% stake in the Company. On July 24, 2023, FRPE sold a further 15% of its shares to Supreme Ventures Limited, 10% to Widebase Limited and 9% to Mayberry Jamaican Equities Limited.

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 IFRS® Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS® Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

Dolla Financial Services Limited
Notes to the Financial Statements
31 December 2023
(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 material impact.

A number of narrow-scope amendments to IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16, (effective for annual periods beginning on or after 1 January 2023).

- Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.
- Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

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 2023
(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 effective in the current year (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.

None of the above had a material impact on the Group's operations.

3. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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 2024 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:

Amendment to IFRS 16 – Leases on sale and leaseback (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to IAS 1 – Non-current liabilities with covenants (effective for annual periods beginning on or after 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

The IASB amended IAS 1, Classification of liabilities as current or non-current, to require entities to classify liabilities as current when the entity would not have complied with covenants based on its circumstances at the reporting date, even if compliance with such covenants were tested only within twelve months after that date. The amendment also clarifies that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

Amendment to IAS 7 and IFRS 7 - Supplier finance (effective for annual periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS S1, 'General requirements for disclosure of sustainability-related financial information (effective for reporting periods beginning on or after 1 January 2024; this is subject to endorsement of the standards by local jurisdictions). This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

IFRS S2, 'Climate-related disclosures' (effective for reporting periods beginning on or after 1 January 2024; this is subject to endorsement of the standards by local jurisdictions). This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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 2023
(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 2023
(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).

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.

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 26(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.

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

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 2023

(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 2023 and 31 December 2023 were as follows:

	Base	Upside	Downside
31 December 2023:			
Lending portfolios	50%	20%	30%
31 December 2022:	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.

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
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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.

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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 (JSE) on 15 June 2022 which allows for the remission of taxes for ten (10) years (years 1 – 5 at 100% and years 6 – 10 at 50%). 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.

2. 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

2. Summary of Significant Accounting Policies (Continued)

(q) 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.

(r) 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.

(s) 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.

(t) 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.

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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.

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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.

			2023		
	Jamaica $'000	**Guyana $'000**	**Ultra $'000**	**Eliminations $'000**	**Group $'000**
Interest income	818,547	86,959	316,398	(49,978)	1,171,926
Interest expense	(169,488)	(12,838)	(38,228)	50,224	(170,330)
Provision for expected credit losses	(8,981)	(4,392)	(1,133)	-	(14,506)
Fee and other income	115,726	-	3,517	(113,915)	5,328
Foreign exchange losses	(3,212)	(8,651)	(15)	(204)	(12,082)
Depreciation and amortisation	(26,613)	(6,785)	(864)	-	(34,262)
Other administrative expenses	(422,594)	(41,538)	(150,933)	113,873	(501,192)
Operating profit	303,385	12,755	128,742	-	444,882
Taxation	(5,878)	(7,644)	(12,234)	-	(25,756)
Net profit	297,507	5,111	116,508	-	419,126
Total assets	2,808,461	197,958	902,244	(920,640)	2,988,023
Total liabilities	2,024,454	137,054	775,184	(930,052)	2,006,640
Other segment items:					
Additions to property, plant & equipment (Note 12)					37,887

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5. Segment Reporting (Continued)

	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	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

6. Cash and Cash Equivalents

	The Group		The Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Cash in hand	460	214	382	199
Deposits (a)	-	252,489	-	252,489
Cash at bank	325,438	100,232	260,663	63,489
	325,898	352,935	261,045	316,177
Bank overdraft	(16,474)	-	(16,474)	-
	309,424	352,935	244,571	316,177

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

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7. Loans, Net of Provision for Credit Losses

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Gross loans and advances	2,126,818	1,596,130	1,712,923	1,185,471
Loan interest and other receivables	401,366	201,710	326,219	179,948
	2,528,184	1,797,840	2,039,142	1,365,419
Less: ECL	(77,104)	(72,098)	(65,872)	(66,324)
	2,451,080	1,725,742	1,973,270	1,299,095
Current portion of loans:				
Gross loans and advances	2,104,943	958,296	1,192,084	588,341
Loan interest and other receivables	172,214	130,131	119,761	112,895
	2,277,157	1,088,427	1,311,845	701,236
Less: ECL	(72,214)	(62,715)	(61,272)	(57,082)
	2,204,943	1,025,712	1,250,573	644,154

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Provision for expected losses at beginning of year	72,098	42,472	66,324	41,505
Bad debt write off	(9,500)	-	(9,434)	-
Provided for during the year	14,506	29,626	8,981	24,819
	77,104	72,098	65,871	66,324

Provision for expected credit losses

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Increase on loan loss provision during the year	14,506	29,626	8,981	24,819
Charged to profit or loss during the year	14,506	29,626	8,981	24,819

Certain loan balances have been pledged as collateral for the $1,146,859,000 secured bond (Note 13).

