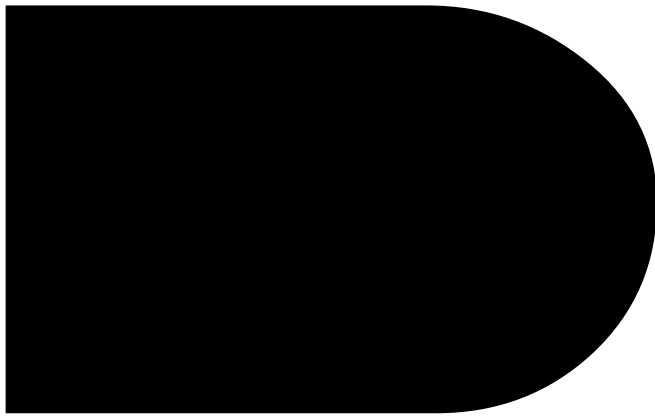


**THE INVESTMENT  
MAGAZINE**

by: PROVEN Group Limited

**JUNE 30, 2023** EDITION



# FINANCIAL HIGHLIGHTS

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Quarter ended June 2023

US\$**17.7**million

Net Revenue growth of **17.3%**

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US\$**3.88**million

Net Profit attributable to shareholders

Net Profit growth of 122.7%



**US\$0.0049**

Earnings  
per Share



**US\$0.002**

Dividend Declaration  
(per share)

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US\$**1.05**billion  
Total Assets

US\$**140.1**million  
Total Shareholders'  
Equity

# PROVEN GROUP LIMITED REPORTS FINANCIAL RESULTS

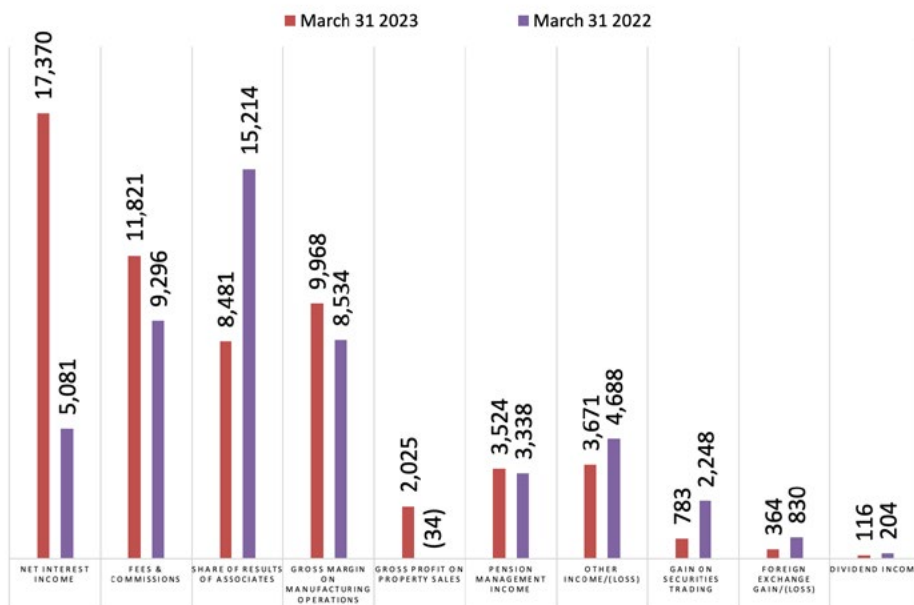
The Board of Directors of PROVEN Group Limited (“PROVEN”, the “Group”) is pleased to report its audited financial results for the twelve months ended March 31, 2023, and unaudited financial results for the first quarter ended June 30, 2023.

