THE INVESTMENT MAGAZINE

by: PROVEN Investments Limited

DECEMBER 2018 EDITION

UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

PROVEN INVESTMENTS LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

The Board of Directors of PROVEN Investments Limited ("PIL") is pleased to report its unaudited financial statements for the period ended December 31, 2018.

FINANCIAL HIGHLIGHTS

US$5.90 million	—	Net Profit attributable to shareholders
US$0.0094	—	Earnings Per Share
US$626.71 million	—	Consolidated Total Assets
9.64%	—	Annualized Return on Equity
66.68%	—	Efficiency Ratio
US$0.0024 per share	—	Proposed Dividend

FINANCIAL PERFORMANCE

PROVEN Investments Limited Net Profit attributable to shareholders for the nine-month period amounted to US$5.90 million. This represents a 12.78% increase from the US$5.23 million earned in the same period last year. Net Revenue for the period ended December 31, 2018 experienced a 15.90% increase to US$29.72 million compared to US$25.64 million earned during the period ended December 2017. This was mainly due to an improvement in Fees and Commission, continued net gains on the carry trade strategy, an improvement in Foreign Exchange gains and other income. The financial results for the period reflect the net impact of accounting adjustments required under the new IFRS 9 Accounting Standard which took effect from January 1, 2018.

Net Profit

Net Profit attributable to shareholders amounted to US$5.90 million or $0.0094 per share versus US$5.23 million or $0.0088 per share reported for the same period last year. Annualized Return on Average Equity of 9.64% was achieved for the nine months ended December 2018.

Net Interest Income

Spread income was a major contributor to revenue during the period, accounting for 54% of total revenue. Net interest income recorded a 12.14% improvement compared with the same period last year as net interest income totalled US$16.10 million. This increase reflects success in the carry trade strategy as the Company was able to concurrently increase interest income while reducing interest expense by 19.59%, despite a reduction in interest-bearing assets over the period.

Other Income

Fees and commission increased by 65% year over year from US$4.1m to US$6.88m; reflecting the Group's decision to diversify its income towards off balance sheet income sources. Net foreign exchange gains totalled US$1.29 million, compared to a loss of US$0.30 million reported for the same period last year. Realized losses from the trading of securities for the period amounted to US$0.30 million compared to a gain of US$3.26 million earned for the same period last year. This decline was due to the continued realignment of the portfolio to reduce the overall market risk exposure and rightsizing of the balance sheet to reflect a shift towards the private equity strategy.

Private Equity

Private equity investments that fit our risk to reward objectives are a strong area of focus as we explore vast opportunities throughout the region. Our current private equity holdings continue to boost the bottom-line:

Proven Wealth Limited

PROVEN Wealth Limited ("PWL") reported net income totalling US$1.07 million for the period while total assets of the company as at December 31, 2018 stood at US$104.53 million. The firm continues its strategy to grow its wealth management business through offering innovative investment products to clients and reduce the issuing of repurchase agreements.

Proven Fund Managers Limited

PROVEN Fund Managers Limited continues to be one of the top players in the Asset and Pension Fund Management and Administration business. Profitability increased by 12.63% compared to the same period last year, as net profit for the period was US$0.42 million compared to US$0.37 million for the period ended December 2017. The increase in profitability continues to reflect underlying growth in assets under management and an expanded product offering following the successful launch of a suite of Unit Trust during 2017.

Access Financial Services Limited

Access Financial Services Limited produced a net profit of US$4.61million, representing an increase of 2.95% compared to the same period last year. Net Income attributable to PIL was US$2.36 million for the period. The company's loan portfolio was US$31.32 million as at December 2018, representing a 35.87% increase when compared to the balance as at December 2017. The significant increase in the company's asset base reflect its acquisition of Embassy Loans Limited; a micro financing outfit with operations in the US.

BOSLIL Bank Limited

PROVEN Investments Limited currently owns 75% of the equity of BOSLIL Bank Limited. BOSLIL experienced another successful period, as net profit totalled US$2.51 million (US$1.88 million attributable to PIL) and Total Assets of the Bank as at December 31, 2018 stood at US$258.75 million.

