



HAND - IN- HAND TRUST



CORPORATION INC.

19th ANNUAL REPORT 2020





# 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 NINETEENTH Annual General Meeting of the HAND-IN -HAND TRUST CORPORATION INC. will be held at the Board Room of the Hand-in-Hand Trust Corporation Inc., 62-63 Middle Street, North Cummingsburg, Georgetown on Thursday, June 24, 2021 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, 2020.

To consider and (if thought fit) pass the following Resolution:

"That the Audited Financial Statements for the period ended December 31, 2020 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,



27<sup>th</sup> May 2021

Registered Office:

62-63 Middle Street,  
North Cummingsburg,  
Georgetown



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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 23rd 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 2020 is:

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



## 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-2020**

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, 2020.

### **Global Economy**

The global economy is slowly recovering from the devastating global pandemic - COVID-19, with an estimated end-of-year contraction of 4.3 percent (Global Economic Prospects - WB, Jan. 2021).

Advanced economies contracted by 5.4 percent while emerging market & developing economies declined by 2.6 percent. Advanced economies recorded a less severe contraction than previously expected but the recovery was dampened by a substantial surge in Corona virus cases.

Developing economies have been disproportionately affected with higher GDP contractions, unemployment and extreme poverty.

Countries in the Caribbean region were severely affected, with all countries except Guyana, recording contraction in economic activities.

Unemployment rates remained higher than pre-pandemic levels while inflation has been subdued on account of lower food and fuel prices.

### **Guyana Economy 2020**

The Guyanese economy registered real oil GDP growth of 43.5 percent compared with 5.4 percent growth in 2019, as the sector recorded its first full year of oil production.

However, real non-oil GDP contracted by 7.3 percent in 2020 compared with a growth of 4.3 percent in 2019, due to the adverse effects of the COVID-19 pandemic and the elections uncertainty.

The contraction in the non-oil economy reflected significant declines in all the major sectors, except the agriculture sector which grew on account of higher output of rice, other crops and livestock.

Inflation remained low at 0.9 percent on account of lower oil prices which offset higher food prices.

The Licensed Depository Financial Institutions' (LDFIs') capital levels continued to be high while nonperforming loans (NPLs) increased marginally at the end of 2020.

The Capital Adequacy Ratio (CAR) stood at 31.7 percent, well above the prudential benchmark of 8.0 percent.

The stock of non-performing loans deteriorated to 10.6 percent of total loans. The LDFIs' ratio of reserve against NPLs moved to 36.9 percent from 35.5 percent at end - December 2019, as a result of a 13.5 percent expansion in reserve for loan losses which offset the 9.3 percent increase in NPLs.

Notwithstanding, the LDFIs generally held adequate provision and collateral against adversely classified loans.

## **Outlook for 2021 Global Economy**

Global growth is projected at 4.0 percent for 2021 (Global Economic Prospects - WB, Jan. 2021), albeit below pre-pandemic levels.

Advanced economies are estimated to grow by 3.3 percent on the back of pandemic containment aided by widespread vaccination and sustained monetary policy accommodation.

Growth in the emerging market & developing economies is projected at 5.0 percent, resulting mainly from China's rebound, as the other economies continue to feel the lingering effects of the pandemic, particularly on consumption and expenditure.

The Latin America and the Caribbean Region is expected to expand by 3.7 percent as restrictions are relaxed and external conditions improve.

However, downside risks to the recovery stem from uncertainties due to the resurgent in virus cases and problems in procuring and distributing vaccines.

## Outlook for 2021 Guyana Economy

The Guyanese economy is projected to record real oil GDP growth of 20.9 percent on account of higher output of oil and increased performance in all other sectors since non-oil GDP growth is estimated at 6.1 percent.

The growth in the non -oil economy is anticipated due to expansions in all the major sectors on the assumption that the economy reopens as the COVID-19 restrictions are gradually lifted.

However, downside risks to this outlook may stem from COVID-19 related issues and the recent floods in the country.

Notwithstanding, the end of year inflation rate is expected to be 1.6 percent due to increased economic activities as the economy picks up.

## Performance of the Corporation

The year 2020 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 conform with the Financial Institution Act 1995 (FIA 1995) and Bank of Guyana Supervisory Guidelines.

Our Total Equity increased by \$209.4M compared with \$407.3M in 2019 (to G\$1.980B from G\$1.771B in 2019), as a result of net profit earned and other reserves for the year.

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

We are happy to report that our Tier I and Tier II Capital Adequacy ratios were both 26.30%, 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, 2020:

### **Recoveries/Delinquent Loans**

We are happy to report that our Recovery Unit continued to resolutely pursue all written off accounts and delinquent loans.

### **Savings**

Our depositors maintained their valued relationship with the Corporation.

Fixed and Term Deposits were G\$6.707B whilst Savings Investments Scheme (SIS) were G\$1.698B. Total Deposits stood at G\$8.405B at the end of 2020.

## **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 2020:-

Mortgages/Loans	-	G\$6,857.9 M
Bonds & Other Investments	-	G\$2,207.5 M
		-----
Total Investments		G\$ 9,065.4 M
		-----

## **Total Assets**

The total assets of the Institution increased from \$10,409.3 million in 2019 to \$10,539.0 million in 2020, an increase of \$129.7 million or 1.25%.

## **General Reserves**

The Trust Corporation's Retained Earnings increased from \$632.7 million in 2019, to \$723.1 million in 2020, an increase of \$390.4 million or 14.3%.

At the end of the period, the Statutory Reserve Fund and Other Reserves were \$507.3 million compared with \$388.3 million in 2019, an increase of \$119.0 million or 30.6%.

## **Interest Payments - Fixed Deposits and Special Investment Pass Book Scheme**

Our interest payments increased marginally by \$0.3 million or 0.14% 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 \$119.7 million.

## **Equity & Net Income after Tax**

The Institution Total Equity increased by \$209.4M compared with \$407.3M in 2019 (to G\$1.980B from G\$1.771B in 2019). This increase comprised of Net Profit after tax of \$106.3 million and other reserves of \$103.1 million.

## **Financial Performance**

The Return on Assets was 1.14% (4.55% - 2019), with Return on Equity of 6.04% (26.77%-2019), whilst earnings per share were \$14.18 (\$54.31 - 2019).