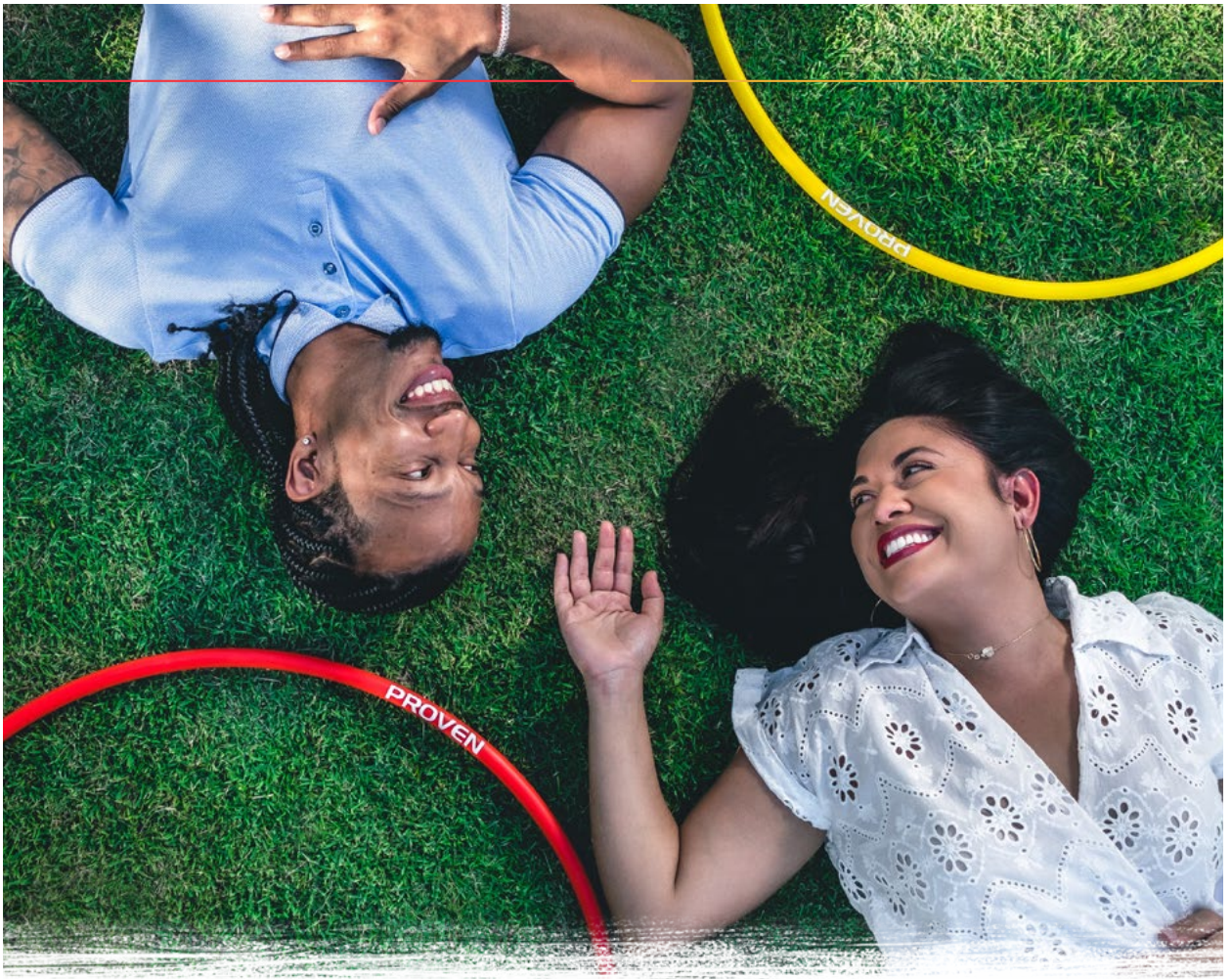
Proven Group Limited achieved net revenue of US\$49.64 million for the twelve-month period ended March 31, 2023, an increase of 28.2% when compared to the US\$38.73 million recorded in the previous financial year. This revenue expansion is primarily due to the acquisitions of Roberts Manufacturing, PROVEN Bank Cayman (“PBC”, previously Fidelity Bank Cayman) and Heritage Education Fund International (“Heritage”), all of which were completed at various points during the 2021/22 financial year and for which a full twelve months’ results are now included in the 2022/23 financial year’s results.

We are further encouraged by the first quarter’s results for the 2023/24 financial year, which reflected notable increases in many revenue lines. Net revenue increased by 17.3% to US\$17.74 million compared to US\$15.12 million in the prior year, accompanied by net profit growth of 113.81% to US\$3.88 million, compared to US\$1.74 million for the same prior year quarter.

Net profits for the financial year ending March 31, 2023, were negatively impacted by the material impairment of investments in associated companies and intangible assets, in addition to a significant reduction in the share of profits from associated companies. The impairment was mainly due to reassessments of the carrying value of Access Financial Services Company Limited (reduced by US\$6.61 million) and Proven Wealth (Cayman) Limited (reduced by US\$3.21 million). While management accepts that these are appropriate current values, the impairments may be reversed in the future with improved results from these subsidiaries and associated companies.

REVENUE BREAKDOWN FOR THE YEAR ENDED MARCH 31, 2023 VS PRIOR YEAR MARCH 31, 2022  
(US\$'000)





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**PROVEN**  
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PROVEN Group: Income and Growth Strategy Investment Holding Company Represented in Banking and Wealth | Real Estate | Portfolio Holdings

# PROVEN GROUP LIMITED REPORTS

## UNAUDITED FINANCIAL RESULTS

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### Net Revenue

The primary revenue sources making up the performance for the period included:

- **Net Interest Income** totalled US\$17.37 million for the year ended March 2023 versus US\$5.08 million in the prior year. This increase was mainly due to the addition of US\$14.63 million in net interest income from PBC in the full year's results.

The higher interest rate environment globally has contributed to widening spreads across the banking subsidiaries of the Group, with this trend continuing into the first quarter of the 2023/24 financial year. For the quarter ended June 30, 2023, net interest income amounted to \$4.96 million, an 82.4% increase over the US\$2.72 million recorded over the same period last year.