Real Estate

PROVEN REIT Limited has successfully completed and sold its second residential development on Sullivan Avenue, Kingston 8. The third and fourth developments in the pipeline are both scheduled to break ground on Millsborough Avenue in Kingston 6, Jamaica and are expected to be completed and sold over the next twelve to eighteen months. Over the quarter, the company successful purchased commercial property which is expected to further boast rental income. The company continues to closely monitor the local and international real estate markets for new opportunities. Over the period the company completed a revaluation of its investment properties, yielding gains of US$1.45 million, which contributed to a net profit of US$1.43 million realised for the period ended December 31, 2018.

International Financial Planning Limited

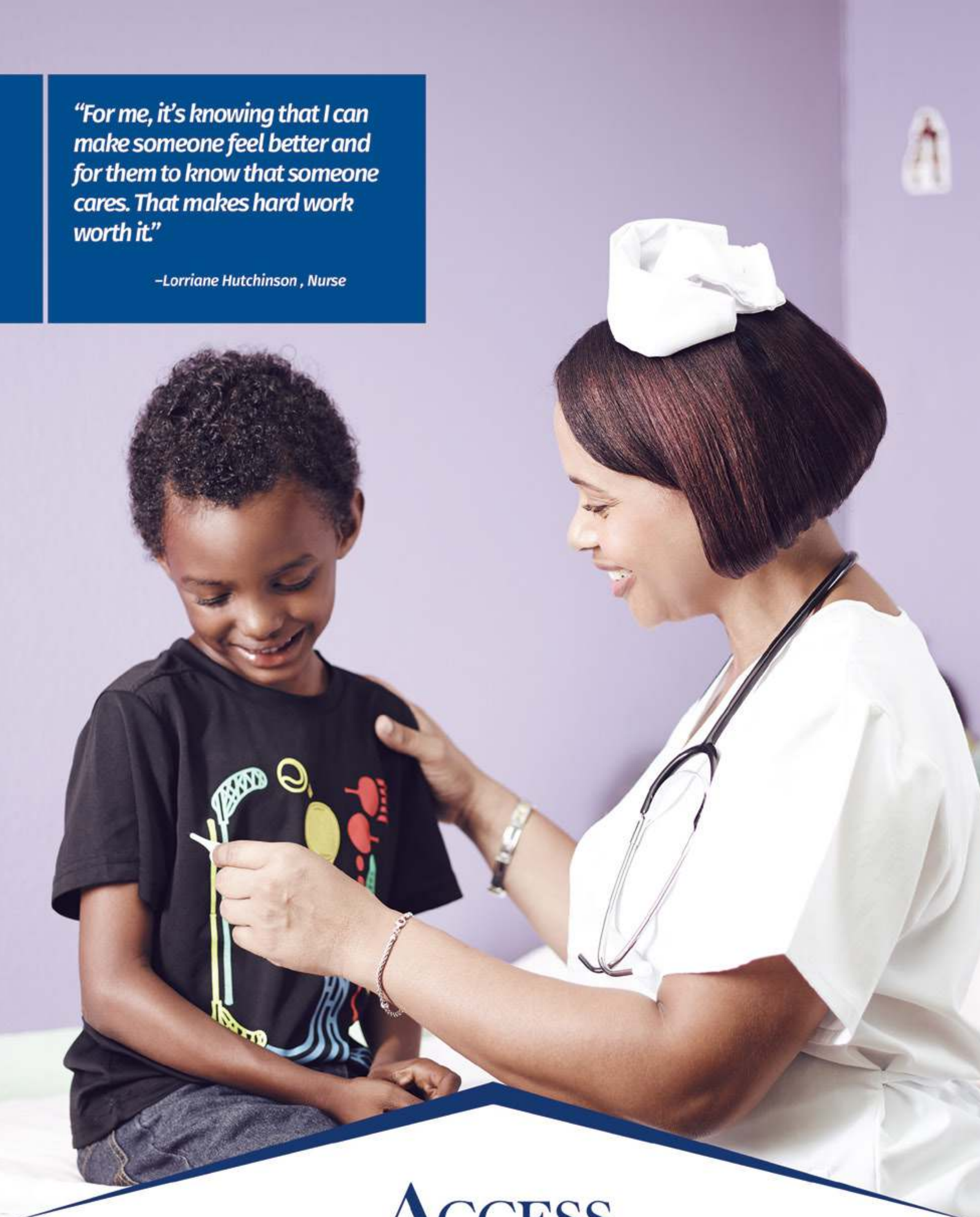
The company is pleased to report that it completed the full acquisition of the IFP Limited in August 2018. IFP is a licensed securities dealer with offices in Cayman, Bermuda and the British Virgin Islands that caters to a variety of investors ranging from medium to high net worth individuals. IFP's Net Profit since acquisition totalled US$0.43 million.