## **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 contributions are invaluable.



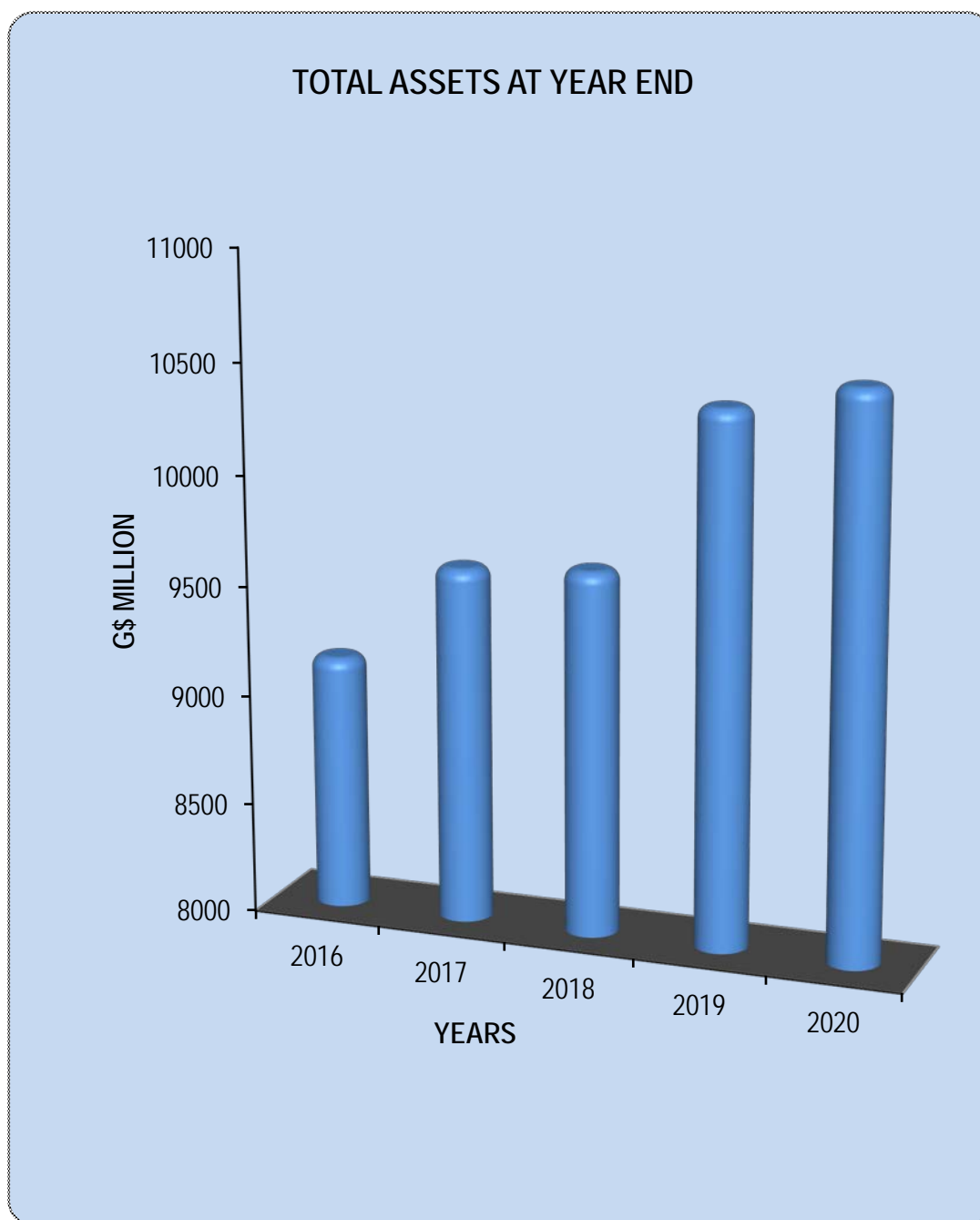
## **CUSTOMERS**

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**

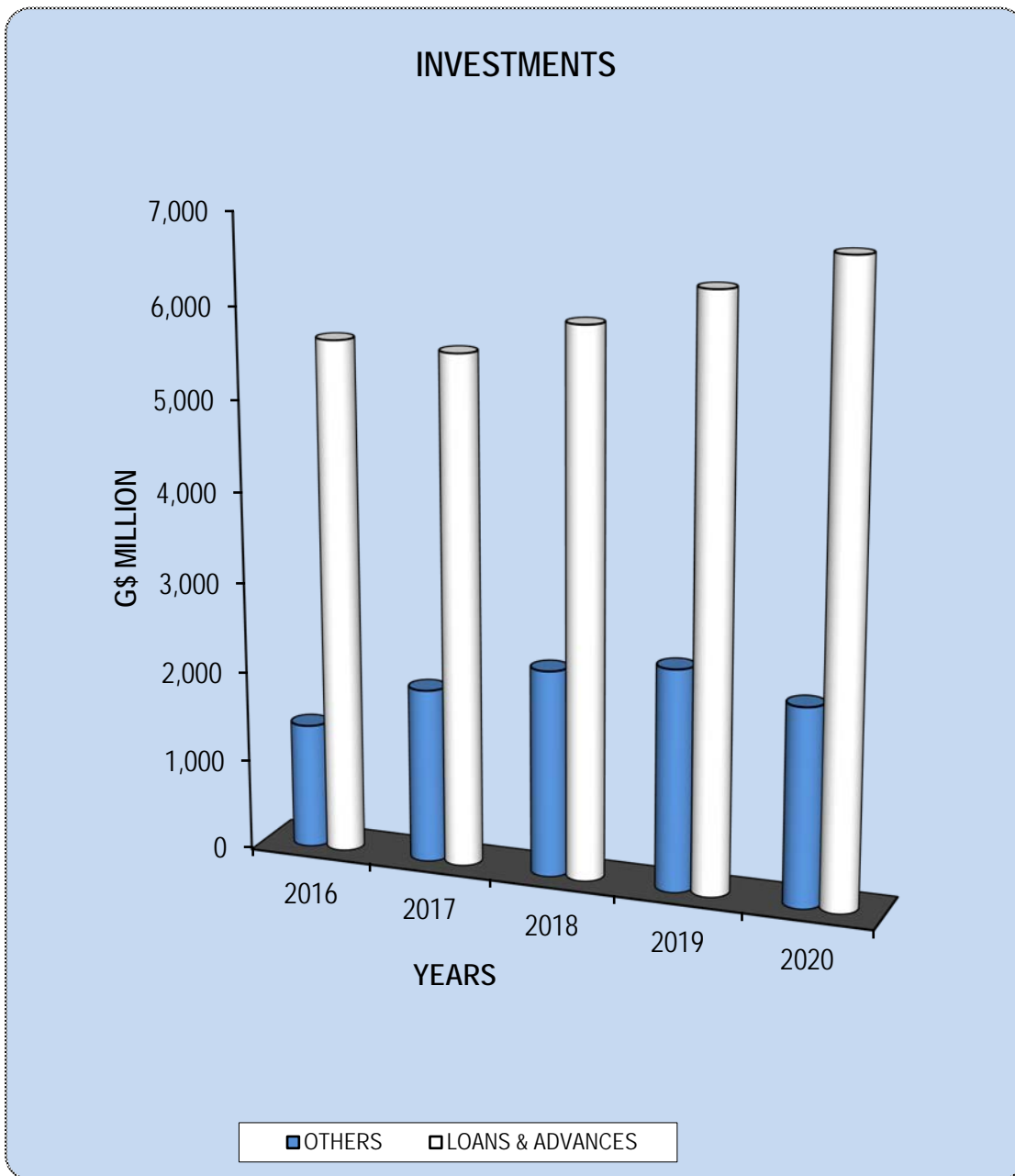
The challenges will be met with a determination and commitment provided by a team determined to succeed. We will continue to enhance our human resources where necessary. Our management team believes in teamwork and the Board of Directors will continue to provide guidance as required.

## FINANCIAL REVIEW



YEAR	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
AMOUNT G\$ (M)	9,155	9,614	9,653	10,410	10,539

# FINANCIAL REVIEW



YEAR	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
LOANS & ADVANCE	5,656	5,608	5,995	6,438	6,858
OTHERS	1,384	1,933	2,295	2,463	2,208
G\$ (M)	<u>7,040</u>	<u>7,541</u>	<u>8,290</u>	<u>8,901</u>	<u>9,066</u>

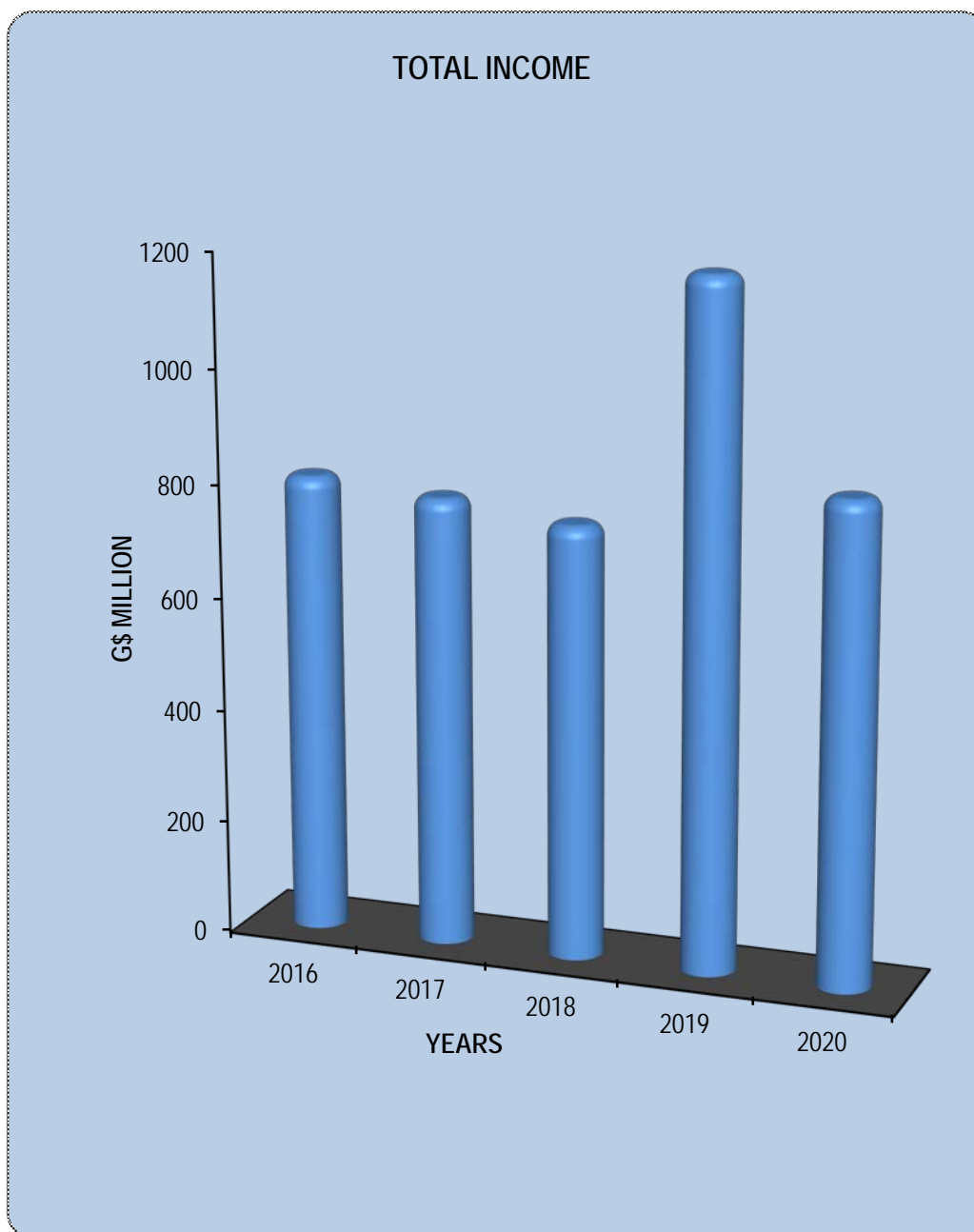
## FINANCIAL REVIEW

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



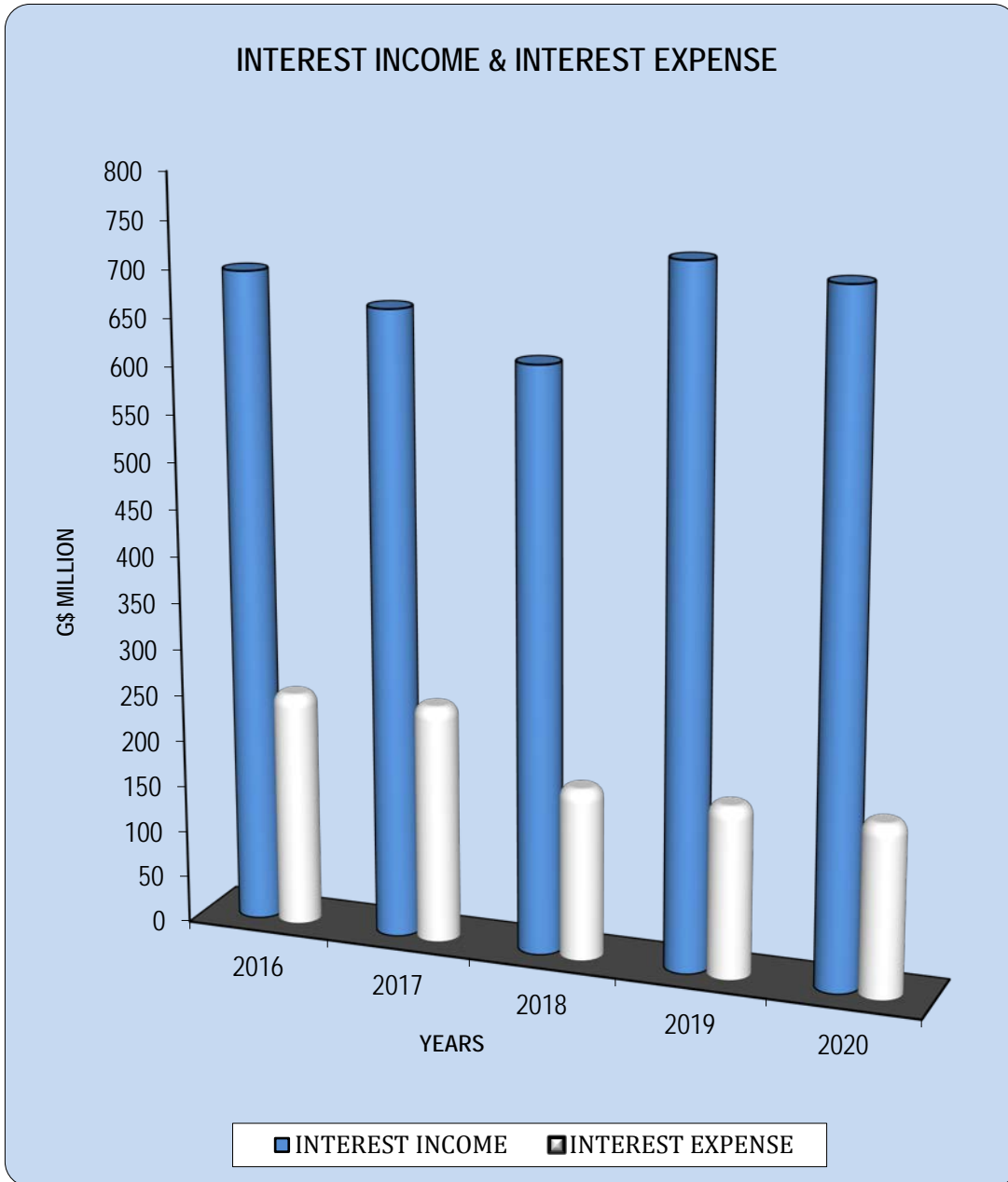
YEAR	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
S.I.S.	1,107	1,238	1,478	1,589	1,698
F.D.	7,077	7,166	6,144	6,862	6,707
G\$ (M)	<u>8,184</u>	<u>8,404</u>	<u>7,622</u>	<u>8,451</u>	<u>8,405</u>

