18th ANNUAL REPORT 2019

Moving Forward in Good Hands
Services are Second to None

HAND - IN- HAND TRUST

CORPORATION INC.

MEMBER OF THE HAND IN HAND GROUP OF COMPAINES

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 **EIGHTEENTH Annual General Meeting** of the **HAND-IN -HAND TRUST CORPORATION INC.** will be held at Hand-in-Hand Trust Corporation Inc. - Back Building, 62-63 Middle Street, North Cummingsburg, Georgetown on Wednesday, September 16, 2020 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, 2019.

   To consider and (if thought fit) pass the following Resolution:
   "That the Audited Financial Statements for the period ended December 31, 2019 and the Reports of the Directors' and Auditors' thereon be adopted"

2. To elect Directors.

3. To fix the remuneration of the Directors.

4. To appoint Auditors and authorize the Directors to fix their remuneration.

5. To consider any other business that may be conducted at an Annual General Meeting.

BY ORDER OF THE BOARD,

Hand-in-Hand Trust Corporation Inc.
Company Secretary
62/63 Middle St. N/C burg, G/town

T. Parmesar
Company Secretary

18th August 2020

Registered Office:

62-63 Middle Street,
North Cummingsburg,
Georgetown

62-63 Middle Street, North Cummingsburg, Georgetown, Guyana. P.O. Box: 10569
Email: trustco@handinhandtrust.com Website: www.handinhandtrust.com
Telephone: 592-226-9781-4 , 227-1772, 226-0424, 227-1750, 227-1772 Fax:592-226-9971

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BACKGROUND

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

On the 3rd February, 1977 the GNCB Trust Company Limited 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.

Background cont'd.

The share issue as at December 31st 2019 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	-	250,000
	TOTAL SHARE-HOLDING		7,500,000

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	*CHAIRMAN*
MR. KEITH EVELYN	*EXECUTIVE DIRECTOR*
MR. CHARLES R. QUINTIN	
DR. IAN A. MC DONALD	
MR. T. ALAN PARRIS	
MR. TROY CADOGAN	

Report on Behalf of the Board of Directors-2019

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, 2019.

Global Economy

Global economic growth for 2019 recorded its weakest pace since the global financial crisis a decade ago with growth of 2.9 percent (WEO, 2020). Growth in advanced economies declined, reflecting weaker performance in the United States, Euro Area and Canada.

Emerging and developing economies' growth declined due to tighter financial conditions, geopolitical tensions and social unrests. Inflation remained subdued across advanced economies while it increased across most emerging and developing economies on account of higher food and energy prices.

Unemployment rates were largely unchanged in most of the world economies.

Guyana Economy 2019

The Guyana economy recorded real Gross Domestic Product (GDP) growth of 4.7 percent1 in 2019. This outturn was on account of higher output of rice, gold, other crops as well as enhanced construction and services activities. In contrast, there were lower output of sugar, fish, livestock, forestry and bauxite. The inflation rate was 2.1 percent, primarily on account of higher food prices.

The eight Licensed Depository Financial Institutions (LDFIs) maintained high levels of capital and recorded greater profits when compared with the previous year.

The Capital Adequacy Ratio (CAR) remained above the prudential 8.0 percent benchmark by an average 30.4 percentage points. The loan portfolio grew by 8.2 percent but non-performing loans deteriorated by 1.3 percent.
Notwithstanding, the LDFIs generally held adequate provision and collateral against adversely classified loans.

Outlook for 2020 Global Economy

Global growth in 2020 is projected to contract sharply by 3.0 percent, much worse than during the 2008–09 financial crises. This is mostly as a result of the COVID-19 pandemic that is inflicting high and rising human costs worldwide (WEO, 2020). Growth in advanced economies is also expected to decline by 6.1 percent. Additionally, economic contraction in emerging markets and developing economies is anticipated by 1.0 percent while Latin America and the Caribbean expect a contraction in growth by 5.2 percent in 2020. Although essential to containing the virus, lockdowns and restrictions on mobility are extracting a sizable toll on economic activity. Adverse confidence effects are likely to further weigh on economic prospects.

Outlook for 2020 Guyana Economy

Growth in the Guyanese economy is expected to be adversely impacted by the high level of uncertainty stemming from the COVID-19 pandemic. Notwithstanding, the end of year inflation rate is expected to be low single-digits as the Bank continues to promote price stability through its monetary policy.

With additional oil discoveries made by US oil major Exxon Mobil off the Guyana coast have served to improve the country's medium and long-term outlook. Oil production commenced in December 2019, and additional oil discoveries have significantly improved the medium- and long-term economic outlook.

Many of the other sectors of the economy are already experiencing improved growth rates as a result of the emerging petroleum sector.

Performance of the Corporation

The year 2019 was a very successful one for the Corporation in spite of 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 $407.3M compared with $319.0M in 2018 (to G$1.771B from G$1.364B in 2018), as a result of net profit earned for the year.

Our Investments increased by $610.8M over 2018.

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 26.17%, 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, 2019.

Recoveries/Delinquent Loans

We are happy to report that our Recovery Unit continued to resolutely pursue all written off accounts and delinquent loans, which resulted in recoveries of $24.1M.

Savings

Our depositors maintained their valued relationship with the Corporation.

Fixed and Term Deposits were G$6.862B whilst Savings Investments Scheme (SIS) were G$1.589B. Total Deposits stood at G$8.451B at the end of 2019.

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 2019:-

Mortgages/Loans	-	G$6,437.5M
Bonds & Other Investments	-	G$2,463.8M

Total Investments		G$ 8,901.3 M

Total Assets

The total assets of the Institution increased from $9,653.2 million in 2018 to $10,409.3 million in 2019, an increase of $756.1 million or 7.8%.

General Reserves

The Trust Corporation's Retained Earnings increased from $255.3 million in 2018, to $632.7 million in 2019, an increase of $377.4 million or 147.8%.

At the end of the period, the Statutory Reserve Fund and Other Reserves were $388.3 million compared with $358.4 million in 2018, an increase of $29.9 million or 8.3%.

Interest Payments – Fixed Deposits and Special Investment Pass Book Scheme

Our interest payments increased marginally by $0.3 million or 0.18% over 2018 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 $474.0 million.

Equity & Net Income after Tax

The Institution Total Equity increased by $407.3M compared with $319.0M in 2018 (to G$1.771B from G$1.364B in 2018). This increase comprised of Net Profit after tax of $407.3 million.

Financial Performance

The Return on Assets was 4.55% (0.64% - 2018), with Return on Equity of 26.77% (4.62%-2018), whilst earnings per share were $54.31 G$6.68 – 2018).

Staff

Several training programmes were provided for all members of staff both internally and externally. Internal training included Customers Service, management of non-performing loans and standard implementation of International Financial Reporting.

External training included AML/CFT, enhancing management capacity in knowledge and skills.

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

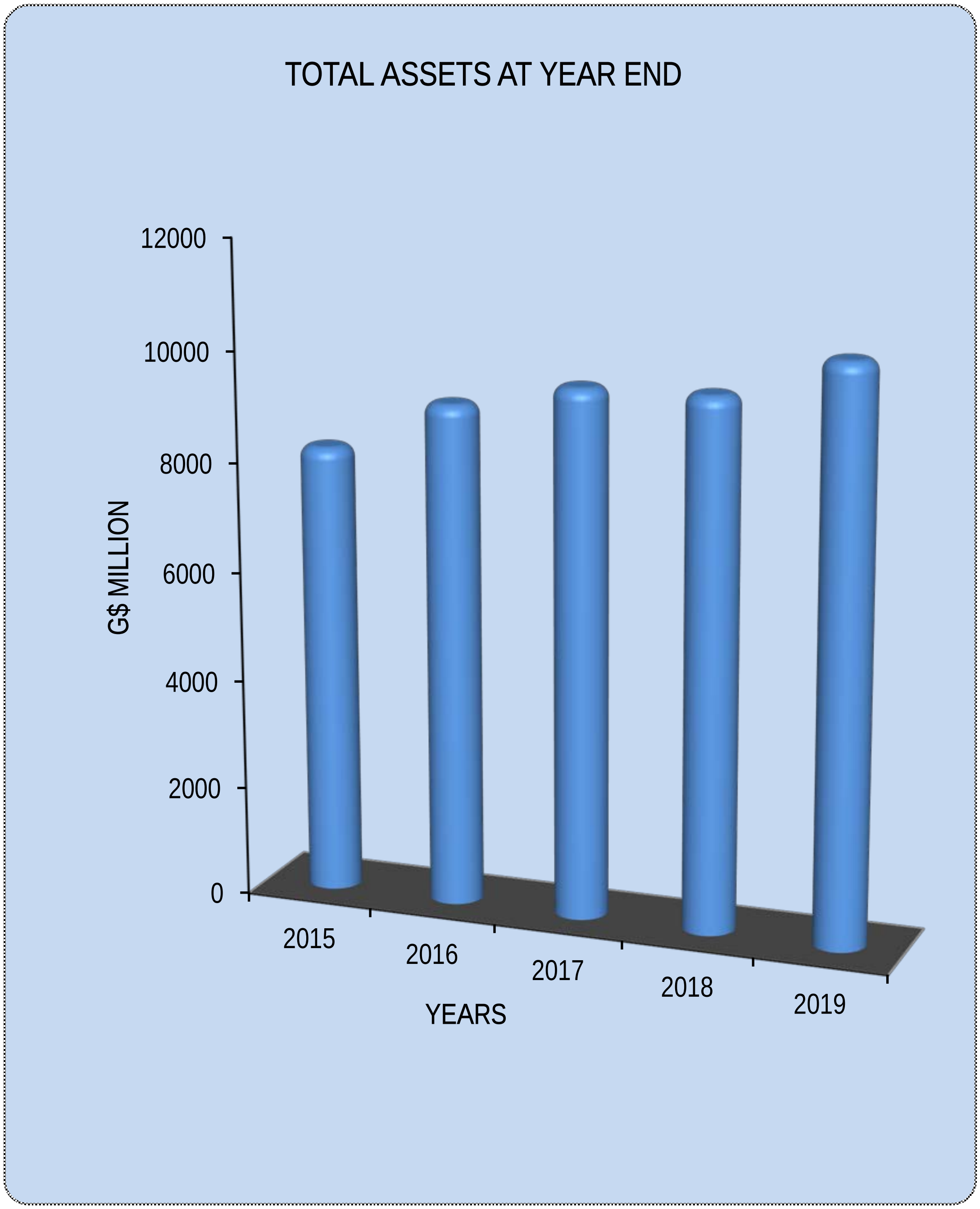
CUSTOMERS

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.

