

HAND - IN - HAND TRUST



CORPORATION INC.

MEMBER OF THE HAND - IN - HAND GROUP OF COMPANIES



We are strengthened to do all things.

22nd ANNUAL REPORT 2023

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HAND-IN-HAND TRUST CORPORATION INC.

(A member of the Hand-in-Hand Group of Companies)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY given that the **TWENTY-SECOND** Annual General Meeting of the **HAND-IN-HAND TRUST CORPORATION INC.** will be held at the Board Room of the Hand-in-Hand Trust Corporation Inc., 62-63 Middle Street, North Cummingsburg, Georgetown on Thursday, June 06, 2024 at 10:00 a.m for the following purposes:

1. To receive the report of the Directors and the Corporation's Audited Financial Statements for the year ended December 31, 2023.
2. To consider and (if thought fit) pass the following Resolution:
" That the Audited Financial Statements for the period ended December 31, 2023 and the Reports of the Directors' and Auditors' thereon be adopted"
3. To elect Directors.
4. To fix the remuneration of the Directors.
5. To appoint Auditors and authorized the Directors to fix their remuneration.
6. To consider any other business that may be conducted at an Annual General Meeting

BY ORDER OF THE BOARD,



Registered Office:

62-63 Middle Street
North Cummingsburg,
Georgetown.

BACKGROUND

In May 1971, the Guyana National Co-operative Bank (G.N.C.B) established a Trust Department to carry out various Trust Services which was incorporated as the GNCB Trust Company Limited on December 28, 1971, a wholly owned subsidiary of Guyana National Co-operative Bank (G.N.C.B)., with its own Board of Directors.

On 3rd February, 1977, the GNCB Trust Company was reconstituted and established as the GNCB Trust Corporation.

On the 6th January, 1999 the GNCB Trust Corporation was incorporated under the Companies Act of Guyana into a public company limited by shares, by order #24/1998 and known as the GNCB Trust Corporation Inc.

On the 20th November, 2002, the Hand-in-Hand Mutual Fire Insurance Company Limited acquired ninety percent (90%) of the shares of the GNCB Trust Corporation Inc. and the Government of Guyana retained the remaining ten percent (10%) through its holding company, National Industrial and Commercial Investments Limited.

On the 14th March, 2003, the Hand-in-Hand Mutual Life Assurance Company Limited and the Guyana Cooperative Insurance Services Inc. (G.C.I.S.) acquired three hundred and seventy-five thousand (375,000) and two hundred and fifty thousand (250,000) shares respectively from the Hand-in-Hand Mutual Fire Insurance Company Limited.

On the 29th October, 2004, the Hand-in-Hand Trust Corporation Inc. was converted to a private company in accordance with the Companies Act 89:01 (1991).

On the 26th February 2009, the authorized share capital was increased by 5,000,000 to 7,500,000 shares.

On the 5th October 2023, the authorized share capital was increased by 60,000,000 to 67,500,000 shares.

Background cont'd.

The share issue as at December 31st 2023 is:

1)	Hand-in-Hand Mutual Fire Insurance Company Limited	-	5,375,000
2)	Hand-in-Hand Mutual Life Assurance Company Limited	-	1,125,000
3)	G.C.I.S. Incorporated	-	750,000
4)	National Industrial and Commercial Investments Limited	-	<u>250,000</u>
	TOTAL SHARE-HOLDING		<u>7,500,000</u>

MISSION STATEMENT

Generally - To complement the services provided by other institutions the sum of which is the improvement of the quality of life of the people of our Country.

Specifically

1. To provide the highest level of financial services in a friendly and professional manner
2. To encourage Credit facilities with emphasis on Commercial Loans and other financial services such as Savings & Investments, Share Brokerage, Property Management, Cambio Services, Pension Plan Trusteeship and Safe Deposit Boxes

As a member of the HAND-IN-HAND GROUP of COMPANIES we are committed to providing quality financial services and sound financial management in order to maintain earnings for our continued growth and to provide our employees with a challenging and rewarding career.

BOARD OF DIRECTORS

→ MR. PAUL A. CHAN-A-SUE, C.C.H., F.C.A

CHAIRMAN

→ MR. T. ALAN PARRIS, B.A. (Econs.), M.A (Econs. & Ed.)

VICE CHAIRMAN

→ MR. KEITH EVELYN, B.A.(Hons) Sheff.Hallam., B.Sc.UMIST.,
M.B.A. Liv., A.C.I.B., F.C.I.I., M.C.I.B.S.,
Chartered Insurer, Chartered Banker

EXECUTIVE DIRECTOR

→ DR. IAN A. MC DONALD, A.A., M.A. (Hons) Cantab.,F.R.S.L.,
Hon D.LITT. UWI

→ MR. TROY CADOGAN, M.B.A., (Business Administrations &
Management)., UWI

Report on Behalf of the Board of Directors-2023

We have great pleasure in presenting the Annual Report and Financial Performance of the Hand-in-Hand Trust Corporation Inc. for the year ended December 31, 2023.

Global Economy

The Global economy slowed as it continued to face disruptions to economic activity exacerbated by geopolitical risks and inflationary pressures coupled with continued tightening of monetary policies by central banks. Growth for 2023 was estimated at 3.1 percent, down from the 3.5 percent recorded in 2022 - (as per Bank of Guyana 2023 Annual Report).

Guyana Economy 2023

The Guyanese economy continued its growth with real Gross Domestic Product (GDP) and non-oil GDP growth of 33.0 percent and 11.7 percent, respectively. The oil and gas sector continued to be the major contributor of the growth, with other notable contributions by the construction, manufacturing, services and agriculture sectors for the non-oil real GDP.

Inflation

The inflation rate, measured by the Urban Consumer Price Index (CPI) was 2.0 percent at end-December 2023, largely driven by increases in the prices of food resulting from supply shortages due to an unprecedented period of drought. The monthly change in the Consumer Price Index (year to date) ranged between negative 1.0 percent in April to a high of 2.0 percent in December.

Financial Sector

The Licensed Depository Financial Institutions' (LDFIs') capital levels remained high while non-performing loans (NPLs) decreased at the end of 2023. The Capital Adequacy Ratio stood well above the prudential benchmark of 8.0 percent at 23 percent. The stock of non-performing loans improved to 2.9 percent of total loans. The LDFIs' ratio of reserve against NPLs moved to 66.3 percent from 58.0 percent at end of December 2022 as NPLs fell by 33.3 percent.

Outlook for 2024 Global Economy

According to the World Economic Outlook of April 2024.

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023.

The forecast for global growth five years from now – at 3.1 percent – is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025.

Outlook for 2024 Guyana Economy

The Guyanese economy is projected to record real GDP growth of 34.3 percent, on account of higher oil production, following accelerated operations from the Prosperity FPSO. Non-oil GDP growth is projected at 11.9 percent. This growth will be primarily due to continued development of the agriculture, forestry, and fishing sectors, along with further expansion of the construction and services sectors. The bauxite and gold mining industries are expected to improve from their current stages and thus, influence growth of the non-oil economy as well.

Exchange Rate

The exchange rate of the Guyana dollar to the US dollar is expected to remain relatively stable. Adequate supply of foreign exchange in the market is projected from a surplus of the Balance of Payments for 2024.

Inflation

Inflation rate is expected to increase to 2.5 percent, largely due to external developments, which will influence higher domestic production to satisfy demand.

Performance of the Corporation

The year 2023 was a very successful one for the Corporation despite the many challenges from both local and international regulatory bodies.

Notwithstanding, the Corporation consistently applied its recovery programme and continued with its prudent marketing of loans.

The Trust had adopted the requirements of IFRS 9 'Financial Instruments' from 1 January 2018 and continued to adhere to the requirements of making loan loss allowances under IFRS 9.

We also continued to confirm with the Financial Institution Act 1995 (FIA 1995) and Bank of Guyana Supervisory Guidelines.

Our Total Equity increased by \$245.3M compared with \$55.6M in 2022 (to G\$2.682B from G\$2.436B in 2022), as a result of net profit earned for the year.

We continued to pursue measures to ensure that our Capital Adequacy Ratios remain at acceptable levels and in compliance with the Financial Institutions Act.

We are happy to report that our Tier I and Tier II Capital Adequacy ratios were both 24.85%, at the end of the year under review.

Our Compliance Department in conjunction with the Internal Audit Department continued to ensure accountability and adherence to best practices in Corporate Governance.

The Board of Directors and its sub-committees continued to provide necessary guidance through the discharge of their responsibilities.

Below is an analysis of our performance for the year ended December 31, 2023.

Recoveries/Delinquent Loans

We are happy to report that our Recovery Unit continued to resolutely pursue all written off accounts and delinquent loans. Recoveries in the financial year 2023 was G\$23.31 million.

Savings

Our depositors maintained their valued relationship with the Corporation.

Fixed and Term Deposits were G\$7.339B whilst Savings Investments Scheme (SIS) were G\$2.687B. Total Deposits stood at G\$10.026B at the end of 2023, compared with G\$8.974B at the end of 2022, an increase of \$1.052 billion or 11.8%.

Mortgage Financing and Other Investments

All other forms of investment contributed significantly to our income generation.

The under mentioned investments were held as at the 31st December 2023: -

Mortgages/Loans	-	G\$8,913.2 M
Bonds & Other Investments	-	G\$2,001.1 M

Total Investments		G\$ 10,914.3 M

Total Assets

The total assets of the Institution increased from \$11,618.3 million in 2022 to \$12,967.6 million in 2023, an increase of \$1.35 billion or 11.6%.

Retained earnings

The Trust Corporation's Retained Earnings increased from \$1,195.6 million in 2022, to \$1,403.8 million in 2023, an increase of \$208.2 million or 17.4%.

Interest Payments - Fixed Deposits and Special Investment Passbook Scheme

Our interest payments increased by \$12.3 million or 5.9% over 2022 as a result of higher average level of deposits held.

Provision for Losses

We are in full compliance with the provisioning requirements of the Financial Institutions Act 1995 and the Bank of Guyana Guidelines and the requirements of making loan loss allowances under IFRS 9.

Net Income before Tax

The Corporation's Net Income before tax was \$279.5 million.

Net Income after Tax

The Corporation's Net Income after tax was \$245.03 million.

Financial Performance

The Return on Assets was 2.16% (1.86% - 2022), with Return on Equity of 10.42% (8.85% - 2022), whilst earnings per share were \$32.67 (\$24.14 - 2022).

Staff

Several training programmes were provided for all members of staff both internally and externally. Internal training included Customer Service, Occupational Safety & Health, AML/CFT, Cash Flow Analysis, and Supervisory Guidelines 13 Update.

External training included AML/CFT, Enhancing Management Capacity in Knowledge and Skills, Leadership Training, Fraud & Scams ACAMS online Training, and Guyana Capital Markets: Wealth Creation & Retention.

We sincerely commend our staff for their commitment and dedication. Their contribution is invaluable.