8. Short Term Deposits

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Victoria Mutual Wealth Management Limited (VMWM) Repurchase agreement (a)	34,293	32,865	34,293	32,865
Sagicor Bank Jamaica (SBJ) Certificate of deposit (b)	52,454	30,566	52,454	30,566
	86,747	63,431	86,747	63,431

(a) This represents an initial investment of $32,666,000 in a repurchase agreement at 5% per annum secured by a Ministry of Finance BN fixed rate 10% bond. The facility matures on 14 November 2024. The current balance includes interest accrued year to date.

(b) This represents a certificate of deposit of $51,125,000 being held at SBJ for 365 days at an interest rate of 5%. The facility matures on 29 June 2024. The current balance includes interest accrued year to date.

9. Other Assets

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Staff advance	8,673	3,403	8,673	3,403
Sundry receivables	14,941	17,478	62,243	17,466
Prepayments	22,280	5,462	22,004	5,130
Security deposits	4,554	5,401	3,120	3,986
	50,448	31,744	96,040	29,985

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

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10. Investment in Subsidiaries

	The Company	
	2023	**2022**
	$'000	**$'000**
Shares in:		
Dolla Guyana Inc.	31,179	31,179
Ultra Financier Limited	1,000	1,000
	32,179	32,179

11. Intangible Assets

	Group and Company
	Software
	$'000
Cost -	
At 31 December 2022	1,301
Additions	969
At 31 December 2023	2,270
Amortisation -	
Balance at 31 December 2022	1,299
Charge for the year	42
Balance at 31 December 2023	1,341
Net Book Value -	
At 31 December 2023	929
At 31 December 2022	2

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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 2022	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
Additions	3,620	6,205	10,470	-	17,592	-	37,887
Balance at 31 December 2023	10,916	16,303	31,859	474	103,166	2,033	164,751
Depreciation							
Balance at 1 January 2022	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
Charge for the year	896	2,232	4,530	-	26,162	442	34,262
Balance at 31 December 2023	3,028	7,275	18,435	-	62,468	624	91,830
Net Book Value-							
At 31 December 2023	7,888	9,028	13,424	474	40,698	1,409	72,921
At 31 December 2022	5,164	5,055	7,484	474	49,268	1,851	69,296

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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 2022	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
Additions	2,597	5,317	9,999	-	17,592	35,505
Balance at 31 December 2023	8,773	14,837	29,989	474	85,370	139,443
Depreciation						
Balance at 1 January 2022	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
Charge for the year	736	2,006	3,919	-	19,952	26,613
Balance at 31 December 2023	2,848	6,804	17,854	-	49,142	76,648
Net book Values						
At 31 December 2023	5,925	8,033	12,135	474	36,228	62,795
At 31 December 2022	4,064	4,722	6,055	474	38,588	53,903

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13. Long Term Loan

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Current portion of long-term loan	423,741	239,267	423,741	86,551
Long term loan	1,437,056	1,140,869	1,437,056	1,140,869
	1,860,797	1,380,136	1,860,797	1,227,420

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Unsecured loans (a)	698,796	86,551	698,796	86,551
Corporate notes payable (b)	1,146,859	1,140,869	1,146,859	1,140,869
USD promissory note (c)	15,142	152,716	15,142	-
	1,860,797	1,380,136	1,860,797	1,227,420
Interest payable	1,011	25,244	1,011	24,390
	1,861,808	1,405,380	1,861,808	1,251,810

(a) This represents unsecured loan facilities from:

- Optimum Trading Company Limited obtained in April 2023 in the sum of J$70,000,000 at an interest rate of 13% per annum. This facility matures on 31 March 2024. The loan is backed by both the loan agreement and a demand promissory note;
- Mayberry Investments Limited c/o the Development Bank of Jamaica obtained in December 2023 in the sum of J$300,000,000 at an interest rate of 12% per annum. This facility matures on 31 December 2026. The loan is secured by a promissory note; and
- Mayberry Investments Limited obtained in December 2023 in the sum of J$325,000,000 at a rate of 14% per annum. This facility matures on 30 September 2024;

These loans were undertaken for general business purposes.

In 2022, the balance represented an unsecured loan facility from FirstRock Private Equity Limited for general business purposes in the sum of J$86,551,000 at an interest rate of 15% per annum. The balance was repaid in February 2023.

(b) This represents the carrying value of corporate notes issued through a private placement by Dolla Financial Services Limited in 2023. A total of J$1,170,822,000 was raised from this private placement through the issuance of 10.50% variable interest rate senior secured notes with a maturity date of 3 October 2025 and 11.75% variable interest rate 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.

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13. Long Term Loan (Continued)

(c) This represents a US$100,000 promissory note issued from Woodcats International Limited during the year to support the expansion of the loan portfolio. The loan carries an interest rate of 12% per annum. The loan is unsecured and matures on 31 March 2024.