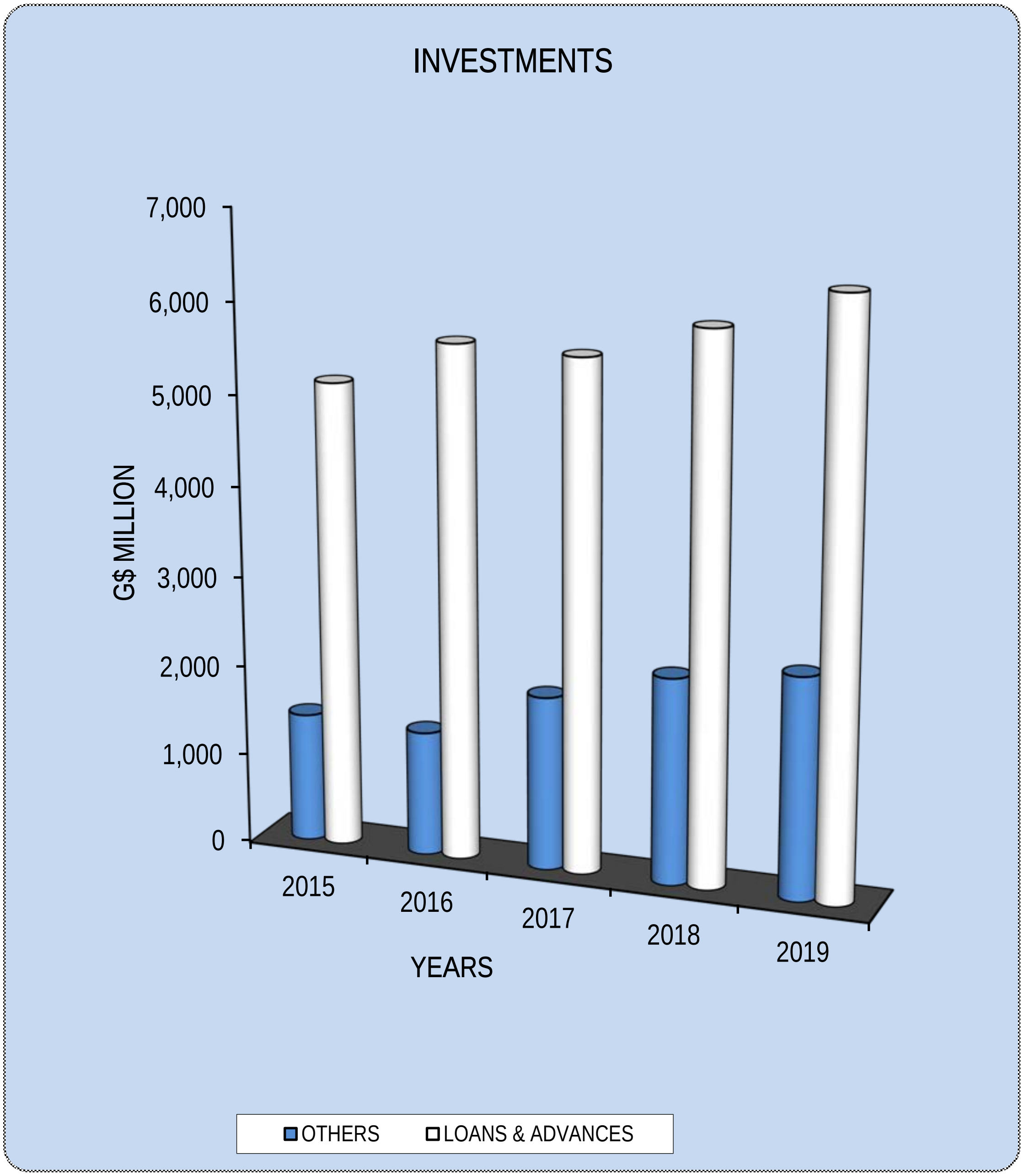
CONCLUSION

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.

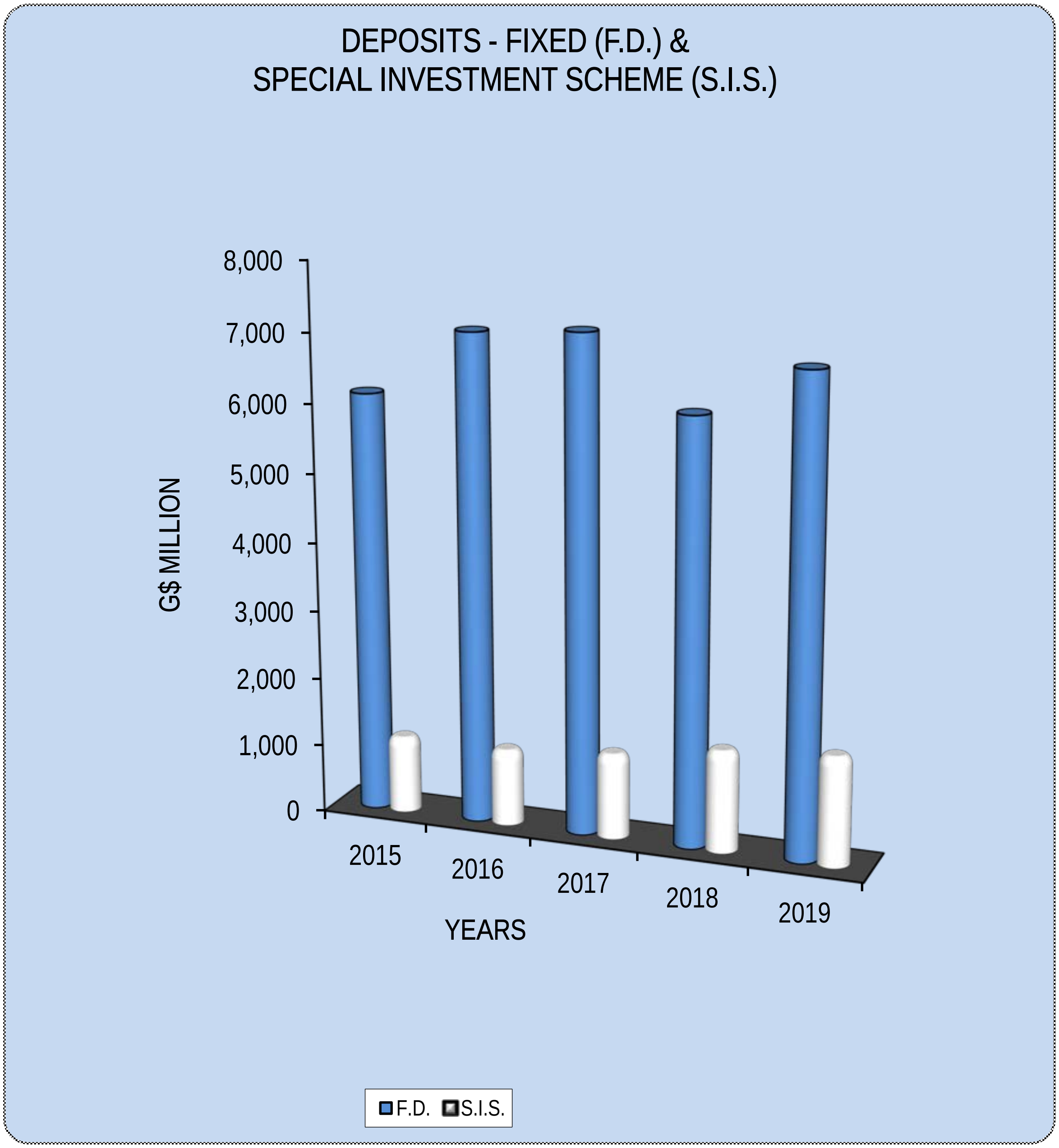
Be assured that we shall continue the pursuance of initiatives to enhance the viability of the Hand-in-Hand Trust Corporation Inc. for its continuation as a dynamic financial intermediary.



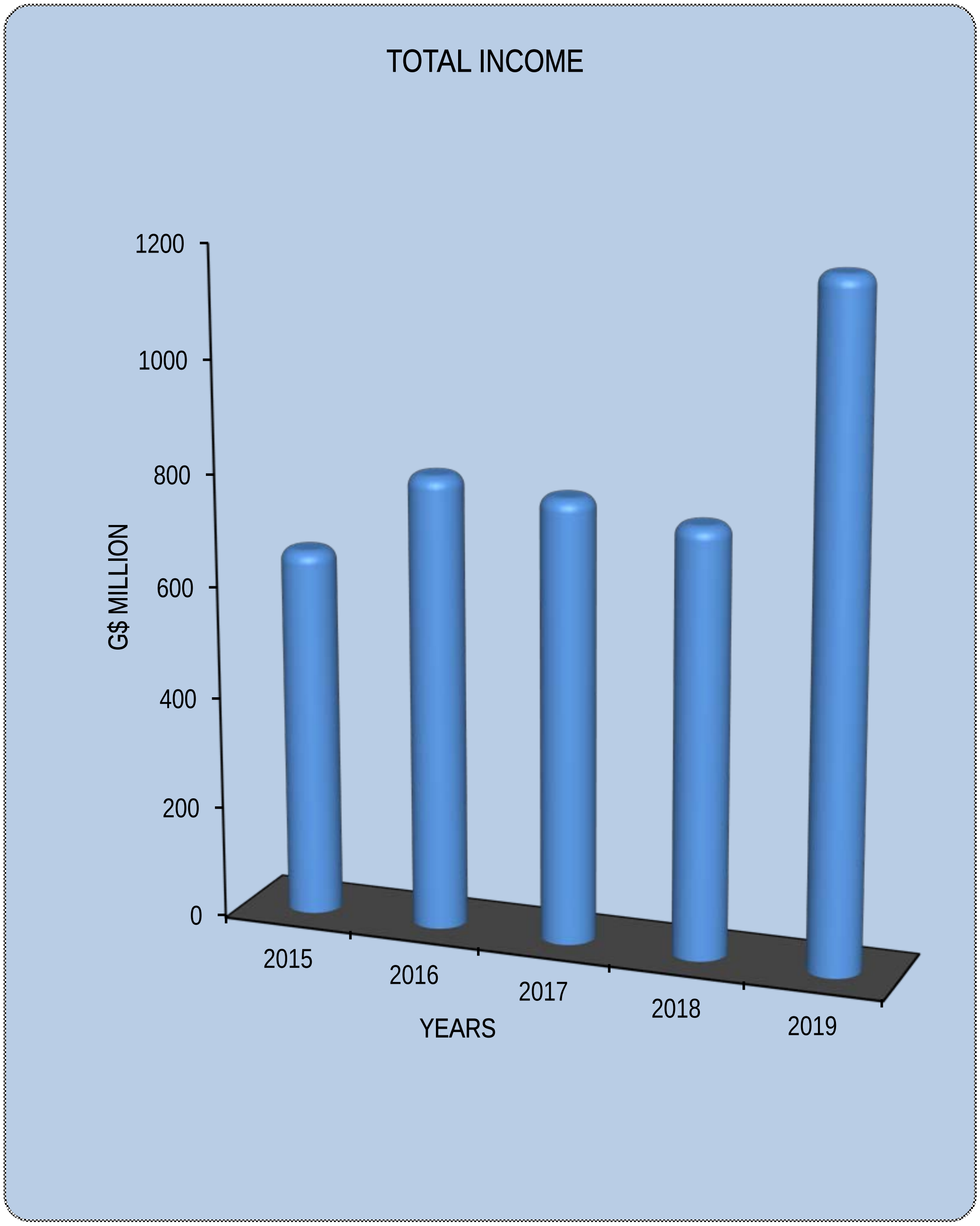
YEAR	2015	2016	2017	2018	2019
AMOUNT G$ (M)	8,213	9,155	9,614	9,653	10,410