# FINANCIAL REVIEW



YEAR	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
AMOUNT G\$ (M)	810	790	762	1198	845

# FINANCIAL REVIEW



YEAR	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
INTEREST INCOME	696.8	667.6	621.7	735.0	721.4
INTEREST EXPENSE	251.8	255.1	183.9	184.2	184.5

# Secure Your Financial Future TODAY!

with our wide range of  
Financial  
Services



Residential & Commercial Mortgages

Thrift & Pension Plan Trusteeship

Investment Deposit Accounts

Portfolio Management

Property Management

Safe Deposit Boxes

Shares Brokerage

Personal Trusts

Vehicle Loans

Cambio

Western Union & Bill Express Services

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

62-63 Middle Street,  
North Cummingsburg, Georgetown, Guyana  
Tel: (592) 226-9781-4. Fax: (592) 226-9971  
Email: [trustco@gol.net.gy](mailto:trustco@gol.net.gy)  
Website: [www.handinhandtrust.com](http://www.handinhandtrust.com)



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

MSC 016/2021

## 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 2020, 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, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as amended, the Financial Institutions Act 1995, as amended, Companies Act 1991, the Anti-Money Laundering/Countering Financial Terrorism 2009 & Regulation 2010, Deposit Insurance Act No. 15 of 2018, Credit Reporting Act No. 9 of 2010 and Credit Reporting Act No. 2 of 2016.

### Basis for Opinion

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

### Key Audit Matters

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



**Key Audit Matters****How our audit procedures addressed the key audit matter**

*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
<p><i>Implementation of IFRS 9 ‘Financial Instruments’ Refer to <b>note 2.2 (a) i. &amp; 2.2 (b)</b> to the financial statements for disclosures of related accounting policies and balances. (continued)</i></p> <p>These judgments have required new models to be built and implemented to measure the expected credit losses on loans and investments. Management engaged a credit modeler expert to assist in the more complex aspects of the expected credit loss model.</p> <p>There is a large increase in the data inputs of these models which increases the risk that the data used to develop assumptions and operate the model is not complete or accurate.</p> <p>The impact on net assets from the implementation of the measurement and classification aspects of the standard was not material.</p>	<p>- We tested the loss given default in the ECL calculation for a sample of instruments.</p> <p>- We tested the completeness of the amounts assessed for impairment on Financial Assets.</p>
<p><b>Impairment Provision for Loans and Mortgages</b></p> <p>Loans and mortgages amounting to \$6.9B (after impairment provision) represent sixty-five (65) percent of the total assets of the Trust as shown in the Statement of Financial Position (page 6).</p> <p>The methodologies required by IFRS 9 and Bank of Guyana in respect of impairment provisions involve significant judgment by management on matters such as:</p> <ul style="list-style-type: none"> <li>• Loan classification as impaired;</li> <li>• Valuation and realization of collaterals pledged;</li> <li>• Amount and timing of cash flows; and</li> <li>• Forward looking expected credit losses (ECLs) impairment model as required by IFRS 9 as described above.</li> </ul>	<p>Our procedures in relation to this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• We evaluated and tested the Trust’s process and documented policy for mortgage loss provisioning;</li> <li>• 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;</li> <li>• 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;</li> </ul>

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

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Maurice Solomon & Co.

Chartered Accountants

29<sup>th</sup> April, 2021

**MAURICE SOLOMON & CO**  
Chartered Accountants  
92 Oronoque Street, Queenstown  
Georgetown, Guyana

**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

	NOTE	2020 G\$	2019 G\$
<b>ASSETS</b>			
<b>Cash resources:</b>			
Cash at Bank of Guyana	3	911,019,143	1,028,305,154
Cash on Hand and at other Banks	4	394,289,211	370,402,007
<b>Total Cash Resources</b>		<b>1,305,308,354</b>	<b>1,398,707,161</b>
 <b>INVESTMENTS</b>			
Investment Securities	5	2,207,452,263	2,414,078,681
Loans and Advances	6	6,857,948,352	6,437,529,767
Properties on Hand	7	44,560,895	49,650,041
		<b>9,109,961,510</b>	<b>8,901,258,489</b>
 <b>OTHERS</b>			
Deferred Taxation	9	2,122,079	1,392,817
Receivables, Prepayments and Other Assets	10	62,555,691	56,803,977
Related Parties	23(ii)	977,428	457,790
Interest Receivables	11	14,567,216	20,960,474
Taxation Recoverable		6,941,105	2,048,178
Property and Equipment	8	36,562,826	27,072,534
Intangible Asset	8 (c)	-	883,406
<b>Total Others</b>		<b>123,726,345</b>	<b>109,619,176</b>
 <b>TOTAL ASSETS</b>		<b>10,538,996,209</b>	<b>10,409,584,826</b>

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

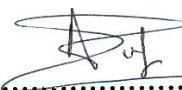
**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

	NOTE	2020 G\$	2019 G\$
<b>EQUITY AND LIABILITIES</b>			
<b>DEPOSITS</b>			
Customers' Deposits	12	8,405,058,099	8,450,727,826
<b>OTHERS</b>			
Payables and Accruals	13	138,958,838	122,753,905
Taxation		14,608,033	65,095,379
<b>Total Others</b>		<b>153,566,871</b>	<b>187,849,284</b>
<b>Total Liabilities</b>		<b>8,558,624,970</b>	<b>8,638,577,110</b>
<b>CAPITAL AND RESERVES</b>			
Issued Capital	14	750,000,000	750,000,000
Statutory Reserve	15	279,347,504	263,395,547
Risk Reserve	2.1 (g)	227,902,758	124,885,613
Retained Earnings		723,120,977	632,726,556
<b>Total Equity</b>		<b>1,980,371,239</b>	<b>1,771,007,716</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,538,996,209</b>	<b>10,409,584,826</b>

The Board of Directors approved these financial statements for issue on April 26, 2021



.....  
**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 2020**

		<b>2020</b>	<b>2019</b>
	<b>NOTE</b>	<b>G\$</b>	<b>G\$</b>
<b>INCOME</b>			
Interest income	<b>16</b>	721,393,135	735,025,703
Interest expenses		<u>(184,504,139)</u>	<u>(184,235,085)</u>
Net interest income		<b>536,888,996</b>	<b>550,790,618</b>
<b>OTHER INCOME</b>			
Fees	<b>17</b>	95,901,567	136,097,953
Dividends/ Gains		26,581,329	29,919,658
Gains from Investments		-	294,986,805
Cambio operations		<u>940,750</u>	<u>2,202,876</u>
<b>TOTAL NET INCOME</b>		<b>660,312,642</b>	<b>1,013,997,910</b>
Operating expenses	<b>18</b>	(454,576,982)	(437,596,081)
Credit Impairment Losses on loans and advances	<b>19 (a)</b>	(76,571,676)	(2,566,018)
Credit Impairment Losses on Other Financial Assets	<b>19 (b)</b>	(3,770,156)	(3,548,158)
Changes in Fair Value on Investment Securities	<b>20</b>	(15,578,518)	(3,358,323)
(Loss)/Gain from Stanford Investment		7,583,134	(29,830,959)
Foreign Currency (Loss)/Gain		<u>2,278,092</u>	<u>(63,074,631)</u>
Profit before taxation		<b>119,676,536</b>	<b>474,023,740</b>
Taxation	<b>21</b>	<u>(13,330,158)</u>	<u>(66,682,100)</u>
<b>PROFIT FOR THE YEAR</b>		<b>106,346,378</b>	<b>407,341,640</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>22</b>	<b>14.18</b>	<b>54.31</b>

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 2020**

	<b>Share Capital G\$</b>	<b>Statutory Reserve G\$</b>	<b>General Reserve G\$</b>	<b>Risk Reserve G\$</b>	<b>Retained Earnings G\$</b>	<b>Total G\$</b>
<b>Year ended 31 December 2020</b>						
Balance at 1 January 2020	750,000,000	263,395,547	-	124,885,613	632,726,556	1,771,007,716
Profit for the year	-	-	-	-	106,346,378	106,346,378
Transfer to/(from) Statutory Reserve	-	15,951,957	-	-	(15,951,957)	-
Transfer (from)/ to Risk Reserve	-	-	-	103,017,145	-	103,017,145
<b>Balance at 31 December 2020</b>	<b>750,000,000</b>	<b>279,347,504</b>	<b>-</b>	<b>227,902,758</b>	<b>723,120,977</b>	<b>1,980,371,239</b>

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 2020**

	<b>Share Capital G\$</b>	<b>Statutory Reserve G\$</b>	<b>General Reserve G\$</b>	<b>Risk Reserve G\$</b>	<b>Retained Earnings G\$</b>	<b>Total G\$</b>
<b>Year ended 31 December 2019</b>						
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	-
<b>Balance at 31 December 2019</b>	<b>750,000,000</b>	<b>263,395,547</b>	<b>-</b>	<b>124,885,613</b>	<b>632,726,556</b>	<b>1,771,007,716</b>

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 2020**

	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Taxation</b>	<b>119,676,536</b>	<b>474,023,740</b>
<b>Adjustments for:</b>		
Depreciation	8,865,104	8,633,350
Amortisation	883,406	1,056,504
Net credit impairment on loans and advances	(24,016,754)	26,619,378
Changes in fair value on investment securities	15,578,518	3,358,323
	<u>103,017,145</u>	<u>-</u>
<b>Adjusted profit before working capital changes</b>	<b>224,003,955</b>	<b>513,691,295</b>
<b>Movements in working capital:</b>		
Increase in loans and advances	(396,401,831)	(468,768,661)
Increase in receivables and prepayments	(5,751,714)	(20,130,208)
Decrease/ (Increase) in related parties	(519,638)	40,064,572
Decrease in interest receivables	6,393,258	6,854,412
Increase/(Decrease) in customers' deposits	(45,669,727)	304,774,444
(Decrease)/Increase in payables and accruals	16,204,933	(16,117,922)
	<u>(201,740,764)</u>	<u>360,367,932</u>
<b>Cash generated/(absorbed) by operations:</b>	<b>(201,740,764)</b>	<b>360,367,932</b>
Taxes paid	(69,439,693)	(6,521,300)
<b>Net cash inflows/ (outflows) used in operating activities</b>	<b>(271,180,457)</b>	<b>353,846,632</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(18,355,396)	(5,962,483)
Net purchase/redemption of investment securities	191,047,900	(174,762,523)
Net decrease in properties on hand	5,089,146	2,776,819
	<u>177,781,650</u>	<u>(177,948,187)</u>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(93,398,807)</b>	<b>175,898,445</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR</b>	<b>1,398,707,161</b>	<b>1,222,808,716</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF YEAR</b>	<b>1,305,308,354</b>	<b>1,398,707,161</b>
<b>CASH AND CASH EQUIVALENTS COMPRISES OF:</b>		
Cash at Bank of Guyana	911,019,143	1,028,305,154
Cash on hand and at other banks	394,289,211	370,402,007
	<u>1,305,308,354</u>	<u>1,398,707,161</u>

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)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**

**1. COMPANY IDENTIFICATION**

**(a) Incorporation and Business Activities**

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

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

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

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

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

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

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

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

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

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

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

**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION**

**(a) *Standards, amendments and interpretations 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)

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

**(c) *The standards and amendments that are effective in the current year and expected to have 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)

**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**NOTES TO THE FINANCIAL STATEMENT**  
**31 DECEMBER 2020**

**2.1 BASIS OF PREPARATION (Cont'd)**

**(d) Foreign Currency Transaction**

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

**(e) Critical Accounting Estimates and Judgements**

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

**(f) Going Concern**

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

**(g) The Risk Reserve**

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

The Trust have adopted the requirements of IFRS 9 and makes specific provisions on loans and advances. The provisions booked as at 31 December, 2020 amounted to \$86.8m from IFRS 9 report and an excess provision of \$103m was made under Bank Of Guyana Supervision Guideline No. 5.