The balance in 2022 represented a US$1,000,000 promissory note. The proceeds were on lent to Dolla Guyana Inc. during the year 2021 to fund the growth of its loan portfolio. The loan attracted interest at a rate of 11% per annum. The loan matured on 11 January 2023.

(d) Fair value

	Group			
	Carrying Amounts		Fair Values	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Unsecured loan	698,796	86,551	693,572	85,904
Corporate notes payable	1,146,859	1,140,869	1,134,010	1,128,087
USD Promissory note	15,142	152,716	14,853	149,792
	1,860,797	1,380,136	1,842,435	1,363,783

	Company			
	Carrying Amounts		Fair Values	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Unsecured loans	698,796	86,551	693,572	100,748
Corporate notes payable	1,146,859	1,140,869	1,134,010	195,047
USD Promissory Note	15,142	-	14,853	-
	1,860,797	1,227,420	1,842,435	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.

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13. Long Term Loan (Continued)

(e) ***Reconciliation of liabilities arising from financing activities***

The tables below detail 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 2022	Financing cash flows	Non-cash changes – new leases	Non-cash changes – foreign exchange movements	31 December 2023
	$'000	$'000	$'000	$'000	$'000
Lease liabilities	50,966	(30,454)	17,592	4,831	42,935
	50,966	(30,454)	17,592	4,831	42,935

	The Company				
	31 December 2022	Financing cash flows	Non-cash changes – new leases	Non-cash changes – foreign exchange movements	31 December 2023
	$'000	$'000	$'000	$'000	$'000
Lease liabilities	39,445	(22,842)	17,592	3,856	38,051
	39,445	(22,842)	17,592	3,856	38,051

	The Group				
	31 December 2021	Financing cash flows	Non-cash changes – new leases	Non-cash changes – foreign exchange movements	31 December 2022
	$'000	$'000	$'000	$'000	$'000
Lease liabilities	31,550	(21,508)	35,925	4,999	50,966
	31,550	(21,508)	35,925	4,999	50,966

	The Company				
	31 December 2021	Financing cash flows	Non-cash changes – new leases	Non-cash changes – foreign exchange movements	31 December 2022
	$'000	$'000	$'000	$'000	$'000
Lease liabilities	19,890	(16,835)	31,481	4,909	39,445
	19,890	(16,835)	31,481	4,909	39,445

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14. Other Payables and Accruals

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Current liabilities				
Audit fees payable	17,258	10,180	12,716	7,948
Statutory payables	7,675	4,702	7,424	4,464
Unallocated cash	16,573	11,905	16,246	11,763
Undisbursed funds	7,407	5,762	7,407	5,762
Dividends Payable	12,333	4,658	12,333	4,658
Accrued expenses	21,908	17,060	16,883	14,964
Total	83,154	54,267	73,009	49,559

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

15. 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	
	2023	**2022**	**2023**	**2022**
Deferred income taxes	4,276	(1,597)	4,660	(1,218)

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Liability/(asset) at beginning of year	(1,597)	5,839	(1,218)	5,839
Charged(credited) to statement of comprehensive income (Note 25)	5,873	(7,436)	5,878	(7,057)
Liability/(asset) at end of year	4,276	(1,597)	4,660	(1,218)

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax (assets)/liabilities -				
Interest payable	1,597	(5,839)	1,218	(5,839)
Other	2,304	33	824	-
Tax losses unused	-	374	-	-
Property, plant & equipment depreciation	(8,177)	7,152	(6,702)	7,057
Unrealised foreign currency gains	-	(123)	-	-
Net deferred tax (liabilities)/asset	(4,276)	1,597	(4,660)	1,218

15. Deferred Income Taxes (Continued)

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

	The Group		The Company	
	2023 **$'000**	**2022** **$'000**	**2023** **$'000**	**2022** **$'000**
Deferred tax assets to be recovered after more than 12 months	8,177	-	6,702	-
Deferred tax liabilities to be recovered after more than 12 months	-	7,152	-	7,057

16. 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	**2023** **$'000**	**2022** **$'000**	**2023** **$'000**	**2022** **$'000**
Buildings	40,698	49,268	36,228	38,588
	40,698	49,268	36,228	38,588
Lease liabilities				
Current	21,554	24,530	19,936	16,963
Non-current	21,381	26,436	18,115	22,482
	42,935	50,966	38,051	39,445

b) Amounts recognised in the statement of comprehensive income

	The Group		The Company	
	2023 **$'000**	**2022** **$'000**	**2023** **$'000**	**2022** **$'000**
Depreciation charge on right-of-use assets				
Buildings	26,162	16,665	19,952	12,815
Interest expense (Note 22)	4,579	3,486	3,736	2,197
Total expenses related to leases	30,741	20,151	23,688	15,012

The total cash outflow for the Group for leases in 2023 was $35,033,000 (2022: $21,508,000) and for the Company, it was $26,578,000 (2022: $15,691,000).