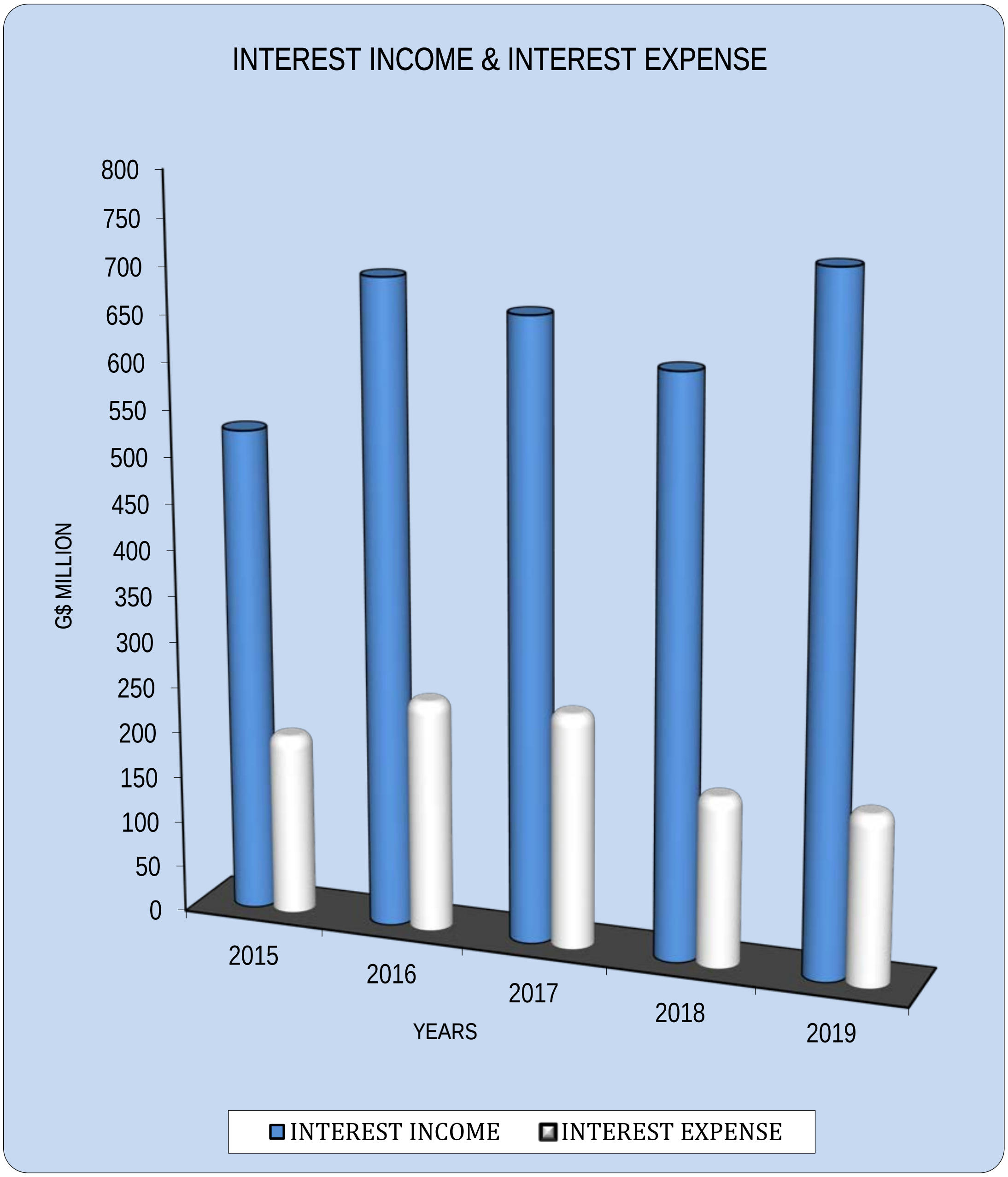
YEAR	2015	2016	2017	2018	2019
LOANS & ADVANCE	5,144	5,656	5,608	5,995	6,438
OTHERS	1,432	1,384	1,933	2,295	2,463
G$ (M)	6,576	7,040	7,541	8,290	8,901



YEAR	2015	2016	2017	2018	2019
S.I.S.	1,114	1,107	1,238	1,478	1,589
F.D.	6,119	7,077	7,166	6,144	6,862
G$ (M)	7,233	8,184	8,404	7,622	8,451



YEAR	2015	2016	2017	2018	2019
AMOUNT G$ (M)	659	810	790	762	1198



YEAR	2015	2016	2017	2018	2019
INTEREST INCOME	525.7	696.8	667.6	621.7	735.0
INTEREST EXPENSE	196.5	251.8	255.1	183.9	184.2

Moving Forward in Good Hands

Services are Second to None

MSC 014/2020

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

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 2019, 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 12 to 47.

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, 2019, 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, 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.

92 Oronoque Street, Queenstown, Georgetown, Guyana.
Tel. No :(592) 227-5568, 226-2119, 225-2807, Tel : (592) 227-5564
Email : m.solomon@mauricesolomon.com

Key Audit Matters	**How our audit procedures addressed the key audit matter**
Implementation of IFRS 9 'Financial Instruments' *Refer to* ***note 2.2 (a) i. & 2.2 (b)*** *to the financial statements for disclosures of related accounting policies and balances.*	
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. 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: - Measured at amortised cost, - Fair value through other comprehensive income (FVOCI); and - Fair value through profit and loss (FVPL). 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. 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: - 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.	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. 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. We tested the opening equity adjustments in relation to the adoption of the new standard's classification and measurement requirements. With respect to the ECL model, our audit approach was as follows: - 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
*Implementation of IFRS 9 'Financial Instruments' Refer to **note 2.2 (a) i. & 2.2 (b)** to the financial statements for disclosures of related accounting policies and balances. (continued)*	
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. 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. The impact on net assets from the implementation of the measurement and classification aspects of the standard was not material.	- 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.
Impairment Provision for Loans and Mortgages Loans and mortgages amounting to \$6.4B (after impairment provision) represent sixty-two (62) percent of the total assets of the Trust as shown in the Statement of Financial Position (page 6). The methodologies required by IFRS 9 and Bank of Guyana in respect of impairment provisions involve significant judgment by management on matters such as: • 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.	Our procedures in relation to this key audit matter included, but were not limited to, the following: • 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;

Key Audit Matters	How our audit procedures addressed the key audit matter
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.	• 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
Regulatory Environment 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). The Compliance Officer is responsible to establish various controls to ensure that the Trust is AML/CFT compliant with governing regulations.	Our procedures in relation to this key audit matter included, but were not limited to, the following: We evaluated and tested the Trust's internal controls with Emphasis on compliance with AML/CFT policy. This include: • 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
22ND April 2020

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	NOTE	2019 G$	2018 G$
ASSETS			
Cash resources:			
Cash at Bank of Guyana	**3**	1,028,305,154	999,812,533
Cash on Hand and at other Banks	**4**	370,402,007	222,996,183
Total Cash Resources		**1,398,707,161**	**1,222,808,716**
INVESTMENTS			
Investment Securities	**5**	2,414,078,681	2,242,674,481
Loans and Advances	**6**	6,437,529,767	5,995,380,484
Properties on Hand	**7**	49,650,041	52,426,860
		8,901,258,489	**8,290,481,825**
OTHERS			
Deferred Taxation	**9**	1,392,817	1,175,096
Receivables, Prepayments and Other Assets	**10**	56,803,977	36,673,769
Related Parties	**23(ii)**	457,790	40,522,362
Interest Receivables	**11**	20,960,474	27,814,886
Taxation Recoverable		2,048,178	2,048,178
Property and Equipment	**8**	27,072,534	29,743,401
Intangible Asset	**8 (c)**	883,406	1,939,910
Total Others		**109,619,176**	**139,917,602**
TOTAL ASSETS		**10,409,584,826**	**9,653,208,143**

The notes on pages 29 to 64 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 FINANCIAL POSITION AS AT 31 DECEMBER 2019

	NOTE	2019 G$	2018 G$
EQUITY AND LIABILITIES			
DEPOSITS			
Customers' Deposits	**12**	8,450,727,826	8,145,953,382
OTHERS			
Payables and Accruals	**13**	122,753,905	138,871,827
Taxation		65,095,379	4,716,858
Total Others		**187,849,284**	**143,588,685**
Total Liabilities		**8,638,577,110**	**8,289,542,067**
CAPITAL AND RESERVES			
Issued Capital	**14**	750,000,000	750,000,000
Statutory Reserve	**15**	263,395,547	202,294,301
Risk Reserve	**2.1 (g)**	124,885,613	156,114,432
Retained Earnings		632,726,556	255,257,343
Total Equity		**1,771,007,716**	**1,363,666,076**
TOTAL EQUITY AND LIABILITIES		**10,409,584,826**	**9,653,208,143**

The Board of Directors approved these financial statements for issue on March 5, 2020.

Director **Director**

The notes on pages 29 to 64 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 2019

	NOTE	2019 G$	2018 G$
INCOME			
Interest income	**16**	735,025,703	621,740,679
Interest expenses		(184,235,085)	(183,905,092)
Net interest income		**550,790,618**	**437,835,587**
OTHER INCOME			
Fees	**17**	136,097,953	97,024,024
Dividends/ Gains		29,919,658	26,766,055
Gains from Investments		294,986,805	15,175,129
Cambio operations		2,202,876	1,503,812
TOTAL NET INCOME		**1,013,997,910**	**578,304,607**
Operating expenses	**18**	(437,596,081)	(383,257,911)
Credit Impairment Losses on loans and advances	**19 (a)**	(2,566,018)	(93,152,373)
Credit Impairment Losses on Other Financial Assets	**19 (b)**	(3,548,158)	(9,781,592)
Changes in Fair Value on Investment Securities	**20**	(3,358,323)	(29,097,901)
Loss from Standford Investment		(29,830,959)	-
Foreign currency loss		(63,074,631)	-
Profit before taxation		**474,023,740**	**63,014,830**
Taxation	**21**	(66,682,100)	(12,918,280)
PROFIT FOR THE YEAR		**407,341,640**	**50,096,550**
BASIC EARNINGS PER SHARE	**22**	**54.31**	**6.68**

The notes on pages 29 to 64 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 2019

	Share Capital G$	Statutory Reserve G$	General Reserve G$	Risk Reserve G$	Retained Earnings G$	Total G$
Year ended 31 December 2019						
Balance at 1 January 2019	750,000,000	202,294,301	-	156,114,432	255,257,343	1,363,666,076
Profit for the year	-	-	-	-	407,341,640	407,341,640
Transfer to/(from) Statutory Reserve	-	61,101,246	-		(61,101,246)	-
Transfer (from)/ to Risk Reserve	-	-	-	(31,228,819)	31,228,819	-
Balance at 31 December 2019	**750,000,000**	**263,395,547**	**-**	**124,885,613**	**632,726,556**	**1,771,007,716**

The notes on pages 29 to 64 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 2019

	Share Capital G$	Statutory Reserve G$	General Reserve G$	Risk Reserve G$	Retained Earnings G$	Total G$
Year ended 31 December 2018						
Balance at 1 January 2018	750,000,000	194,779,819	33,454,077	-	66,461,466	1,044,695,362
Initial Application of IFRS 9 on Loans and Advances	-	-	-	275,450,343	-	275,450,343
Adoption of Fair Value through the Profit or Loss as per IFRS 9	-	-	(33,454,077)	-	33,454,077	-
Initial Recognition of IFRS 9 on Investment Securities	-	-	-	-	(6,701,644)	(6,701,644)
Net Impact of Adoption IFRS 9	**-**	**-**	**(33,454,077)**	**275,450,343**	**26,752,433**	**268,748,699**
Profit for the year	-	-	-	-	50,096,550	50,096,550
Transfer to/(from) Statutory Reserve	-	7,514,482	-	-	(7,514,482)	-
Transfer (from)/ to Risk Reserve	-	-	-	(119,335,911)	119,461,376	125,465
Balance at 31 December 2018	**750,000,000**	**202,294,301**	**-**	**156,114,432**	**255,257,343**	**1,363,666,076**

The notes on pages 29 to 64 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 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES	**G$**	**G$**
Profit Before Taxation	**474,023,740**	63,014,830
Adjustments for :		
Depreciation	8,633,350	9,090,094
Amortisation	1,056,504	1,056,504
Net credit impairment on financial assets	26,619,378	102,933,965
Gains from investment securities	-	(15,175,129)
Changes in fair value on investment securities	3,358,323	29,097,901
Adjusted profit before working capital changes	**513,691,295**	**190,018,165**
Movements in working capital:		
Decrease/(Increase) in loans and advances	(468,768,661)	(205,372,250)
Decrease/(Increase) in receivables and prepayments	(20,130,208)	(7,558,632)
Decrease/ (Increase) in related parties	40,064,572	10,073,453
Decrease/(Increase) in interest receivables	6,854,412	(14,336,251)
Increase/(Decrease) in customers' deposits	304,774,444	(258,175,390)
(Decrease)/Increase in payables and accruals	(16,117,922)	13,214,738
Cash generated/(absorbed) by operations:	**360,367,932**	**(272,136,167)**
Taxes paid	(6,521,300)	(49,063,551)
Net cash inflows/ (outflows) used in operating activities	**353,846,632**	**(321,199,718)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(5,962,483)	(5,762,488)
Net purchase/redemption of investment securities	(174,762,523)	(351,437,127)
Net increase in properties on hand	2,776,819	(39,992,513)
Net cash (used in) investing activities	**(177,948,187)**	**(397,192,128)**
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**175,898,445**	**(718,391,846)**
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	**1,222,808,716**	**1,941,200,562**
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	**1,398,707,161**	**1,222,808,716**
CASH AND CASH EQUIVALENTS COMPRISES OF:		
Cash at Bank of Guyana	1,028,305,154	999,812,533
Cash on hand and at other banks	370,402,007	222,996,183
	1,398,707,161	**1,222,808,716**

The notes on pages 29 to 64 form an integral part of these financial statements

1. COMPANY IDENTIFICATION

(a) Incorporation and Business Activities

In May 1971, the Guyana National Cooperative Bank established a department to carry out various Trust Services. The department was incorporated as GNCB Trust Company Limited on December 28, 1971, a wholly owned subsidiary of Guyana National Co-operative Bank.