The Risk Reserve as at 31 December, 2019 was \$124.8m. The increase of \$103m as shown in the Statement of Changes of Equity is the transfer to Risk Reserve of the excess provisioning.

**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**NOTES TO THE FINANCIAL STATEMENT**  
**31 DECEMBER 2020**

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Investments**

**IFRS 9: Financial Instruments, Recognition and Measurement**

**- Initial Recognition of IFRS 9**

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

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

**- Amortised Cost - Held to collect**

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

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

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

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

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

**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**NOTES TO THE FINANCIAL STATEMENT**  
**31 DECEMBER 2020**

**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.

**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

The stages under ECLs are as follows:-

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

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

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

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

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

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



**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**

**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.

**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**

**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 dividends are generally recognised in the profit or loss.

**(e) Property and Equipment**

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

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

**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**

**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 2020 the corporation's contribution to the plan was G\$7,280,321 (2019- \$6,640,892).

The Fund balance was G\$175,917,355 as at December 31, 2020 (2019 - \$131,935,651).

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

**(i) Properties on Hand**

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

**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>3. CASH AT BANK OF GUYANA</b>		
Cash at Bank of Guyana	<u><b>911,019,143</b></u>	<u><b>1,028,305,154</b></u>
This amount represents a statutory deposit and is not available for use by the Trust.		
<b>4. CASH ON HAND AND AT OTHER BANKS</b>		
Cash at bank	371,569,026	353,444,763
Cash on hand	<u>22,720,185</u>	<u>16,957,244</u>
	<u><b>394,289,211</b></u>	<u><b>370,402,007</b></u>
<b>5. INVESTMENT SECURITIES</b>		
<b>a) Held for Trading</b>		
Listed corporate companies note (d)	1,208,749,050	1,196,156,312
Unlisted corporate companies note (d)	<u>100,000</u>	<u>105,000</u>
	<u><b>1,208,849,050</b></u>	<u><b>1,196,261,312</b></u>
<b>b) Held to Collect - Amortised Cost</b>		
CARICOM Governments	434,935,102	467,718,377
Corporate Bonds	526,420,663	521,934,588
Local Bonds	<u>60,394,900</u>	<u>247,541,700</u>
	<u><b>1,021,750,665</b></u>	<u><b>1,237,194,665</b></u>
Provision for impairment ECL's	<u>(23,147,452)</u>	<u>(19,377,296)</u>
	<u><b>998,603,213</b></u>	<u><b>1,217,817,369</b></u>
<b>Total Investment Securities</b>	<u><b>2,207,452,263</b></u>	<u><b>2,414,078,681</b></u>
<b>c) Impairment on Investment Securities</b>		
<b>Opening balance</b>	19,377,296	16,330,754
ECLs during the year (stage 1) - note 19 (b)	<u>3,770,156</u>	<u>3,046,542</u>
As at year end	<u><b>23,147,452</b></u>	<u><b>19,377,296</b></u>

**HAND-IN-HAND TRUST CORPORATION INC.**  
**(A Member of the Hand - In - Hand Group of Companies)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**

**5.1 INVESTMENT SECURITIES (Cont'd)**

	<b>Year of Maturity</b>	<b>Rate of Interest</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Held to Collect</b>				
<b><u>a) Guyana - Others</u></b>				
Courts (Guyana) Inc	2020/2021	8.00	-	170,000,000
Berbice Bridge Inc. - Tranche 1	2018	9.00	-	6,582,500
Berbice Bridge Inc. - Tranche 2	2022	10.00	60,394,900	70,959,200
			<b><u>60,394,900</u></b>	<b><u>247,541,700</u></b>
<b><u>b) Caribbean- Government</u></b>				
Gov't of Belize	2031	4.94	162,513,888	162,513,888
T&T Housing Bond	2025	7.00	57,300,000	57,300,000
Gov't of ST Kitts New Discount Bonds	2032	3.00	6,949,052	7,456,418
Gov't of ST Kitts New Par Bonds	2057	1.50	9,148,071	9,148,071
Gov't of T&T Bond	2021	-	19,020,000	38,040,000
Gov't of T&T Bond	2021	-	4,680,000	9,360,000
Barbados Port Inc.	2024	8.00	55,324,091	63,900,000
TSTT Bridge Bond	2029	8.30	-	120,000,000
TSTT Bridge Bond	2029	5.20	120,000,000	-
			<b><u>434,935,102</u></b>	<b><u>467,718,377</u></b>
<b><u>c) Caribbean - Others</u></b>				
JMMB Repurchase Agreements	2020	2.30	-	221,934,588
JMMB Repurchase Agreements	2021	2.55	64,586,842	-
JMMB Repurchase Agreements	2021	2.30	161,833,821	-
Hand In Hand Life Assurance	2022	2.75	300,000,000	300,000,000
			<b><u>526,420,663</u></b>	<b><u>521,934,588</u></b>
<b>Total Investment Securities - Held to Collect</b>			<b><u>1,021,750,665</u></b>	<b><u>1,237,194,665</u></b>

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	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>5.2 INVESTMENT SECURITIES (Cont'd)</b>		
<b>(a) Held for Trading</b>		
Shares, other stocks and bonds		
GASCI - Unlisted companies	100,000	100,000
Hand in Hand Investment Inc.	-	5,000
RBC Dominion Securities	86,919,049	83,116,698
Others	1,121,830,001	1,113,039,614
	<u><b>1,208,849,050</b></u>	<u><b>1,196,261,312</b></u>
<b>(b) Held to Collect</b>		
a) Guyana - others	60,394,900	247,541,700
b) Caribbean- government	434,935,102	467,718,377
c) Caribbean - others	526,420,663	521,934,588
Less ECL's	(23,147,452)	(19,377,296)
	<u><b>998,603,213</b></u>	<u><b>1,217,817,369</b></u>
<b>(c) Loans and Receivables</b>		
Mortgages and loans	6,944,834,152	6,553,804,626
Credit impairment on loans and advances	(86,885,800)	(116,274,859)
	<u><b>6,857,948,352</b></u>	<u><b>6,437,529,767</b></u>
<b>(d) Properties on Hand</b>	<b>44,560,895</b>	<b>49,650,041</b>
<b>Total Investments</b>	<u><b>9,109,961,510</b></u>	<u><b>8,901,258,489</b></u>
<b>6. LOANS AND ADVANCES</b>		
Mortgages	4,060,107,303	3,950,918,165
Special loans	2,246,364,980	2,102,575,223
Other loans	638,361,869	500,311,238
	<u>6,944,834,152</u>	<u>6,553,804,626</u>
Impairment losses (a) and (b)	(86,885,800)	(116,274,859)
	<u><b>6,857,948,352</b></u>	<u><b>6,437,529,767</b></u>
Included above are non-performing mortgages of :	<u><b>773,728,505</b></u>	<u><b>740,952,000</b></u>

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	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>6. LOANS AND ADVANCES (Cont'd)</b>		
<b>a) Loss Allowances</b>		
Beginning of the year	116,274,859	89,944,181
ECLs during the year	(29,389,059)	26,330,678
As at year end	<u><u>86,885,800</u></u>	<u><u>116,274,859</u></u>

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

<b>Impairment Losses on Loans and Advances</b>	<b>Mortgages</b>	<b>Special Loans</b>	<b>Car Loans</b>	<b>Total ECL</b>
	<b>G\$</b>	<b>G\$</b>	<b>G\$</b>	<b>G\$</b>
Stage 1: 12 - Month ECL	5,918,457	3,726,856	266,998	<b>9,912,311</b>
Stage 2: Lifetime ECL	8,467,400	2,762,066	116,184	<b>11,345,650</b>
Stage 3: Lifetime Credit Impaired ECL for Financial Assets	54,699,786	10,813,787	114,266	<b>65,627,839</b>
	<u><u>69,085,643</u></u>	<u><u>17,302,709</u></u>	<u><u>497,448</u></u>	<u><u>86,885,800</u></u>

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<b>7. PROPERTIES ON HAND</b>	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
Purchased at public auction	44,560,895	74,682,986
Provision for diminution in value	-	(25,032,945)
	<u><b>44,560,895</b></u>	<u><b>49,650,041</b></u>
 <b>Provision for diminution in value</b>		
At 1 Jan	25,032,945	35,990,351
Reduction in provision for the year	(25,032,945)	(10,957,406)
At 31 December	<u><b>-</b></u>	<u><b>25,032,945</b></u>

These properties relate to foreclosed mortgages.