- **Fees & commissions** totalled US\$11.82 million and was 27.2% greater than the comparable prior year period, primarily because of the inclusion of PBC and Heritage in this year's results. This expansion was however partially reduced by the effect of a 19.25% reduction in fees and commission income generated by the wealth management companies within the Group. Global recessionary fears caused a major reduction in demand for fee-based investment banking and other products.

Fees and commissions for the quarter ended June 30, 2023, amounted to US\$2.77 million, falling 15.2% behind the similar quarter last year. This resulted from the continued slow-down in trading activity and commission driven sales across the wealth segment, due to the downturn in the regional and international investment landscape.

- **Pension fund management income** grew by 5.5% year over year to US\$3.52 million for the year ended March 2023, resulting from marginal growth in the assets under management, which was tempered by the general decline in most asset values with the exception of real estate.

With the slight recovery in asset prices in the first quarter of the 2023/24 financial year, pension fund management income grew by 12.6% to US\$953 thousand for the quarter ended June 2023, when compared with the same period last year.

- **Gross profit on manufacturing operations** increased to US\$9.97 million for the twelve-month period versus US\$8.53 million last year. The current year's results contained the full twelve-months from Roberts Manufacturing, whereas last year's results only included the ten months from the closing of the acquisition. The gross margins for the current financial year declined by 2.7% from the rebased prior 10-month period result.

After 21 months of investment in management and new equipment, Roberts is poised for a solid operating and business performance in the coming year. The first quarter results have exceeded expectations, with a 21.7% increase in gross profit on manufacturing operations to US\$7.13 million for the quarter ended June 30, 2023, compared to US\$5.86 million in the same period last year.

- **Gross profit on property sales** amounted to US\$2.02 million for the 2022/23 financial year, compared to a loss of US\$33,906 in the prior year, driven by the successful execution and completion of two major development projects in Jamaica, VIA at Braemar and Cesar.



# PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

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The first quarter results were driven by gross profits from the sale of units at The Lagoons residential development in Grand Cayman which netted US\$378,158 for the quarter ended June 30, 2023.

- **Share of results of associates** amounted to US\$8.48 million for the 2022/2023 financial year, resulting in a decline of 44.3% when measured against the similar period last year and constitutes a reduced 14.6% of overall Net revenue versus a 28.2% contribution in the prior year.

For the period, JMMB Group, an associated company, contributed US\$8.09 million versus US\$15.08 million recorded in the comparable period ended March 2022. JMMB's performance, was also negatively affected by the unfavourable global market conditions' effect on asset prices.

The share of results of associates presented for the quarter ended June 30, 2023, of US\$3.38 million, represents strong turnaround performance from both the JMMB Group and Access Financial Services during the quarter.

## Operating Expenses

Total Operating Expenses for the 2022/23 financial year totalled US\$62.39 million, an expansion of 76.7% over the comparable period last, which was primarily due to the addition of PBC, Heritage and Roberts' full results in the 2022/2023 year's financials. These companies together account for more than half of the operating expenses figure in the 2022/2023 financial year.

The increase in expenses also contains some one-off costs linked to the Group's corporate restructuring, which is substantially complete, along with short-term transition expenses charged by the respective service providers of the newly added companies last year. The transition phase for Heritage concluded in October 2022 and for PBC is expected to conclude in February 2024. Further, the rebranding of the Group's banking and wealth businesses, which was concluded on February 1, 2023, also added to the increased expenses during the period.

For the first quarter ended June 30, 2023, expense growth was moderate with an 8.1% increase to US\$15.7 million compared to US\$14.5 million in the prior year, mainly due to a slight reduction in other operating expenses and a write back of IFRS 9 provisioning.

## Extraordinary Income/ Expenses

The major line item affecting net profits for the financial year ended March 31, 2023, resulted from the extraordinary impairment of the carrying value of investments in associated companies and intangible assets amounting to US\$10.1 million, compared to an impairment of US\$1.2 million in the prior year.

This impairment was mostly derived from the assessment on the Group's carrying value in Access Financial Services Company Limited, which was reduced by US\$6.61 million, as well as a reduction in the carrying value of Proven Wealth (Cayman) Limited, (previously International Financial Planning Limited) of US\$3.21 million.

# PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

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Although this impairment has had significant impact on the performance of the Group for the 2022/23 financial year, we believe that the current carrying value of these investments is a better reflection of the accurate intrinsic value of these entities at the present time and anticipate that this impairment will be reversed in future periods, with the expected improvement in results from these subsidiaries and associated companies.

## Net Profit/ Loss

Net loss attributable to shareholders for the full financial year 2022/2023 was US\$4.86 million compared to the US\$11.97 million earned in the prior year. The decrease in the share of profits from and the extraordinary impairment of associates and intangibles assets, were primarily responsible for this disappointing result.