On February 3, 1977, the GNCB Trust Company was reconstituted and established as the GNCB Trust Corporation by Order No. 13 of 1977, made under the Co-operative Financial Institutions Act 1976 (No. 8 of 1976).

On 3 February 1999 GNCB Trust Corporation was incorporated under the Companies Act of Guyana as a company and known as GNCB Trust Corporation Inc.

GNCB Trust Corporation Inc. was privatized on November 20, 2002 with Hand-In-Hand Mutual Fire Insurance Company Ltd. acquiring 90% of the authorized and issued share capital. On March 14, 2003, 15% of the shares were sold to Hand-In-Hand Mutual Life Assurance Company Limited and 10% were sold to Guyana Cooperative Insurance Services Inc.

On September 25, 2003, GNCB Trust Corporation Inc. changed its name to Hand-In-Hand Trust Corporation Inc.

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.

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: Remeasurement of previously held interest (effective on or after 1 January 2019)

IFRS 3- Business Combinations: Amendments to clarify the definition of a business (effective on or after 1 January 2020)

IFRS 17 will replace IFRS 4 - Insurance Contracts (effective on or after 1 January 2021)

IAS 1- Amendments regarding the definition of Material (effective on or after 1 January 2020)

IAS 8- Amendments regarding the definition of Material (effective on or after 1 January 2020)

(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)

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

IFRS 11 - Joint arrangements; Amendments, re-measurement of previously held interest (effective on or after 1 January 2019)

IFRS 16- Leases (effective on or after 1 January 2019)

IAS 12 - Income taxes: tax consequences on dividends (effective on or after 1 January 2019)

IAS 23 - Borrowings cost: eligible for capitalisation (effective on or after 1 January 2019)

IAS 28 - Investments in Associates and Joint Ventures, amendments regarding long term interests in associates and joint ventures (effective on or after 1 January 2019)

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 of retained earnings 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.

The Trust have adopted the requirements of IFRS 9 and makes specific provisions on loans and advances. The provisions booked as at 31 December, 2018 amounted to $89.9m compared with the provision of $246m as required under Bank Of Guyana Supervision Guideline No. 5.

The Risk Reserve as at 31 December, 2019 was $124.8m. The reduction of $31.2m is shown as a transfer from Risk Reserve to Retained Earnings.

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.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Impairment on Financial Assets

i. Initial Recognition and Adoption of IFRS 9

The Trust adopt 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.

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 occuring 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 weighings 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 elect 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.

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 assets 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.

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 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 divdends 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%

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 utilized.

(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 2019 the corporation's contribution to the plan was G$6,640,892 (2018- $5,847,831).

The Fund balance was G$131,935,651 as at December 31,2019 (2018 - $126,755,638)

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.

	2019	2018
3. CASH AT BANK OF GUYANA	**G$**	**G$**
Cash at Bank of Guyana	**1,028,305,154**	**999,812,533**

This amount represents a statutory deposit and is not available for use by the Trust.

4. CASH ON HAND AND AT OTHER BANKS

	2019	2018
Cash at bank	353,444,763	154,086,972
Term deposits	-	50,000,000
Cash on hand	16,957,244	18,909,211
	370,402,007	**222,996,183**

5. INVESTMENT SECURITIES

a) Held for Trading

		2019	2018
Listed corporate companies	note (d)	1,196,156,312	805,585,180
Unlisted corporate companies	note (d)	105,000	105,000
		1,196,261,312	**805,690,180**

b) Held to Collect - Amortised Cost

	2019	2018
CARICOM Governments	467,718,377	419,042,301
Corporate Bonds	521,934,588	751,391,204
Local Bonds	247,541,700	282,881,550
	1,237,194,665	**1,453,315,055**
Provision for impairment ECL's	(19,377,296)	(16,330,754)
	1,217,817,369	**1,436,984,301**
Total Investment Securities	**2,414,078,681**	**2,242,674,481**

c) Impairment on Investment Securities

	2019	2018
Opening balance	16,330,754	-
Initial recognition of IFRS 9 ECLs	-	6,701,644
ECLs during the year (stage 1) - **note 19 (b)**	3,046,542	9,629,110
As at year end	**19,377,296**	**16,330,754**

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019

5.1 INVESTMENT SECURITIES (Cont'd)

	Year of Maturity	Rate of Interest	31.12.2019	31.12.2018
Held to Collect				
a) Guyana - Others				
Courts (Guyana) Inc	2020/2021	8.00	170,000,000	170,000,000
Berbice Bridge Inc. - Tranche 1	2018	9.00	6,582,500	12,881,550
Berbice Bridge Inc. - Tranche 2	2022	10.00	70,959,200	100,000,000
			247,541,700	**282,881,550**
b) Caribbean- Government				
Gov't of Belize	2031	4.94	162,513,888	160,224,960
T&T Housing Bond	2025	7.00	57,300,000	61,120,000
Gov't of ST Kitts New Discount Bonds	2032	3.00	7,456,418	7,838,116
Gov't of ST Kitts New Par Bonds	2057	1.50	9,148,071	9,019,225
Gov't of T&T Bond	2021	-	38,040,000	60,864,000
Gov't of T&T Bond	2021	-	9,360,000	14,976,000
Barbados Port Inc.	2024	8.00	63,900,000	63,000,000
Gov't of St. Lucia	2019	5.00	-	42,000,000
TSTT Bridge Bond	2029	8.30	120,000,000	-
			467,718,377	**419,042,301**
c) Caribbean - Others				
JMMB Repurchase Agreements	2020	2.30	221,934,588	232,163,364
RBC - OMO 15-79	2022	2.20	-	219,227,840
Hand In Hand Life Assurance	2022	2.75	300,000,000	300,000,000
			521,934,588	**751,391,204**
Total Investment Securities - Held to Collect			**1,237,194,665**	**1,453,315,055**

	2019	2018
5.2 INVESTMENT SECURITIES (Cont'd)	**G$**	**G$**
(a) Held for Trading		
Shares, other stocks and bonds		
GASCI - Unlisted companies	100,000	100,000
Hand in Hand Investment Inc.	5,000	5,000
RBC Dominion Securities	83,116,698	70,842,913
Others	1,113,039,614	734,742,267
	1,196,261,312	**805,690,180**
(b) Held to Collect		
a) Guyana - others	247,541,700	282,881,550
b) Caribbean- government	467,718,377	419,042,301
c) Caribbean - others	521,934,588	751,391,204
Less ECL's	(19,377,296)	(16,330,754)
	1,217,817,369	**1,436,984,301**
(c) Loans and Receivables		
Mortgages and loans	6,553,804,626	6,085,324,665
Credit impairment on loans and advances	(116,274,859)	(89,944,181)
	6,437,529,767	**5,995,380,484**
(d) Properties on Hand	**49,650,041**	**52,426,860**
Total Investments	**8,901,258,489**	**8,290,481,825**

6. LOANS AND ADVANCES

Mortgages	3,950,918,165	3,936,574,511
Special loans	2,102,575,223	1,567,963,630
Other loans	500,311,238	580,786,524
	6,553,804,626	6,085,324,665
Impairment losses (a) and (b)	(116,274,859)	(89,944,181)
	6,437,529,767	**5,995,380,484**
Included above are non-performing mortgages of :	**740,952,000**	**1,051,375,000**

6. LOANS AND ADVANCES (Cont'd)

	2019 G$	2018 G$
a) Credit Impairment Losses on Loans and Advance		
As at beginning of the year	-	293,152,555
Additional provision in the year	-	753,181,123
Reversal of provision in the year	-	(800,275,065)
	-	246,058,613
Reversal of impairment losses and adoption of IFRS 9	-	(246,058,613)
As at end of the year	-	-
b) Loss Allowances		
Beginning of the year	89,944,181	-
Initial recognition of IFRS 9 ECLs	-	17,702,212
ECLs during the year	26,330,678	72,241,969
As at year end	**116,274,859**	**89,944,181**

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** **G$**	**Special Loans** **G$**	**Car Loans** **G$**	**Total ECL** **G$**
Stage 1: 12 - Month ECL	10,019,377	8,637,590	213,952	**18,870,919**
Stage 2: Lifetime ECL	14,564,968	20,468,037	51,658	**35,084,663**
Stage 3: Lifetime Credit Impaired ECL for Financial Assets	44,678,832	17,529,943	110,502	**62,319,277**
	69,263,177	**46,635,570**	**376,112**	**116,274,859**

7. PROPERTIES ON HAND

	2019 G$	2018 G$
Purchased at public auction	74,682,986	88,417,211
Provision for diminution in value	(25,032,945)	(35,990,351)
	49,650,041	**52,426,860**

Provision for diminution in value

	2019 G$	2018 G$
At 1 Jan	35,990,351	35,990,351
Reduction in provision for the year	(10,957,406)	-
At 31 December	**25,032,945**	**35,990,351**

These properties relate to foreclosed mortgages.