**8. (a) PROPERTY AND EQUIPMENT**

<b>Cost / Valuation</b>	<b>Motor Vehicles G\$</b>	<b>Furniture and Equipment/Generator G\$</b>	<b>Total G\$</b>
At 1 Jan 2020	25,852,902	108,758,436	134,611,338
Additions	16,300,000	2,055,396	18,355,396
Disposals	-	(281,885)	(281,885)
At 31 December 2020	<u><b>42,152,902</b></u>	<u><b>110,531,947</b></u>	<u><b>152,684,849</b></u>
 <b>Accumulated Depreciation</b>			
At 1 Jan 2020	23,842,723	83,696,081	107,538,804
Charges for the year	2,186,798	6,678,306	8,865,104
Write back	-	(281,885)	(281,885)
At 31 December 2020	<u><b>26,029,521</b></u>	<u><b>90,092,502</b></u>	<u><b>116,122,023</b></u>
 <b>Net Book Values</b>			
At 31 December 2020	<u><b>16,123,381</b></u>	<u><b>20,439,445</b></u>	<u><b>36,562,826</b></u>
At 31 December 2019	<u><b>2,010,179</b></u>	<u><b>25,062,355</b></u>	<u><b>27,072,534</b></u>

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



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**8. (b) PROPERTY AND EQUIPMENT**

<b>Cost / Valuation</b>	<b>Motor Vehicles G\$</b>	<b>Furniture and Equipment/Generator G\$</b>	<b>Total G\$</b>
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	<u><u>25,852,902</u></u>	<u><u>108,758,436</u></u>	<u><u>134,611,338</u></u>

**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	<u><u>23,842,723</u></u>	<u><u>83,696,081</u></u>	<u><u>107,538,804</u></u>

**Net Book Values**

At 31 December 2019	<u><u>2,010,179</u></u>	<u><u>25,062,355</u></u>	<u><u>27,072,534</u></u>
At 31 December 2018	<u><u>3,517,811</u></u>	<u><u>26,225,590</u></u>	<u><u>29,743,401</u></u>

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

**8. (c) INTANGIBLE ASSET**

	<b>G\$</b>
Beginning of the year	4,447,113
Additions	-
End of the year	<u>4,447,113</u>
Beginning of the year	3,563,707
Amortisation charge for the year	<u>883,406</u>
	4,447,113
Carrying amount as at year end	<u><u>-</u></u>

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	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>9. DEFERRED TAXATION</b>		
<i>Asset arising on accelerated accounts depreciation</i>		
At 1 Jan	1,392,797	1,175,076
Current year	729,262	217,721
At 31 December	<u><u>2,122,059</u></u>	<u><u>1,392,797</u></u>
<b>10. RECEIVABLES, PREPAYMENTS AND OTHER ASSETS</b>		
Trustee Fees	55,248,137	51,756,480
Loss allowance ECL's	(654,098)	(654,098)
	<u><u>54,594,039</u></u>	<u><u>51,102,382</u></u>
Stationery Stock	828,498	950,201
Other Debtors	185,935	196,048
Prepayments	6,947,219	4,555,346
	<u><u>62,555,691</u></u>	<u><u>56,803,977</u></u>
<b>11. INTEREST RECEIVABLES</b>		
Interest receivables consists of accrued interest on various bonds redeemable at future dates.		
Interest receivable consists of accrued interest of:		
Bonds	<u><u>14,567,216</u></u>	<u><u>20,960,474</u></u>
<b>12. CUSTOMERS' DEPOSITS</b>		
Fixed and Term	6,706,977,142	6,862,180,927
Savings	1,698,080,957	1,588,546,899
	<u><u>8,405,058,099</u></u>	<u><u>8,450,727,826</u></u>
<b><u>Customers' Deposit by maturity</u></b>		
Fixed - within one year	6,693,561,487	6,263,941,576
Fixed and Savings - on demand	1,698,080,957	1,588,546,899
	<u><u>8,391,642,444</u></u>	<u><u>7,852,488,475</u></u>
Fixed - over one year	13,415,655	598,239,351
	<u><u>8,405,058,099</u></u>	<u><u>8,450,727,826</u></u>

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	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>13. PAYABLES AND ACCRUALS</b>		
Staff benefits	1,423,561	1,270,535
Refundable mortgage payments	2,276,073	168,228
Interest on special interest savings (SIS)	14,833,224	13,587,103
Interest on fixed deposits	45,236,486	47,168,129
Others	52,699,488	40,969,910
Audit fee	1,900,000	1,800,000
Deposits of properties on hand	20,590,000	17,790,000
	<u><b>138,958,832</b></u>	<u><b>122,753,905</b></u>
<b>14. ISSUED CAPITAL</b>		
Authorised Share Capital		
Number of Ordinary Shares	<u>7,500,000</u>	<u>7,500,000</u>
Issued capital comprises:	<b>G\$</b>	<b>G\$</b>
<b>Ordinary Shares</b>		
7,500,000 issued and fully paid shares at G\$100 each	<u><b>750,000,000</b></u>	<u><b>750,000,000</b></u>
Fully paid ordinary shares carrying one vote per share and carry a right to dividends.		
<b>15. STATUTORY RESERVE</b>		
	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
At 1 January and December 2020	<u><b>279,347,504</b></u>	<u><b>263,395,547</b></u>

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

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	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>16. INTEREST INCOME</b>		
Loans and Advances	658,903,927	669,588,811
Fixed Deposits	8,805,892	2,089,482
Money Market Account	348,462	487,175
Bonds and other investments	53,334,854	62,860,235
	<u><b>721,393,135</b></u>	<u><b>735,025,703</b></u>
<b>17. FEES</b>		
Trustee	64,565,653	58,889,563
Mortgage	8,534,976	25,203,297
Management	22,800,938	52,005,093
	<u><b>95,901,567</b></u>	<u><b>136,097,953</b></u>
<b>17.1 <u>INVESTMENT INCOME</u></b>		
Held to Collect	62,489,208	65,436,892
Dividends/Gains	26,581,329	29,919,658
Financial Assets ( Held for Trading and FVTPL)	(15,578,518)	294,986,805
Other Income	74,041,379	86,295,736
Management Fees	22,800,938	52,005,093
	<u><b>170,334,336</b></u>	<u><b>528,644,184</b></u>

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<b>18. EXPENSES BY NATURE</b>	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
Advertising	9,372,971	11,569,429
Legal Fee	6,021,919	10,593,519
Audit Fee	1,940,290	1,899,599
Directors' Fees ( <b>Note 23(iii)</b> )	4,776,960	4,342,704
Employment Costs	314,589,442	285,449,755
Stationery, Postage and Telephone	4,968,717	5,543,309
Security	8,362,785	8,325,638
Electricity	8,002,561	8,660,701
Licence	2,013,500	2,016,500
General Administrative Expenses	56,700,015	57,895,496
Repairs and Maintenance	12,366,473	12,248,468
Bank Charges	2,064,100	3,783,190
Depreciation	9,748,510	9,689,854
Professional Services and Membership	13,648,739	15,577,919
	<b><u>454,576,982</u></b>	<b><u>437,596,081</u></b>

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	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>19. LOSS ALLOWANCES</b>		
<b>(a) Credit Impairment Losses on Loan and Advances</b>		
<b>Credit Losses Movements:</b>		
Bad debts written off	(5,372,305)	(288,700)
Bad debt recoveries/ repayments	2,428,715	24,053,360
Additional Provision	(103,017,145)	-
Loss allowances (ECL's) for the year	29,389,059	(26,330,678)
	<u><b>(76,571,676)</b></u>	<u><b>(2,566,018)</b></u>
<b>(b) Credit Impairment Losses on Other Financial Assets</b>		
Loss allowance on investments	3,770,156	3,046,542
Loss allowance on other financial assets	-	501,616
	<u><b>3,770,156</b></u>	<u><b>3,548,158</b></u>
<b>20. IMPAIRMENT ON INVESTMENTS</b>		
RBC Dominion and Other Investments	<u><b>15,578,518</b></u>	<u><b>3,358,323</b></u>
<b>21. TAXATION</b>		
The provisional charge for taxation in the financial statements is made up as follows:		
<b><u>Current:</u></b>		
Property tax	14,608,033	13,435,649
Withholding tax	1,893,605	1,803,458
Corporation tax	2,254,210	51,660,714
Corporation tax adjustment	(4,696,428)	-
Deferred Tax (25%)	(729,262)	(217,721)
	<u><b>13,330,158</b></u>	<u><b>66,682,100</b></u>
<b>Reconciliation of tax expense and accounting profit:</b>		
<b>Profit before taxation</b>	<u><b>119,676,536</b></u>	<u><b>474,023,740</b></u>
Corporation tax (25%)	29,919,134	130,356,529
Losses (Utilised)/ current	(2,254,210)	(51,660,714)
Expenses not deductible for tax purposes	325,179	341,566
Overpayment in YA2020 27.5% instead of 25%	(4,696,428)	-
Income exempt from corporation tax	(25,735,893)	(27,376,667)
Property tax	14,608,033	13,435,649
Withholding tax	1,893,605	1,803,458
Deferred tax losses recognised	(729,262)	(217,721)
	<u><b>13,330,158</b></u>	<u><b>66,682,100</b></u>

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**21. TAXATION (CONT'D)**

**Company Tax Losses to be Utilized / Carried Forward**

The Trust accumulated tax losses of \$3,235,210,331 (2019- \$3,244,227,172 ) 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.

	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
Profit attributable to shareholders	<u><u>106,346,378</u></u>	<u><u>50,096,550</u></u>
Number of ordinary shares in issue and fully paid	<u><u>7,500,000</u></u>	<u><u>7,500,000</u></u>
Basic earnings per share	<u><u>14.18</u></u>	<u><u>6.68</u></u>

**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:

	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>(i) Loan and Advances</b>		
<b>Balance at end of year</b>		
(a) Staff Loans and mortgages	<u>142,130,441</u>	<u>85,835,153</u>
<b>- Interest Rate Charged To:</b>	<u><b>5% - 8% p.a</b></u>	<u><b>5 % - 10 % p.a</b></u>
(b) Director's Loan and Mortgages	<u>56,421,044</u>	<u>30,464,842</u>
(c) The following are transactions of common interest with the Trust:		
USA Global Export Company Ltd.	<u>80,470,098</u>	<u>81,311,988</u>
<b>- Interest Rate Charged To:</b>	<u><b>10% p.a</b></u>	<u><b>10% p.a</b></u>

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

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	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>23. RELATED PARTY TRANSACTIONS (CONT'D)</b>		
<b>(i) Loan and Advances (Cont'd)</b>		
(c) The following are transactions of common interest with the Trust:		
Stark Inc.	37,995,445	42,088,749
<b>- Interest Rate Charged To:</b>	<b>8% p.a</b>	<b>8% p.a</b>
Keith Evelyn Investments	59,681,459	58,912,385
<b>- Interest Rate Charged To:</b>	<b>7.5% p.a</b>	<b>8% p.a</b>

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 Investments Inc.	-	457,790
Hand in Hand Mutual Fire	977,428	-
	<b>977,428</b>	<b>457,790</b>

**(iii) Directors' Emoluments**

Emoluments including expenses paid in respect of services as directors:

Paul Chan-A-Sue-Chairman	1,146,336	1,042,128
Charles R. Quintin	907,656	825,144
Ian A. Mc Donald	907,656	825,144
Allan Parris	907,656	825,144
Troy Cadogan	907,656	825,144
	<b>4,776,960</b>	<b>4,342,704</b>

**(iv) Compensation of key management personnel**

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

	<b>81,764,846</b>	<b>131,722,413</b>
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**24. CONTINGENT MATTERS**

**(i) Litigation Matters**

As at 31 December, 2020 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 have an outstanding balance of US\$68,123.82 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:

	<b>2020</b>	<b>2019</b>
<b>Assets</b>	<b>G\$</b>	<b>G\$</b>
United States Dollars - \$7,108,563 ( 2019 - \$7,599,344)	<u>1,514,123,835</u>	<u>1,595,862,242</u>

**Foreign Currency sensitivity analysis**

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

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

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

<b>Profit</b>	<u>15,141,238</u>	<u>15,958,622</u>
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**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 2020, 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.