Despite challenging economic and market conditions, the Group maintains a positive outlook for the upcoming financial year. The Group is currently well positioned to extract much more consistent value from its varied revenue lines with; (a) the expected revenue growth from interest spread expansion and the upward re-pricing of the Group's income earning assets; (b) improved gross margins in the manufacturing business; (c) further expansion in assets under management and wealth management activities; (d) the completion and sale of additional real estate development projects, such as AVISTA at Bloomfield and; (e) the improved performance of the portfolio of associated companies.

The Group is encouraged by the performance for the first quarter, with net profit growth of 122.7% to US\$3.88 million, compared to US\$1.74 million over the same quarter last year. These results were derived from strong performance in most of the operating divisions, but particularly from the better than budgeted results of the banking division of the Group during the quarter. Earnings per share amounted to 0.49 US cents per share for the quarter and represents an annualized return on average equity of 11.43%.

## Statement of Financial Position

The Group's balance sheet contracted to US\$1.06 billion as of March 31, 2023, with Assets declining by 2.17 % from the US\$1.14 billion reported at March 31, 2022, while Liabilities decreased by 2.35 % to US\$915 million as at March 31, 2023, from US\$977 million as at March 31, 2022. The decline in total liabilities resulted mainly from the declines in balances due to customers of PBC and a sharp decline in notes payable. PROVEN Group's off-balance sheet assets expanded to US\$643 million, as of March 31, 2023.

## Shareholders' Equity

Total Equity attributable to shareholders of the company was reported at US\$131.63 million as of March 31, 2023, down from US\$141 million as of March 31, 2022. This was as a result of a US\$7.11 million adverse shift in its investment revaluation reserves and a US\$12.14 million decline in retained earnings, due to the impact of rising interest rates and the consequent market volatility on asset prices. The negative impact of these declines was tempered by a US\$10.21 million increase in share capital.

# PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

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## Dividend Declaration

The Board of Directors has approved an interim dividend payment of US\$0.002 per share to all ordinary shareholders on record as August 17, 2023, and be paid on August 31, 2023, which represents an annualized tax-free dividend yield of 5.33% based on the average share price of US\$0.15 for the quarter ended June 30, 2023.

## DIVISIONAL UPDATES

The four (4) divisions of the Group are: (1) Wealth (2) Bank (3) Properties and (4) Private Capital.

### 1. PROVEN Wealth

PROVEN Wealth continued its expansion throughout the Caribbean, during the period under review, with the renaming and rebranding of International Financial Planning to PROVEN Wealth (Bermuda) and PROVEN Wealth (BVI), in December 2022. These companies in addition to PROVEN Wealth (Cayman) and Proven Wealth (Jamaica) continue to expand the team of wealth advisors that will aggressively drive the distribution of its bespoke mutual fund, education savings and wealth advisory products throughout these territories under the PROVEN Brand. The Group has also already begun the process of applying to the regulators for an expansion of these licences to be able to offer the full suite of wealth management product and services in all the territories in which they operate.

Revenues for the twelve-month period for the division were slightly behind last year, as the general market conditions tempered the growth of commission-based activities during the period. Expense growth was also above normal, as the division incurred additional expenses during the period from the finalizing of the rebranding of the companies and the exit of the transition services agreement for Heritage Education Fund International Inc. and integration with the Group. This downward trend is expected to be reversed in the near term, with the elimination of certain one-off expenses and a renewed focus on the fund management and advisory services.

### 2. PROVEN Bank

PROVEN Bank has now completed the restructuring, renaming and rebranding of the banking entities within the Group. Fidelity Bank (Cayman) Limited, which was acquired in February 2022 was renamed Proven Bank (Cayman) Limited effective August 2022. Boslil Bank Limited, which became a 100% owned subsidiary of the Proven Bank (Cayman) Limited effective September 2022, was renamed Proven Bank (Saint Lucia) Limited effective February 2023.

The high-quality assets of PROVEN bank, which mainly comprises variable rate residential mortgage loans in Cayman and a portfolio of investment grade bonds with a relatively low duration, are well positioned to benefit from the current high interest rate environment. The Group therefore expects that the Banks will continue to perform very well over the coming quarters.



# PROVEN GROUP LIMITED REPORTS

## UNAUDITED FINANCIAL RESULTS

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### 3. PROVEN Properties

PROVEN Properties (PPL) continues to execute on its mandate to develop a diverse portfolio of prime residential, commercial and industrial real estate across the Caribbean region. The company has produced a strong financial performance during the year, primarily driven by the successful execution and completion of two major development projects in Jamaica, VIA at Braemar and Cesar. The first quarter for PPL was driven by profits from The Lagoons residential development in Grand Cayman (PPL is a 40% partner) along with rental income from properties in Jamaica and Grand Cayman, having expanded the number of rentals in its portfolio.

PPL will continue to opportunistically expand the portfolio by executing creative deal structures and targeted marketing campaigns that will extend its deal pipeline in Jamaica, Grand Cayman and Barbados. The upcoming year will be a busy one consequent on the launch of two major residential development projects, Sol Harbour in Ocho Rios and Bahari in Runaway Bay.