8. (a) PROPERTY AND EQUIPMENT

Cost / Valuation	Motor Vehicles G$	Furniture and Equipment/Generator G$	Total G$
At 1 Jan 2019	25,852,902	103,246,307	129,099,209
Additions	-	5,962,483	5,962,483
Disposals	-	(450,354)	(450,354)
At 31 December 2019	**25,852,902**	**108,758,436**	**134,611,338**
Accumulated Depreciation			
At 1 Jan 2019	22,335,091	77,020,717	99,355,808
Charges for the year	1,507,632	7,125,718	8,633,350
Write back	-	(450,354)	(450,354)
At 31 December 2019	**23,842,723**	**83,696,081**	**107,538,804**
Net Book Values			
At 31 December 2019	**2,010,179**	**25,062,355**	**27,072,534**
At 31 December 2018	**3,517,811**	**26,225,590**	**29,743,401**

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

8. (b) PROPERTY AND EQUIPMENT

Cost / Valuation	Motor Vehicles G$	Furniture and Equipment/Generator G$	Total G$
At 1 Jan 2018	25,852,902	97,704,932	123,557,834
Additions	-	5,541,375	5,541,375
At 31 December 2018	**25,852,902**	**103,246,307**	**129,099,209**
Accumulated Depreciation			
At 1 Jan 2018	20,123,810	70,141,904	90,265,714
Charges for the year	2,211,281	6,878,813	9,090,094
At 31 December 2018	**22,335,091**	**77,020,717**	**99,355,808**
Net Book Values			
At 31 December 2018	**3,517,811**	**26,225,590**	**29,743,401**
At 31 December 2017	**5,729,092**	**27,563,028**	**33,292,120**

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

8. (c) INTANGIBLE ASSET

Beginning of the year	4,226,000
Additions	221,113
End of the year	4,447,113
Beginning of the year	2,507,203
Amortisation charge for the year	1,056,504
	3,563,707
Carrying amount as at year end	**883,406**

	2019	2018
9. DEFERRED TAXATION	**G$**	**G$**
Asset arising on accelerated accounts depreciation		
At 1 Jan	1,175,076	1,591,326
Current year	217,721	(416,230)
At 31 December	**1,392,797**	**1,175,096**

10. RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	2019	2018
Trustee Fees	51,756,480	28,531,279
Loss allowance ECL's	(654,098)	(152,482)
	51,102,382	**28,378,797**
Stationery Stock	950,201	758,291
Other Debtors	196,048	2,444,629
Prepayments	4,555,346	5,092,052
	56,803,977	**36,673,769**

11. INTEREST RECEIVABLES

Interest receivables consists of accrued interest on various bonds redeemable at future dates.
Interest receivable consists of accrued interest of:

	2019	2018
Bonds	**20,960,474**	**27,814,886**

12. CUSTOMERS' DEPOSITS

	2019	2018
Fixed and Term	6,862,180,927	6,668,113,544
Savings	1,588,546,899	1,477,839,838
	8,450,727,826	**8,145,953,382**
Customers' Deposit by maturity		
Fixed - within one year	6,263,941,576	6,144,560,784
Fixed and Savings - on demand	1,588,546,899	1,477,839,838
	7,852,488,475	**7,622,400,622**
Fixed - over one year	598,239,351	523,552,760
	8,450,727,826	**8,145,953,382**

13. PAYABLES AND ACCRUALS

	2019 G$	2018 G$
Staff benefits	1,270,535	1,188,125
Refundable mortgage payments	168,228	25,025
Interest on special interest savings	13,587,103	12,005,229
Interest on fixed deposits	47,168,129	47,406,187
Others	40,969,910	39,264,761
Audit fee	1,800,000	1,800,000
Deposits on properties	17,790,000	37,182,500
	122,753,905	**138,871,827**

14. ISSUED CAPITAL

Authorised Share Capital

Number of Ordinary Shares	7,500,000	7,500,000
Issued capital comprises:	**G$**	**G$**
Ordinary Shares		
7,500,000 issued and fully paid shares at G$100 each	**750,000,000**	**750,000,000**

Fully paid ordinary shares carrying one vote per share and carry a right to dividends.

15. STATUTORY RESERVE

	2019 G$	2018 G$
At 1 January and December 2019	**263,395,547**	**202,294,301**

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.

	2019	2018
16. INTEREST INCOME	**G$**	**G$**
Loans and Advances	669,588,811	550,631,754
Fixed Deposits	2,089,482	7,507,772
Money Market Account	487,175	698,953
Bonds and other investments	62,860,235	62,902,200
	735,025,703	**621,740,679**

17. FEES

Trustee	58,889,563	52,625,999
Mortgage	25,203,297	20,053,184
Management	52,005,093	24,344,841
	136,097,953	**97,024,024**

17.1 INVESTMENT INCOME

Held to Collect	65,436,892	71,108,925
Dividends/Gains	29,919,658	26,766,055
Financial Assets (Held for Trading and FVTPL)	294,986,805	15,175,129
Other Income	86,295,736	74,182,995
Management Fees	52,005,093	24,344,841
	528,644,184	**211,577,945**

18. EXPENSES BY NATURE

	2019 G$	2018 G$
Advertising	11,569,429	10,306,519
Legal Fee	10,593,519	11,645,308
Audit Fee	1,899,599	1,940,650
Directors' Fees (**Note 23(iii)**)	4,342,704	4,342,704
Employment Costs	285,449,755	259,570,406
Stationery, Postage and Telephone	5,543,309	5,687,339
Security	8,325,638	8,788,332
Electricity	8,660,701	8,489,791
Licence	2,016,500	1,014,500
General Administrative Expenses	57,895,496	31,661,938
Repairs and Maintenance	12,248,468	14,482,254
Bank Charges	3,783,190	1,789,834
Depreciation	9,689,854	10,146,598
Professional Services and Membership	15,577,919	13,391,738
	437,596,081	**383,257,911**

	2019	2018
19. LOSS ALLOWANCES	**G$**	**G$**
(a) Credit Impairment Losses on Loan and Advances		
Credit Losses Movements:		
Bad debts written off	(288,700)	(38,600,651)
Bad debt recoveries/ repayments	24,053,360	17,690,247
Loss allowances (ECL's) for the year	(26,330,678)	(72,241,969)
	(2,566,018)	**(93,152,373)**
(b) Credit Impairment Losses on Other Financial Assets		
Loss allowance on investments	3,046,542	9,629,110
Loss allowance on other financial assets	501,616	152,482
	3,548,158	**9,781,592**

20. IMPAIRMENT ON INVESTMENTS

	2019	2018
RBC Dominion and Other Investments	**3,358,323**	**29,097,901**

21. TAXATION

The provisional charge for taxation in the financial statements is made up as follows:

	2019	2018
Current:		
Property tax	13,435,649	10,162,037
Withholding tax	1,803,458	1,887,588
Corporation tax/adjustment	51,660,714	452,425
Deferred		
Corporation tax (27.5%)	(217,721)	416,230
	66,682,100	**12,918,280**

Reconciliation of tax expense and accounting profit:

	2019	2018
Profit before taxation	**474,023,740**	**63,014,830**
Corporation tax (27.5 %)	130,356,529	17,329,078
Losses (Utilised)/ current	(51,660,714)	4,828,144
Expenses not deductible for tax purposes	341,566	(416,229)
Income exempt from corporation tax	(27,376,667)	(21,740,993)
Property tax	13,435,649	10,162,037
Withholding tax	1,803,458	1,887,588
Corporation tax adjustment	-	452,425
Deferred tax losses recognised	(217,721)	416,230
	66,682,100	**12,918,280**

21. TAXATION (CONT'D)

Company Tax Losses to be Utilized / Carried Forward

The Trust accumulated tax losses of $ 3,244,806,522 (2018- $3,432,084,315) available to set off against future taxable profits.

22. 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.

	2019 G$	2018 G$
Profit attributable to shareholders	**407,341,640**	**50,096,550**
Number of ordinary shares in issue and fully paid	**7,500,000**	**7,500,000**
Basic earnings per share	**54.31**	**6.68**

23. 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) Loan and Advances **Balance at end of year**	**2019** **G$**	**2018** **G$**
(a) Staff Loans and mortgages	85,835,153	50,455,321
- Interest Rate Charged To:	**5 % - 10 %p.a**	**5 % - 10 %p.a**
(b) Director's Loan and Mortgages	30,464,842	19,882,667
(c) The following are transactions of common interest with the Trust:		
USA Global Export Company Ltd.	81,311,988	84,796,464
- Interest Rate Charged To:	**10 %p.a**	**10 %p.a**

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

	2019	2018
23. RELATED PARTY TRANSACTIONS (CONT'D)	**G$**	**G$**
(i) Loan and Advances (Cont'd)		
(c) The following are transactions of common interest with the Trust:		
Stark Inc.	42,088,749	46,246,437
- Interest Rate Charged To:	**8 %p.a**	**8 %p.a**
Keith Evelyn Investments	58,912,385	61,023,786
- Interest Rate Charged To:	**8 % p.a**	-

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

(ii) Balances as at year end

Due from/ (to)

Hand in Hand Fire Mutual Insurance Company Limited	-	40,454,472
Hand in Hand Fire Mutual Insurance Company Limited	-	(2,298,931)
Hand in Hand Investments Inc.	457,790	417,890
Hand in Hand Mutual Life Assurance	-	(350,000)

(iii) Directors' Emoluments

Emoluments including expenses paid in respect of services as directors:

Paul Chan-A-Sue-Chairman	1,042,128	1,042,128
Charles R. Quintin	825,144	825,144
Ian A. Mc Donald	825,144	825,144
Allan Parris	825,144	825,144
Troy Cadogan	825,144	825,144
	4,342,704	**4,342,704**

(iv) Compensation of key management personnel

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

	131,722,413	**58,270,850**

24. CONTINGENT MATTERS

(i) Ligitation Matters

As at 31 December, 2019 there was no legal matter outstanding against the Trust. However, there were several legal matters brought by the Trust that is currently ongoing in the High Court.

(ii) APUA Investment

The Trust received payments totaling US$4576.47 with an outstanding balance US$68123.82 to be collect from Trustees (RBC Trust).

25. 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:

	2019	2018
Assets	**G$**	**G$**
United States Dollars - $7,599,344 (2018 - $7,261,389)	1,595,862,242	1,540,755,448

<u>Foreign Currency sensitivity analysis</u>

The following table details the Trust's sensitivity to a 2.5%/1% increase and 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 2.5%/1% change in foreign currency rates.

A positive number indicates an increase in profit where foreign currencies strengthens 2.5% against the G$ and for a 2.5% 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	15,958,622	38,518,886

25. 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 2019, 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 are 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.

25. 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
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 commitee 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.

(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.

25. 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.

	2019 G$	2018 G$
Current	4,821,084,522	3,815,014,000
Pass due but not impaired	1,003,118,382	1,219,070,665
Impaired	729,601,722	1,051,240,000
	6,553,804,626	**6,085,324,665**
Pass Due but not Impaired	1,003,118,382	1,219,070,665
Pass due more than 1 year	505,470,583	595,635,000
	1,508,588,965	**1,814,705,665**

Renegotiated Loans.

The carrying amounts of all renegotiated loans aggregated to:

	2019 G$	2018 G$
Renegotiated loans	203,597,691	194,928,983

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 renegotiation were primarily refinancing of facilities or rescheduling of payments.

25. 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 2019					
		Within 1 year					
	Average Interest rate	On demand	Due in 3 months	Due 3 - 12 months	1 to 5 years	Over 5 years	Total
Assets	%	G$	G$	G$	G$	G$	G$
Investments	4.73	6,582,500	60,000,000	221,934,588	1,826,338,216	299,223,377	2,414,078,681
Loans (net)	10.39	159,294,307	60,509,605	1,514,383,719	2,643,553,523	2,059,788,613	6,437,529,767
Properties on Hand		-	-	49,650,014	-	-	49,650,014
Interest Receivables	5.85	805,212	803,511	19,351,751	-	-	20,960,474
Receivables and Prepayments		-	-	56,803,977	-	-	56,803,977
Related Parties		-	-	-	457,790	-	457,790
Cash on Hand and at Bank	1.05	16,957,244	176,722,382	141,377,905	35,344,476	-	370,402,007
Cash at Bank of Guyana		190,625,628	136,998,793	628,892,011	71,788,722		1,028,305,154
		374,264,891	**435,034,291**	**2,632,393,965**	**4,577,482,727**	**2,359,011,990**	**10,378,187,864**
Liabilities							
Customers' Deposits	1.87	1,588,546,899	1,141,656,610	5,122,284,966	598,239,351	-	8,450,727,826
Payables and Accruals		-	-	-	122,753,905	-	122,753,905
Taxation		-	-	65,095,379	-	-	65,095,379
		1,588,546,899	**1,141,656,610**	**5,187,380,345**	**720,993,256**	**-**	**8,638,577,110**
Net assets/(liabilities)		**(1,214,282,008)**	**(706,622,319)**	**(2,554,986,380)**	**3,856,489,471**	**2,359,011,990**	**1,739,610,754**