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17. Share Capital

	2023 Number	2022 Number	2023 $'000	2022 $'000
Authorised:				
Unlimited				
Stated capital				
Issued and fully paid:				
At the beginning of year	2,500,000,000	26,597,360	462,145	240,349
Shares issued during the year	-	2,473,402,640	-	221,796
	2,500,000,000	2,500,000,000	462,145	462,145

On 5 May 2022, in an extraordinary general meeting, the shareholders of the company unanimously passed resolutions to effect the following:

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

The Company listed 2,500,000,000 shares on the Junior Market of the Jamaica Stock Exchange on 15 June 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.

18. 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.

	2023	2022
Net profit attributable to shareholders ($'000)	419,126	280,472
Weighted average number of stock units in issue	2,500,000,000	1,550,860,401
Basic earnings per stock unit	$0.17	$0.18

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

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19. Dividends

	2023 $'000	2022 $'000
Declared at $0.02 (2022: 0.0376) cents per share	50,000	91,466
Declared at $0.025 cents per share	62,500	-
Declared at $0.021 cents per share	51,534	-
Total dividends to shareholders	164,034	91,466

The following dividends were declared by the Board of Directors in 2023:

(a) 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.
(b) At a meeting held on 13 July 2023, the Board of Directors approved an interim dividend of $0.025 per share payable on 1 September 2023 to shareholders on record as at 18 August 2023.
(c) At a meeting held on 30 October 2023, the Board of Directors approved an interim dividend of $0.021 per share payable on 12 December 2023 to shareholders on record as at 28 November 2023.

The following dividends were declared by the Board of Directors in 2024:

(a) At a meeting held on 5 February 2024, the Board of Directors approved an interim dividend of $0.04 per share payable on 5 April 2024 to shareholders on record as at 22 March 2024.

20. Net Profit and Retained Earnings

	2023 $'000	2022 $'000
(i) Net profit dealt with in the financial statements of:		
The Company	297,507	243,000
The subsidiaries	121,619	37,472
	419,126	280,472
(ii) Retained earnings reflected in the financial statements of:		
The Company	355,793	222,320
The subsidiaries	153,527	33,031
	509,320	255,351

21. Interest Income

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest income – loans	1,097,996	704,941	755,447	603,544
Interest income – cash and deposits	73,930	34,798	63,100	34,798
	1,171,926	739,739	818,547	638,342

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22. Interest Expense

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Interest on loans	165,751	75,343	165,752	58,844
Interest on leases	4,579	3,486	3,736	2,197
	170,330	78,829	169,488	61,041

23. Fees and Other Income

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Management fees	-	-	48,000	-
Shared service costs	-	-	65,915	-
Other	5,328	6,780	1,811	6,738
	5,328	6,780	115,726	6,738

24. Expenses by Nature

Total direct, administration and other operating expenses recognized were:

a. Staff costs:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Salaries and benefits	264,530	164,510	220,599	152,492
Statutory payroll contributions	25,316	16,228	21,959	15,473
Other	18,727	15,531	17,906	15,394
	308,573	196,269	260,464	183,359

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24. Expenses by Nature (Continued)

b. Administrative expenses comprise:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Advertising	19,096	20,885	16,506	18,631
Audit fees	18,608	12,282	14,100	9,900
Bank charges	2,642	2,344	2,170	2,066
Depreciation and amortization	34,304	19,431	26,655	14,553
Directors' fees	4,416	9,261	3,784	9,261
Donations and subscriptions	19,328	9,839	17,257	9,789
Information technology	3,721	1,333	3,705	1,333
Insurance	2,071	-	1,977	-
Irrecoverable GCT	12,085	6,984	12,085	6,984
Legal and other professional fees	47,891	28,052	43,078	25,447
Management fees	34,148	12,000	23,000	12,000
Office and other expenses	13,213	7,953	10,283	7,101
Postage and utilities	9,063	6,332	8,299	5,439
Repairs and maintenance	3,454	2,264	3,420	2,265
Security	521	877	521	965
Staff costs (Note 24(a))	308,573	196,269	260,464	183,359
Travel and entertainment	2,320	3,618	1,903	1,267
Total administration expenses	535,454	339,724	449,207	310,360

25. Taxation

a. Recognised in profit or loss:

The income tax charge is computed on profit before taxation at the rates below, for the respective countries where the company has operations.

Company	Tax Rate
Dolla Financial Services Limited	33 1/3%
Ultra Financier Limited	25%
Dolla Guyana Inc	25%

The Company was listed on the Junior Market of the Jamaica Stock Exchange (JSE) on 15 June 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 share capital not less than $50 million and not exceeding $500 million, and;
c) Maintaining at least 50 participating voting shareholders.