The company will also focus on growing its industrial real estate portfolio with the completion of the Aashgo warehouses in Grand Cayman and ground-breaking for the Kingston Gateway Warehouses in Jamaica in the current financial year. The PROVEN group will also be consolidating its Jamaica operations at its new home, PROVEN Place, which is a joint venture commercial development undertaken by PPL.

# PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

Residential Development	Location	Description	Status/Projected Completion Date
AVISTA at Bloomfield	Bloomfield, Mandeville	78 Apartments (40 Studios, 20 One Bedroom, 18 Two Bedrooms)	September 2023
Sol Harbour	Milford Road, St. Ann	156 Apartments (144 Studios, 12 Two Bedrooms)	December 2025
Bahari at Runaway Bay (49% stake)	Cardiff Hall, St. Ann	206 Residential Units (85 Villas, 73 Townhomes, 48 Condominiums)	November 2025
Fairbanks (Phases 1 & 2) (40%)	Fairbanks, Grand Cayman	"14 (3 Bedroom Townhomes with den) 14 (3 Bedroom Townhomes with den & office)"	January 2026
Commercial Development	Location	Description	Status/Projected Completion Date
Kingston Gateway Warehouse Complex (50%)	221-223 Marcus Garvey Drive	100,000 SF of warehouse space	November 2024
Gladstone Commercial (60% stake)	Gladstone Drive, Kingston 5	41,872 SF of commercial space	Completed
Bloomfield Commercial	Bloomfield, Mandeville	100,000 SF of commercial space	February 2025
RENT/LEASE	Location	Description	Status/Projected Completion Date
Real NPW	Newport West, Kingston 13	29,680 SF of commercial space	100% Occupancy
Real Portmore Pine 1	Portmore Pines Plaza, Greater Portmore	26,908 SF of commercial space	100% Occupancy
Real Portmore Pines 2 (51% stake)	Portmore Pines Plaza, Greater Portmore	51,689 SF of commercial space	100% Occupancy
Chelsea Lands	12 Chelsea Avenue, Kingston 5	0.47 acres of land for parking	100% Occupancy
9 West Avenue Commercial Complex	9 West Avenue, Kingston 8	45,000 SF of commercial space	100% Occupancy
Rum Point Unit 303	Rum Point Club, Grand Cayman	2235 SF of resort space	100% Occupancy
Rum Point Unit 403	Rum Point Club, Grand Cayman	2235 SF of resort space	100% Occupancy
Ashgo Warehouse Unit 3	Ashgo Street, Grand Cayman	1625 SF of warehouse/commercial space	Not Occupied (Anticipated Aug 2023)
Ashgo Warehouse Unit 4	Ashgo Street, Grand Cayman	1625 SF of warehouse/commercial space	Not Occupied (Anticipated Aug 2023)
Ashgo Warehouse Unit 5	Ashgo Street, Grand Cayman	1625 SF of warehouse/commercial space	Not Occupied (Anticipated Aug 2023)

# PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

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## 4. PROVEN Private Capital

The Private Capital Division currently consist of a portfolio of Private Credit facilities and four portfolio Companies; namely, Access Financial Services Limited, Proven Holdings Limited (the Company that holds the JMMB Shares), and Roberts Manufacturing Company Limited.

The Private Capital Division continues to demonstrate resilience amidst a decidedly risk-off operating environment. Net profit contribution for the twelve-month period was lower than the prior year primarily due to; (i) compressed margins, which emanated primarily from supply chain disruptions faced by Roberts Manufacturing; (ii) the negative impact of rising interest rates on JMMB core revenue lines; and (iii) the increased competitive landscape in the microfinance sector.

The Division expects improvements in overall operating efficiencies, coupled with internal process refinements that will continue to enhance margin growth from the manufacturing division, along with the improvement of asset prices as interest rate hikes moderate over time.

The Board of Directors takes this opportunity to thank all our stakeholders for their support and trust. Our continued success is a result of the dedication of Management and Staff, and the patronage of our valued clients.

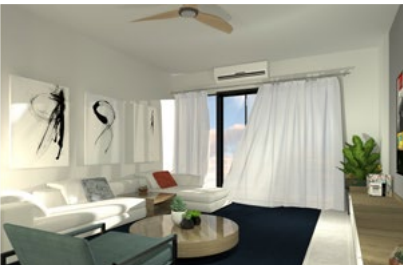


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**PROVEN**  
PROPERTIES

# PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

## Consolidated Statement of Profit or Loss and Other Comprehensive Income (Presented in United States dollars, except as otherwise stated)