Customers

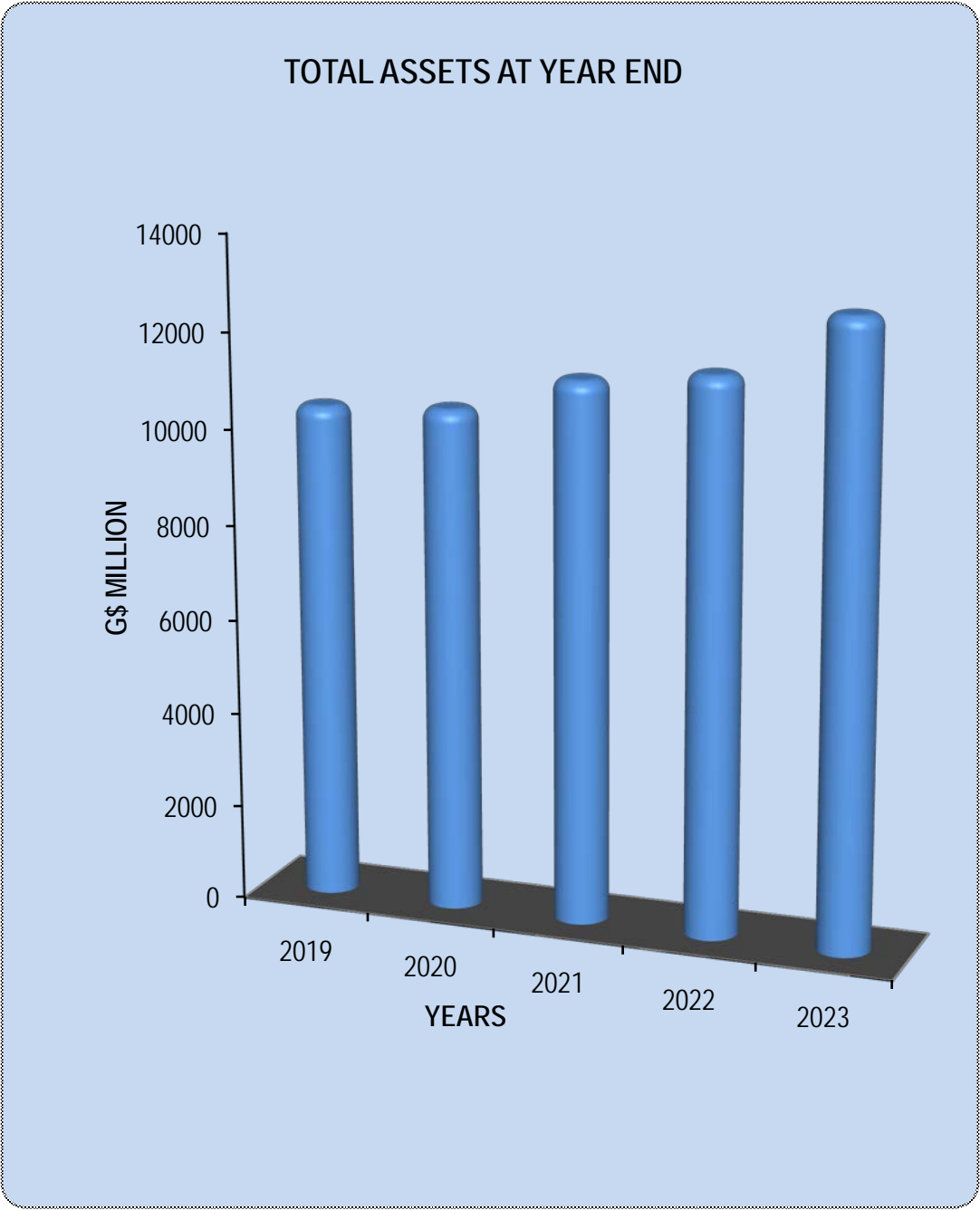
We wish to express our sincerest gratitude to our customers for their continued support. We provided a safer physical environment for their comfort and security

Conclusion

The challenges will be met with a determination and commitment provided by a team determined to succeed. We will continue to enhance our human resources where necessary. Our management team believes in teamwork and the Board of Directors will continue to provide guidance as required.

Be assured that we shall continue the pursuance of initiatives to enhance the viability of the Hand-in-Hand Trust Corporation Inc. for its continuation as a dynamic financial intermediary.

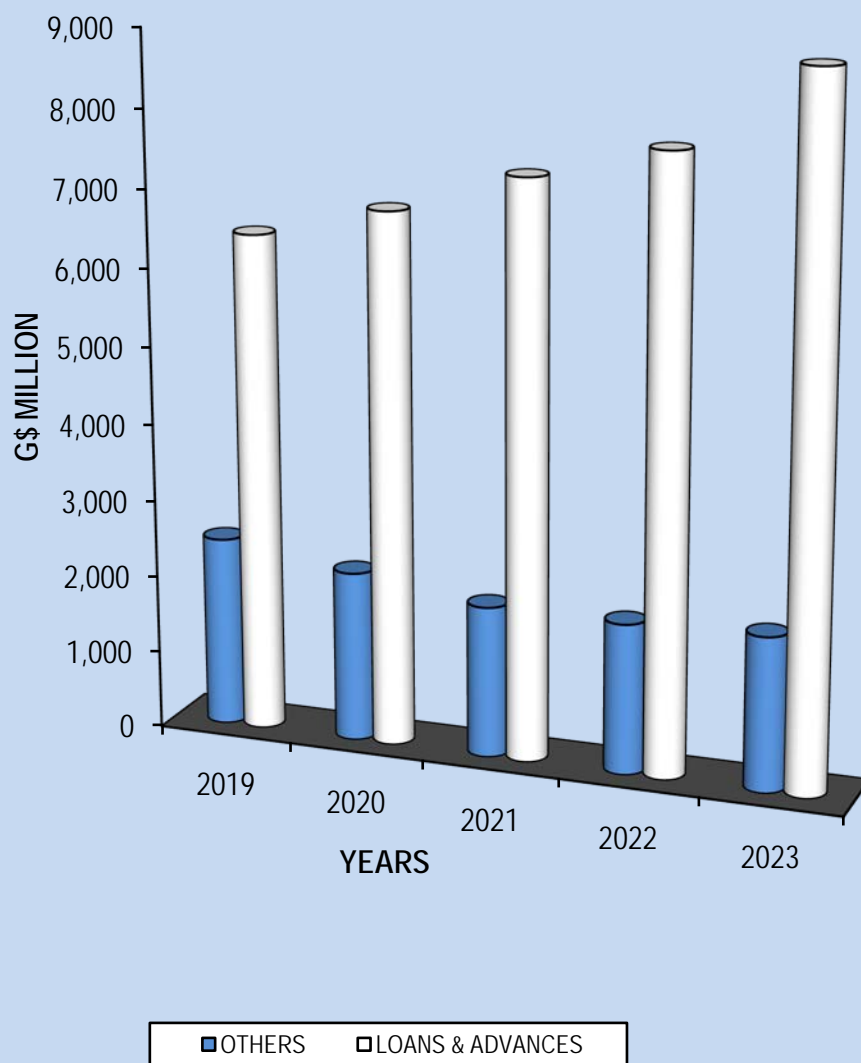
FINANCIAL REVIEW



YEAR	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
AMOUNT					
G\$ (M)	10,410	10,539	11,322	11,618	12,968

FINANCIAL REVIEW

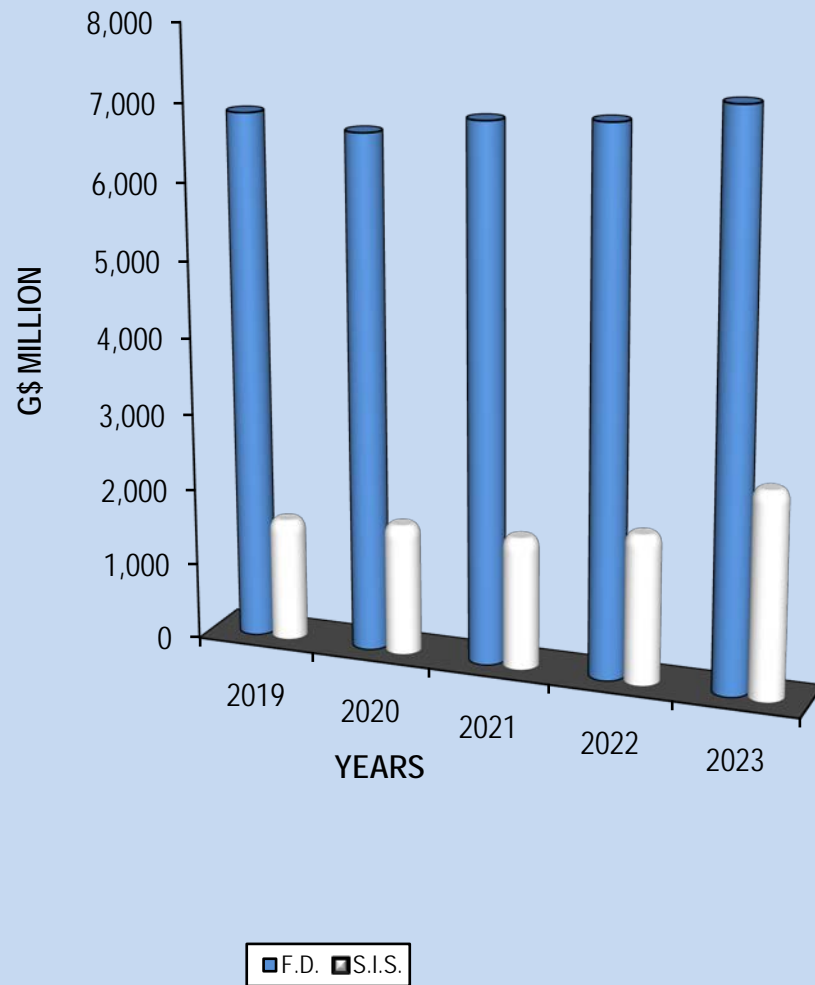
INVESTMENTS



YEAR	2019	2020	2021	2022	2023
LOANS & ADVANCE	6,438	6,858	7,394	7,828	8,913
OTHERS	2,463	2,208	1,963	1,951	2,001
G\$ (M)	8,901	9,066	9,357	9,779	10,914

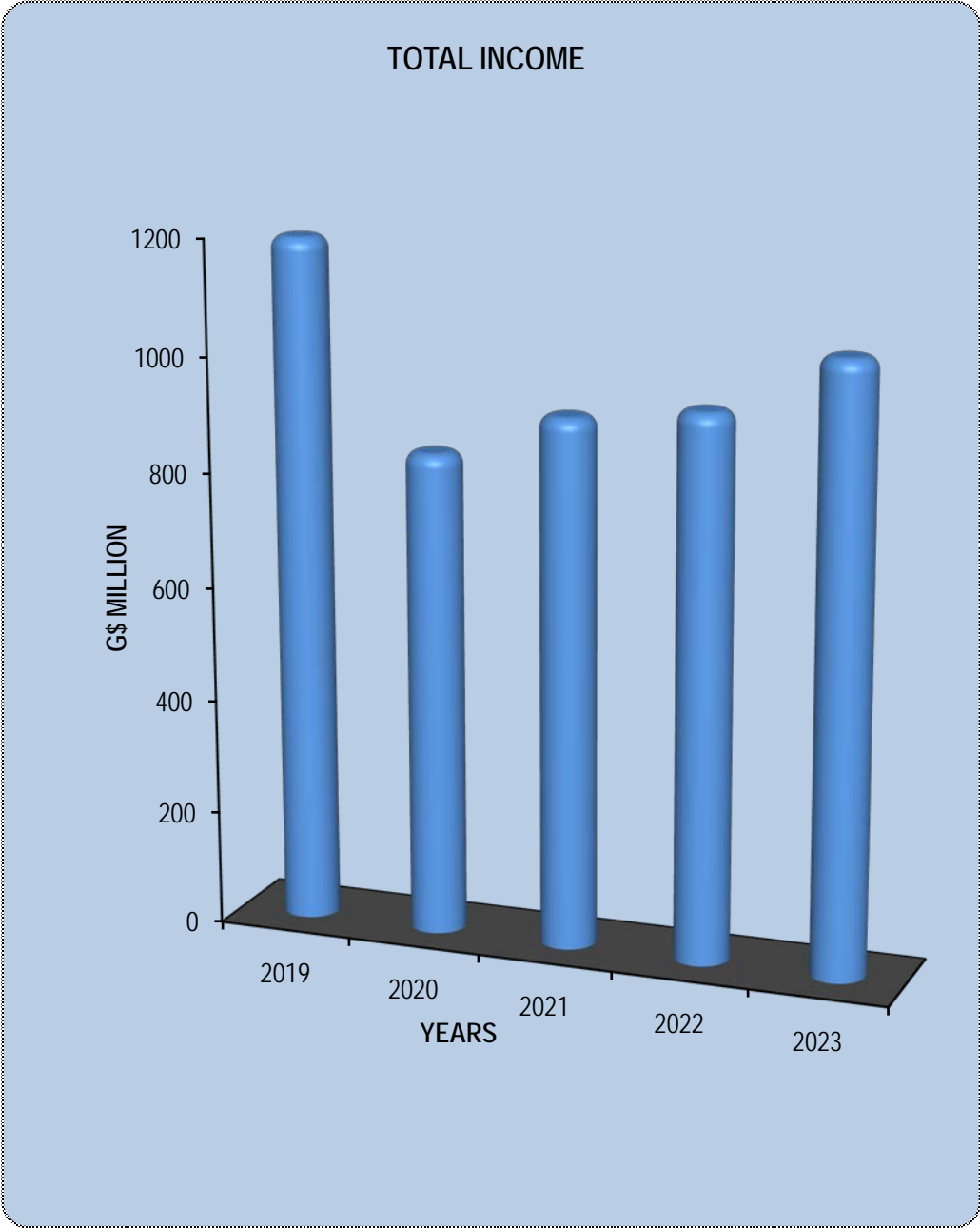
FINANCIAL REVIEW

DEPOSITS - FIXED (F.D.) & SPECIAL INVESTMENT SCHEME (S.I.S.)