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25. Taxation (Continued)

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Current tax	19,883	22,604	-	11,181
Deferred tax (Note 15)	5,873	(7,436)	5,878	(7,057)
Tax expense	25,756	15,168	5,878	4,124

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Profit before tax	444,882	295,640	303,385	247,124
Tax at 25%/33 1/3%	136,401	73,910	101,027	61,781
Tax effect of expenses not deductible for tax purposes	1,398	6,365	1,398	6,364
Employment & corporate tax credits	-	(5,166)	-	(4,791)
Unrecognized deferred tax	(79,986)	(31,043)	(61,536)	(31,043)
Tax remittance notice (Jamaica Stock Exchange Junior Market)	(41,865)	(30,194)	(41,865)	(30,194)
Other reconciling items	9,808	1,296	6,854	2,007
Income tax	25,756	15,168	5,878	4,124

Unrecognized deferred tax relates to temporary differences on interest receivable.

26. 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.

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26. 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, cash at bank and short term deposits.

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 four categories for loans and short term deposits 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.

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26. 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 and short term deposits
The Group limits its exposure to credit risk by placing cash and cash equivalents and short term deposits 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				The Company			
	ECL Staging 2023				ECL Staging 2023			
	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	1,691,226	391,256	445,702	2,528,184	1,724,611	186,150	128,381	2,039,142
Short Term Deposits - A	86,747	-	-	86,747	86,747	-	-	86,747
Cash at bank - A	325,898	-	-	325,898	261,045	-	-	261,045
Gross carrying amount	2,103,871	391,256	445,702	2,940,829	2,072,403	186,150	128,381	2,386,934
ECL	(6,980)	(1,455)	(68,669)	(77,104)	(4,614)	(1,055)	(60,203)	(65,872)
Gross carrying amount, net of ECL	2,096,891	389,801	377,033	2,863,725	2,067,789	185,095	68,178	2,321,062

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

26. Financial Risk Management (Continued)

(a) Credit risk (continued)

	The Group				The Company			
	ECL Staging 2022				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

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.

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26. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowances (continued)

	The Group			
	Stage 1	**Stage 2**	**Stage 3**	**2023**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**
Gross carrying amount as at 1 January	1,146,025	266,685	385,130	1,797,840
New financial assets originated	1,435,215	272,051	19,459	1,726,725
Transfer from Stage 1 to Stage 2	(77,414)	77,414	-	-
Transfer from Stage 1 to Stage 3	(21,174)	-	21,174	-
Transfer from Stage 2 to Stage 1	50,608	(50,608)	-	-
Transfer from Stage 2 to Stage 3	-	(64,742)	64,742	-
Financial assets fully derecognised during the period	(842,034)	(109,544)	(44,803)	(996,381)
Gross carrying amount as at 31 December	1,691,226	391,256	445,702	2,528,184

	The Company			
	Stage 1	**Stage 2**	**Stage 3**	**2023**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**
Gross carrying amount as at 1 January	1,089,123	193,094	83,202	1,365,419
New financial assets originated	1,193,549	133,033	27,095	1,353,677
Transfer from Stage 1 to Stage 2	(44,776)	44,776	-	-
Transfer from Stage 1 to Stage 3	(18,048)	-	18,048	-
Transfer from Stage 2 to Stage 1	47,461	(47,461)	-	-
Transfer from Stage 2 to Stage 3	-	(49,870)	49,870	-
Financial assets fully derecognised during the period	(542,698)	(87,422)	(49,834)	(679,954)
Gross carrying amount as at 31 December	1,724,611	186,150	128,381	2,039,142

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26. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowances (continued)

	The Group			
	Stage 1	**Stage 2**	**Stage 3**	**2022**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**
Gross carrying amount as at 1 January	679,350	55,193	58,432	792,975
New financial assets originated	829,764	217,874	284,728	1,332,366
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)
Changes in principal and interest	328,240	-	-	328,240
Gross carrying amount as at 31 December	1,146,025	266,685	385,130	1,797,840

	The Company			
	Stage 1	**Stage 2**	**Stage 3**	**2022**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**
Gross carrying amount as at 1 January	621,115	55,193	58,432	734,740
New financial assets originated	799,899	145,183	23,665	968,747
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)
Changes in principal and interest	308,113	-	-	308,113
Gross carrying amount as at 31 December	1,089,123	193,094	83,202	1,365,419

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(expressed in Jamaican dollars unless otherwise indicated)

26. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loss allowances (continued)

	The Group			
	Stage 1	**Stage 2**	**Stage 3**	**2023**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**
Loss Allowance as at 1 January	7,191	1,557	63,350	72,098
New financial assets originated	6,011	1,493	26,385	33,889
Transfer from Stage 1 to Stage 2	(236)	236	-	-
Transfer from Stage 1 to Stage 3	(380)	-	380	-
Transfer from Stage 2 to Stage 1	263	(263)	-	-
Transfer from Stage 2 to Stage 3	-	(617)	617	-
Financial assets fully derecognised during the period	(6,358)	(1,033)	(22,063)	(29,454)
Changes to inputs used in ECL calculation	489	82	-	571
Loss Allowance as at 31 December	6,980	1,455	68,669	77,104