Investment In Associated Companies – JMMB Group Limited

During the period PIL acquired 20.01% of the participating voting shares in JMMB Group Limited. This private equity investment fits the PROVEN Investment Ltd risk to reward objectives and aligns with PROVEN's core Investment Strategy; which seeks opportunities to invest in key growth sectors primarily the Financial Services Sector.

Operating Expenses

For the period, consolidated operating expenses increased by 21.18% to US$20.01 million compared to US$16.52 million in the nine months ended December 2017. The increase is mainly attributed to a 19.82% increase in administrative and general expenses mainly from additional expense from acquired subsidiaries and acquisitions costs incurred, in addition to credit loss provisioning required under the IFRS 9 Accounting Standard. The Efficiency Ratio increased marginally to 66.68% from 64.41% reported for the period ended December 31, 2017. Expense management and consolidation have been the key focus of management as it seeks to reduce the efficiency ratio closer to the established target of 50%.


"For me, it's knowing that I can make someone feel better and for them to know that someone cares. That makes hard work worth it."
–Lorriane Hutchinson , Nurse

UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

Balance Sheet

Total assets amounted to US$626.71 million as at December 31, 2018, which represents an increase of 4.30% from US$600.85 million as at December 31, 2017. Total liabilities increased to US$522.34 million as at December 31, 2018 from US$491.27 million as at December 31, 2017, representing an increase of 6.33%. The balance sheet reduction experienced over the first two quarters was reversed in the third quarter following the acquisition of the JMMB shares.

Shareholders' Equity

Shareholders' Equity attributable to the owners of the company decreased by 10.46% to US$80.65 million from US$90.07 million as at December 31, 2017. This change was largely due to decrease in the investment revaluation reserve, attributed to the heightened market risk environment experienced over 2018.

Dividend Payment

The Board of Directors has approved an interim dividend payment of US$0.0024 per share to all ordinary shareholders on record as at February 22, 2019 to be paid on March 8, 2019. This represents an annualized tax-free dividend yield of 5% based on the average share price of US$0.205 for the period ended December 31, 2018.

PROVEN Investments Limited takes this opportunity to thank all our stakeholders for your support and trust. Our continued success is a result of the dedication of our Directors, Management and Staff and we thank them for their loyalty and commitment.

Operating Environment

International

The International Monetary Fund lowered its forecasts for global economic growth for 2018 and 2019, citing rising trade protectionism and instability in emerging markets. The global economy is now expected to expand 3.7% in 2018, down from April's estimate of 3.9%. Global growth is expected to slow to 3.5% in 2019 as the economic cycle nears a peak and US fiscal stimulus fades however eurozone growth is expected to stabilize near current levels after slowing sharply since from the second half of 2017.

It was a tumultuous last quarter 2018 and year for the world's major equity markets. Fixed Income markets were disappointing with the Bloomberg Barclays Aggregate index returning negative 2% for the year. Also, US investment grade indices were down 5-6%, while emerging market dollar debt was down 7-8% over the period.

PROVEN REIT

Real Estate Investment Trust

(876) 633-6964-6

sales@provenreit.com

21 Sullivan Avenue

Kingston 8, Jamaica

COLDWELL BANKER

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Large modern studios in a contemporary four storey building, with only six apartments on each floor. Two floor plans to choose from, 550 and 600 square feet, starts as low as $11.5 million.

The apartments are designed with separate living and sleeping areas. Some features include:

- Porcelain tiles
- In-unit laundry
- Full-size kitchen with solid surface counters
- French balconies
- Pre-wired for:
  - Air conditioner
  - Cable, internet & telephone
  - Security system for remote monitoring

21 Millsborough Avenue

Kingston 6, Jamaica

Bloomfield Estate

Mandeville, Jamaica

COMING SOON!