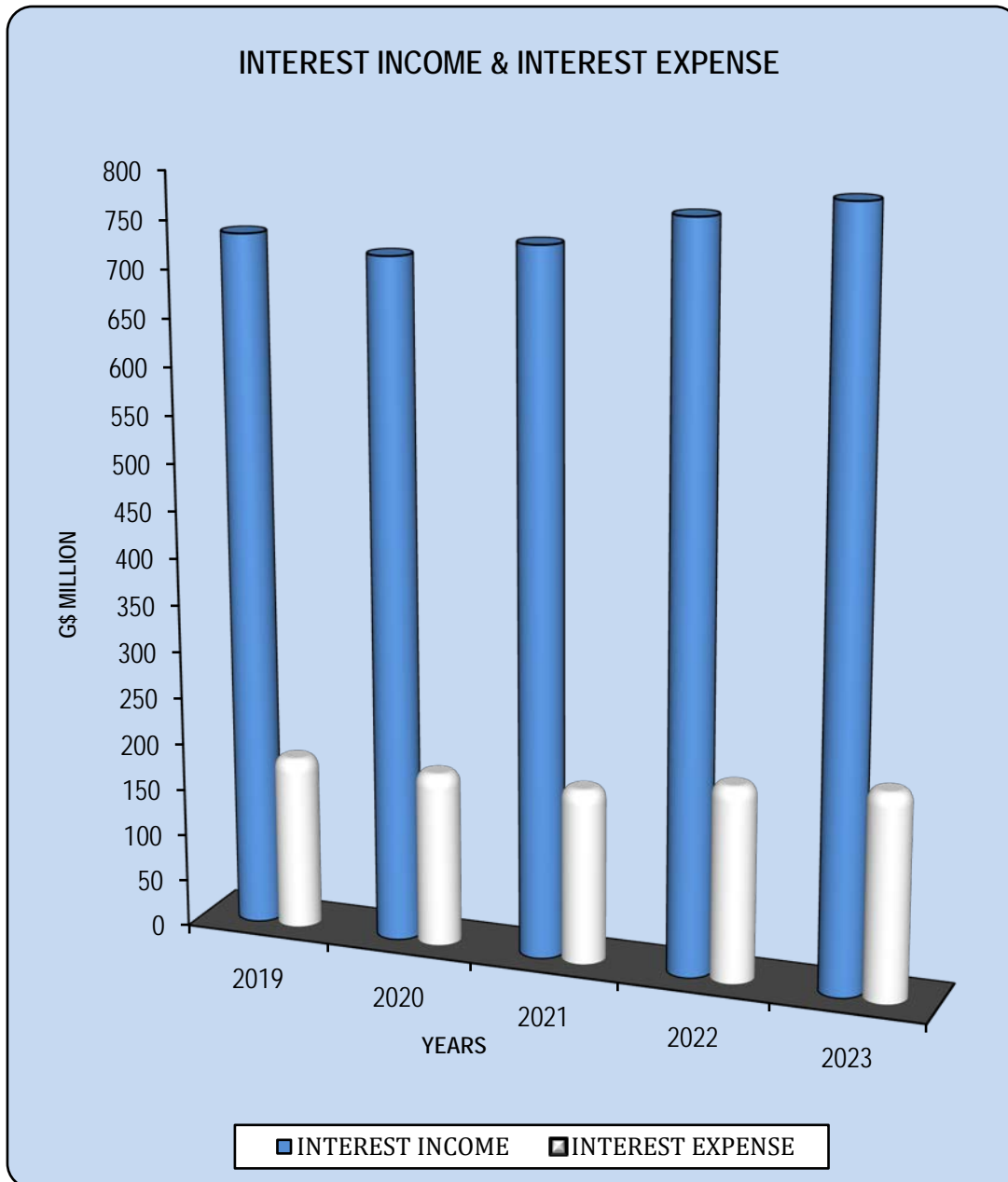
YEAR	2019	2020	2021	2022	2023
S.I.S.	1,589	1,698	1,713	1,942	2,687
F.D.	6,862	6,707	6,953	7,032	7,339
G\$ (M)	8,451	8,405	8,666	8,974	10,026

FINANCIAL REVIEW



YEAR	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
AMOUNT					
G\$ (M)	1198	845	924	950	1055

FINANCIAL REVIEW



YEAR	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
INTEREST INCOME	735	721	741	777	862
INTEREST EXPENSE	184	185	186	208	220

Secure Your **Financial Future** **TODAY!**

with our wide range of
Financial
Services



Residential & Commercial Mortgages

Thrift & Pension Plan Trusteeship

Investment Deposit Accounts

Portfolio Management

Property Management

Safe Deposit Boxes

Shares Brokerage

Personal Trusts

Vehicle Loans

Cambio

Western Union & Bill Express Services

 **HAND-IN-HAND**
TRUST
CORPORATION INC.
A member of the Hand-in-Hand Group of Companies

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North Cummingsburg, Georgetown, Guyana
Tel: (592) 226-9781-4. Fax: (592) 226-9971
Email: trustco@gol.net.gy
Website: www.handinhandtrust.com



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
HAND-IN-HAND TRUST CORPORATION INC.**

MSC 044/2023

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Hand-In-Hand Trust Corporation Inc. which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out in pages 28 to 60.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects of the financial position of the Hand-In-Hand Trust Corporation Inc. as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as amended, the Financial Institutions Act 1995, as amended, Companies Act 1991, the Anti-Money Laundering/Countering Financial Terrorism 2009 & Regulation 2010, Deposit Insurance Act No. 15 of 2018, Credit Reporting Act No. 9 of 2010 and Credit Reporting Act No. 2 of 2016.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Hand-in-Hand Trust Corporation Inc. in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board for Accountants' Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	How our audit procedures addressed the key audit matter
<p><i>Implementation of IFRS 9 'Financial Instruments'</i> Refer to note 2.2 (a) i. & 2.2 (b) to the financial statements for disclosures of related accounting policies and balances.</p>	
<p>The Trust adopted the accounting standard IFRS 9 'Financial instruments' during the financial year. The standard introduces new requirements around two (2) main aspects of how financial instruments are treated – measurement and classification and impairment.</p> <p>IFRS 9 introduces a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and the underlying cash flow characteristics. IFRS 9 contains three (3) principal classification categories for financial assets:</p> <ul style="list-style-type: none"> - Measured at amortised cost, - Fair value through other comprehensive income (FVOCI); and - Fair value through profit and loss (FVPL). <p>IFRS 9 introduces new impairment rules which prescribe a new forward looking expected credit loss ('ECL') impairment model which takes into account reasonable and supportable forward looking information which will generally result in the earlier recognition of impairment provisions.</p> <p>We have focused on this area, because there are a number of significant judgments which management will need to determine as a result of the requirements in measuring ECL's under IFRS 9:</p> <ul style="list-style-type: none"> - Determining the criteria for a significant increase in credit risk; - Techniques used to determine probability of default (PDs) and loss given default (LGD); and - Factoring in possible future economic scenarios. 	<p>With respect to the measurement and classification of the financial assets and liabilities, we read the relevant accounting policies adopted by the Trust and compared them to the requirements of IFRS 9.</p> <p>We obtained an understanding of the Trust's business model assessment and for a sample of instruments verified solely the inputs into payments of principal and interest test performed by the client with original contracts.</p> <p>We tested the opening equity adjustments in relation to the adoption of the new standard's classification and measurement requirements.</p> <p>With respect to the ECL model, our audit approach was as follows:</p> <ul style="list-style-type: none"> - We obtained the Trust's impairment provisioning policies and compared them to the requirements of IFRS 9; - We tested the ratings used in the ECL model for a sample of instruments. For investment, the Trust made comparison to publically available data. For loans, source documents used in the Trust's rating process were verified; - For a sample of instruments, we tested whether the significant increase in credit risk and default definitions were appropriately applied and the resulting impact of this on the staging of the instruments;

Key Audit Matters	How our audit procedures addressed the key audit matter
<p><i>Implementation of IFRS 9 'Financial Instruments'</i> <i>Refer to note 2.2 (a) i. & 2.2 (b) to the financial statements for disclosures of related accounting policies and balances. (continued)</i></p>	
<p>These judgments have required new models to be built and implemented to measure the expected credit losses on loans and investments. Management engaged a credit modeler expert to assist in the more complex aspects of the expected credit loss model.</p> <p>There is a large increase in the data inputs of these models which increases the risk that the data used to develop assumptions and operate the model is not complete or accurate.</p> <p>The impact on net assets from the implementation of the measurement and classification aspects of the standard was not material.</p>	<ul style="list-style-type: none"> - We tested the loss given default in the ECL calculation for a sample of instruments. - We tested the completeness of the amounts assessed for impairment on Financial Assets.
<p>Impairment Provision for Loans and Mortgages</p>	<p>Our procedures in relation to this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • We evaluated and tested the Trust's process and documented policy for mortgage loss provisioning; • For loan loss provisions calculated on an individual basis, we tested the factors underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral and estimates of recovery on default; • We also tested the aging of the loan portfolios and considered the completeness of the loan book assessed for impairment in conformity with the Bank of Guyana Supervision Guideline 5;
<p>Loans and mortgages amounting to \$8.9B (after impairment provision) represent sixty-nine (69) percent of the total assets of the Trust as shown in the Statement of Financial Position (page 6).</p> <p>The methodologies required by IFRS 9 and Bank of Guyana in respect of impairment provisions involve significant judgment by management on matters such as:</p> <ul style="list-style-type: none"> • Loan classification as impaired; • Valuation and realization of collaterals pledged; • Amount and timing of cash flows; and • Forward looking expected credit losses (ECLs) impairment model as required by IFRS 9 as described above. 	

Key Audit Matters	How our audit procedures addressed the key audit matter
<p>With a high degree of significant judgment involved in assessing the mortgage impairment provision and in conformity with Supervision Guideline 5 and IFRS 9, mortgage impairment was considered a key audit matter.</p>	<ul style="list-style-type: none"> • For mortgage loss provisions calculated on a collective basis, we reviewed management's inherent risk provisions estimate, with a focus on the reasonableness of the factors applied and assumptions used, considering the economic changes in Guyana; and • Finally, we focused on the adequacy of the Trust's financial statement disclosures regarding mortgage and the related provisions as required by IFRS 9
<p>Regulatory Environment</p> <p>The Trust operates in a highly regulated environment and non-compliance with laws and regulations, particularly the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Act could result in the Trust facing penalties and other administrative sanctions by Bank of Guyana and Financial Intelligence Unit (FIU).</p> <p>The Compliance Officer is responsible to establish various controls to ensure that the Trust is AML/CFT compliant with governing regulations.</p>	<p>Our procedures in relation to this key audit matter included, but were not limited to, the following:</p> <p>We evaluated and tested the Trust's internal controls with Emphasis on compliance with AML/CFT policy. This include:</p> <ul style="list-style-type: none"> • A review of policies and procedures in place including approval of those policies by those charged with governance; • Adequate training and refresher programmes for new and existing bank personnel including those charged with governance; • Testing of transactions to ensure AML/CFT requirements are carried out by bank personnel; and • Reporting to Financial Intelligence Unit (FIU) are in conformity with the requirements of the AML/CFT Act.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, The Companies Act 1991, the Financial Institutions Act 1995, as amended, the Anti-Money Laundering/Countering Financial Terrorism 2009 & Regulation 2010, Deposit Insurance Act No. 15 of 2018, Credit Reporting Act No. 9 of 2010, Credit Reporting Act No. 2 of 2016 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

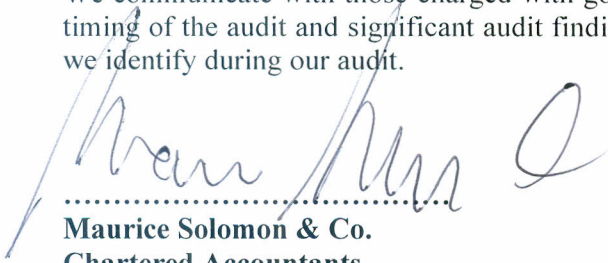
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing 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 financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Trust'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 Trust'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 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 Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



.....
Maurice Solomon & Co.
Chartered Accountants
29 April, 2024

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	NOTE	2023 G\$	2022 G\$
ASSETS			
Cash resources	3	1,753,507,360	1,554,098,991
Investment Securities	4	2,001,110,137	1,951,058,817
Loans and Advances	5	8,913,233,923	7,827,737,174
Property and Equipment	6	23,370,111	33,342,617
Taxation Recoverable		634,919	-
Deferred Taxation	7	2,287,480	1,444,884
Others	8	273,482,596	250,594,797
TOTAL ASSETS		12,967,626,526	11,618,277,280
LIABILITIES			
Customers' Deposits	9	10,025,596,593	8,973,541,080
Payables and Accruals	10	240,571,717	194,615,539
Taxation Payable		19,957,643	13,645,299
TOTAL LIABILITIES		10,286,125,953	9,181,801,918
SHAREHOLDERS' EQUITY			
Share capital	11	750,000,000	750,000,000
Statutory reserves	12	399,472,504	362,718,722
Risk reserves	2.1 (g)	128,198,761	128,198,761
Retained earnings		1,403,829,308	1,195,557,879
TOTAL SHAREHOLDERS' EQUITY		2,681,500,573	2,436,475,362
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,967,626,526	11,618,277,280

The Board of Directors approved these financials statements for issue on 25 April 2024.