	Unaudited Quarter ended June 2023	Unaudited Quarter ended June 2022	Audited Year ended March 2023	Audited Year ended March 2022
<b>Net Interest Income</b>				
Interest income	9,724,758	6,060,415	33,407,088	12,639,027
Interest expense	(4,761,448)	(3,338,731)	(16,037,348)	(7,557,860)
	<u>4,963,310</u>	<u>2,721,684</u>	<u>17,369,739</u>	<u>5,081,168</u>
<b>Gross profit on manufacturing operations</b>				
Gross revenue	20,127,615	17,715,216	74,802,021	53,693,512
Cost of sales	(12,999,204)	(11,857,988)	(64,833,946)	(45,159,510)
	<u>7,128,411</u>	<u>5,857,228</u>	<u>9,968,075</u>	<u>8,534,002</u>
<b>Gross profit on property sales</b>				
Property sales	5,552,572	18,756,171	31,679,783	-
Property expenses	(5,174,414)	(16,472,536)	(29,654,824)	(33,906)
	<u>378,158</u>	<u>2,283,634</u>	<u>2,024,959</u>	<u>(33,906)</u>
<b>Other Income</b>				
Fees & commissions	2,771,705	3,269,725	11,820,739	9,296,018
Net fair value adjustments and realised gains	(101,014)	(163,005)	783,411	2,248,486
Dividends	50,179	42,251	116,130	204,118
Foreign exchange translation gains/(losses)	649,198	200,697	363,919	829,950
Pension management income	953,393	846,406	3,523,773	3,338,431
Other Income	943,230	65,633	3,670,520	4,687,943
Loss on disposal of associate	-	-	-	(23,000)
Bargain purchase gain on acquisition of subsidiary	-	-	-	4,563,000
	<u>5,266,691</u>	<u>4,261,707</u>	<u>20,278,492</u>	<u>25,144,946</u>
<b>Operating revenue, net</b>	<u>17,736,570</u>	<u>15,124,253</u>	<u>49,641,265</u>	<u>38,726,210</u>
<b>Operating Expenses</b>				
Staff Cost	6,573,893	5,140,300	20,840,153	11,955,047
Depreciation and amortization of intangibles	1,535,794	1,263,103	6,768,004	3,107,778
Impairment(reversal)loss on loans and other assets	-	-	(90,000)	20,000
Impairment(reversal)loss on financial instruments	-	-	(61,000)	13,000
Impairment of associates and intangible assets	-	-	10,122,000	1,183,000
Other operating expenses	7,596,210	8,127,337	24,809,235	19,029,343
	<u>15,705,897</u>	<u>14,530,740</u>	<u>62,388,392</u>	<u>35,308,168</u>
<b>Operating profit/(loss)</b>	<u>2,030,673</u>	<u>593,513</u>	<u>(12,747,127)</u>	<u>3,418,042</u>
Preference dividend	(595,238)	(101,455)	0	(2,555,999)
Share of results of associates	3,384,453	2,628,462	8,481,151	15,214,024
	<u>2,789,214</u>	<u>2,527,007</u>	<u>8,481,150</u>	<u>12,658,025</u>
<b>Profit/(loss) before income tax</b>	<u>4,819,887</u>	<u>3,120,521</u>	<u>(4,265,976)</u>	<u>16,076,067</u>
<b>Income tax charge</b>	<u>(164,015)</u>	<u>(929,035)</u>	<u>(1,094,627)</u>	<u>(1,165,498)</u>
<b>Profit/(loss) for the year</b>	<u>4,655,872</u>	<u>2,191,487</u>	<u>(5,360,604)</u>	<u>14,910,569</u>
Less income attributable to non-controlling interest	(773,318)	(448,383)	496,970	(2,943,197)
<b>Profit/(loss) attributable to owners of the company</b>	<u>3,882,554</u>	<u>1,743,103</u>	<u>(4,863,634)</u>	<u>11,967,372</u>
EARNINGS PER STOCK UNIT - US cents	<u>0.49</u>	<u>0.23</u>	<u>(0.62)</u>	<u>1.58</u>
	<b>Unaudited Quarter ended June 2023</b>	<b>Unaudited Quarter ended June 2022</b>	<b>Audited Year ended March 2023</b>	<b>Audited Year ended March 2022</b>
<b>Profit/(loss) for the year</b>	4,655,872	2,191,487	(5,360,604)	14,910,569
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>				
<b>Items that are or may be reclassified to profit or loss:</b>				
Unrealised Gain on investments securities	4,665,630	(16,849,597)	(6,425,776)	(27,905,286)
Foreign exchange translation reserve	(127,910)	(1,383,393)	(1,169,987)	928,284
<b>Total Comprehensive income/(loss)</b>	<u>9,193,592</u>	<u>(16,041,504)</u>	<u>(12,956,367)</u>	<u>(12,066,433)</u>





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**PROVEN**  
**WEALTH**

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# PROVEN GROUP LIMITED REPORTS