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Commodities underperformed over the year as Brent crude was down 19% for the year. Oil prices staged a rally from mid-2017, only for most of those gains to be wiped out in dramatic fashion in October to December. Brent crude oil posted lows of around $42.50 from its highs in the $76.50. The U.S. Energy Information Administration has cut its 2018 and 2019 forecasts for WTI and Brent crude prices, and hiked its domestic production outlook for next year. Worldwide crude oil prices are expected to average $61 a barrel in 2019 as higher U.S. supply has coincided with fears of slowing global growth.

Global bond markets were also volatile over the period as investors continued to digest the implications of the geopolitical developments. Also, US Treasury yields rose markedly over the year boosted by signs of stronger-than-expected U.S. economic activity. The 10-year yield peaked at 3.24% in October after starting at 2.41% and ending December at 2.68% on fears of a FED induced recession.

Although 2018 has not fared well for global financial assets, no major economy has approached a recessionary environment. There has also been no instances of financial meltdowns and defaults on any large sovereign or corporate bonds. Also, earnings growth was decent overall and very strong in the US.

The Federal Reserve hiked rates by a total of 100bps with four quarter point moves at its March, June and September and December meetings, collectively bringing the federal funds rate to a range of 2.25%-2.50%. Subsequently, Federal Reserve (Fed) Chairman Powell has struck a more dovish tone, suggesting additional interest rate hikes may be limited.

Structural and macro fundamentals are indicating that US rates are approaching a cyclical peak, and the yield curve will continue to flatten and perhaps invert in 2019 before starting a new rate cycle. Fears of a recession may be overdone at least for 2019 and we expect this late cycle to be extended; coinciding with the expanded cycle that the markets are currently experiencing.

Regional

The IMF estimates growth for the region to increase from 1.10% in 2018 to 2.00% in 2019 and about 2.50% on average by 2020, aided by an improvement in global economic conditions and commodity export prices. Economic activity in the Caribbean is still projected to pick up in 2019-20, due to robust tourism from the US, reconstruction from the devastating hurricanes of 2017 in some tourism-dependent countries, and higher commodity production in some commodity exporting countries.

However, escalating trade tensions between China and the United States, or a slowdown in some major economies could result in lower trade growth for the region. The region would also suffer if global financial conditions tighten further, including spikes in global financial volatility, higher US interest rates, and a stronger US dollar.

The period was challenging for the Barbados economy. Economic activity remained sluggish, but the decision to enter a four-year economic adjustment programme with the International Monetary Fund (IMF), the suspension of commercial external debt payments and the restructuring of Government's domestic debt may have renewed confidence and contributed to an improvement in the public finances and the stock of international reserves. Trinidad and Tobago's real GDP is expected to improve by 1.0% to US$22.32 billion in 2018 and by 0.9% to US$22.52 billion in 2019 according to the latest IMF projections.

Citing ongoing fiscal consolidation, and improved institutional capacity and policy effectiveness, Moody's Investors Service improved their outlook on Jamaica's 'B3' rated sovereign debt from stable to positive in July 2018. Two months later in September, the S&P revised their outlook on Jamaica's 'B' rated debt to positive, citing the sovereign's greater progress in achieving macroeconomic stability and an improved external debt burden. The Planning Institute of Jamaica projects that real GDP growth will likely end calendar year 2018 between 1.5% and 2.5% and accelerate to between 2.0% and 3.0% during the twelve months ending March 2019.

The BOJ weighted average increased from 124.00 at the start of the year to 126.80 at December 31,2018 and reached a high of approximately 136.70 over the period. Throughout the period the BOJ responded to supply and demand dynamics via its B-FXITT intervention tool resulting in several infliction points over the period. The BOJ signalling effect has aided in normalizing what we believe to be some excessive swings in the currency movement. Monetary policy became even more accommodative over 2018 with rates reaching multi-decade lows in support of the government thrust to stimulate economic growth. The GOJ benchmark rate closed the period at 1.75%.

UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

UN-AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

	December 2018 US$	December 2017 US$	March-Restated 2018 US$
ASSETS			
Cash and cash equivalents	89,788,890	114,160,200	89,364,052
Resale agreements	7,602,014	15,458,772	24,372,459
Investment securities	330,250,851	382,315,206	368,197,429
Investment in Associates	72,434,770	-	-
Loans Receivable	54,765,987	38,786,837	42,263,641
Other Receivables	11,923,168	10,167,611	10,818,414
Property Development In Progress	1,426,525	1,083,151	971,731
Investment Property	22,481,563	17,553,020	17,347,798
Intangible Assets	35,084,240	20,453,422	20,014,035
Property, plant and equipment	953,244	875,948	1,042,299
Total Assets	626,711,252	600,854,167	574,391,857
LIABILITIES			
Client liabilities	79,646,640	102,930,660	93,709,227
Related company	378,285	300,643	98,237
Notes Payable	111,795,624	105,393,391	110,960,294
Preference shares	-	16,533,468	16,415,159
Other liabilities	92,320,367	15,361,577	7,549,488
Due to Customers	238,199,782	250,747,632	240,829,193
Total Liabilities	522,340,698	491,267,371	469,561,598
SHARE HOLDERS' EQUITY			
Share capital	86,716,754	86,716,754	86,716,754
Investment revaluation reserve	(8,801,611)	(3,943,147)	(5,114,623)
Foreign exchange translation	(7,450,259)	(6,372,780)	(6,875,478)
Retained earnings	10,185,943	13,668,916	7,846,214
Total Shareholders' Equity	80,650,827	90,069,743	82,572,867
Minority Interest	23,719,727	19,517,053	22,257,392
Total Shareholders' Equity and Liabilities	626,711,252	600,854,167	574,391,857

Approved for Issue by the Board of Directors and signed on its behalf by

Director

UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

UN-AUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2018

	Quarter ended December 2018	Quarter ended December 2017	Period ended December 2018	Period ended December 2017	Audited March 2018
	US$	US$	US$	US$	US$
INCOME					
Interest Income	7,344,622	7,328,566	21,517,621	21,094,053	28,489,641
Interest expense	(1,775,586)	(2,165,409)	(5,415,380)	(6,735,054)	(8,098,733)
Net Interest income	5,569,036	5,163,157	16,102,241	14,358,999	20,390,908
Other income					
Gains on securities trading	(172,429)	781,173	(304,988)	3,255,300	4,292,323
Dividend Income	87,195	217,772	612,205	683,425	807,689
Pension Management Income	789,663	628,449	2,185,195	1,715,334	2,360,307
Fees & Commissions	4,393,490	1,466,526	6,878,371	4,149,685	5,075,676
Foreign exchange translation gains/(losses)	(370,477)	(825,898)	1,285,862	(297,268)	(443,245)
Other Income	1,207,652	615,425	3,157,986	1,774,539	1,558,888
	5,935,094	2,883,447	13,814,631	11,281,015	13,651,638
NET REVENUE	**11,504,130**	**8,046,604**	**29,916,872**	**25,640,014**	**34,042,546**
OPERATING EXPENSES					
Preference dividend	348,792	205,393	995,236	962,459	975,863
Depreciation and Ammortization of Intangibles	337,142	422,702	1,221,533	1,279,341	1,659,080
IFRS 9 Provisioning	387,641	-	693,980	-	-
Administrative and General Expenses	6,847,738	4,873,477	17,103,357	14,274,204	19,794,089
	7,921,313	**5,501,572**	**20,014,106**	**16,516,004**	**22,429,032**
OPERATING PROFIT	**3,582,817**	**2,545,032**	**9,902,766**	**9,124,010**	**11,613,514**
Extra Ordinary Activities					
Gain on purchase of subsidiary	-	-	-	-	-
Extra ordinary Share based payment	-	-	-	-	48,000
	-	-	-	-	48,000
Profit before income tax	3,582,817	2,545,032	9,902,766	9,124,010	11,661,514
Income tax	(669,635)	(221,177)	(1,121,673)	(1,356,040)	(2,154,514)
NET PROFIT	**2,913,182**	**2,323,855**	**8,781,093**	**7,767,970**	**9,507,000**
Less income attributable to non-controlling interest	(903,106)	(844,919)	(2,879,416)	(2,534,909)	(3,825,000)
Profit attributable to owners of the company	**2,010,076**	**1,478,936**	**5,901,677**	**5,233,061**	**5,682,000**
EARNINGS PER STOCK UNIT - US cents	0.32	0.25	0.94	0.88	0.94