Director



Director

The notes on pages 27 to 61 form an integral part of these financial statements

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 G\$	2022 G\$
INCOME			
Interest income	13	862,477,012	776,763,792
Interest expenses		(220,264,697)	(207,985,084)
Net interest income		642,212,315	568,778,708
Other Income	14	193,392,249	173,613,947
TOTAL NET INCOME		835,604,564	742,392,655
Operating expenses	15	(567,052,552)	(515,566,712)
Net credit impairment on loans and advances	18 (a)	31,213,935	62,961,626
Net impairment on other financial assets	17	(26,089,784)	(77,190,656)
Foreign currency (loss)/gain	16	5,859,659	2,953,869
Profit before Taxation		279,535,822	215,550,782
Taxation	20	(34,510,611)	(34,476,429)
PROFIT FOR THE YEAR		245,025,211	181,074,353
Earnings per share in dollars		32.67	24.14

The notes on pages 27 to 61 form an integral part of these financial statements

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital G\$	Statutory Reserve G\$	Risk Reserve G\$	Retained Earnings G\$	Total G\$
Year ended 31 December 2023					
Balance at 1 January 2023	750,000,000	362,718,722	128,198,761	1,195,557,879	2,436,475,362
Profit for the year	-	-	-	245,025,211	245,025,211
Transfer to/(from) Statutory Reserve	-	36,753,782	-	(36,753,782)	-
Transfer (from)/ to Risk Reserve	-	-	-	-	-
Balance at 31 December 2023	750,000,000	399,472,504	128,198,761	1,403,829,308	2,681,500,573
Year ended 31 December 2022					
Balance at 1 January 2022	750,000,000	335,557,569	253,631,137	1,041,644,679	2,380,833,385
Profit for the year	-	-	-	181,074,353	181,074,353
Transfer to/(from) Statutory Reserve	-	27,161,153	-	(27,161,153)	-
Transfer (from)/ to Risk Reserve	-	-	(125,432,376)	-	(125,432,376)
Balance at 31 December 2022	750,000,000	362,718,722	128,198,761	1,195,557,879	2,436,475,362

The notes on pages 27 to 61 form an integral part of these financial statements

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	G\$	G\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	279,535,822	215,550,782
Adjustments for:		
Depreciation	12,745,709	6,661,975
Net credit impairment on loans and advances	(18,291,027)	4,531,017
Changes in fair value on investment securities	46,506,649	95,682,603
Supervision Guideline No.5 Provisioning	-	(125,432,376)
Adjusted profit before working capital changes	320,497,153	196,994,001
Movements in working capital:		
Increase in loans and advances	(1,067,205,722)	(438,629,447)
Decrease in others	(22,887,799)	(43,741,661)
Increase in customers' deposits	1,052,055,513	307,780,307
(Decrease)/Increase in payables and accruals	45,956,178	(25,665,041)
Cash generated/(absorbed) by operations:	328,415,323	(3,261,841)
Taxes paid	(29,675,782)	(68,552,468)
Net cash inflows/ (outflows) used in operating activities	298,739,541	(71,814,309)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,773,203)	(11,113,617)
Net purchase/redemption of investment securities	(96,557,969)	(83,571,580)
Net cash (used in) investing activities	(99,331,172)	(94,685,197)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	199,408,369	(166,499,506)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	1,554,098,991	1,720,598,497
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	1,753,507,360	1,554,098,991
CASH AND CASH EQUIVALENTS COMPRISES OF:		
Cash at Bank of Guyana	1,203,818,886	1,091,632,602
Cash on hand and at other banks	549,688,474	462,466,389
	1,753,507,360	1,554,098,991

The notes on pages 27 to 61 form an integral part of these financial statements

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

1. COMPANY IDENTIFICATION

(a) Incorporation and Business Activities

In May 1971, the Guyana National Co-operative Bank (G.N.C.B) established a Trust Department to carry out various Trust Services which was incorporated as the GNCB Trust Company Limited on December 28, 1971, a wholly owned subsidiary of Guyana National Co-operative Bank (G.N.C.B), with its own Board of Directors.

On February 23rd, 1977, the GNCB Trust Company was reconstituted and established as the GNCB Trust Corporation.

On the 6th January, 1999 the GNCB Trust Corporation was incorporated under the Companies Act of Guyana into a public company limited by shares, by order #24/1998 and known as the GNCB Trust Corporation Inc.

On the 20th November, 2002, the Hand-in-Hand Mutual Fire Insurance Company Limited acquired ninety percent (90%) of the shares of the GNCB Trust Corporation Inc. and the Government of Guyana retained the remaining ten percent (10%) through its holding company, National Industrial and Commercial Investments Limited.

On the 14th March, 2003, the Hand-in-Hand Mutual Life Assurance Company Limited and the Guyana Cooperative Insurance Services Inc. (G.C.I.S.) acquired three hundred and seventy-five thousand (375,000) and two hundred and fifty thousand (250,000) shares respectively from the Hand-in-Hand Mutual Fire Insurance Company Limited.

On the 29th October, 2004, the Hand-in-Hand Trust Corporation Inc. was converted to a private company in accordance with the Companies Act 89:01 (1991).

On the 26th February 2009, the authorized share capital was increased by 5,000,000 to 7,500,000 shares.

On the 5th October 2023, the authorized share capital was increased by 60,000,000 to 67,500,000 shares.

Its registered office is situated at 62-63 Middle Street, North Cummingsburg, Georgetown, Guyana.

The Trust is licensed as a Financial Institution under the provisions of the Financial Institutions Act, 1995, as amended.

These Financial Statements have been prepared under the historical cost convention as modified by the revaluation of properties and the business model test adopted by the Trust.

The Trust's accounting policies confirm with International Financial Reporting Standards (IFRSs), Companies Act 1991, Bank of Guyana Supervision Guidelines and Financial Institution Act 1995 as amended, the Anti-Money Laundering/Countering Financial Terrorism 2009 & Regulation 2010, Deposit Insurance Act No. 15 of 2018, Credit Reporting Act No. 9 of 2010 and Credit Reporting Act No. 2 of 2016.

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

(a) *Standards, amendments and interperations that are not yet effective in current year and have not been adopted by the Trust.*

IFRS 3- Business Combinations: Amendments is in regards to update an outdated reference to the Conceptual Framework in IFRS 3 (effective on or after 1 January 2022)

IFRS 17 will replace IFRS 4 - Insurance Contracts (effective on or after 1 January 2023)

IAS 1-Presentation of Financial Statements; Amendments regarding the Classification of Liabilities as Current or Non-Current (effective on or after 1 January 2023)

IAS 8- Amendments regarding the Definition of Accounting Estimates (effective on or after 1 January 2023)

IAS 16- Property Plant & Equipment; Amendments regarding Proceeds before Intended Use (effective on or after 1 January 2022)

IAS 37- Provisions, Contingent Liabilities & Contingent Assets; Amendments regarding Onerous Contracts — Cost of Fulfilling a Contract (effective on or after 1 January 2022)

IAS 41- Agriculture; The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique (effective on or after 1 January 2022)

(b) *The standards and amendments adopted and has material impact on the Trust's financial reporting.*

IFRS 7 - Transition disclosures; Amendments to IFRS 9 (effective upon the adoption of IFRS 9)

IFRS 9- Financial Instruments: Classification and measurement, impairment, general hedge accounting and derecognition (effective on or after 1 January 2018)

IFRS 15- Revenue from Contracts with customers (effective on or before 1 January 2018)

IAS 19 Amendment- Clarifies current service and net interest accounting (effective on or before 1 January 2019)

(c) *The standards and amendments that are effective in the current year and expected to have no material impact on the Trust's financial reporting.*

IFRS 9 - Financial Instruments; Ammendments, Interest Rate Benchmark Reform (Effective on or after 1 January 2021)

IFRS 16- Leases: Ammendments, Covid-19-Related Rent Concessions beyond 30 June 2021 (effective on or after 1 April 2021)

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENT
31 DECEMBER 2023

2.1 BASIS OF PREPARATION (Cont'd)

(d) Foreign Currency Transaction

Transactions in foreign currencies are recorded at the rate of exchange on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Guyana dollars (G\$) at the rate of exchange at the statement of financial position date, except non-monetary assets and liabilities measured at historical cost, which are translated using the rate of exchange at the initial transaction date. Gains and losses arising from the settlement of and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit or Loss.

(e) Critical Accounting Estimates and Judgements

The preparation of financial information requires the use of estimates and judgements about future conditions. In view of the inherent uncertainties and the high level of subjectivity involved in the recognition or measurement of items, highlighted as the 'critical accounting estimates and judgements' in section 2.2, it is possible that the outcomes in the next financial year could differ from those on which management's estimates are based. This could result in materially different estimates and judgements from those reached by management for the purposes of these financial statements. Management's selection of Trust's accounting policies that contain critical estimates and judgements reflects the materiality of the items to which the policies are applied and the high degree of judgement and estimation uncertainty involved.

(f) Going Concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Trust have the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

(g) The Risk Reserve

The Risk Reserve is created as an appropriation to account for the difference between the requirements of IFRS 9 (ECLs) adopted by the Trust and the provisions as required under Bank of Guyana Supervision Guideline No.5; June 1996 and revised 2021.

The Trust have adopted the requirements of IFRS 9 and makes specific provisions on loans and advances. The provisions booked as at 31 December, 2023 amounted to \$68.324M from IFRS 9 report.

The Risk Reserve as at 31 December, 2021 was \$82.08M.

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENT
31 DECEMBER 2023

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Investments

IFRS 9: Financial Instruments, Recognition and Measurement

- Initial Recognition of IFRS 9

The Trust adopted IFRS 9 and classifies its financial assets based on the business model under IFRS 9 which is effective on or after January 1, 2018.

The classification is dependent on the purpose for which the investments were acquired. The Trust classified investments into the following categories:

- Amortised Cost - Held to collect

The Trust classified and measures its investments at amortised cost under the IFRS 9 using specified conditions of the business model. These investments are non-derivative financial assets with fixed and determinable payments and fixed maturities that management has the positive intent and ability to hold to maturity. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs.

Financial assets are measured at amortised cost if both of the following conditions are met:

- the assets are held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (referred to as “SPPI”) on the outstanding principal amount.

- Fair Value through the Profit and Loss - Held for trading

Equity investments held by the Trust are measured at fair value through the profit or loss.

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENT
31 DECEMBER 2023

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Impairment on Financial Assets

i. Initial Recognition and Adoption of IFRS 9

The Trust adopted the requirements of IFRS 9 which recognise a loss allowance on a forward-looking expected credit loss model using the general approach which is effective on or after the January 1, 2018.

At the date of initial application, the Trust uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that the financial instrument was initially recognised for loan commitments and investments, compare that to the credit risk at the date of initial application of IFRS 9.

Under the general approach adopted by the Trust, IFRS 9 establishes a three (3) stage impairment model, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition. These three (3) stages would determine the amount of impairment to be recognised as Expected Credit Losses (ECLs) at each reporting period as well as the amount of interest revenue to be recorded in future periods. ECLs are defined as the weighted average of credit losses, with the respective risks of a default occurring as the weights.

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Impairment Losses on Financial Assets (Cont'd)

The stages under ECLs are as follows:-

Stage 1: Credit risk has not increased significantly since initial recognition – recognise 12 months ECL, and recognise interest on a gross basis.