	The Company			
	Stage 1	**Stage 2**	**Stage 3**	**2023**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**
Loss Allowance as at 1 January	5,860	1,705	58,759	66,324
New financial assets originated	4,121	857	31,803	36,781
Transfer from Stage 1 to Stage 2	(220)	220	-	-
Transfer from Stage 1 to Stage 3	(286)	-	286	-
Transfer from Stage 2 to Stage 1	263	(263)	-	-
Transfer from Stage 2 to Stage 3	-	(617)	617	-
Financial assets fully derecognised during the period	(5,332)	(506)	(31,262)	(37,100)
Changes to inputs used in ECL calculation	208	(341)	-	(133)
Loss Allowance as at 31 December	4,614	1,055	60,203	65,872

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26. Financial Risk Management (Continued)

(b) Credit risk (continued)

Loss allowances (continued)

	The Group			
	Stage 1	**Stage 2**	**Stage 3**	**2022**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**
Loss Allowance as at 1 January	6,238	1,547	34,687	42,472
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)
Changes to inputs used in ECL calculation	232	(405)	(244)	(417)
Loss Allowance as at 31 December	7,191	1,557	63,350	72,098

	The Company			
	Stage 1	**Stage 2**	**Stage 3**	**2022**
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Total**
Loans – Amortised Cost	**$'000**	**$'000**	**$'000**	**$'000**
Loss Allowance as at 1 January	5,271	1,547	34,687	41,505
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)
Changes to inputs used in ECL calculation	208	(335)	20,529	20,402
Loss Allowance as at 31 December	5,860	1,705	58,759	66,324

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26. Financial Risk Management (Continued)

(c) 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	
	2023	2022
	$'000	$'000
Performing	1,691,226	1,146,025
Underperforming	391,256	266,685
Non-Performing (credit impaired)	445,702	385,130
Total gross loan receivables	2,528,184	1,797,840
Less: Loan loss allowance	(77,104)	(72,098)
Loan receivables net of expected credit losses	2,451,080	1,725,742

	The Company	
	2023	2022
	$'000	$'000
Performing	1,724,611	1,089,123
Underperforming	186,150	193,094
Non-Performing (credit impaired)	128,381	83,202
Total gross loan receivables	2,039,142	1,365,419
Less: Loan loss allowance	(65,872)	(66,324)
Loan receivables net of expected credit losses	1,973,270	1,299,095

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 2023, management estimates the fair value of collateral held to be $5,769,815,000 (2022 – $4,145,792,000).

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.

26. Financial Risk Management (Continued)

(a) Credit risk (continued)

Economic variable assumptions for exposure

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 25% (2022 – 20%)
- Interest rates – Given a weight of 25% (2022 – 20%)
- Gross Domestic Product (GDP) – Given a weight of 20% (2022 – 25%)
- Unemployment – Given a weight of 30% (2022 – 35%)

The scenarios used and the weight assigned are as follows:

- Base case – 50% (2022 – 50%)
- Upside – 20% (2022 – 20%)
- Downside – 30% (2022 - 30%)

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

- Positive – Multiplier of 0.6 (2022 – 0.90)
- Stable – Multiplier of 1.1 (2022 – 1.05)
- Negative – Multiplier of 1.6 (2022 – 1.30)

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26. Financial Risk Management (Continued)

(a) Credit risk (continued)

Economic variable assumptions for exposure (continued)

		Group and Company								
		2023								
		Base Case Scenario			***Upside Scenario***			***Downside Scenario***		
		Outlook	***Multiplier***	***Score***	***Outlook***	***Multiplier***	***Score***	***Outlook***	***Multiplier***	***Score***
Inflation	25%	*Stable*	1.1	0.3	*Positive*	0.6	0.2	*Negative*	1.6	0.4
Interest Rate	25%	*Negative*	1.1	0.3	*Stable*	0.1	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	30%	*Positive*	0.6	0.2	*Positive*	0.6	0.2	*Negative*	1.6	0.5
SCORE				**1.0**			**0.7**			**1.6**
Probability of Impact				**50%**			**20%**			**30%**
Weighted Average PD Adjustment Factor		**1.10**		**0.48**			**0.15**			**0.48**

		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	25%	*Negative*	1.6	0.3	*Stable*	1.1	0.2	*Negative*	1.6	0.3
GDP	20%	*Stable*	1.1	0.3	*Positive*	0.6	0.2	*Negative*	1.6	0.4
Unemployment	35%	*Stable*	0.6	0.2	*Positive*	0.6	0.2	*Negative*	1.6	0.6
SCORE				**1.0**			**0.7**		**0.7**	
Probability of Impact				**50%**			**20%**		**20%**	**30%**
Weighted Average PD Adjustment Factor		**1.13**		**0.51**			**0.14**			**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.