25. 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 2018					
		Within 1 year					
Assets	Average Interest rate %	On demand G$	Due in 3 months G$	Due 3 - 12 months G$	1 to 5 years G$	Over 5 years G$	Total G$
Investments	4.73	-	463,946,847	198,319,106	473,048,676	1,104,313,310	2,239,627,939
Loans (net)	10.39	144,524,898	71,431,568	1,426,813,662	2,135,096,933	2,191,182,745	5,969,049,806
Properties on Hand		-	-	49,650,041	-	-	49,650,041
Interest Receivables	5.85	-	22,732,886	5,082,000	-	-	27,814,886
Receivables and Prepayments		-	51,756,480	5,047,497	-	-	56,803,977
Related Parties		-	-	-	457,790	-	457,790
Cash on Hand and at Bank	1.05	18,715,771	140,674,494	175,843,118	35,168,624	-	370,402,007
Cash at Bank of Guyana		190,625,628	140,493,049	619,152,372	62,826,331	-	1,013,097,380
		353,866,297	**891,035,324**	**2,479,907,796**	**2,706,598,354**	**3,295,496,055**	**9,726,903,826**
Liabilities							
Customers' Deposits	1.87	1,588,546,899	984,957,680	5,159,603,104	523,552,760	-	8,256,660,443
Payables and Accruals		-	-	122,753,905	-	-	122,753,905
Taxation		-	-	65,095,379	-	-	65,095,379
		1,588,546,899	**984,957,680**	**5,347,452,388**	**523,552,760**	**-**	**8,444,509,727**
Net assets/(liabilities)		**(1,234,680,602)**	**(93,922,356)**	**(2,867,544,592)**	**2,183,045,594**	**3,295,496,055**	**1,282,394,099**

25. Financial Risk Management - cont'd

(vi) Market Risk

(ii) Interest rate risk-cont'd

Interest Rate Risk Tables

		Maturing				
		2018				
	Average Interest Rate	Within 1 year	Within 1 to 5 years	Over 5 years	Non- interest Bearing	Total
Assets	%	G$	G$	G$	G$	G$
Investment Securities	4.73	288,517,088	1,845,715,512	279,741,081	105,000	2,414,078,681
Loans (net)	10.39	1,734,187,631	2,643,553,523	2,059,788,613	-	6,437,529,767
Properties on Hand		-	-	-	49,650,014	49,650,014
Interest Receivables	5.85	20,960,474		-	-	20,960,474
Receivables and Prepayments		56,803,977	-	-	-	56,803,977
Related Parties		-	457,790	-	-	457,790
Cash on Hand and at Bank	1.05	335,057,531	35,344,476	-	-	370,402,007
Cash at Bank of Guyana		956,516,432	71,788,722	-	-	1,028,305,154
		3,392,043,133	**4,596,860,023**	**2,339,529,694**	**49,755,014**	**10,378,187,864**
Liabilities						
Customers' Deposits	1.87	7,852,488,475	598,239,351	-	-	8,450,727,826
Payables and Accruals		122,753,905	-	-	-	122,753,905
Taxation		65,095,379	-	-	-	65,095,379
		8,040,337,759	**598,239,351**	**-**	**-**	**8,638,577,110**
Interest sensitivity gap		**(4,648,294,626)**	**3,998,620,672**	**2,339,529,694**		

25. Financial Risk Management (Cont'd)
(vi) Market Risk (Cont'd)
(ii) Interest rate risk (cont'd)

Interest Rate Risk Tables

		Maturing				
		2018				
	Average Interest Rate	Within 1 year	Within 1 to 5 years	Over 5 years	Non- interest Bearing	Total
Assets	%	G$	G$	G$	G$	G$
Investment Securities	4.73	665,312,495	473,048,676	1,104,313,310	-	2,242,674,481
Loans (net)	10.39	1,648,080,806	2,156,116,933	2,191,182,745	-	5,995,380,484
Properties on Hand		-	-	-	52,426,860	52,426,860
Interest Receivables	5.85	27,814,886	-		-	27,814,886
Receivables and Prepayments		-	-	-	36,673,769	36,673,769
Related Parties		-	-	-	40,522,362	40,522,362
Cash on Hand and at Bank	1.05	183,658,931	20,428,041	-	18,909,211	222,996,183
Cash at Bank of Guyana		-	-	-	1,028,305,154	1,028,305,154
		2,524,867,118	**2,649,593,650**	**3,295,496,055**	**1,176,837,356**	**9,646,794,179**
Liabilities						
Customers' Deposits	1.87	7,622,400,622	523,552,760	-	-	8,145,953,382
Payables and Accruals		-	-	-	138,871,827	138,871,827
Taxation		-	-	-	4,716,858	4,716,858
		7,622,400,622	**523,552,760**	**-**	**143,588,685**	**8,289,542,067**
Interest sensitivity gap		**(5,097,533,504)**	**2,126,040,890**	**3,295,496,055**		

Analysis of Financial Assets and liabilities by measurement basis

26. 2019	Held to Collect	Held for Trading	Loans and Receivables	Other assets and liabilities at amortized cost	Total
Assets	**G$**	**G$**	**G$**	**G$**	**G$**
Investment Securities	1,217,817,369	1,196,261,312	-	-	2,414,078,681
Loan and Advances	-	-	6,437,529,767	-	6,437,529,767
Properties on hand	-	-	-	49,650,041	49,650,041
Cash on hand and at bank	-	-	-	370,402,007	370,402,007
Cash at bank of Guyana	-	-	-	1,028,305,154	1,028,305,154
Interest Receivables	-	-	20,960,474	-	20,960,474
Related Party	-	-	457,790	-	457,790
Receivables and Prepayments	-	-	56,803,977	-	56,803,977
	1,217,817,369	**1,196,261,312**	**6,515,752,008**	**1,448,357,202**	**10,378,187,891**
Liabilities					
Customers' Deposit	-	-	-	8,450,727,826	8,450,727,826
Payables and Accurals	-	-	-	122,753,905	122,753,905
Taxation	-	-	-	65,095,379	65,095,379
	-	**-**	**-**	**8,638,577,110**	**8,638,577,110**

Analysis of Financial Assets and liabilities by measurement basis

26. 2018	Held to Maturity	Available for Sale	Loans and Receivables	Other assets and liabilities at amortized cost	Total
Assets	**G$**	**G$**	**G$**	**G$**	**G$**
Investment Securities	1,436,984,301	805,690,180	-	-	2,242,674,481
Loan and Advances	-	-	5,995,380,484	-	5,995,380,484
Properties on hand	-	-	-	52,426,860	52,426,860
Cash on hand and at bank	-	-	-	222,996,183	222,996,183
Cash at bank of Guyana	-	-	-	999,812,533	999,812,533
Interest Receivables	-	-	27,814,886	-	27,814,886
Related Party	-	-	40,522,362	-	40,522,362
Receivables and Prepayments	-	-	36,673,769	-	36,673,769
	1,436,984,301	**805,690,180**	**6,100,391,501**	**1,275,235,576**	**9,618,301,558**
Liabilities					
Customers' Deposit	-	-	-	8,145,953,382	8,145,953,382
Payables and Accruals	-	-	-	138,871,827	138,871,827
Taxation	-	-	-	4,716,858	4,716,858
	-	**-**	**-**	**8,289,542,067**	**8,289,542,067**

27. CONCENTRATION OF ASSETS AND LIABILITIES

	2019 G$	2018 G$
Loan and Advances		
Mortgages - Commercial	1,924,140,063	1,744,051,232
- Domestic	1,741,802,247	1,799,146,546
- Low Income	86,546,625	53,013,964
- Other	1,976,511,971	1,782,536,217
- Car Loans	95,389,329	-
	5,824,390,235	**5,378,747,959**
Agriculture Sector	80,086,537	77,298,928
Manufacturing Sector	108,068,545	117,152,637
Construction Sector	462,183,707	389,234,245
Mining Sector	52,921,204	122,890,896
Drainage and Irrigation	26,154,398	-
	6,553,804,626	**6,085,324,665**
Loss Allowance on Loans and Advances	(116,274,859)	(89,944,181)
	6,437,529,767	**5,995,380,484**
Liabilities		
Customers' Deposits		
Fixed Deposits	6,862,180,927	6,668,113,544
Special Savings	1,588,546,899	1,477,839,838
	8,450,727,826	**8,145,953,382**

28. 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 26.17% and 20.82% as at 31 December 2019 and 2018 respectively.

Total Tier 1 and Tier 11 Capital was of risk adjusted assets as at 31 December 2019, compared 26.17% to 21.22 % at the end of the previous year.

Gearing ratio

The gearing ratio at the year end was as follows:

	2019	2018
Debt(i)	8,450,727,826	8,145,953,382
Cash and Cash Equivalents	(1,398,707,161)	(1,222,808,716)
Net Debt	7,052,020,665	6,923,144,666
Equity(ii)	1,771,007,716	1,363,666,076
Net debt to equity ratio	3.98	5.08

(i) Debt is defined as long term and short term funds
(ii) Equity includes all capital and reserves of the Trust

29. 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 liablities that are measured at fair value on a recurring basis:

Financial Assets	Fair value as at 31.12.2019	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Loan Receivables	$9,264,585,068	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	$1,167,867,052	Level - 2	The fair values have been estimated by applying discounted cash flows analysis, using current market rates.	N/A	N/A
Investments - Equity	$1,196,261,312	Level - 1	The fair value of the equity investments are based on current market value.	N/A	N/A
Investments - Equity	$105,000	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 appropriate to fair value.	N/A

29. 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 liablities that are not measured at fair value on a recurring basis (but fair value diclosures are required) :

	2019	
	Carrying amount	**Fair Value**
Assets	**G$**	**G$**
Property and Equipment	27,072,534	27,072,534
Intangible Asset	883,406	883,406
Receivables and Prepayments	56,803,977	56,803,977
Related Parties	457,790	457,790
Properties on Hand	49,650,041	49,650,041
Interest Receivable	20,960,474	20,960,474
Cash Resources	1,398,707,161	1,398,707,161
	1,554,535,383	**1,554,535,383**
Liabilities		
Customers' Deposits	8,450,727,826	8,450,727,826
Payables and Accruals	122,753,905	122,753,905
	8,573,481,731	**8,573,481,731**

(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

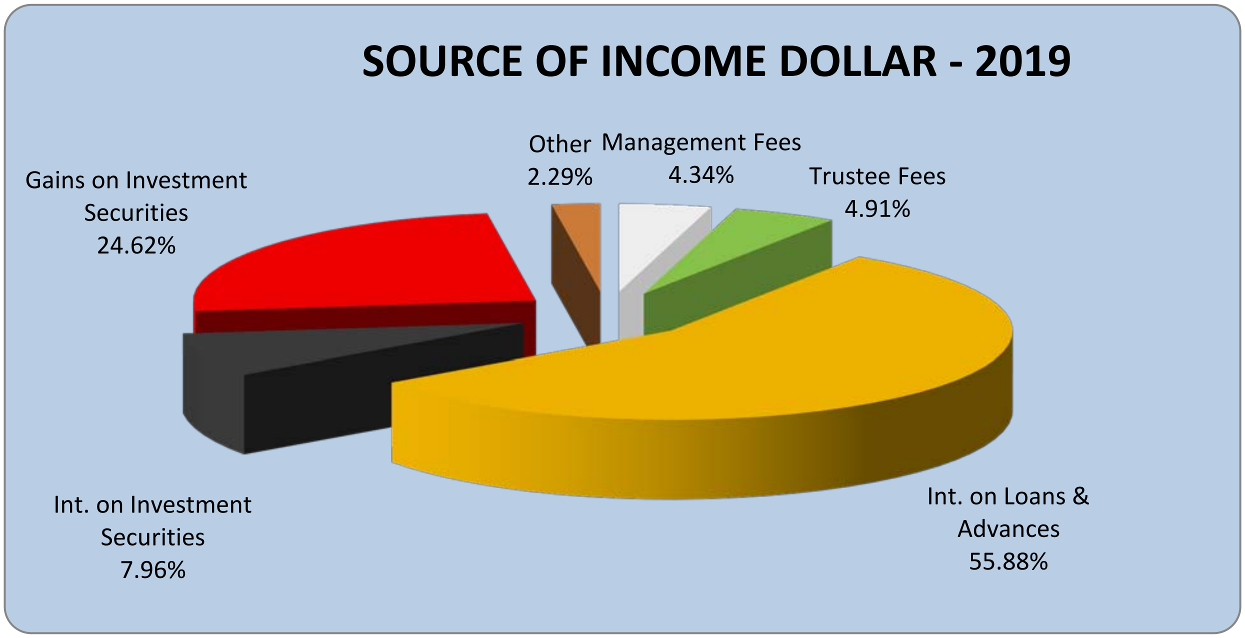
The fair value of deposits with no stated maturity is the amount payable on demand. The fair value of fixed term, interest bearing deposits approximate to carrying amount given their short maturity period.