Stage 2: Credit risk has increased significantly since initial recognition – recognise lifetime ECL, and recognise interest on a gross basis.

Stage 3: Impairment occurs when there is objective evidence that an impairment event has occurred at reporting date and a loss allowance equal to lifetime ECLs is recognised and present interest on net basis (i.e gross carrying amount less loss allowance).

For financial assets classified under Stage 3, the Trust directly reduces the gross carrying amount when there is no reasonable expectation of recovery, which required that a write-off constitutes a derecognition event and may relate to either the asset in its entirety or a portion of it.

12 months ECL under stage 1 is calculated by multiplying the probability of default occurring in the next 12 months by the lifetime ECL that would result from that default, regardless when those losses occur.

Lifetime expected credit losses, results from all possible default events over the life of the financial asset. Lifetime expected credit losses are calculated based on a weighted average of the expected credit losses, with weightings being based on the respective probabilities of default.

A loss allowance for lifetime expected credit losses is required for financial asset, if the credit risk on that asset has increased significantly since initial recognition. Additionally, the Trust elected an accounting policy of recognising lifetime expected credit losses for all contract assets, including those that contain a significant financing component.

ii. Calculation of Expected Credit Losses (ECLs)

The Trust has the necessary tools to ensure an adequate estimate and timely recognition of expected credit losses (ECLs). Information on historical loss experiences or the impact of current conditions may not fully reflect the credit risk in lending exposures. In that context, the Trust uses experienced credit judgment to thoroughly incorporate the expected impact of all reasonable and supportable forward-looking information, including macroeconomic factors, on its estimate for each stage of ECLs.

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Impairment Losses on Financial Assets (Cont'd)

ii. Calculation of Expected Credit Losses (ECLs) (Cont'd)

The methodologies and key elements for assessing credit risk and measuring the level of allowances for ECL estimates are as follows:

Probability of Default (PD) is assigned to each risk measure and represents a percentage of the likelihood of default. The calculation is for a specific time frame and measures the percentage of loans and investments that default. The PD is then assigned to the risk level, and each risk level has one PD percentage.

Loss Given Default (LGD) - measures the expected loss and is shown as a percentage of Exposure of Default (EAD). LGD represents the amount unrecovered by the lender after selling the underlying asset if a default was to occur on a loan and investment.

Exposure at Default (EAD) is seen as an estimation of the extent to which the Trust may be exposed to in the event and at the time of, the borrower's and investment's was to default. The loan and investment repayments patterns and EAD value for each financial asset are then used to determine the overall default risk.

Stage 1 - 12-month Expected Credit Losses (ECLs) are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2 - Lifetime ECL are recognised when the loan assets or investments that have had a significant increase in credit risk since initial recognition, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected Credit Losses are the weighted average credit losses with the Probability of Default (PD) as the weight.

Stage 3 - Loan Assets have evidence of impairment at the reporting date. Lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance). Credit risk on a financial instrument has increased significantly, to consider reasonable and supportable information available, in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument.

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Renegotiated Loans

Hand in Hand Trust Corporation Inc.'s policy in relation to renegotiated loans is in accordance with Financial Institutions Act 1995 as amended and Bank of Guyana Supervision Guideline 5.

Loans are renegotiated because of weakness in the borrower's financial position or the non servicing of debt as arranged or where it is determined that the loan can be renegotiated to remedy the specific difficulties faced by the borrower.

(d) Interest Income and Expense

Interest income and expense for all financial instruments, excluding those classified as held for trading or designated at fair value, are recognised in 'Interest income' and 'Interest expense' in the income statement on an accrual basis except when collection is considered doubtful, or payment is outstanding for more than 90 days as per Bank of Guyana Supervision Guideline 5.

Fees and commission income are recognised as earned and dividends are generally recognised in the profit or loss.

(e) Property and Equipment

Other property and equipment are depreciated on the straight line basis at rates estimated to write off the assets over their expected useful lives. The estimated useful lives of assets are reviewed periodically, taking into account commercial and technological obsolescence as well as normal wear and tear. Depreciation rates are as follows:-

Motor vehicles	25%	
Office furniture and equipment	5%	- 25%

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Taxation

Provision for deferred corporation tax is computed using the liability method, for all temporary differences arising between the tax bases of the assets and liabilities and their carry values for financial reporting purposes. The current enacted tax rate is used to determine deferred income tax.

The principal temporary differences arise from depreciation of property and equipment and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognized to the extent that it is possible that future taxable profit will be available against which the unused tax losses can be utilised.

(g) Cash and Cash Equivalent

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent comprise of cash-in-hand, balances with other banks and at the Bank of Guyana.

(h) Retirement Benefit Plan

The Company established a defined contribution Pension Plan for its employees in 2000. The assets of the Plan are held in a self-administered fund which is separate from the Company's assets.

During 2023 the company's contribution to the plan was G\$9,933,329 (2022- \$8,475,138).

The Fund balance was G\$261,871,816 as at December 31, 2023 (2022 - \$330,607,580).

The Company's contributions are charged to the Statement of Profit or Loss in the year to which they relate.

(i) Properties on Hand

These properties relate to mortgages that were foreclosed and purchased at public auction. Provision is made for diminution in value through the revenue account. These are stated at fair value.

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

	2023	2022
	G\$	G\$
3. CASH AT BANK OF GUYANA		
Cash at Bank of Guyana	<u>1,203,818,886</u>	<u>1,091,632,602</u>
This amount represents a statutory deposit and is not available for use by the Trust.		
CASH ON HAND AND AT OTHER BANKS		
Cash at bank	521,677,754	435,648,971
Cash on hand	<u>28,010,720</u>	<u>26,817,418</u>
	549,688,474	462,466,389
TOTAL CASH RESOURCES	<u>1,753,507,360</u>	<u>1,554,098,991</u>
4. INVESTMENT SECURITIES		
a) Held for Trading		
Listed corporate companies note (d)	936,472,687	1,062,981,650
Unlisted corporate companies note (d)	<u>100,000</u>	<u>100,000</u>
	<u>936,572,687</u>	<u>1,063,081,650</u>
b) Held to Collect - Amortised Cost		
CARICOM Governments	300,423,707	282,108,558
Corporate Bonds	<u>804,161,874</u>	<u>645,916,740</u>
	1,104,585,581	928,025,298
Provision for impairment ECL's	<u>(40,048,131)</u>	<u>(40,048,131)</u>
	<u>1,064,537,450</u>	<u>887,977,167</u>
Total Investment Securities	<u>2,001,110,137</u>	<u>1,951,058,817</u>
c) Impairment on Investment Securities		
Opening balance	40,048,131	40,048,131
ECLs during the year (stage 1) - note 18 (b)	<u>-</u>	<u>-</u>
As at year end	<u>40,048,131</u>	<u>40,048,131</u>

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

	2023	2022
	G\$	G\$
4. INVESTMENT SECURITIES (Cont'd)		
d) Held for Trading		
Shares, other stocks and bonds		
GASCI - Unlisted companies	100,000	100,000
RBC Dominion Securities	98,553,391	81,432,065
Others	837,919,296	981,549,586
	<u>936,572,687</u>	<u>1,063,081,651</u>
e) Held to Collect		
a) Caribbean- government	300,423,707	282,108,558
b) Caribbean - others	804,161,874	645,916,739
Less ECL's	(40,048,131)	(40,048,131)
	<u>1,064,537,450</u>	<u>887,977,166</u>
f) Loans and Receivables		
Mortgages and loans	8,981,558,235	7,914,352,513
Credit impairment on loans and advances	(68,324,312)	(86,615,339)
	<u>8,913,233,923</u>	<u>7,827,737,174</u>
g) Properties on Hand	31,639,988	102,216,152
Total Investments	<u><u>10,945,984,048</u></u>	<u><u>9,881,012,143</u></u>
5 LOANS AND ADVANCES		
Mortgages	5,015,121,541	4,513,082,429
Other loans	3,966,436,694	3,401,270,084
	8,981,558,235	7,914,352,513
Impairment losses (a) and (b)	(68,324,312)	(86,615,339)
	<u><u>8,913,233,923</u></u>	<u><u>7,827,737,174</u></u>
Included above are non-performing mortgages of :	<u><u>587,221,743</u></u>	<u><u>503,383,151</u></u>

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

	2023	2022
	G\$	G\$
5. LOANS AND ADVANCES (Cont'd)		
a) Loss Allowances		
Beginnining of the year	86,615,339	82,084,322
ECLs during the year	(18,291,027)	4,531,017
As at year end	<u><u>68,324,312</u></u>	<u><u>86,615,339</u></u>

The stages of mortgages, special loans and car loans and related Expected Credit Losses (ECLs) based on the Trust's criteria and policies shown in **Note 2.2 (b)** for the calculation of ECL allowances are as follows:

Impairment Losses on Loans and Advances	Mortgages	Special Loans	Car Loans	Total ECL
	G\$	G\$	G\$	G\$
Stage 1: 12 - Month ECL	4,626,002	3,374,009	247,449	8,247,460
Stage 2: Lifetime ECL	13,646,731	8,957,510	8,984	22,613,225
Stage 3: Lifetime Credit Impaired ECL for Financial Assets	24,537,204	12,611,064	315,359	37,463,627
	<u><u>42,809,937</u></u>	<u><u>24,942,583</u></u>	<u><u>571,792</u></u>	<u><u>68,324,312</u></u>

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

6. (a) PROPERTY AND EQUIPMENT

Cost / Valuation	Motor Vehicles	Furniture and Equipment/ Generator	Total
	G\$	G\$	G\$
At 1 Jan 2023	42,152,902	113,668,906	155,821,808
Additions	-	2,773,203	2,773,203
Disposals	-	(13,135,684)	(13,135,684)
At 31 December 2023	42,152,902	103,306,425	145,459,327
Accumulated Depreciation			
At 1 Jan 2023	34,682,060	87,797,131	122,479,191
Charges for the year	3,735,413	9,010,296	12,745,709
Write back	-	(13,135,684)	(13,135,684)
At 31 December 2023	38,417,473	83,671,743	122,089,216
Net Book Values			
At 31 December 2023	3,735,429	19,634,682	23,370,111
At 31 December 2022	7,470,842	25,871,775	33,342,617

The Trust continues to rent the building situated at 62-63 Middle Street, Georgetown.

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

6. (b) PROPERTY AND EQUIPMENT

Cost / Valuation	Motor Vehicles	Software	Furniture and Equipment/ Generator	Total
	G\$		G\$	G\$
At 1 Jan 2022	42,152,902	5,373,676	104,125,734	151,652,312
Additions	-	-	11,113,617	11,113,617
Disposals	-	-	(6,944,121)	(6,944,121)
At 31 December 2022	42,152,902	5,373,676	108,295,230	155,821,808
Accumulated Depreciation				
At 1 Jan 2022	30,607,064	4,466,416	87,687,857	122,761,337
Charges for the year	4,074,996	-	2,556,766	6,631,762
Write back	-	-	(6,913,908)	(6,913,908)
At 31 December 2022	34,682,060	4,466,416	83,330,715	122,479,191
Net Book Values				
At 31 December 2022	7,470,842	907,260	24,964,515	33,342,617
At 31 December 2021	11,545,838	907,260	16,437,877	28,890,975

The Trust continues to rent the building situated at 62-63 Middle Street, Georgetown.