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**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 committee and the Board of Directors, based on pre-set levels applicable.
- (e)** The Credit Department is required to carry out weekly and monthly reviews of any past due or impaired loans.
- (f)** Independent valuations of collateral lodged against loan facilities are carried out every three (3) years.
- (g)** Compliance with the 'single borrower' or 'group borrower's' limit are carried out as set out in the Financial Institution Act (1995) and other regulatory guidelines and the Trust's own prudential judgements.

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**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.

	<u>2020</u> G\$	<u>2019</u> G\$
Current	4,830,241,750	4,821,084,522
Pass due but not impaired	1,340,860,897	1,003,118,382
Impaired	773,728,505	729,601,722
	<u><u>6,944,831,152</u></u>	<u><u>6,553,804,626</u></u>
Pass Due but not Impaired	1,340,860,897	1,219,070,665
Pass due more than 1 year	402,261,293	595,635,000
	<u><u>1,743,122,190</u></u>	<u><u>1,814,705,665</u></u>

**Renegotiated Loans.**

The carrying amounts of all renegotiated loans aggregated to:

	<u>2020</u> G\$	<u>2019</u> G\$
Renegotiated loans	<u><u>135,832,059</u></u>	<u><u>203,597,691</u></u>

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

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

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**25. Financial Risk Management (Cont'd)**

**(v) Liquidity Risk**

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

**Liquidity Risk Tables**

		<b>Maturing</b>					
		<b>2020</b>					
		<b>Within 1 year</b>					
	Average Interest rate %	<u>On demand</u> G\$	<u>Due in 3 months</u> G\$	<u>Due 3 - 12</u> <u>months</u> G\$	<u>1 to 5 years</u> G\$	<u>Over 5 years</u> G\$	<u>Total</u> G\$
<b>Assets</b>							
Investments	4.73	-	237,585,820	47,674,009	306,000,431	1,616,192,003	2,207,452,263
Loans (net)	10.39	165,455,060	147,771,500	808,352,541	1,690,865,978	4,045,503,273	6,857,948,352
Properties on Hand		-	-	44,560,895	-	-	44,560,895
Interest Receivables	5.85	-	5,687,780	8,879,436	-	-	14,567,216
Receivables and Prepayments		-	-	62,555,691	-	-	62,555,691
Related Parties		977,428	-	-	-	-	977,428
Cash on Hand and at Bank	1.05	22,720,185	185,784,513	148,627,610	37,156,903	-	394,289,211
Cash at Bank of Guyana		203,769,715	46,993,099	658,646,450	1,609,879	-	911,019,143
		<b>392,922,388</b>	<b>623,822,712</b>	<b>1,779,296,633</b>	<b>2,035,633,190</b>	<b>5,661,695,276</b>	<b>10,493,370,199</b>
<b>Liabilities</b>							
Customers' Deposits	1.87	1,698,080,957	1,204,841,068	5,488,720,419	13,415,655	-	8,405,058,099
Payables and Accruals		-	-	-	138,958,838	-	138,958,838
Taxation		-	-	14,608,033	-	-	14,608,033
		<b>1,698,080,957</b>	<b>1,204,841,068</b>	<b>5,503,328,452</b>	<b>152,374,493</b>	<b>-</b>	<b>8,558,624,970</b>
Net assets/(liabilities)		<b>(1,305,158,569)</b>	<b>(581,018,355)</b>	<b>(3,724,031,820)</b>	<b>1,883,258,697</b>	<b>5,661,695,276</b>	<b>1,934,745,229</b>

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**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 meet its commitments associated with financial instruments.

**Liquidity Risk Tables**

	Average Interest rate %	<b>Maturing</b>					
		<b>2019</b>					
		<b>Within 1 year</b>					
		<u>On demand</u>	<u>Due in 3 months</u>	<u>Due 3 - 12 months</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
		G\$	G\$	G\$	G\$	G\$	G\$
<b>Assets</b>							
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
		<b>374,264,891</b>	<b>435,034,291</b>	<b>2,632,393,965</b>	<b>4,577,482,727</b>	<b>2,359,011,990</b>	<b>10,378,187,864</b>
<b>Liabilities</b>							
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
		<b>1,588,546,899</b>	<b>1,141,656,610</b>	<b>5,187,380,345</b>	<b>720,993,256</b>	<b>-</b>	<b>8,638,577,110</b>
Net assets/(liabilities)		<b>(1,214,282,008)</b>	<b>(706,622,319)</b>	<b>(2,554,986,380)</b>	<b>3,856,489,471</b>	<b>2,359,011,990</b>	<b>1,739,610,754</b>

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**25. Financial Risk Management - cont'd**

**(vi) Market Risk**

(ii) Interest rate risk-cont'd

**Interest Rate Risk Tables**

	<u>Average</u> <u>Interest Rate</u> %	<u>Maturing</u> <u>2020</u>				<u>Total</u> G\$
		<u>Within 1 year</u> G\$	<u>Within 1 to 5</u> <u>years</u> G\$	<u>Over 5 years</u> G\$	<u>Non- interest</u> <u>Bearing</u> G\$	
		<b>Assets</b>				
Investment Securities	4.73	285,259,829	329,147,883	384,195,500	1,208,849,051	2,207,452,263
Loans (net)	10.39	1,121,579,101	1,690,865,978	4,045,503,273	-	6,857,948,352
Properties on Hand		-	-	-	44,560,895	44,560,895
Interest Receivables	5.85	14,567,216	-	-	-	14,567,216
Receivables and Prepayments		62,555,691	-	-	-	62,555,691
Related Parties		977,428	-	-	-	977,428
Cash on Hand and at Bank	1.05	357,132,308	37,156,903	-	-	394,289,211
Cash at Bank of Guyana		909,409,264	1,609,879	-	-	911,019,143
		<b>2,751,480,837</b>	<b>2,058,780,643</b>	<b>4,429,698,773</b>	<b>1,253,409,946</b>	<b>10,493,370,199</b>
<b>Liabilities</b>						
Customers' Deposits	1.87	8,391,642,444	13,415,655	-	-	8,405,058,099
Payables and Accruals		138,958,838	-	-	-	138,958,838
Taxation		14,608,033	-	-	-	14,608,033
		<b>8,545,209,315</b>	<b>13,415,655</b>	<b>-</b>	<b>-</b>	<b>8,558,624,970</b>
<b>Interest sensitivity gap</b>		<b>(5,793,728,478)</b>	<b>2,045,364,988</b>	<b>4,429,698,773</b>		

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**25. Financial Risk Management (Cont'd)**

**(vi) Market Risk (Cont'd)**

(ii) Interest rate risk (cont'd)

	<u>Interest Rate Risk Tables</u>					<u>Total</u>
	<u>Average</u> <u>Interest Rate</u>	<u>Maturing</u>				
		<u>Within 1 year</u>	<u>Within 1 to 5</u> <u>years</u>	<u>Over 5 years</u>	<u>Non- interest</u> <u>Bearing</u>	
	%	G\$	G\$	G\$	G\$	G\$
<b>Assets</b>						
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
		<b>3,392,043,133</b>	<b>4,596,860,023</b>	<b>2,339,529,694</b>	<b>49,755,014</b>	<b>10,378,187,864</b>
<b>Liabilities</b>						
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
		<b>8,040,337,759</b>	<b>598,239,351</b>	<b>-</b>	<b>-</b>	<b>8,638,577,110</b>
<b>Interest sensitivity gap</b>		<b>(4,648,294,626)</b>	<b>3,998,620,672</b>	<b>2,339,529,694</b>		



**HAND-IN-HAND TRUST CORPORATION INC.**  
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**Analysis of Financial Assets and liabilities by measurement basis**

26. 2020	Held to Collect	Held for Trading	Loans and Receivables	Other assets and liabilities at amortized cost	Total
<u>Assets</u>	G\$	G\$	G\$	G\$	G\$
Investment Securities	1,208,849,050	998,603,213	-	-	2,207,452,263
Loan and Advances	-	-	6,857,948,352	-	6,857,948,352
Properties on hand	-	-	-	44,560,895	44,560,895
Cash on hand and at bank	-	-	-	394,289,211	394,289,211
Cash at bank of Guyana	-	-	-	911,019,143	911,019,143
Interest Receivables	-	-	14,567,216	-	14,567,216
Related Party	-	-	977,428	-	977,428
Receivables and Prepayments	-	-	62,555,691	-	62,555,691
	<b>1,208,849,050</b>	<b>998,603,213</b>	<b>6,936,048,687</b>	<b>1,349,869,249</b>	<b>10,493,370,199</b>
<b><u>Liabilities</u></b>					
Customers' Deposit	-	-	-	8,405,058,099	8,405,058,099
Payables and Accruals	-	-	-	138,958,838	138,958,838
Taxation	-	-	-	14,608,033	14,608,033
	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,558,624,970</b>	<b>8,558,624,970</b>

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**Analysis of Financial Assets and liabilities by measurement basis**

<b>26. 2019</b>	<b>Held to Collect</b>	<b>Held for</b>	<b>Loans and</b>	<b>Other assets</b>	<b>Total</b>
<b><u>Assets</u></b>	<b>G\$</b>	<b>Trading</b>	<b>Receivables</b>	<b>and liabilities at</b>	<b>G\$</b>
		<b>G\$</b>	<b>G\$</b>	<b>amortized cost</b>	
				<b>G\$</b>	<b>G\$</b>
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
	<b><u>1,217,817,369</u></b>	<b><u>1,196,261,312</u></b>	<b><u>6,515,752,008</u></b>	<b><u>1,448,357,202</u></b>	<b><u>10,378,187,891</u></b>
<b><u>Liabilities</u></b>					
Customers' Deposit	-	-	-	8,450,727,826	8,450,727,826
Payables and Accruals	-	-	-	122,753,905	122,753,905
Taxation	-	-	-	65,095,379	65,095,379
	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>8,638,577,110</u></b>	<b><u>8,638,577,110</u></b>

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	<b>2020</b>	<b>2019</b>
	<b>G\$</b>	<b>G\$</b>
<b>27. CONCENTRATION OF ASSETS AND LIABILITIES</b>		
<b>Loan and Advances</b>		
Mortgages - Commercial	2,239,556,641	1,924,140,063
- Domestic	1,951,366,225	1,741,802,247
- Low Income	99,519,094	86,546,625
- Other	1,793,610,131	1,976,511,971
- Car Loans	116,918,894	95,389,329
	<b>6,200,970,985</b>	<b>5,824,390,235</b>
Agriculture Sector	77,831,363	80,086,537
Manufacturing Sector	117,952,081	108,068,545
Construction Sector	492,885,586	462,183,707
Mining Sector	41,118,824	52,921,204
Drainage and Irrigation	14,075,313	26,154,398
	<b>6,944,834,152</b>	<b>6,553,804,626</b>
Loss Allowance on Loans and Advances	(86,885,800)	(116,274,859)
	<b>6,857,948,352</b>	<b>6,437,529,767</b>
<b>Liabilities</b>		
<b>Customers' Deposits</b>		
Fixed Deposits	6,706,977,142	6,862,180,927
Special Savings	1,698,080,957	1,588,546,899
	<b>8,405,058,099</b>	<b>8,450,727,826</b>

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**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 26.30% and 26.17% as at 31 December 2020 and 2019 respectively.