Group					
% Change in FLI Factor		**FLI factor applied**		**ECL**	
2023	**2022**	**2023**	**2022**	**2023 $'000**	**2022 $'000**
+50%	50%	1.65	1.70	82,588	78,524
-50%	-50%	0.55	0.57	73,308	66,536

Company					
% Change in FLI Factor		**FLI factor applied**		**ECL**	**ECL**
2023	**2022**	**2023**	**2022**	**2023 $'000**	**2022 $'000**
+50%	+50%	1.65	1.70	71,355	70,164
-50%	-50%	0.55	0.57	62,076	63,346

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26. 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				
	2023				
	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	303,703	1,399,658	1,514,364	-	3,217,725
Other assets	-	-	-	28,168	28,168
Short term deposits	-	91,175	-	-	91,175
Cash and cash equivalents	325,898	-	-	-	325,898
	629,601	1,490,833	1,514,364	28,168	3,662,966
Financial liabilities					
Other payables and accruals	82,668	-	-	-	82,668
Lease liabilities	5,706	15,848	23,898	-	45,452
Borrowings	200,401	746,100	1,967,847	-	2,914,348
Total financial liabilities	288,775	761,948	1,991,745	-	3,042,468
Net financial position	340,826	728,885	(477,381)	28,168	620,498
Maturity gap	340,826	1,069,711	592,330	620,498	

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26. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

The Company

	2023				
	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	52,180	793,435	1,225,321	-	2,070,936
Other assets	-	-	-	74,036	74,036
Due from related party	-	-	-	339,387	339,387
Short term deposits	-	91,175	-	-	91,175
Cash and cash equivalents	261,045	-	-	-	261,045
	313,225	884,610	1,225,321	413,423	2,836,579
Financial liabilities					
Other payables and accruals	73,009	-	-	-	73,009
Due to related party	-	-	-	43,931	43,931
Lease liabilities	5,167	14,769	21,876	-	41,812
Borrowings	151,892	365,257	1,967,847	-	2,484,996
Total financial liabilities	230,068	380,026	1,989,723	43,931	2,643,748
Net financial position	83,157	504,584	(764,402)	369,492	192,831
Maturity gap	83,157	587,741	(176,661)	192,831	

The Group

	2022				
	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	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	

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.

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26. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Company				
	2022				
	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	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
Preference shares					
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	

(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 2022 and 2023, 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.

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26. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

	The Group 2023						
	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 2023:							
Financial assets							
Loans net of provision for credit losses	657,565	113,120	758,711	921,684	-	-	2,451,080
Other assets	-	-	-	-	-	28,168	28,168
Short term deposits			86,747				86,747
Cash and cash equivalents	325,898	-	-	-	-	-	325,898
Total financial assets	983,463	113,120	845,458	921,684	-	28,168	2,891,893
Financial liabilities							
Other payables and accruals	-	-	-	-	-	75,479	75,479
Lease liabilities	1,970	3,983	15,265	21,717	-	-	42,935
Borrowings	17,485	85,142	322,125	1,437,056	-	-	1,861,808
Total financial liabilities	19,455	89,125	337,390	1,458,773	-	75,479	1,980,222
Total interest repricing gap	964,008	23,995	508,068	(537,089)	-	(47,311)	911,671
Cumulative interest repricing gap	964,008	988,003	1,496,071	958,982	958,982	911,671	

	The Company 2023						
	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 2023:							
Financial assets							
Loans net of provision for credit losses	909,522	19,986	285,746	758,016	-	-	1,973,270
Other assets	-	-	-	-	-	74,036	74,036
Due from related parties	-	-	-	-	-	339,387	339,387
Short term deposits	-	-	86,747	-	-	-	86,747
Cash and cash equivalents	261,045	-	-	-	-	-	261,045
Total financial assets	1,170,567	19,986	372,493	758,016	-	413,423	2,734,485
Financial liabilities							
Other payables and accruals	-	-	-	-	-	65,585	65,585
Due to related parties	-	-	-	-	-	43,931	43,931
Lease liabilities	1,465	2,960	13,343	20,283	-	-	38,051
Borrowings	17,485	85,142	322,125	1,437,056	-	-	1,861,808
Total financial liabilities	18,950	88,102	335,468	1,457,339	-	109,516	2,009,375
Total interest repricing gap	1,151,617	(68,116)	37,025	(699,323)	-	303,907	725,110
Cumulative interest repricing gap	1,151,617	1,083,501	1,120,526	421,203	421,203	725,110	

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26. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) 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	