## UNAUDITED FINANCIAL RESULTS

### Consolidated Statement of Financial Position (Presented in United States dollars, except as otherwise stated)

	Unaudited JUNE 2023	Unaudited JUNE 2022	Audited MARCH 2023	Audited MARCH 2022
<b>ASSETS</b>				
Cash and cash equivalents	153,909,372	219,486,087	144,798,148	286,147,481
Resale agreements	3,950,957	12,412,730	3,633,394	8,237,024
Owed by related parties	1,222,076	1,097,918	818,608	275,431
Investment securities	370,408,398	357,951,061	378,679,970	335,191,767
Loans receivable	230,923,969	227,310,971	243,337,677	207,376,497
Trade and ther receivables	23,212,776	41,758,954	33,094,072	25,674,798
Inventories	8,908,847	6,162,909	10,124,265	7,972,217
Property development In progress	25,214,501	25,589,043	23,651,534	38,378,144
Income tax recoverable	232,794	451,493	698,168	402,834
Property, plant and equipment	31,120,117	30,932,185	30,834,771	31,359,275
Investment property	23,019,585	14,843,585	20,842,246	14,841,082
Intangible assets	39,770,375	45,824,386	39,459,749	46,370,313
Investment in associates	138,499,555	132,850,394	131,278,558	138,934,927
Pension asset	-	-	-	-
Deffered tax	1,930,035	1,617,870	1,814,989	1,040,850
<b>Total Assets</b>	<b>1,052,323,356</b>	<b>1,118,289,585</b>	<b>1,063,066,147</b>	<b>1,142,202,640</b>
<b>LIABILITIES</b>				
Repurchase agreements	83,590,974	94,263,421	78,332,533	67,243,068
Owed to related parties	(1,246,697)	1,696,359	-	661,763
Due to banks	536,432	519,839	3,686,561	520,189
Due to customers	568,996,724	640,321,842	568,684,592	661,492,905
Notes payable	209,973,017	202,119,266	228,351,959	210,768,485
Post-retirement medical benefits	904,307	912,214	904,307	912,214
Current income tax payable	1,055,952	842,738	1,028,007	346,362
Other liabilities	24,849,944	19,133,593	24,118,091	21,768,772
Defined benefit obligations	(719,128)	800,525	2,377,436	2,005,000
Deferred income	4,425,972	5,066,452	4,844,329	9,319,000
Lease liabilities	1,419,175	1,591,561	1,395,237	1,678,845
Preference shares	1,000	1,000	1,000	1,000
<b>Total Liabilities</b>	<b>893,787,672</b>	<b>967,268,810</b>	<b>913,724,052</b>	<b>976,717,603</b>
<b>SHARE HOLDERS' EQUITY</b>				
Share capital	125,960,668	115,753,819	125,960,669	115,753,819
Investment revaluation reserve	(23,732,870)	(38,820,321)	(28,398,500)	(21,970,724)
Foreign exchange translation	4,431,438	4,345,942	4,559,349	5,729,335
Retained eamings	33,395,432	44,868,679	29,512,879	41,548,334
<b>Total Shareholders' Equity</b>	<b>140,054,668</b>	<b>126,148,119</b>	<b>131,634,397</b>	<b>141,060,764</b>
Non-controlling Interest	18,481,016	24,872,656	17,707,698	24,424,273
<b>Total Shareholders' Equity and Liabilities</b>	<b>1,052,323,356</b>	<b>1,118,289,585</b>	<b>1,063,066,147</b>	<b>1,142,202,640</b>

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



Director



Director

# PROVEN GROUP LIMITED REPORTS

## UNAUDITED FINANCIAL RESULTS

### Consolidated Statement of Cash Flows

(Presented in United States dollars, except as otherwise stated)

	Unaudited Period Ended June 2023	Unaudited Period Ended June 2022	Audited Year ended March 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit attributable to owners of the company	3,882,554	1,743,103	(4,863,631)
Depreciation and Amortization	1,535,794	1,263,103	6,768,004
Income Tax Charge	164,015	929,034	1,094,626
Operating cashflow before movements in working capital	<u>5,582,364</u>	<u>3,935,240</u>	<u>2,998,999</u>
Changes in operating assets and liabilities			
Receivables	15,828,140	20,489,290	14,527,531
Inventory	1,215,418	1,810,308	(2,152,048)
Loans	12,413,708	(19,934,474)	(35,961,180)
Client Liabilities	(3,155,560)	(25,347,119)	(85,038,311)
Payables	2,671,229	39,985,005	42,832,674
Investments	12,937,202	(39,608,891)	(49,915,979)
Related company	(1,650,165)	212,109	(1,204,940)
Net cash from operating activities	<u>45,842,335</u>	<u>(18,458,531)</u>	<u>(113,913,254)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investments in associates	(7,220,997)	7,661,776	7,656,369
Purchase of property ,plant and equipment	(1,225,794)	(346,208)	(2,404,881)
Purchase/Disposal of intangible asset	(905,972)	56,122	3,071,944
Purchase of Investment Properties	(4,561,125)	1,604,171	(1,870,102)
Net cash from investing activities	<u>(13,913,886)</u>	<u>8,975,861</u>	<u>6,453,331</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Notes payable	(23,462,630)	(56,243,714)	(29,037,877)
Minority Interest	773,318	448,383	(11,448,277)
Dividend Paid	-	-	(2,440,124)
Issue of Ordinary Shares	-	-	10,206,850
Foreign Exchange Translation	(127,911)	(1,383,393)	(1,169,986)
Net cash from financing activities	<u>(22,817,224)</u>	<u>(57,178,724)</u>	<u>(33,889,413)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	9,111,223	(66,661,395)	(141,349,336)
Cash and cash equivalents at beginning of period	144,798,149	286,147,482	286,147,482
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><b>153,909,372</b></u>	<u><b>219,486,087</b></u>	<u><b>144,798,148</b></u>