Total Tier 1 and Tier 11 Capital was of risk adjusted assets as at 31 December 2020, compared 26.30% to 26.17 % at the end of the previous year.

***Gearing ratio***

The gearing ratio at the year end was as follows:

	<b>2020</b>	<b>2019</b>
Debt(i)	8,405,058,099	8,450,727,826
Cash and Cash Equivalentents	(1,305,308,354)	(1,398,707,161)
Net Debt	<u>7,099,749,745</u>	<u>7,052,020,665</u>
Equity(ii)	<u>1,980,371,239</u>	<u>1,771,007,716</u>
Net debt to equity ratio	<u>3.59</u>	<u>3.98</u>

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

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

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**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 liabilities that are measured at fair value on a recurring basis:

<b>Financial Assets</b>	<b>Fair value as at 31.12.2020</b>	<b>Fair value hierarchy</b>	<b>Valuation techniques and key inputs</b>	<b>Significant unobservable inputs</b>	<b>Relationship of unobservable inputs to fair value</b>
Loan Receivables	\$9,947,530,655	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	\$115,718,991	Level - 2	The fair values have been estimated by applying discounted cash flows analysis, using current market rates.	N/A	N/A
Investments - Equity	\$100,000	Level - 1	The fair value of the equity investments are based on current market value.	N/A	N/A
Investments - Equity	\$1,208,749,051	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

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**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 liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) :

<u>Assets</u>	2020	
	Carrying amount	Fair Value
	G\$	G\$
Property and Equipment	36,562,826	36,562,826
Intangible Asset	-	-
Receivables and Prepayments	62,555,691	62,555,691
Related Parties	977,428	977,428
Properties on Hand	44,560,895	44,560,895
Interest Receivable	14,567,216	14,567,216
Cash Resources	1,305,308,354	1,305,308,354
	<b>1,464,532,410</b>	<b>1,464,532,410</b>
<u>Liabilities</u>		
Customers' Deposits	8,405,058,099	8,405,058,099
Payables and Accruals	138,958,838	138,958,838
	<b>8,544,016,937</b>	<b>8,544,016,937</b>

(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.

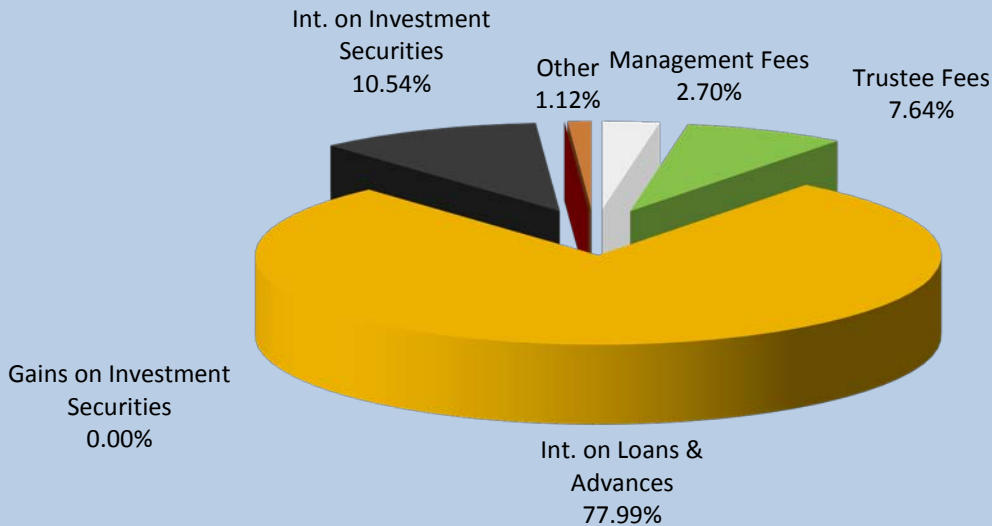
(e) **Trade Payables**

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

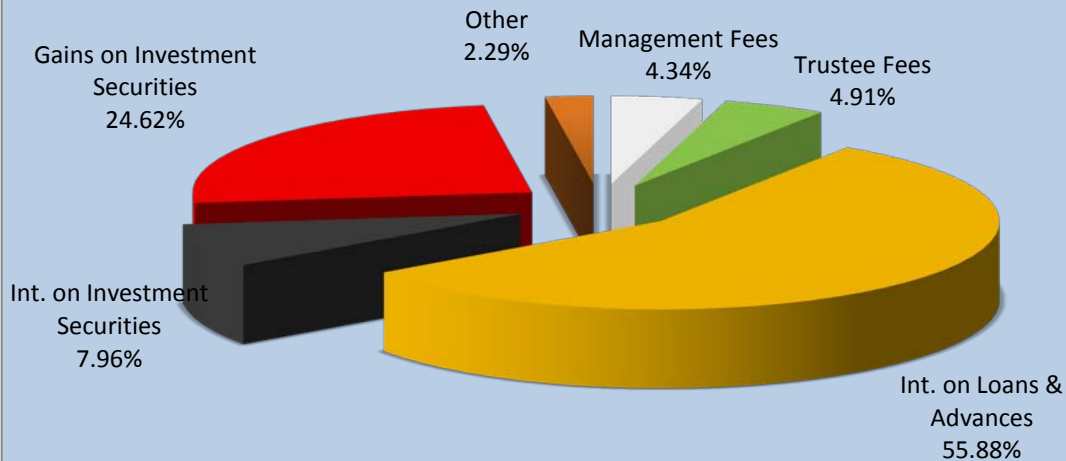
- (f) There were no transfer between levels in the current year.

## STATISTICAL REVIEW

### SOURCE OF INCOME DOLLAR - 2020



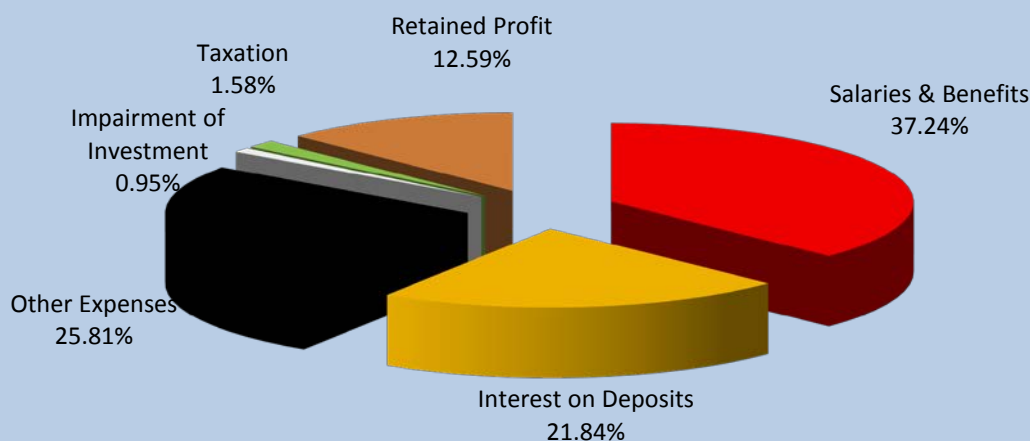
### SOURCE OF INCOME DOLLAR - 2019



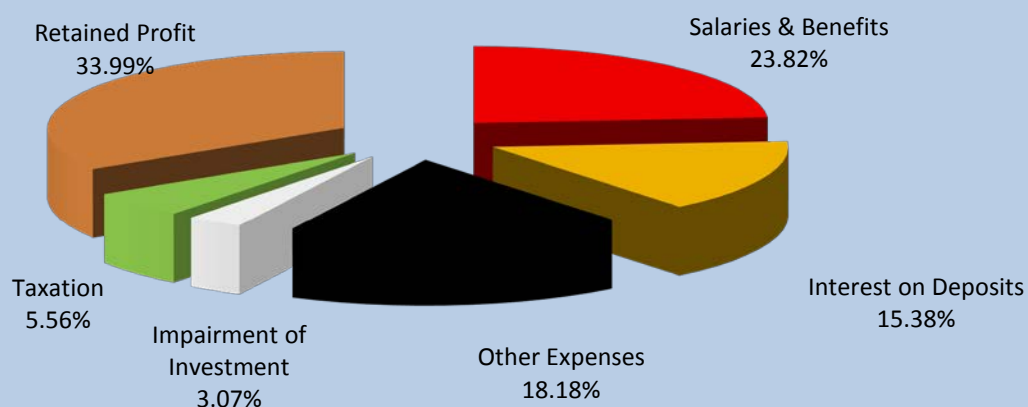
	2020 AMOUNT G\$ (M)	%	2019 AMOUNT G\$ (M)	%
Management Fees	22.8	2.70	52.0	4.34
Trustee Fees	64.6	7.64	58.9	4.91
Int. on Loans & Advances	658.9	77.99	669.6	55.88
Int. on Investment Securities	89.1	10.54	95.4	7.96
Gains on Investment Securities	0.0	0.00	295.0	24.62
Other	9.5	1.12	27.4	2.29
<b>TOTAL</b>	<b>844.8</b>	<b>100.00</b>	<b>1198.3</b>	<b>100.00</b>