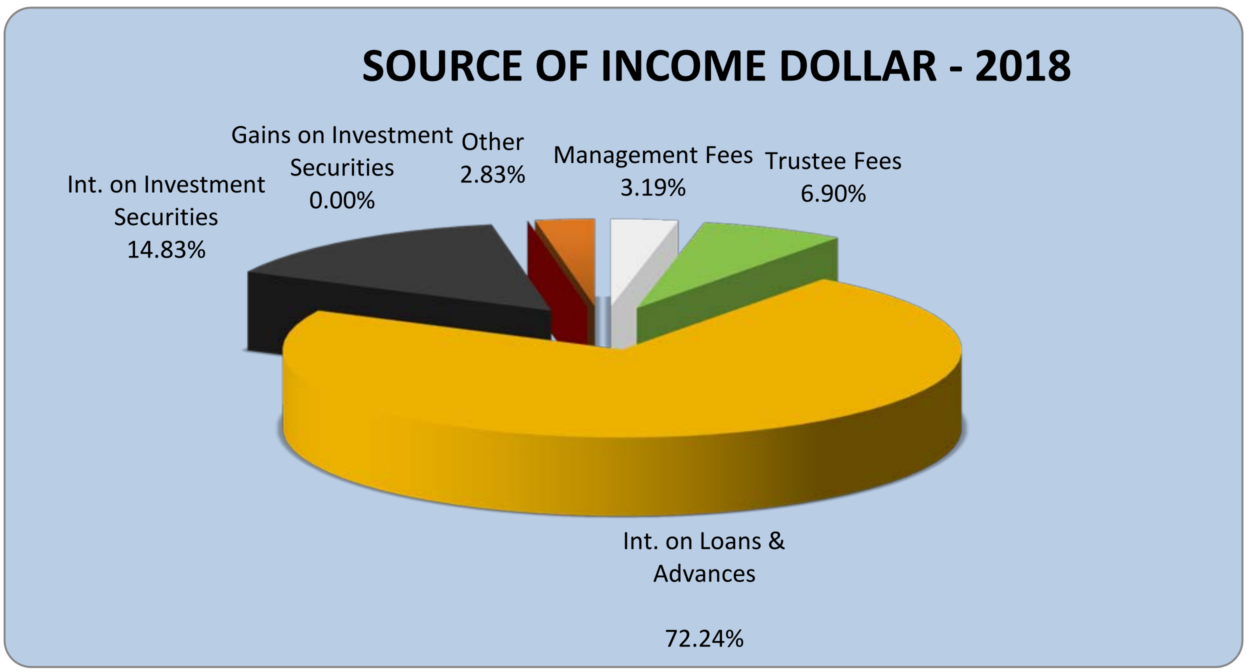
(e) Trade Payables

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

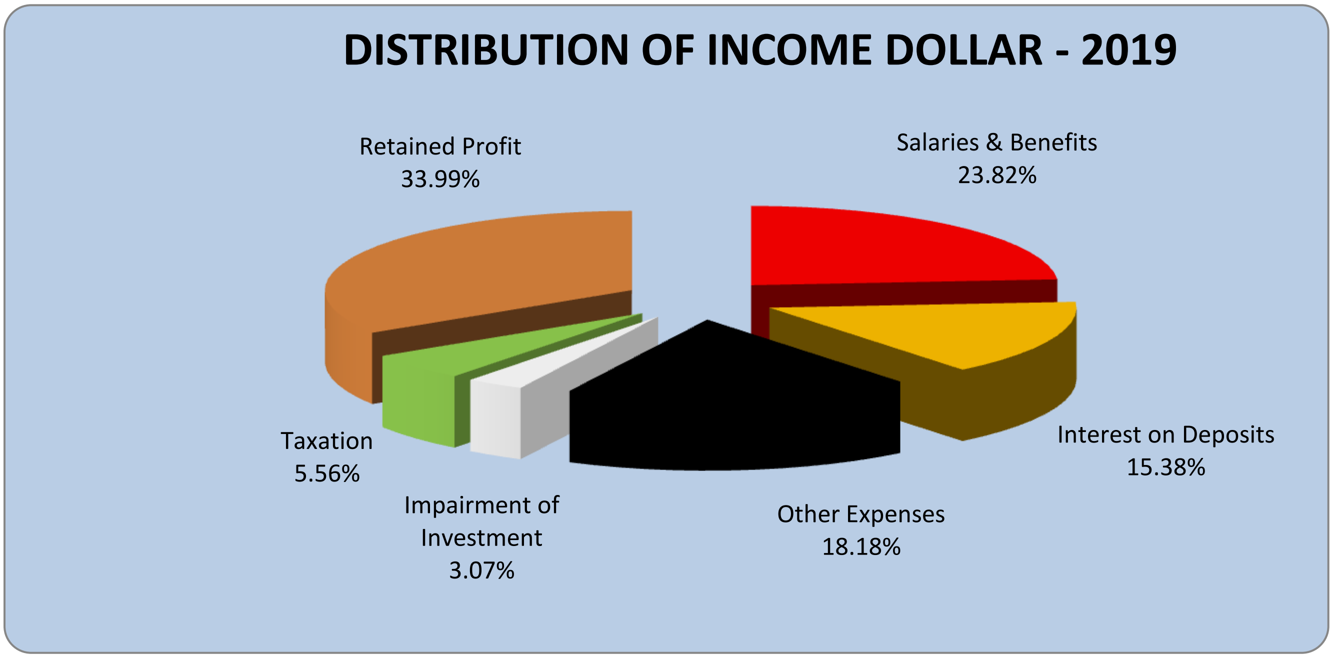
(f) There were no transfer between levels in the current year.