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
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		2023	2022
		G\$	G\$
7. DEFERRED TAXATION			
<i>Asset arising on accelerated accounts depreciation</i>			
At 1 Jan		1,444,884	2,050,916
Current year		842,596	(606,032)
At 31 December		<u><u>2,287,480</u></u>	<u><u>1,444,884</u></u>
8. OTHERS (assets)			
a) Receivables, prepayments and other assets			
Trustee Fees		170,120,978	126,643,454
Loss allowance ECL's		-15,657,134	-3,606,221
		<u><u>154,463,844</u></u>	<u><u>123,037,233</u></u>
Stationery Stock		1,331,414	1,509,097
Prepayments		14,240,544	10,074,441
Other (commission)		671,301	
		<u><u>170,707,103</u></u>	<u><u>134,620,771</u></u>
b) Interest Receivables			
Interest receivables consists of accrued interest on various bonds redeemable at future dates.			
Interest receivable consists of accrued interest of:			
	Bonds	<u><u>5,999,785</u></u>	<u><u>13,757,874</u></u>
c) Properties on Hand			
Purchased at public auction		31,639,988	102,216,152
		<u><u>31,639,988</u></u>	<u><u>102,216,152</u></u>
These properties relate to foreclosed mortgages.			
d) Others			
Receivables, prepayments and other assets	note 10 (a)	170,707,103	134,620,771
Interest Receivables	note 10 (b)	5,999,785	13,757,874
Properties on Hand	note 10 (c)	31,639,988	102,216,152
Sundry debtors	note 22	65,135,720	-
OTHERS (assets)		<u><u>273,482,596</u></u>	<u><u>250,594,797</u></u>

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	2023	2022
	G\$	G\$
9. CUSTOMERS' DEPOSITS		
Fixed and Term	7,338,887,058	7,032,223,490
Savings	2,686,709,535	1,941,317,590
	<u>10,025,596,593</u>	<u>8,973,541,080</u>
<u>Customers' Deposit by maturity</u>		
Fixed - within one year	6,718,610,701	6,444,325,248
Fixed and Savings - on demand	2,686,709,535	1,941,317,590
	<u>9,405,320,236</u>	<u>8,385,642,838</u>
Fixed - over one year	620,276,357	587,898,242
	<u>10,025,596,593</u>	<u>8,973,541,080</u>
10. PAYABLES AND ACCRUALS		
Staff benefits	1,881,272	1,580,442
Interest on special interest savings (SIS)	17,352,774	13,922,937
Interest on fixed deposits	52,765,106	49,397,989
Others	154,532,565	119,040,171
Audit fee	2,500,000	2,009,000
Deposits of properties on hand	11,540,000	8,665,000
	<u>240,571,717</u>	<u>194,615,539</u>
11. ISSUED CAPITAL		
Authorised Share Capital		
Number of Ordinary Shares	<u>67,500,000</u>	<u>7,500,000</u>
Issued capital comprises:	G\$	G\$
Ordinary Shares		
7,500,000 issued and fully paid shares at G\$100 each	<u>750,000,000</u>	<u>750,000,000</u>
Fully paid ordinary shares carrying one vote per share and carry a right to dividends.		
12. STATUTORY RESERVE	2023	2022
	G\$	G\$
At 1 January and December 2023	<u>399,472,504</u>	<u>362,718,722</u>

This Reserve is maintained in accordance with the provisions of section 20 (1) of the Financial Institutions Act 1995 which requires that a minimum 15% of net profit as defined in the Act, be transferred to the Reserve Fund until the amount of the Fund is equal to the paid up capital of the Trust.

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	2023	2022
	G\$	G\$
13. INTEREST INCOME		
Loans and Advances	823,196,181	740,808,503
Fixed Deposits	7,332,682	6,037,934
Money Market Account	716,126	471,683
Bonds and other investments	31,232,023	29,445,672
	<u>862,477,012</u>	<u>776,763,792</u>
14. OTHER INCOME		
a) FEES		
Trustee	86,134,965	77,823,410
Mortgage	33,943,374	31,380,471
Management	32,760,813	26,894,458
	<u>152,839,152</u>	<u>136,098,339</u>
b) <u>INVESTMENT INCOME</u>		
Held to Collect	39,280,831	35,955,289
Dividends/Gains	39,164,840	34,073,434
Financial Assets (Held for Trading and FVTPL)	(46,506,649)	(95,682,603)
Other Income	121,466,596	112,646,055
Management Fees	32,760,813	26,894,458
	<u>186,166,431</u>	<u>113,886,633</u>
c) Other income		
Fees (note 14, a)	152,839,152	136,098,339
Cambio	1,388,257	3,442,174
Dividends/gains (note 14, b)	39,164,840	34,073,434
	<u>193,392,249</u>	<u>173,613,947</u>

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15. EXPENSES BY NATURE	2023	2022
	G\$	G\$
Advertising	14,753,625	13,244,463
Legal Fee	6,775,634	3,737,774
Audit Fee	2,785,701	2,100,272
Directors' Fees (Note 23(iii))	4,656,000	4,140,168
Employment Costs	390,424,345	343,307,836
General Administrative Expenses	97,950,995	91,047,886
Repairs and Maintenance	21,083,839	26,309,494
Bank Charges	2,004,942	10,353,930
Depreciation	12,745,709	6,661,975
Professional Services and Membership	13,871,762	14,662,914
	<u>567,052,552</u>	<u>515,566,712</u>
16. FOREIGN CURRENCY (LOSS) /GAIN		
Foreign Currency (Loss)/Gain	<u>5,859,659</u>	<u>2,953,869</u>
17. IMPAIRMENT ON FINANCIAL ASSETS		
Credit Impairment Losses on Other Financial Assets	(12,050,913)	(2,058,346)
Changes in Fair Value on Investment Securities	(46,506,649)	(95,682,603)
Gain from Stanford Investment	-	20,550,293
Gain from APUA	32,467,778	-
Net impairment on financial assets	<u>(26,089,784)</u>	<u>(77,190,656)</u>

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	2023	2022
	G\$	G\$
18. LOSS ALLOWANCES		
(a) Credit Impairment Losses on Loan and Advances		
Credit Losses Movements:		
Bad debts written off	(10,399,839)	(98,622,334)
Bad debt recoveries/ repayments	23,322,747	40,682,601
Supervision Guideline No.5 Provisioning	-	125,432,376
Loss allowances (ECL's) for the year	18,291,027	(4,531,017)
	<u>31,213,935</u>	<u>62,961,626</u>
(b) Credit Impairment Losses on Other Financial Assets		
Loss allowance on other financial assets	12,050,913	2,058,346
	<u>12,050,913</u>	<u>2,058,346</u>
19. (IMPAIRMENT)/GAIN ON INVESTMENTS		
RBC Dominion and Other Investments	<u>(46,506,649)</u>	<u>(95,682,603)</u>
20. TAXATION		
The provisional charge for taxation in the financial statements is made up as follows:		
<u>Current:</u>		
Property tax	19,957,643	18,058,415
Withholding tax	1,716,503	1,498,003
Corporation tax	13,679,061	14,313,979
Deferred Tax (credit)	(842,596)	606,032
	<u>34,510,611</u>	<u>34,476,429</u>
Reconciliation of tax expense and accounting profit:		
Profit before taxation	<u>279,535,822</u>	<u>215,550,782</u>
Corporation tax (25%)	69,883,956	53,887,696
Losses (Utilised)/ current	(13,679,061)	(14,313,979)
Expenses not deductible for tax purposes	1,011,965	(492,867)
Income exempted from corporation tax	(43,537,799)	(24,766,871)
	<u>13,679,061</u>	<u>14,313,979</u>

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20. TAXATION (CONT'D)

Company Tax Losses to be Utilized / Carried Forward

The Trust accumulated tax losses of \$2,972,152,444 (2022 - \$3,026,868,687) available to set off against future taxable profits.

21. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue during the year.

	2023	2022
	G\$	G\$
Profit attributable to shareholders	<u><u>245,025,211</u></u>	<u><u>181,074,353</u></u>
Number of ordinary shares in issue and fully paid	<u><u>7,500,000</u></u>	<u><u>7,500,000</u></u>
Basic earnings per share	<u><u>32.67</u></u>	<u><u>24.14</u></u>

22. RELATED PARTIES TRANSACTIONS

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 operating decisions.

Transactions carried out with related parties:

(i) Loans and Advances	2023	2022
Balance at end of year	G\$	G\$
(a) Staff Loans and mortgages	<u>121,881,763</u>	<u>115,882,197</u>
- Interest Rate Charged To:	<u>3.5% - 8% p.a</u>	<u>5% - 8% p.a</u>
(b) Director's Loans and Mortgages	<u><u>112,596,243</u></u>	<u><u>105,578,003</u></u>
(c) The following are transactions of common interest with the Trust:		
Jamie & Ian Mc Donald	<u>270,910,952</u>	<u>-</u>
- Interest Rate Charged To:	<u>7.50 % p.a</u>	

The rates of interest and charges have been similar to transactions involving third parties in the normal course of business.

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22. RELATED PARTY TRANSACTIONS (CONT'D)	2023	2022
	G\$	G\$
(i) Loans and Advances (Cont'd)		
(c) The following are transactions of common interest with the Trust:		
Stark Inc.	21,329,045	27,267,081
- Interest Rate Charged To:	8% p.a	8% p.a
Keith Evelyn Investments	54,020,668	59,269,836
- Interest Rate Charged To:	7.5% p.a	7.5% p.a

The rates of interest and charges have been similar to transactions involving third parties in the normal course of business.

(ii) Directors' Emoluments

Emoluments including expenses paid in respect of services as directors:

Paul Chan-A-Sue-Chairman	1,380,000	1,226,580
Ian A. Mc Donald	1,092,000	971,196
Allan Parris	1,092,000	971,196
Troy Cadogan	1,092,000	971,196
	4,656,000	4,140,168

(iii) Compensation of key management personnel

The remuneration paid to key management personnel during the year were as follows:

102,819,627	94,047,262
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HAND-IN-HAND TRUST CORPORATION INC.
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23. CONTINGENT MATTERS

(i) Litigation Matters

As at 31 December, 2023 there was no legal matter outstanding against the Trust. However, there were several legal matters brought by the Trust that are currently ongoing in the High Court.

(ii) APUA Investment

In 2022, The Trust had an outstanding balance of US\$45,256.59 to be collected from Trustees (RBC Trust). The full amount was received during 2023.

24. FINANCIAL RISK MANAGEMENT

(i) Foreign Exchange Risk

Foreign currency exposure arises from the Trust's holding of foreign denomination assets and liabilities. Management reviews and manages the risk of unfavourable exchange rate movement by constant monitoring of market trends.

To further mitigate against foreign exchange risk, the Trust maintains a large percentage of its foreign denominated assets and liabilities in stable currencies.

The aggregate amount of assets and liabilities denominated in foreign currency are:

	2023	2022
	G\$	G\$
Assets		
United States Dollars - \$7,644,579.80 (2022 - \$7,956,526.55)	1,628,196,026	1,694,656,547

Foreign Currency sensitivity analysis

The following table details the Trust's sensitivity to a 1% decrease in the Guyana dollar against balances denominated in foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

A positive number indicates an increase in profit where foreign currencies strengthens 1% against the G\$ and for a 1% weakening of the foreign currencies against G\$ there would be an equal and opposite impact on the profit and the balances would be negative.

Profit	16,281,960	16,946,565
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24. FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Interest Rate Risk

The Trust is exposed to certain risks associated with fluctuations in the prevailing levels of interest rates. These risks arise from movements in interest rates where the Trust's assets and liabilities have varying repricing dates.

The Trust's management continually manages these risks by constantly monitoring trends in the market and by implementing relevant strategies to hedge against any adverse movements.

(iii) Liquidity Risk

Liquidity risk is the risk that the Trust will be unable to honour cash outflow commitments as they fall due. These commitments are generally met through cash flows, supplemented by assets readily convertible to cash or through the Trust's capacity to borrow on the inter-bank market. The Trust has, for the financial year ended 31 December 2023, consistently exceeded the statutory requirements for liquid assets as set out by the Bank of Guyana.

(iv) Credit risk

The Trust takes on exposure to credit risks which is the risk that a counterparty will be unable to pay amounts in full when due. The Trust manages the level of credit risk it undertakes by planning limits on the amount of risk accepted in relation to one borrower, or group of borrowers and to industry segments.

The ability of borrowers to meet interest and capital repayments is managed by review of each borrower's circumstances, as stipulated in the Bank of Guyana Supervision Guidelines 5 & 6, Financial Institutions Act, 1995, Credit Reporting Act No. 9 of 2010 and Credit Reporting Act No. 2 of 2016. Credit risk is further restricted by securing adequate collateral.

Management of Loans

The granting of credit through loans and advances is one of the Trust's major source of income and entails significant risk.

The Trust therefore expends considerable resources towards controlling it effectively including a specialized credit department responsible for reviewing loan applications and monitoring loan facilities within policies and guidelines established by the Board of Directors.