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26. 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$'000	US$ J$'000
	2023	2022
Financial Assets		
Cash and cash equivalents	2,336	833
	2,336	833
Financial Liabilities		
Borrowings	15,142	152,716
Lease liabilities	21,501	39,695
	36,643	192,411
Net financial position	(34,307)	(191,578)

	The Company	
	US$ J$'000	US$ J$'000
	2023	2022
Financial Assets		
Cash and cash equivalents	735	833
	735	833
Financial Liabilities		
Other payables and accruals	15,142	-
Lease liabilities	16,907	32,884
	32,050	32,884
Net financial position	(31,314)	(32,051)

Dolla Financial Services Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

26. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

	The Group			
	Changes in currency rate 2023	Effect on profit before tax 2023	Changes in currency rate 2022	Effect on profit before tax 2022
	%	$'000	%	$'000
Currency:				
USD				
Devaluation	4	(1,372)	4	(7,663)
Revaluation	1	343	1	1,916

	The Company			
	Changes in currency rate 2023	Effect on profit before tax 2023	Changes in currency rate 2022	Effect on profit before tax 2022
	%	$'000	%	$'000
Currency:				
USD				
Devaluation	4	(1,253)	4	(1,282)
Revaluation	1	313	1	321

(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 2023 and 31 December 2022, 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
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27. 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.

28. 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	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Borrowings with ultimate parent (i)	-	86,551	-	86,551
Loans receivable from subsidiaries (ii)	-	-	501,778	-

i. This was at a rate interest rate of 15% per annum and was settled during the year.
ii. The rate of interest on these amounts is 11.75% and the facilities are to be repaid in full in November 2024.

(b) Due from/(to) related party transactions

	The Company	
	2023	**2022**
	$'000	**$'000**
Current account balances with subsidiaries	339,387	161,421
Payable to subsidiaries	(43,931)	-
Receivable from subsidiaries	-	79,739
	295,456	241,160

Dolla Financial Services Limited

Notes to the Financial Statements

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

28. Related Party Transactions and Balances (Continued)

(c) Related party transactions

i) The following transaction balances were due from or (to) related parties:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
FirstRock Private Equity	(2,100)	(88,801)	(2,100)	(88,801)
Ultra Financier Ltd.	-	-	336,439	238,047
Dolla Guyana Inc.	-	-	(43,931)	709
	(2,100)	(88,801)	290,408	149,955

The following transactions were carried out with related parties:

ii) Dividends paid, Administration, other operating and interest expenses:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Dividend Paid				
Parent company	66,254	47,226	66,254	47,226
Other	90,105	39,583	90,105	39,583
	156,359	86,809	156,359	86,809
Directors' fees				
Fees	4,416	3,455	3,784	3,455
Remuneration	62,331	39,022	62,331	39,022
Other benefits	-	5,806	-	5,806
	66,747	48,283	66,115	48,283
Loans Receivable				
Directors	59,300	59,471	59,300	59,471
Key management	8,279	4,876	6,746	4,876
	67,579	64,347	66,046	64,347
Management fees				
Fees	23,000	12,000	23,000	12,000
Income				
Interest income	-	-	49,978	-
Management fees	34,148	-	48,000	-
Shared service costs	-	-	65,915	-
	34,148	-	163,893	-
Interest				
Interest expenses	607	2,618	607	2,618

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.

28. Related Party Transactions and Balances (Continued)

(d) Related party transactions (Continued)

iii) Key management compensation

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Salaries and travelling benefits	116,524	64,644	116,524	64,644
Statutory contributions	9,472	6,277	9,472	6,277
Other	1,952	7,267	1,952	7,267
	127,948	78,188	127,948	78,188

29. 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 2022.

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.

30. Subsequent Events

(a) On 5 February 2024, the Board of Directors declared its intention to wind down the operations of Dolla Guyana Inc. a wholly owned subsidiary of Dolla Financial Services Limited operating in Georgetown, Guyana. This will take place through the orderly run off of the loan portfolio. Based on the maturity dates of the loans, management expects the loans to be fully repaid by 31 March 2025.

The decision is due to the current geo political uncertainty and the reallocation of resources to Jamaica where returns exceed those in Guyana.

(b) At a meeting held on 5 February 2024, the Board of Directors approved an interim dividend of $0.04 per share payable on 5 April 2024 to shareholders on record as at 22 March 2024.

Form of Proxy

POSTAGE
STAMP

“I/We................................of..being Member/Members of the above-named Company, hereby appoint..of.. ....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 by hybrid format which includes a physical meeting and an online broadcast on May 31, 2024 at 11:00 a.m. at the Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5 or at any adjournment thereof.

I desire this form to be used for/against* the resolution.

Unless otherwise directed the proxy will vote or abstain as he/she thinks fit.

*Strike out whichever is not desired

Dated this ______________________________ day of _______________________ 2024.

Print Name: ______________________________________

Signature: _______________________________________

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

ANNUAL REPORT 2023

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