## STATISTICAL REVIEW

### DISTRIBUTION OF INCOME DOLLAR - 2020



### DISTRIBUTION OF INCOME DOLLAR - 2019

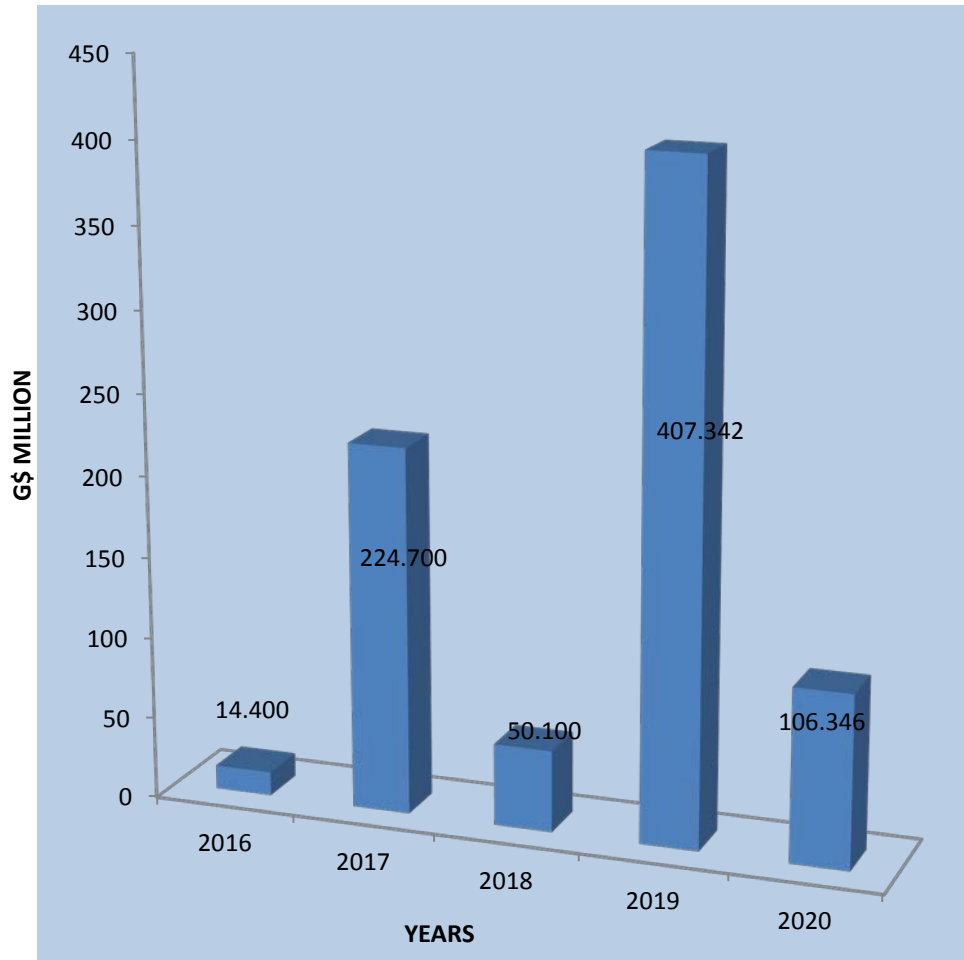


YEAR	2020		2019	
	AMOUNT G\$ (M)	%	AMOUNT G\$ (M)	%
Salaries & Benefits	314.59	37.24	285.45	23.82
Interest on Deposits	184.50	21.84	184.24	15.38
Other Expenses	218.05	25.81	217.80	18.18
Impairment of Investment	8.00	0.95	36.74	3.07
Taxation	13.33	1.58	66.68	5.56
Retained Profit	106.35	12.59	407.34	33.99
<b>TOTAL</b>	<b>844.82</b>	<b>100.00</b>	<b>1198.25</b>	<b>100.00</b>



## STATISTICAL REVIEW

### NET INCOME/(LOSS) AFTER TAX



YEAR	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
AMOUNT G\$ (M)	14.400	224.700	50.100	407.342	106.346

# STATISTICAL REVIEW

## FIVE YEAR SUMMARY OF EARNINGS

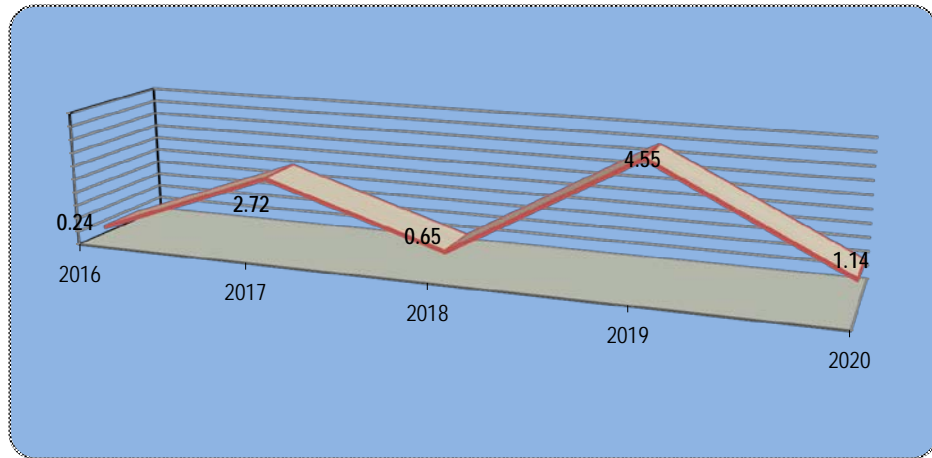
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Interest Income	721,393,135	735,025,703	621,740,679	667,565,748	696,764,809
LESS: Interest Expenses	184,504,139	184,235,085	183,905,092	255,088,273	251,759,646
Interest Differential	536,888,996	550,790,618	437,835,587	412,477,475	445,005,163
Other Operating Income	123,423,646	168,220,487	125,293,891	122,188,063	113,403,345
<b>Total Operating Income</b>					
<b>LESS: Interest Expenses</b>	660,312,642	719,011,105	563,129,478	534,665,538	558,408,508
Salaries & Staff Benefits	314,589,442	285,449,755	123,687,505	221,082,264	193,066,939
Other Operating Expenses	137,709,448	215,220,957	259,570,406	120,246,587	103,234,267
Increase/Reduction in loss provisions	76,571,676	2,566,018	93,152,373	(97,685,804)	236,490,074
<b>Total Operating Expenses</b>	528,870,566	503,236,730	476,410,284	243,643,047	532,791,280
Profit/loss before Impairment of Investments					
Impairment of investments	131,442,076	215,774,375	86,719,194	291,022,491	25,617,228
LESS: Provision for losses S&SBI	19,348,674	36,737,440	38,879,493	29,753,245	4,072,545
Taxation	13,330,158	66,682,100	12,918,280	36,535,014	7,147,313
<b>Profit /(Loss) for the period</b>	98,763,244	112,354,835	34,921,421	224,734,232	14,397,370
Gain/(Loss) on revaluation of asset	7,583,134	294,986,805	15,175,129	6,964,777	466,279
<b>NET INCOME</b>	106,346,378	407,341,640	50,096,550	231,699,009	14,863,649

## FIVE YEAR GROWTH RECORD

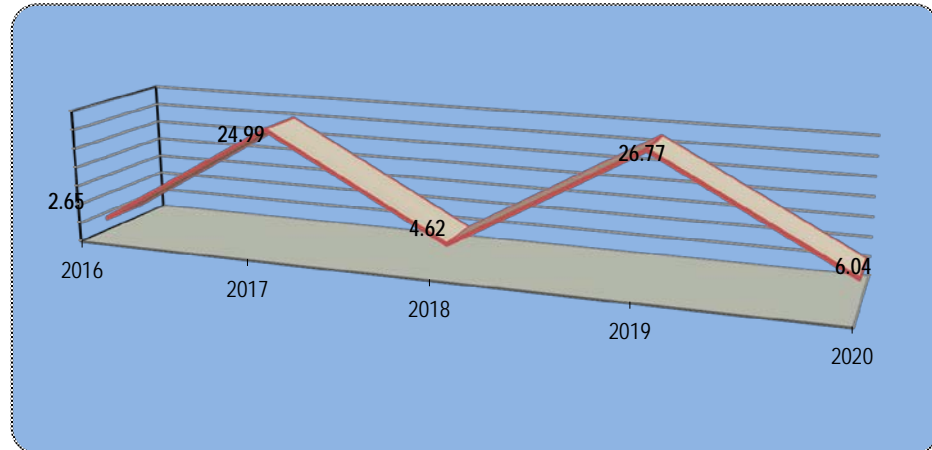
<b>ASSETS</b>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Fixed Assets	36,562,826	27,955,940	31,683,311	33,292,120	18,565,663
Investments	9,109,961,510	8,901,258,489	8,290,481,825	7,541,510,026	7,039,503,816
Other Assets	1,392,471,873	1,480,370,397	1,331,043,007	2,038,909,258	2,096,436,267
<b>TOTAL ASSETS</b>	10,538,996,209	10,409,584,826	9,653,208,143	9,613,711,404	9,154,505,746
<b>LIABILITIES</b>					
Customers' Deposits	8,405,058,099	8,450,727,826	8,145,953,382	8,404,128,772	8,184,322,105
Other Liabilities	153,566,871	187,849,284	143,588,685	164,887,270	157,187,288
Share Capital	750,000,000	750,000,000	750,000,000	750,000,000	750,000,000
Retained Earnings	723,120,977	632,726,556	255,257,343	66,461,466	(123,517,915)
Other Reserves	507,250,262	388,281,160	358,408,733	228,233,896	186,514,268
<b>TOTAL LIABILITIES</b>	10,538,996,209	10,409,584,826	9,653,208,143	9,613,711,404	9,154,505,746
<b>Return on Assets (%)</b>	1.14	4.55	0.65	2.72	0.24
<b>Return on Equity (%)</b>	6.04	26.77	4.62	24.99	2.65
<b>Earnings Per Share (Dollars)</b>	14.18	54.31	6.68	29.96	1.92

## STATISTICAL REVIEW

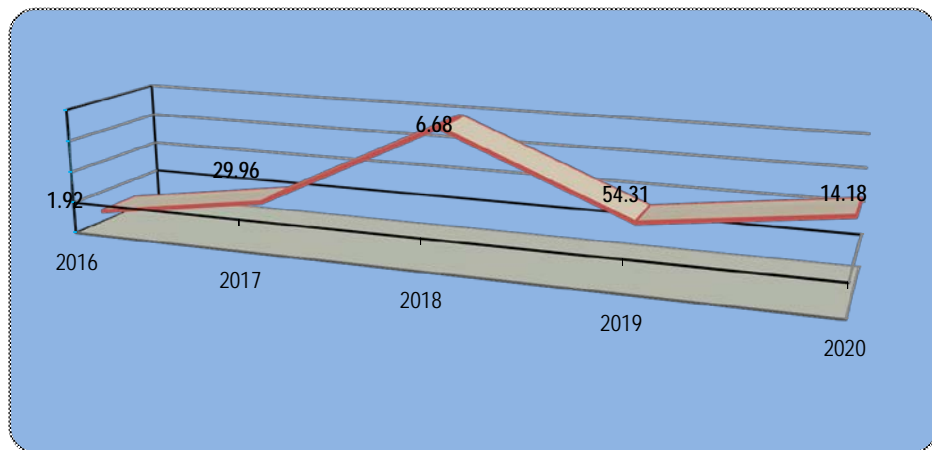
RETURN ON ASSETS  
(PERCENT)



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 **19<sup>th</sup> Annual General Meeting** of the said Corporation to be held on **Thursday, June 24, 2021** 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 \_\_\_\_\_, 2021

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

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

62 - 63 Middle Street,  
North Cummingsburg, Georgetown  
Tel: 226-0424, 227-1750, 226-9781-4  
Email: [trustco@gol.net.gy](mailto:trustco@gol.net.gy)



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

62-63 Middle Street,  
North Cummingsburg, Georgetown, Guyana  
Tel: (592) 226-9781-4. Fax: (592) 226-9971  
Email: [trustco@gol.net.gy](mailto:trustco@gol.net.gy)  
Website: [www.handinhandtrust.com](http://www.handinhandtrust.com)