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24. FINANCIAL RISK MANAGEMENT (CONT'D)

(iv) Credit risk (Cont'd)

Management of Loans (Cont'd)

In executing its lending activities, the following measures are relied upon to mitigate the risk of default:

- (a)** Credit applications are initially reviewed by an officer of the Trust's Credit Department relating to the purpose of the loan, the applicant's financial standing and collateral offered as security, and ability to service the loan.
- (b)** The Trust usually requires collateral be lodged, and has established policies that guide its loan ceiling to a value based on the type of collateral lodged. During the review of the loan application, an independent valuation of collateral is obtained, where possible.
- (c)** Loans are generally collateralised with some of all of the following:
 - Cash
 - Mortgages
 - Bill of Sale
 - Promissory notes
 - Guarantors
 - Assignment of salary or proceeds
 - Debentures
 - Assignment of Insurance Policies
- (d)** Any recommended loan applications are then subject to the approval from either senior management, credit committee and the Board of Directors, based on pre-set levels applicable.
- (e)** The Credit Department is required to carry out weekly and monthly reviews of any past due or impaired loans.
- (f)** Independent valuations of collateral lodged against loan facilities are carried out every three (3) years with at least one Manager's valuation within the three year period for all material credits with balances or authorized limits of \$50 million and over.
- (g)** Compliance with the 'single borrower' or 'group borrower's' limit are carried out as set out in the Financial Institution Act (1995) and other regulatory guidelines and the Trust's own prudential judgements.

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24. Financial Risk Management (Cont'd)

(iv) Credit risk (Cont'd)

Credit quality per category of financial assets

Loans receivables

In assessing the credit quality of loans, the Trust adheres to the requirements set out by the Bank of Guyana Supervision Guidelines and Financial Institutions Act 1995. The following information is based on these requirements.

	<u>2023</u>	<u>2022</u>
	G\$	G\$
Current	6,583,387,413	6,319,966,480
Pass due but not impaired	1,689,605,247	996,345,755
Impaired	587,221,743	503,383,151
	<u>8,860,214,403</u>	<u>7,819,695,386</u>
Pass Due but not Impaired	1,689,605,247	996,345,755
Pass due more than 1 year	143,516,946	185,618,176
	<u>1,833,122,193</u>	<u>1,181,963,931</u>

Renegotiated Loans

The carrying amounts of all renegotiated loans aggregated to:

	<u>2023</u>	<u>2022</u>
	G\$	G\$
Renegotiated loans	<u>978,567,539</u>	<u>201,154,933</u>

Renegotiations are usually considered upon request or where it is judged that a defaulting borrower will be better able to service outstanding debt under revised conditions.

The renegotiations were primarily refinancing of facilities or rescheduling of payments.

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24. Financial Risk Management (Cont'd)

(v) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meets its commitments associated with financial instruments.

Liquidity Risk Tables

		Maturing					
		2023					
		Within 1 year					
	Average Interest rate	<u>On demand</u>	<u>Due in 3 months</u>	<u>Due 3 - 12 months</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Assets	%	G\$	G\$	G\$	G\$	G\$	G\$
Investments	3.41	-	504,299,074	417,817	301,161,191	1,235,280,187	2,041,158,269
Loans (net)	7.76	964,366,192	204,046,152	1,172,739,904	2,068,166,573	4,503,915,102	8,913,233,923
Properties on Hand		-	-	31,639,988	-	-	31,639,988
Interest Receivables		-	1,262,251	4,737,534	-	-	5,999,785
Receivables and Prepayments		-	-	170,707,103	-	-	170,707,103
Cash on Hand and at Bank	1.05	28,010,720	260,838,877	208,671,102	52,167,775	-	549,688,474
Cash at Bank of Guyana		322,405,144	150,819,992	656,160,587	74,433,163	-	1,203,818,886
		1,314,782,056	1,121,266,346	2,245,074,035	2,495,928,702	5,739,195,289	12,916,246,428
Liabilities							
Customers' Deposits	1.51	2,686,709,535	1,250,605,808	5,468,004,893	620,276,357	-	10,025,596,593
Payables and Accruals		-	6,851,347	233,720,370	-	-	240,571,717
Taxation		-	-	19,957,643	-	-	19,957,643
		2,686,709,535	1,257,457,155	5,721,682,906	620,276,357	-	10,286,125,953
Net assets/(liabilities)		(1,371,927,479)	(136,190,809)	(3,476,608,871)	1,875,652,345	5,739,195,289	2,630,120,475

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24. Financial Risk Management - cont'd

(v) Liquidity Risk - cont'd

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meets its commitments associated with financial instruments.

Liquidity Risk Tables

		Maturing					
		2022					
		Within 1 year					
	Average Interest rate %	<u>On demand</u> G\$	<u>Due in 3 months</u> G\$	<u>Due 3 - 12</u> <u>months</u> G\$	<u>1 to 5 years</u> G\$	<u>Over 5 years</u> G\$	<u>Total</u> G\$
Assets							
Investments	4.36	300,000,000	346,033,186	421,989	1,716,207	1,342,935,566	1,991,106,948
Loans (net)	8.28	217,159,586	111,419,075	1,232,910,385	2,063,008,987	4,203,239,141	7,827,737,174
Properties on Hand		-	-	102,216,152	-	-	102,216,152
Interest Receivables		8,250,000	1,038,818	4,469,057	-	-	13,757,875
Receivables and Prepayments		-	-	134,620,771	-	-	134,620,771
Cash on Hand and at Bank	1.05	26,817,418	217,824,486	174,259,588	43,564,897	-	462,466,389
Cash at Bank of Guyana		232,958,111	133,651,192	654,475,510	70,547,789	-	1,091,632,602
		785,185,115	809,966,757	2,303,373,452	2,178,837,880	5,546,174,707	11,623,537,911
Liabilities							
Customers' Deposits	1.51	1,941,317,590	990,362,666	5,453,962,582	587,898,242	-	8,973,541,080
Payables and Accruals		-	6,743,977	184,674,236	-	-	191,418,213
Taxation		-	-	13,645,299	-	-	13,645,299
		1,941,317,590	997,106,643	5,652,282,117	587,898,242	-	9,178,604,592
Net assets/(liabilities)		(1,156,132,475)	(187,139,886)	(3,348,908,665)	1,590,939,638	5,546,174,707	2,444,933,319

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24. Financial Risk Management - cont'd

(vi) Market Risk

(ii) Interest rate risk-cont'd

Interest Rate Risk Tables

	<u>Average Interest Rate</u>	<u>Maturing</u>				
		<u>2023</u>				
		<u>Within 1 year</u>	<u>Within 1 to 5 years</u>	<u>Over 5 years</u>	<u>Non- interest Bearing</u>	<u>Total</u>
Assets	%	G\$	G\$	G\$	G\$	G\$
Investment Securities	4.36	504,716,891	301,161,191	298,707,500	936,572,687	2,041,158,269
Loans (net)	7.76	2,341,152,248	2,068,166,573	4,503,915,102	-	8,913,233,923
Properties on Hand		-	-	-	31,639,988	31,639,988
Interest Receivables		5,999,785	-	-	-	5,999,785
Receivables and Prepayments		170,707,103	-	-	-	170,707,103
Cash on Hand and at Bank	1.05	497,520,699	52,167,775	-	-	549,688,474
Cash at Bank of Guyana		1,129,385,723	74,433,163	-	-	1,203,818,886
		4,649,482,449	2,495,928,702	4,802,622,602	968,212,675	12,916,246,428
Liabilities						
Customers' Deposits	1.51	9,405,320,236	620,276,357	-	-	10,025,596,593
Payables and Accruals		240,571,717	-	-	-	240,571,717
Taxation		19,957,643	-	-	-	19,957,643
		9,665,849,596	620,276,357	-	-	10,286,125,953
Interest sensitivity gap		(5,016,367,147)	1,875,652,345	4,802,622,602		

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24. Financial Risk Management - cont'd

(vi) Market Risk

(ii) Interest rate risk-cont'd

<u>Interest Rate Risk Tables</u>						
	<u>Average</u> <u>Interest Rate</u> %	<u>Maturing</u> 2022				
		<u>Within 1 to 5</u>		<u>Non- interest</u>		<u>Total</u> G\$
		<u>Within 1 year</u> G\$	<u>years</u> G\$	<u>Over 5 years</u> G\$	<u>Bearing</u> G\$	
Assets						
Investment Securities	4.36	646,455,175	1,716,207	279,853,916	1,063,081,650	1,991,106,948
Loans (net)	8.28	1,561,489,046	2,063,008,987	4,203,239,141	-	7,827,737,174
Properties on Hand		-	-	-	102,216,152	102,216,152
Interest Receivables		13,757,875	-	-	-	13,757,875
Receivables and Prepayments		134,620,771	-	-	-	134,620,771
Cash on Hand and at Bank	1.05	418,901,492	43,564,897	-	-	462,466,389
Cash at Bank of Guyana		1,021,084,813	70,547,789	-	-	1,091,632,602
		3,796,309,172	2,178,837,880	4,483,093,057	1,165,297,802	11,623,537,911
Liabilities						
Customers' Deposits	1.51	8,385,642,838	587,898,242	-	-	8,973,541,080
Payables and Accruals		194,615,539	-	-	-	194,615,539
Taxation		13,645,299	-	-	-	13,645,299
		8,593,903,676	587,898,242	-	-	9,181,801,918
Interest sensitivity gap		(4,797,594,504)	1,590,939,638	4,483,093,057		

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

Analysis of Financial Assets and liabilities by measurement basis

25. 2023	Held to Collect	Held for	Loans and	Other assets and	Total
<u>Assets</u>	G\$	Trading	Receivables	liabilities at	G\$
		G\$	G\$	amortized cost	
				G\$	
Investment Securities	1,064,537,450	936,572,687	-	-	2,001,110,137
Loan and Advances	-	-	8,913,233,923	-	8,913,233,923
Cash on hand and at bank	-	-	-	549,688,474	549,688,474
Cash at bank of Guyana	-	-	-	1,203,818,886	1,203,818,886
Interest Receivables	-	-	5,999,785	-	5,999,785
Receivables and Prepayments	-	-	170,707,103	-	170,707,103
	<u>1,064,537,450</u>	<u>936,572,687</u>	<u>9,089,940,811</u>	<u>1,753,507,360</u>	<u>12,844,558,308</u>
 <u>Liabilities</u>					
Customers' Deposit	-	-	-	10,025,596,593	10,025,596,593
Payables and Accruals	-	-	-	240,571,717	240,571,717
Taxation	-	-	-	19,957,643	19,957,643
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,286,125,953</u>	<u>10,286,125,953</u>

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

Analysis of Financial Assets and liabilities by measurement basis

25. 2022	Held to Collect	Held for Trading	Loans and Receivables	Other assets and liabilities at amortized cost	Total
<u>Assets</u>	G\$	G\$	G\$	G\$	G\$
Investment Securities	887,977,166	1,063,081,651	-	-	1,951,058,817
Loan and Advances	-	-	7,827,737,174	-	7,827,737,174
Cash on hand and at bank	-	-	-	462,466,389	462,466,389
Cash at bank of Guyana	-	-	-	1,091,632,602	1,091,632,602
Interest Receivables	-	-	13,757,874	-	13,757,874
Receivables and Prepayments	-	-	134,620,771	-	134,620,771
	<u>887,977,166</u>	<u>1,063,081,651</u>	<u>7,976,115,819</u>	<u>1,554,098,991</u>	<u>11,481,273,627</u>
<u>Liabilities</u>					
Customers' Deposit	-	-	-	8,973,541,080	8,973,541,080
Payables and Accruals	-	-	-	194,615,539	194,615,539
Taxation	-	-	-	13,645,299	13,645,299
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,181,801,918</u>	<u>9,181,801,918</u>

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand-in-Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

	2023	2022
	G\$	G\$
26. CONCENTRATION OF ASSETS AND LIABILITIES		
Loan and Advances		
Mortgages - Commercial	2,576,581,844	2,254,556,120
- Domestic	2,108,978,737	1,975,544,784
- Low Income	213,163,668	170,010,697
- Other	2,984,128,861	2,291,220,353
- Car Loans	189,338,947	152,938,003
	8,072,192,057	6,844,269,957
 Agriculture Sector	 53,030,841	 52,842,676
Manufacturing Sector	149,947,173	143,910,833
Construction Sector	492,666,683	436,516,220
Mining Sector	6,453,073	30,449,493
Drainage and Irrigation	207,268,408	406,363,334
	8,981,558,235	7,914,352,513
 Loss Allowance on Loans and Advances	 (68,324,312)	 (86,615,339)
	8,913,233,923	7,827,737,174
Liabilities		
Customers' Deposits		
Fixed Deposits	7,338,887,058	7,032,223,490
Special Savings	2,686,709,535	1,941,317,590
	10,025,596,593	8,973,541,080

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

27. Capital Risk Management

The Trust manages its capital structure on an on-going basis. As part of this review, management consider the cost of capital and the risks associated with each class of capital.

The capital structure of the Trust consist of equity, comprising issued capital, reserves and retained earnings.