UN-AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2018

	Quarter ended December 2018	Quarter ended December 2017	Period ended December 2018	Period ended December 2017	Audited March 2018
	US$	US$	US$	US$	US$
NET PROFIT	2,913,182	2,323,855	8,781,093	7,767,970	9,507,000
OTHER COMPREHENSIVE INCOME					
Items that are or may be reclassified to profit or loss:					
Unrealised (loss)/Gain on investments securities	(1,972,781)	(969,909)	(3,686,989)	354,253	8,892,357
Foreign exchange translation reserve	2,120,919	1,467,659	(574,781)	1,191,491	(1,755,267)
Total Comprehensive income	**3,061,320**	**2,821,605**	**4,519,324**	**9,313,714**	**16,644,090**

UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

UN-AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
DECEMBER 31, 2018

	Share capital	Minority Interest	Investment Revaluation reserve	Foreign exchange translation	Retained earnings	Total
	US$	US$	US$	US$	US$	US$
Balance at April 1, 2018	86,716,754	22,257,392	(8,193,783)	(6,875,478)	13,448,213	107,353,098
Cumulative transition effect of IFRS 9 Adoption			3,079,160		(5,601,999)	(2,522,839)
Balance at April 1, 2018 as restated	86,716,754	22,257,392	(5,114,623)	(6,875,478)	7,846,214	104,830,259
Total Comprehensive (Loss)/Income for the period		2,879,416	(3,686,988)	(574,781)	5,901,677	4,519,324
Adjustment to NCI without change in owenership		(286,000)			-	(286,000)
Dividends to equity holders		(1,131,081)			(3,561,948)	(4,693,029)
Balance at December 31, 2018	86,716,754	23,719,727	(8,801,611)	(7,450,259)	10,185,942	104,370,554

UN-AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
DECEMBER 31, 2017

	Share capital	Minority Interest	Investment Revaluation reserve	Foreign exchange translation	Retained earnings	Total
	US$	US$	US$	US$	US$	US$
Balance at April 1, 2017	69,248,762	17,859,529	(4,297,400)	(7,564,271)	13,693,002	88,939,622
Total Comprehensive Income for the period		2,534,909	354,253	1,191,491	5,233,061	9,313,714
Issue of Shares	17,467,992					17,467,992
Dividends to equity holders		(877,385)			(5,257,149)	(6,134,533)
Balance at December 31, 2017	86,716,754	19,517,053	(3,943,147)	(6,372,780)	13,668,916	109,586,796

UNAUDITED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

UN-AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31 2018

	Period ended December 2018	Period ended December 2017	Audited March 2018
	US$	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit	5,901,677	5,233,061	5,682,000
Foreign Exchange Translation	(574,781)	1,191,491	688,793
Depreciation and Amortization	1,221,533	1,279,341	1,659,080
Income Tax Charge	1,121,674	1,356,040	2,154,514
Operating cashflow before movements in working capital	7,670,103	9,059,933	10,184,387
Changes in operating assets and liabilities			
Receivables	(2,874,217)	(437,398)	(2,320,157)
Client Liabilities	14,141,028	3,731,985	(15,100,139)
Payables	71,221,503	(44,416,145)	(59,997,144)
Related company	280,050	(648,776)	(851,183)
Net cash provided used in operating activities	90,438,467	(32,710,401)	(68,084,236)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Loans	(10,867,427)	634,198	(4,477,525)
Investments in associates	(72,434,770)	-	-
Purchase of property ,plant and equipment	(16,657,478)	116,904	121,621
Investments	33,227,487	(30,577,872)	(21,496,463)
Cash provided by/(used in) investing activities	(66,732,188)	(29,826,770)	(25,852,367)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Notes payable	835,330	10,958,856	16,525,757
(Redemption)/Issue of Preference Shares	(16,415,159)	556,514	438,205
Minority Interest	1,462,335	1,657,524	3,936,863
Dividend Paid	(3,561,948)	(5,257,147)	(6,381,794)
Cumulative transition effect of IFRS 9 Adoption	(5,601,999)	-	-
Issue of Ordinary Shares	-	17,467,992	17,467,992
Net cash (used in)/provided by financing activities	(23,281,441)	25,383,739	31,987,023
NET DECREASE IN CASH AND CASH EQUIVALENTS	424,839	(37,153,432)	(61,949,580)
Cash and cash equivalents at beginning of period	89,364,052	151,313,632	151,313,632
CASH AND CASH EQUIVALENTS AT END OF PERIOD	89,788,890	114,160,200	89,364,052

NOTES TO FINANCIAL STATEMENTS
December 2018

1. Identification
PROVEN Investments Limited ("the Company") is incorporated in Saint Lucia under the International Business Companies Act. The Company is domiciled in Saint Lucia, with registered office at 20 Micoud Street, Castries, Saint Lucia.