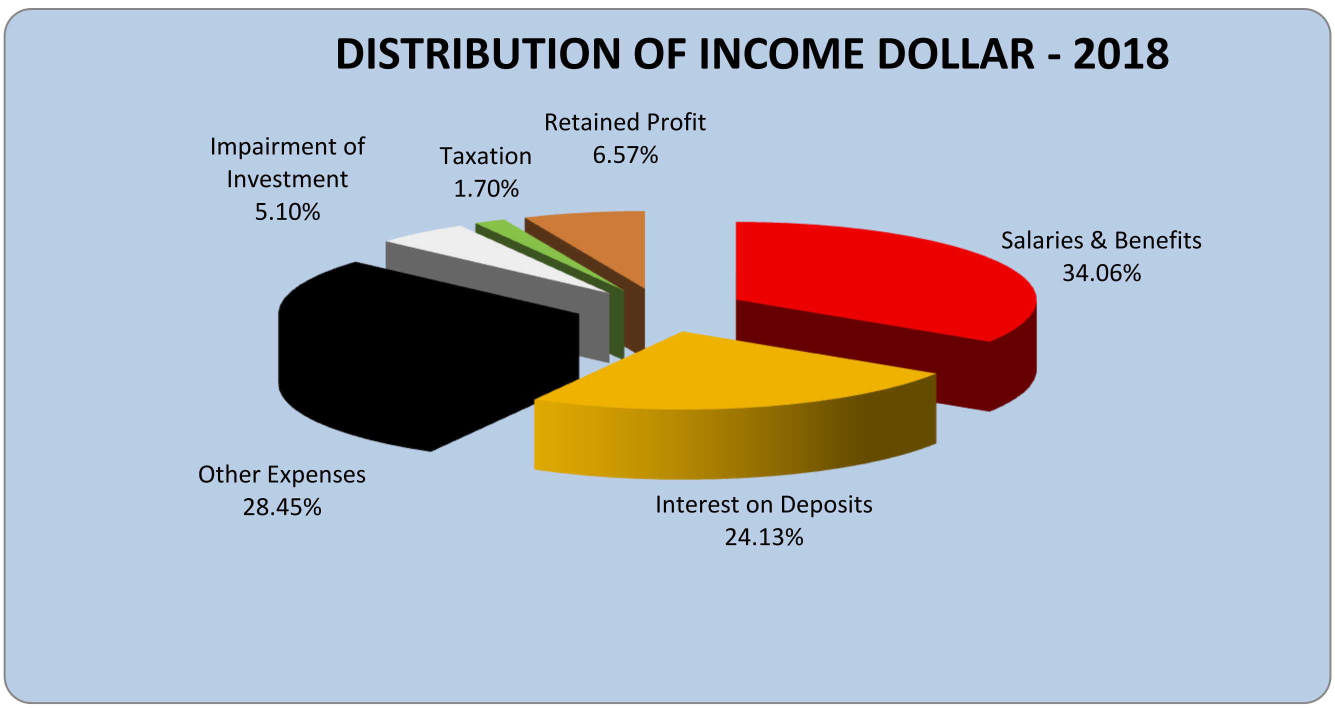
STATISTICAL REVIEW





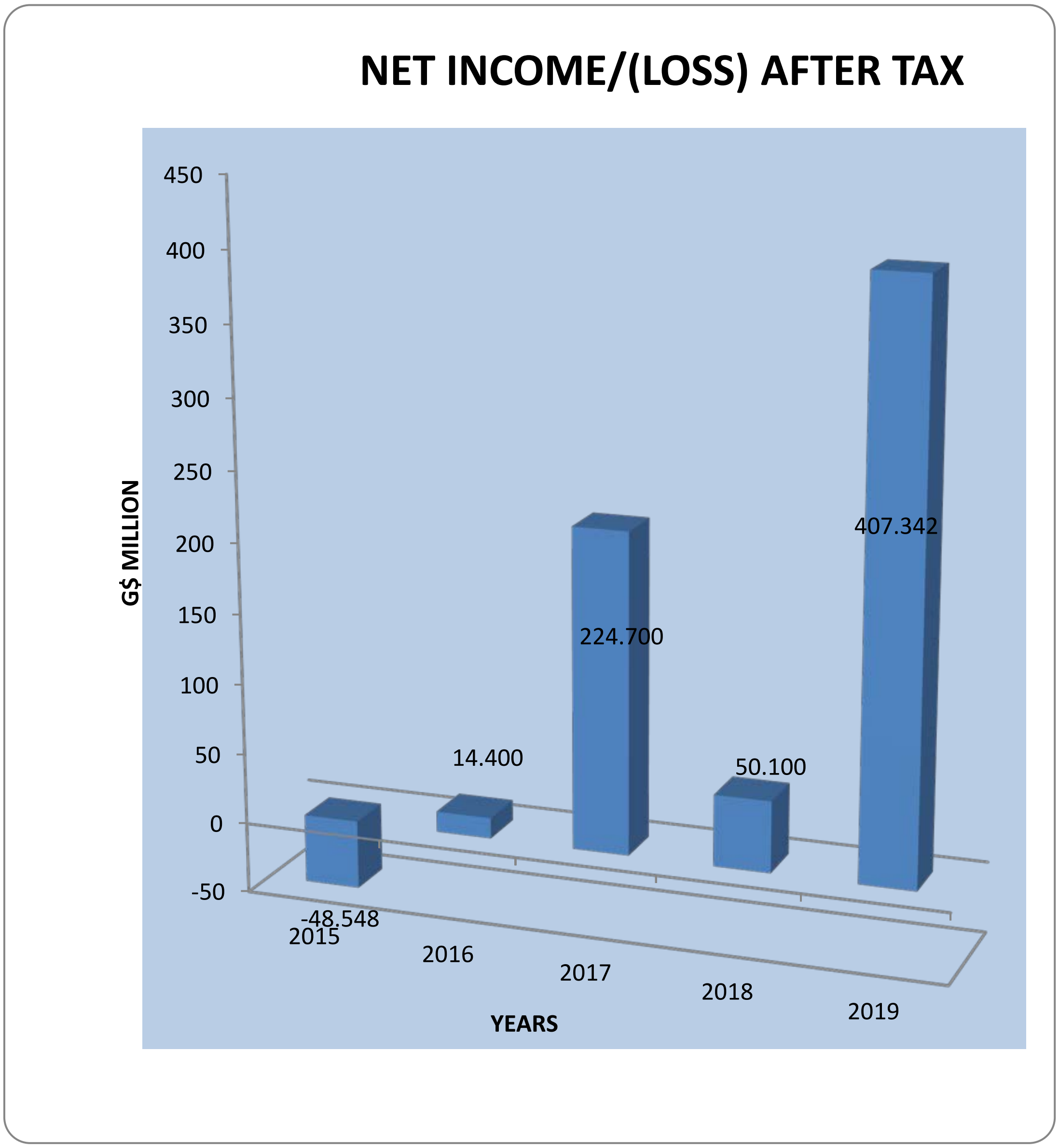
	2019 AMOUNT G$ (M)	%	2018 AMOUNT G$ (M)	%
Management Fees	52.0	4.34	24.3	3.19
Trustee Fees	58.9	4.91	52.6	6.90
Int. on Loans & Advances	669.6	55.88	550.6	72.24
Int. on Investment Securities	95.4	7.96	113.1	14.83
Gains on Investment Securities	295.0	24.62	0.0	0.00
Other	27.4	2.29	21.6	2.83
TOTAL	1198.3	100.00	762.2	100.00





YEAR	2019 AMOUNT G$ (M)	%	2018 AMOUNT G$ (M)	%
Salaries & Benefits	285.45	23.82	259.57	34.06
Interest on Deposits	184.24	15.38	183.90	24.13
Other Expenses	217.80	18.18	216.84	28.45
Impairment of Investment	36.74	3.07	38.88	5.10
Taxation	66.68	5.56	12.92	1.70
Retained Profit	407.34	33.99	50.09	6.57
TOTAL	1,198.25	100.00	762.20	100.01

STATISTICAL REVIEW



YEAR	2015	2016	2017	2018	2019
AMOUNT G$ (M)	-48.548	14.400	224.700	50.100	407.342

STATISTICAL REVIEW

FIVE YEAR SUMMARY OF EARNINGS

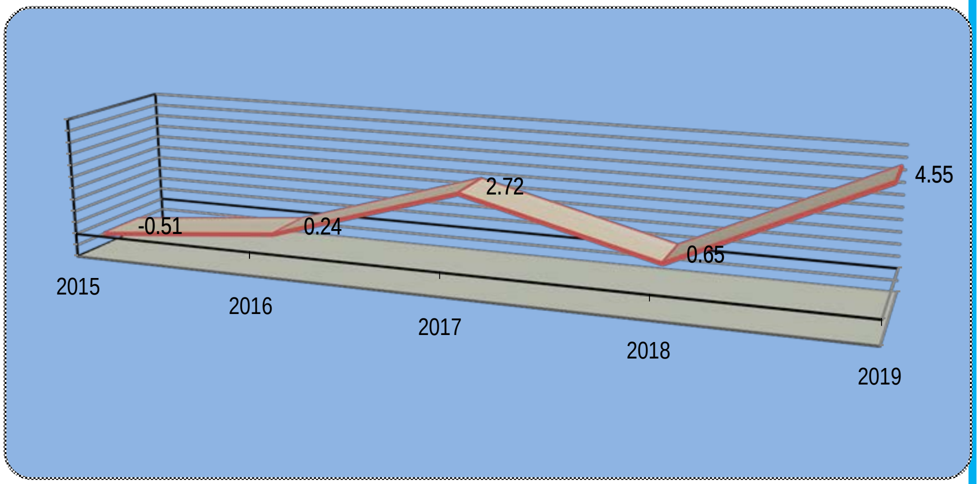
	2018	2018	2017	2016	2015
Interest Income	*735,025,703*	*621,740,679*	*667,565,748*	*696,764,809*	*525,672,719*
LESS: Interest Expenses	*184,235,085*	*183,905,092*	*255,088,273*	*251,759,646*	*196,538,453*
Interest Differential	*550,790,618*	*437,835,587*	*412,477,475*	*445,005,163*	*329,134,266*
Other Operating Income	*168,220,487*	*125,293,891*	*122,188,063*	*113,403,345*	*133,382,755*
Total Operating Income LESS: Interest Expenses	*719,011,105*	*563,129,478*	*534,665,538*	*558,408,508*	*462,517,021*
Salaries & Staff Benefits	*285,449,755*	*123,687,505*	*221,082,264*	*193,066,939*	*172,050,908*
Other Operating Expenses	*215,220,957*	*259,570,406*	*120,246,587*	*103,234,267*	*103,300,381*
Increase/Reduction in loss provisions	*2,566,018*	*93,152,373*	*(97,685,804)*	*236,490,074*	*195,784,237*
Total Operating Expenses	*503,236,730*	*476,410,284*	*243,643,047*	*532,791,280*	*471,135,526*
Profit/loss before Impairment of Investments					
Impairment of investments	*215,774,375*	*86,719,194*	*291,022,491*	*25,617,228*	*-8,618,505*
LESS: Provision for losses S&SBI	*36,737,440*	*38,879,493*	*29,753,245*	*4,072,545*	*33,349,488*
Taxation	*66,682,100*	*12,918,280*	*36,535,014*	*7,147,313*	*6,579,911*
Profit /(Loss) for the period	*112,354,835*	*34,921,421*	*224,734,232*	*14,397,370*	*(48,547,904)*
Gain/(Loss) on revaluation of asset	*294,986,805*	*15,175,129*	*6,964,777*	*466,279*	*-6,288,537*
NET INCOME	*407,341,640*	*50,096,550*	*231,699,009*	*14,863,649*	*(54,836,441)*

FIVE YEAR GROWTH RECORD

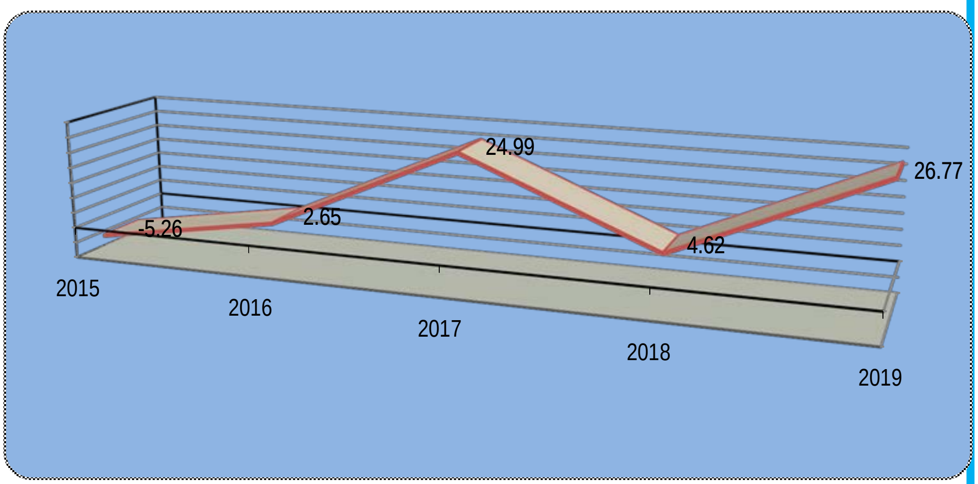
ASSETS	2019	2018	2017	2016	2015
Fixed Assets	*27,955,940*	*31,683,311*	*33,292,120*	*18,565,663*	*19,490,333*
Investments	*8,901,258,489*	*8,290,481,825*	*7,541,510,026*	*7,039,503,816*	*6,576,151,301*
Other Assets	*1,480,370,397*	*1,331,043,007*	*2,038,909,258*	*2,096,436,267*	*1,617,006,697*
TOTAL ASSETS	*10,409,584,826*	*9,653,208,143*	*9,613,711,404*	*9,154,505,746*	*8,212,648,331*
LIABILITIES					
Customers' Deposits	*8,450,727,826*	*8,145,953,382*	*8,404,128,772*	*8,184,322,105*	*7,232,920,408*
Other Liabilities	*187,849,284*	*143,588,685*	*164,887,270*	*157,187,288*	*181,585,219*
Share Capital	*750,000,000*	*750,000,000*	*750,000,000*	*750,000,000*	*750,000,000*
Retained Earnings	*632,726,556*	*255,257,343*	*66,461,466*	*(123,517,915)*	*(135,685,738)*
Other Reserves	*388,281,160*	*358,408,733*	*228,233,896*	*186,514,268*	*183,818,442*
TOTAL LIABILITIES	*10,409,584,826*	*9,653,208,143*	*9,613,711,404*	*9,154,505,746*	*8,212,638,331*
Return on Assets (%)	*4.55*	*0.65*	*2.72*	*0.24*	*-0.51*
Return on Equity (%)	26.77	4.62	24.99	2.65	-5.26
Earnings Per Share (Dollars)	54.31	6.68	29.96	1.92	-6.47

STATISTICAL REVIEW

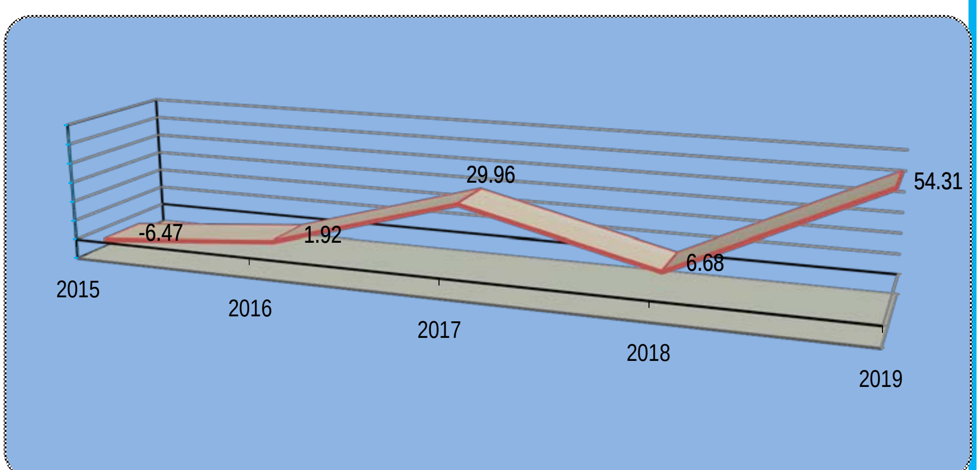
RETURN ON ASSETS (PERCENT)



RETURN ON EQUITY (PERCENT)



EARNINGS PER SHARE (DOLLARS)



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 16th Annual General Meeting of the said Corporation to be held on **Wednesday, 16th September, 2020** 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 ____________, 2020

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*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