# PROVEN GROUP LIMITED REPORTS

## UNAUDITED FINANCIAL RESULTS

### Consolidated Statement of Changes of Equity (Presented in United States dollars, except as otherwise stated)

	Share capital	Minority interest	Investment revaluation reserve	Foreign exchange translation	Retained earnings	Total
<b>Balance at April 1, 2023</b>	<b>125,960,669</b>	<b>17,707,698</b>	<b>(28,398,500)</b>	<b>4,559,349</b>	<b>29,512,878</b>	<b>149,342,094</b>
Total Comprehensive Income for the period		773,318	4,665,630	(127,913)	3,882,554	9,193,589
Issue of Shares	-					-
Adjustment to NCI without a change in control		-			-	-
Dividends to equity holders		-			-	-
<b>Balance at June 30, 2023</b>	<b><u>125,960,669</u></b>	<b><u>18,481,016</u></b>	<b><u>(23,732,870)</u></b>	<b><u>4,431,436</u></b>	<b><u>33,395,433</u></b>	<b><u>158,535,682</u></b>
	Share capital	Minority interest	Investment revaluation reserve	Foreign exchange translation	Retained earnings	Total
<b>Balance at April 1, 2022</b>	<b>115,753,819</b>	<b>24,424,273</b>	<b>(21,970,724)</b>	<b>5,729,335</b>	<b>43,125,576</b>	<b>167,062,279</b>
Total Comprehensive (Loss)/Income for the period	-	448,383	(16,849,597)	(1,383,393)	1,743,103	(16,041,504)
Issue of Shares		-				-
Acquisition of Subsidiary	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-
<b>Balance at June 30, 2022</b>	<b><u>115,753,819</u></b>	<b><u>24,872,656</u></b>	<b><u>(38,820,321)</u></b>	<b><u>4,345,942</u></b>	<b><u>44,868,679</u></b>	<b><u>151,020,775</u></b>

# PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

## NOTES TO FINANCIAL STATEMENTS: JUNE 30, 2023

### 1. IDENTIFICATION

PROVEN Group 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	
			2023	2022
PROVEN Wealth Limited	Jamaica	Securities Dealer and Investment Management Company	100	100
PROVEN Properties Limited	Jamaica	Management Services	100	100
PROVEN Properties Limited	Saint Lucia	Real Estate Investment	100	100
Asset Management Company Limited	Jamaica	Hire Purchase Financing	100	100
International Financial Planning Jamaica Limited	Jamaica	Funds Management	100	100
Proven Bank St. Lucia Limited (formerly BOSLIL Bank Limited)	Saint Lucia	Banking	100	75
Proven Wealth (Cayman) Limited (formerly International Financial Planning (Cayman) Limited)	Cayman Islands	Fund Management	100	100
PROVEN Holding Limited	Jamaica	Investment Advisory Services	100	100
Roberts Manufacturing Company Limited	Barbados	Manufacturing	50.5	50.5
Heritage International Education Fund	Canada	Funds Management	100	100
Proven Bank (Cayman) Limited (formerly Fidelity Bank Limited)	Cayman	Retail Banking Services	100	100
<b>ASSOCIATE COMPANIES</b>				
JMMB Group Limited	Jamaica	Investment Advisory, Banking, Market and Equity	20	20
Access Financial Services Limited	Jamaica	Retail Lending	24.72	24.72

# PROVEN GROUP LIMITED REPORTS

## UNAUDITED FINANCIAL RESULTS

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### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

#### Interim Financial Reporting

The condensed consolidated interim financial statements for the three months ended June 30, 2023, 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, 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

#### 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 so as 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. Classification of financial assets:

#### Fair value through other comprehensive income:

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL are carried at fair value through other comprehensive income. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect, on an investment-by-investment basis, to present subsequent changes in the investment's fair value in OCI.

#### 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 change therein are recognised in profit or loss.

# PROVEN GROUP LIMITED REPORTS

## UNAUDITED FINANCIAL RESULTS

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### **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 is 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.



# PROVEN GROUP LIMITED REPORTS UNAUDITED FINANCIAL RESULTS

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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 Group Limited's Earning per Stock Unit "EPS" is computed by dividing the profit attributable to stockholders of the parent of US\$3,882,554 by the weighted average number of ordinary stock units in issue during the reporting period numbering 791,157,000 shares.

# PROVEN GROUP

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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.

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Director



Director