The primary activities of the Company are the holding of tradable securities for investment purposes and holding other investments.

Subsidiaries	Country of Incorporation	Nature of Business	Percentage ownership 2018	2017
Proven Wealth Limited	Jamaica	Fund management, investment advisory services, and money market and equity trading	100	100
Proven REIT Limited and its wholly-owned subsidiary:	Saint Lucia	Real estate investment	100	100
Proven Kingsway Limited	Saint Lucia	Real estate investment	100	100
Asset Management Company Limited	Jamaica	Hire purchase financing	100	100
Proven Fund Management Limited	Jamaica	Pension funds management	100	100
Access Financial Services Limited	Jamaica	Retail lending	49.72	49.72
BOSLIL Bank Limited	Saint Lucia	Banking	75	82.82
International Financial Planning Limited	Cayman	Fund management, investment advisory services	100	-

2. Statement of compliance and basis of preparation
Interim financial reporting

The condensed consolidated interim financial statements for the nine months ended December 31, 2018 have been prepared in accordance with IAS 34, 'Interim financial reporting '. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, applicable to its operations. The nature and effects of the changes are as follows:

IFRS 15

- Effective January 1, 2018 the Group adopted IFRS 15 'Revenue from contracts with Customers". The standard introduces core principle that revenue must be recognized when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognized and any discounts or rebates on the contract price must generally be allocated to the separate elements. The Group has reviewed transactions which may be affected and concluded that there was no material impact on adoption of IFRS 15.

IFRS 9

- Effective January 1,2018 the Group adopted IFRS 9 Financial Instruments. The Company has restated comparative information for March 2018 for financial instruments in the scope of IFRS 9. Therefore, the comparative information for March 2018 is reported under IAS 39 and is not comparable to the information presented for September 2018. Differences arising from the adoption of IFRS 9 have been recognized directly in retained earnings as of March 31, 2018 and are disclosed in Note 10.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 largely retains the existing requirement in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held-to-maturity, loans and receivables and available for sale.

(i) Classification and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt instruments; FVOCI – equity; or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

IFRS 9 Financial Instruments (continued)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

A debt investment is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest.

On initial recognition of an equity investment that is not held for trading, the group irrevocably elects, on an investment-by-investment basis, to present subsequent changes in the investment's fair value in OCI. All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

Certain investments that were previously carried as fair value through other comprehensive income (FVOCI) are now being fair valued through profit and loss (FVTPL), the amount of which totals US$256,227.

(ii) Impairment of financial assets

FRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL model). The new impairment model applies to financial assets measured at amortised cost and debt instruments at FVOCI, but not to investments in equity instruments.

Under IFRS 9, loss allowances are measured on either of the following bases:

(i) 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and (ii) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not.

The group has determined that the application of IFRS 9 impairment requirements at December 31, 2018 results in impairment losses of US$693,980 on financial assets.

Basis of measurement:

The financial statements are prepared on the historical cost basis, except for the inclusion at fair value of available–for–sale securities and financial assets at fair value through profit or loss.

Functional and presentation currency:
The financial statements are presented in United States dollars (US$), which is the functional currency of the Company, unless otherwise indicated. The financial statements of the subsidiaries, which has the Jamaica dollar as its functional currency, are translated into US$. All financial information has been rounded to the nearest thousand.

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

Significant accounting policies

3. Basis of consolidation:
The consolidated financial statements combine the financial position, results of operations and cash flows of the Company and its subsidiaries (note 1), subject to the eliminations described at note 3(b).

3(a). Subsidiaries:
Subsidiaries are all entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable, or exercisable after conversion of convertible instruments, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3(b). Transactions eliminated on consolidation:
Intra-Group balances and any unrealised gains and losses and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment of the Group’s interest.