Capital Adequacy

The Trust also monitors its Capital Adequacy with reference to the risk based capital adequacy guidelines issued by the Bank of Guyana in keeping with the BASEL Convention. The guidelines evaluate Capital Adequacy based upon the perceived risk associated with balance sheet assets, as well as certain off balance sheet exposures, and stipulate a minimum ratio of qualifying capital (Tier 1 and Tier 11) to risk weighted assets of 8%.

Hand in Hand Trust Corporation Inc. remains well capitalised with the Trust's Tier 1 Capital Adequacy Ratio standing at 24.85% and 23.13% as at 31 December 2023 and 2022 respectively.

Total Tier 1 and Tier 11 Capital was of risk adjusted assets as at 31 December 2023, compared 24.85% to 23.13 % at the end of the previous year.

Gearing ratio

The gearing ratio at the year end is as follows:

	2023	2022
Debt(i)	10,025,596,593	8,973,541,080
Cash and Cash Equivalents	(1,753,507,360)	(1,554,098,991)
Net Debt	<u>8,272,089,233</u>	<u>7,419,442,089</u>
Equity(ii)	<u>2,681,500,573</u>	<u>2,436,475,362</u>
Net debt to equity ratio	<u>3.08</u>	<u>3.05</u>

(i) Debt is defined as long term and short term funds

(ii) Equity includes all capital and reserves of the Trust

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

28. FAIR VALUE MEASUREMENTS

This note provides information about how the Corporation determines fair values of various financial assets and liabilities.

(a) Fair value of Corporation's financial assets and liabilities that are measured at fair value on a recurring basis:

Financial Assets	Fair value as at 31.12.2023	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Loan Receivables	\$11,342,364,132	Level - 2	The fair value of the loan receivables was estimated using the discounted amount of the estimate of future cash flows expected to be received under the income approach. Expected cash flows are discounted at the current market rates to determine the fair values.	N/A	N/A
Investments - Corporate Bonds	\$15,392,188	Level - 2	The fair values have been estimated by applying discounted cash flows analysis, using current market rates.	N/A	N/A
Investments - Equity	\$100,000	Level - 1	The fair value of the equity investments are based on current market value.	N/A	N/A
Investments - Equity	\$1,632,472,687	Level - 3	The fair value of the equity investments are based on the exit price that will be received from market participants.	Management has intention to use the asset for strategic purpose and the exit price is still	N/A

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

28. FAIR VALUE MEASUREMENTS (Cont'd)

Except as detailed in the following table, the Directors consider that the carrying amounts of the financial assets and financial liabilities recognised in the financial statements approximate to their fair values.

- (b) Fair value of Corporation's financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

	2023	
	<u>Carrying amount</u>	<u>Fair Value</u>
<u>Assets</u>	<u>G\$</u>	<u>G\$</u>
Property and Equipment	23,370,111	23,370,111
Receivables and Prepayments	170,707,103	170,707,103
Interest Receivable	5,999,785	5,999,785
Cash Resources	1,753,507,360	1,753,507,360
	<u>1,953,584,359</u>	<u>1,953,584,359</u>
<u>Liabilities</u>		
Customers' Deposits	10,025,596,593	10,025,596,593
Payables and Accruals	240,571,717	240,571,717
	<u>10,266,168,310</u>	<u>10,266,168,310</u>

(c) Cash Resources and Other Assets

The carrying value of cash resources and other assets approximate to fair value given their short term nature.

(d) Customers' Deposits

The fair value of deposits with no stated maturity is the amount payable on demand. The fair value of fixed term, interest bearing deposits approximate to carrying amount given their short maturity period.

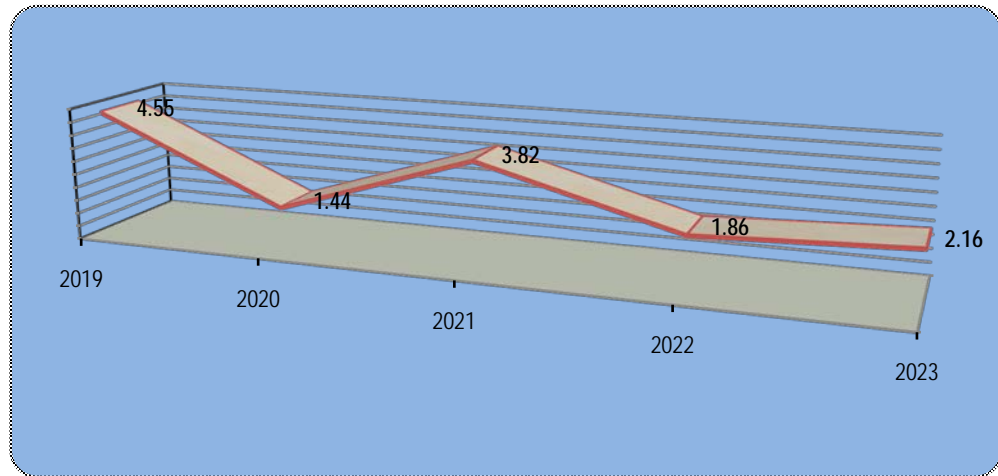
(e) Trade Payables

The carrying value of trade payables approximate to fair value given their short term nature.

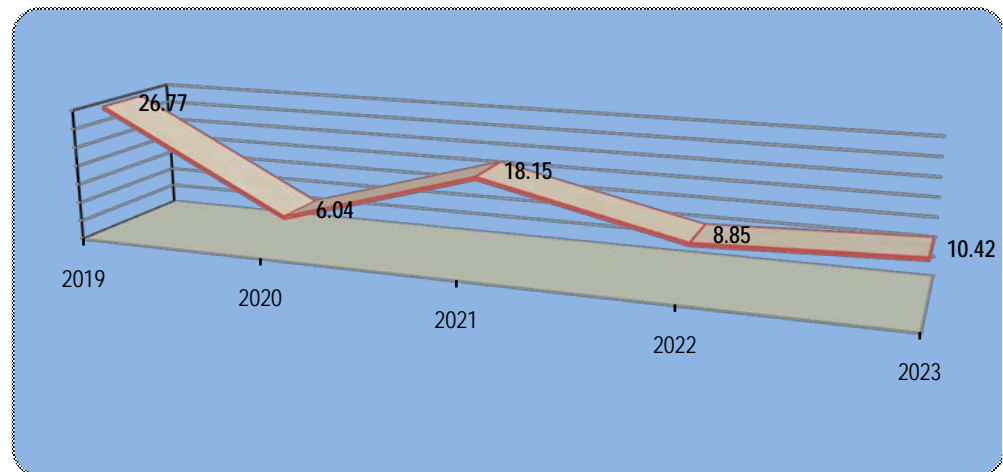
- (f) There were no transfer between levels in the current year.

STATISTICAL REVIEW

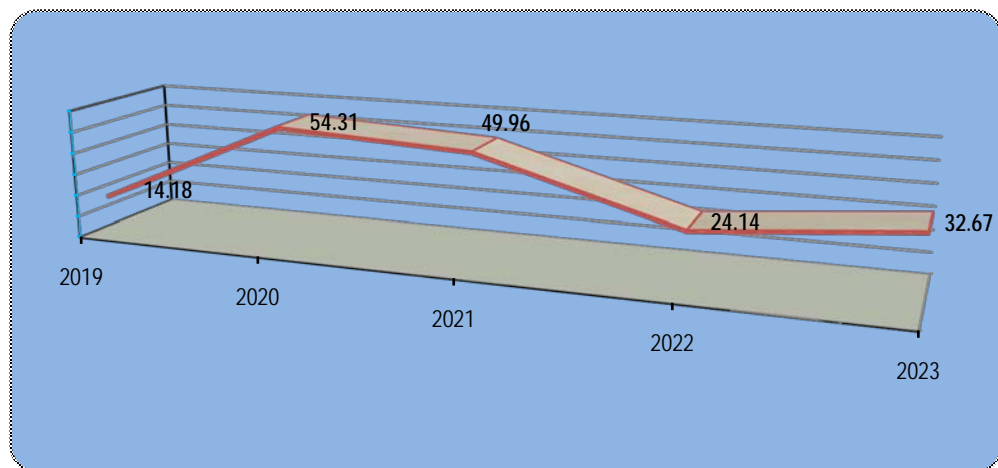
RETURN ON
ASSETS
(PERCENT)



RETURN ON
EQUITY
(PERCENT)



EARNINGS PER SHARE
(DOLLARS)



STATISTICAL REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Interest Income	862,477,012	776,763,792	740,738,671	721,393,135	735,025,703
LESS: Interest Expenses	220,264,697	207,985,084	185,843,251	184,504,139	184,235,085
Interest Differential	642,212,315	568,778,708	554,895,420	536,888,996	550,790,618
Other Operating Income	193,392,249	173,613,947	186,703,808	123,423,646	168,220,487
Total Operating Income					
LESS: Interest Expenses	835,604,564	742,392,655	741,599,228	660,312,642	719,011,105
Salaries & Staff Benefits	390,424,345	343,307,836	321,487,716	314,589,442	285,449,755
Other Operating Expenses	170,768,548	169,305,007	146,437,854	137,709,448	215,220,957
Increase/Reduction in loss provisions	(31,213,935)	(62,961,626)	114,413,496	76,571,676	2,566,018
Total Operating Expenses	529,978,958	449,651,217	582,339,066	528,870,566	503,236,730
Profit / (Loss) before Impairment of Investments					
Impairment of investments	305,625,606	292,741,438	159,260,162	131,442,076	215,774,375
LESS: Impairment of Investments	26,089,784	77,190,656	75,584,417	19,348,674	36,737,440
Taxation	34,510,611	34,476,429	57,289,859	13,330,158	66,682,100
Profit/(Loss) for the period	245,025,211	181,074,353	26,385,886	98,763,244	112,354,835
Gain/(Loss) on revaluation of asset	0	0	348,347,881	7,583,134	294,986,805
NET INCOME	245,025,211	181,074,353	374,733,767	106,346,378	407,341,640

FIVE YEAR GROWTH RECORD

ASSETS	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Fixed Assets	23,370,111	33,342,617	28,890,975	36,562,826	27,955,940
Investments	10,914,344,060	9,778,795,991	9,461,416,309	9,109,961,510	8,901,258,489
Other Assets	2,029,912,355	1,806,138,672	1,831,835,929	1,392,471,873	1,480,370,397
TOTAL ASSETS	12,967,626,526	11,618,277,280	11,322,143,213	10,538,996,209	10,409,584,826
LIABILITIES					
Customers' Deposits	10,025,596,593	8,973,541,080	8,665,760,773	8,405,058,099	8,404,128,772
Other Liabilities	260,529,360	208,260,838	275,549,055	153,566,871	164,887,270
Share Capital	750,000,000	750,000,000	750,000,000	750,000,000	750,000,000
Retained Earnings	1,403,829,308	1,195,557,879	1,041,644,679	723,120,977	66,461,466
Other Reserves	527,671,265	490,917,483	589,188,706	507,250,262	228,233,896
TOTAL LIABILITIES	12,967,626,526	11,618,277,280	11,322,143,213	10,538,996,209	9,613,711,404
Return on Assets (%)	2.16	1.86	3.82	1.14	4.55
Return on Equity (%)	10.42	8.85	18.18	6.04	26.77
Earnings Per Share (Dollars)	32.67	24.14	49.96	14.18	54.31

PROXY

The undersigned Shareholder of Hand-in-Hand Trust Corporation Inc. hereby appoints

Mr/Mrs _____

of (address) _____

or failing him/her (Mr/Mrs) _____

of (address) _____

as nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the **22nd Annual General Meeting** of the said Corporation to be held on **Thursday, June 6, 2024** and at any adjournments thereof in the same manner, to the same extent and with the same powers as if the undersigned were present at the said meeting or such adjournments thereof.

Dated this _____ day of _____, 2024

To be valid, this proxy form must be completed and deposited at the Registered Office of the Company, 62 – 63 Middle Street, North Cummingsburg, Georgetown, not less than forty-eight hours before the time for holding the meeting or adjourned meeting.

(Note: Saturdays and Holidays are to be excluded when determining the forty-eight hour period.)

Signature of Shareholder

Signature of Shareholder

Printed Name of Shareholder

Printed Name of Shareholder

Property Management is Our Business!



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**HAND-IN-HAND
TRUST
CORPORATION INC.**

A member of the Hand-in-Hand Group of Companies

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 **HAND-IN-HAND**
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Email: trustco@gol.net.gy
Website: www.handinhandtrust.com