4. Investments:
Fair value through other comprehensive income:
The Group’s investments in equity securities and certain debt securities are classified as fair value through other comprehensive income and are carried at fair value except

for unquoted equity securities whose fair value cannot be reliably measured, which are carried at cost. Changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in other comprehensive income. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Investments at fair value through profit or loss:
The Group carries some investment securities at fair value through profit or loss if they are held for trading or designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Loans and receivables:
Loans and receivables are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market, and that the Group does not intend to sell immediately or in the near term. Loans and receivables are measured at amortized cost using the effective interest method, except when the Group chooses to designate the loans and receivables at fair value through profit or loss.

5. Resale agreements
The company purchases government and corporate securities and agrees to resell them at a specified date at a specified price. On making payment the company takes delivery of the securities from the vendor although title is not transferred unless the company does not resell the securities on the specified date or other conditions are not honoured. Resale agreements result in credit exposure, in that the counterparty to the transaction may be unable to fulfil its contractual obligations.

6. Interest income:
Interest income is recognised in profit or loss for all interest-earning instruments on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset to its' carrying amount. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently. Interest income includes coupons earned on fixed income investments, accretion of discount on treasury bills and other discounted instruments, and amortisation of premium on instruments bought at a premium.

7. Interest expense:

Interest expense is recognised in profit or loss on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to its' carrying amount. The effective interest rate is established on initial recognition of the financial liability and not revised subsequently. Interest expense includes coupons paid on fixed rate liabilities and accretion of discount or amortization of premium on instruments issued at other than par.

8. Share capital:

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. In the case of its preference share capital, it is classified as:

(i) Equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary; in such a case, dividends thereon are recognised as distributions within equity;

(ii) Liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary; in such a case dividend thereon are recognised as interest in profit or loss.

The Group's preference shares bear contractual entitlements to dividends that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as a financial liability.

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

9. Earnings per Stock Unit

PROVEN Investments Limited's Earning per Stock Unit "EPS" is computed by dividing the profit attributable to stockholders of the parent of US$5,901,677 by the weighted average number of ordinary stock units in issue during the reporting period numbering 625,307,963 shares.

10. Effect of IFRS 9 Adoption

PROVEN INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31st 2018

	MARCH AUDITED 2018 US$	EFFECT OF IFRS 9 2018 US$	MARCH RESTATED 2018 US$
ASSETS			
Cash and cash equivalents	89,364,052	-	89,364,052
Available-for-sale investments	393,457,807	(887,920)	392,569,887
Loans receivable	43,898,560	(1,634,919)	42,263,641
Other Receivables	10,818,414	-	10,818,414
Investment Property	17,347,798	-	17,347,798
Property Development in Progress	971,731	-	971,731
Intangible assets	20,014,035	-	20,014,035
Property, plant and equipment	1,042,299	-	1,042,299
Total Assets	**576,914,696**	**(2,522,839)**	**574,391,857**
LIABILITIES			
Repurchase agreements	93,709,227	-	93,709,227
Related party	98,237	-	98,237
Notes payable	110,960,294	-	110,960,294
Preference shares	16,415,159	-	16,415,159
Other liabilities	7,549,488	-	7,549,488
Due to Customers	240,829,193	-	240,829,193
Total Liabilities	**469,561,598**	**-**	**469,561,598**
SHARE HOLDERS' EQUITY			
Share capital	86,716,754	-	86,716,754
Investment revaluation reserve	(8,193,783)	3,079,160	(5,114,623)
Foreign exchange translation	(6,875,478)	-	(6,875,478)
Retained earnings	13,448,213	(5,601,999)	7,846,214
Total Shareholders' Equity	**85,095,705**	**(2,522,839)**	**82,572,867**
Minority Interest	22,257,392	-	22,257,392
Total Shareholders' Equity and Liabilities	**576,914,696**	**(2,522,839)**	**574,391,857**

[redacted]

PROVEN

Investments Limited

We would like to take this opportunity to thank all of our stakeholders for your support and trust.

Our continued success is as a result of the dedication of our Directors, Management and Staff and we thank them for their loyalty and commitment.

Director

Director

www.**weareproven**.com

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