HAND-IN-HAND TRUST CORPORATION INC.

(MEMBER OF HAND IN HAND GROUP OF COMPANIES)

Reliable Relationships

Trusted Services

Exceptional Growth

17TH ANNUAL REPORT 2018

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 **SEVENTEENTH** 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. on Thursday, June 06, 2019 at 08.15 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, 2018.

   To consider and (if thought fit) pass the following Resolution:
   "That the Audited Financial Statements for the period ended December 31, 2018 and the Reports of the Directors' and Auditors' thereon be adopted"

2. To elect Directors.
3. To fix the remuneration of the Directors.
4. To appoint Auditors and authorize the Directors to fix their remuneration.
5. To consider any other business that may be conducted at an Annual General Meeting.

BY ORDER OF THE BOARD,

Hand-in-Hand Trust Corporation Inc.
Company Secretary

T.Parmesar
Company Secretary

02nd May 2019

Registered Office:

62-63 Middle Street,
North Cummingsburg,
Georgetown

62-63 Middle Street, North Cummingsburg, Georgetown, Guyana. P.O. Box: 10569
Email: trustco@handinhandtrust.com Website: www.handinhandtrust.com
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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 2018 is:

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

MISSION STATEMENT

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

Specifically

1. To provide the highest level of financial services in a friendly and professional manner

2. To encourage Credit facilities with emphasis on Commercial Loans and other financial services such as Savings & Investments, Share Brokerage, Property Management, Cambio Services, Pension Plan Trusteeship and Safe Deposit Boxes

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

BOARD OF DIRECTORS

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

Report on Behalf of the Board of Directors-2018

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, 2018.

Global Economy

Global economic growth remained steady at 3.7 percent in 2018 and is projected to decline to 3.5 percent in 2019. Growth in advanced economies declined, reflecting weaker performance in the Euro Area and the UK.

The Euro Area experienced reduced domestic demand and political uncertainty. The United Kingdom experienced declining growth as the effects of Brexit continue to take a toll on the economy.

Developing Economies

Emerging and developing economies' growth declined due to decreased internal demand and volatile commodity markets, respectively. Inflation increased on account of high food and energy prices while unemployment rates were largely unchanged in most of the world economies.

Caribbean Economies

The Caribbean Economies continued to experience low levels of growth owing to tighter financial conditions and volatile commodity markets. The oil dependent economies of Trinidad & Tobago and Suriname experienced minute growth rates.

For tourist-based economies, The Bahamas recorded growth of 2.3 percent due to an increase in tourist arrivals while Barbados registered negative growth of 0.5 percent. Growth in Guyana's economy remained positive.

Unemployment remained high in most Caribbean economies reaching 11.6 percent and 10.3 percent in Jamaica and Barbados respectively, while that of Trinidad & Tobago hovered around 5.0 percent.

Guyana Economy 2018

Guyana's economic growth rate was stronger at 4.1 percent for 2018 when compared to the 2.1 percent growth in 2017. This outturn was on account of higher production of bauxite, livestock, forestry and other crops as well as increases in construction, manufacturing and service activities.

Favourable commodity prices, greater investment expenditure and moderate domestic demand were major factors influencing growth. However, the output of sugar, rice, gold and fishing declined, reflecting poor weather and road conditions as well as lower domestic demand due to increased regulatory requirements.

The urban inflation rate was contained at 1.6 percent, despite moderate increases in the prices of food and fuel.

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

The Capital Adequacy Ratio (CAR) remained above the prudential 8.0 percent benchmark by an average 29.4 percentage points. The loan portfolio grew by 4.2 percent but non-performing loans deteriorated by 2.6 percent.

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

Outlook for 2019

Global growth in 2019 is projected to decline to 3.5 percent, partly because of the negative effects of tariff increases enacted in the US and China. Growth in advanced economies is expected to decline to 2.3 percent.

Latin America and the Caribbean are expecting growth of 2.0 percent in 2019.

In the Caribbean, an overall growth projection for 2019 shows an expansion to 2.0 percent.

Outlook for 2019 Guyana Economy

Guyana's economy is projected to grow by 4.4 percent at the end of 2019 on account of growth in the major economic sectors.
The agriculture sector is expected to increase by 3.2 percent, due to the increases in other crops by 4.0 percent, production of rice by 3.4 percent and the output of sugar by 3.2 percent.

The mining & quarrying sector is forecasted to expand by 3.4 percent due to increases in the production of bauxite by 10.0 percent and gold by 1.7 percent.

The services industry is estimated to grow by 3.7 percent on account of higher outturns of wholesale & retail trade by 5.0 percent and transportation & storage activities by 3.5 percent.

The construction and manufacturing industries are projected to increase by 10.5 percent and 3.8 percent respectively.

Additional oil discoveries made by US oil major Exxon Mobil off the Guyana coast have significantly served to improve the country's medium and long-term outlook.

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

With Oil production expected to commence in 2020, and additional oil discoveries anticipated, other areas of economic activities are also expected to experience significant growth.

Inflation

The inflation rate is forecasted at 2.5 percent on account of moderate increases in food and fuel prices.

Performance of the Corporation

The year 2018 was another 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. The classification and measurement, and impairment requirements are applied retrospectively by adjusting the opening balance sheet at the date of initial application.

As permitted by IFRS 9, the Trust has not restated comparatives and the impact of adopting IFRS 9 increases net assets at 1 January 2018 by $269m as shown in the statement of changes in equity of the Financial Statements.

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

Our Total Equity increased by $319.0M compared with $231.7M in 2017 (to G$1.364B from G$1.045B in 2017), due to the Trust adopting and implementing the IFRS 9 'Financial Instruments' from 1 January 2018, in addition to net profit earned for the year.

Our Investments increased by $749.0M over 2017.

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 Capital Adequacy Tier I ratios were 20.82% and Tier II 21.22% respectively, 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 Compliance department was strengthened with the appointment of a fully qualified and experienced Compliance Officer at the beginning of the year.

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, 2018.

Recoveries/Delinquent Loans

We are happy to report that our Recovery Unit continued to resolutely pursue all written off accounts and delinquent loans, which resulted in recoveries of $17.7M.

Savings

Our depositors maintained their valued relationship with the Corporation.

Fixed and Term Deposits were G$6.668 whilst Savings Investments Scheme (SIS) were G$1.478. Total Deposits stood at G$8.146B at the end of 2018.

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 2018:-

Mortgages/Loans	-	G$5,995.4M
Bonds & Other Investments	-	G$2,295.1M

Total Investments		G$8,290.5 M

Total Assets

The total assets of the Institution increased from $9,613.7 million in 2017 to $9,653.2 million in 2018, an increase of $39.5 million or 0.41%.

General Reserves

The Trust Corporation's Retained Earnings increased from $66.5 million in

2017, to $255.3 million in 2018 due to the Trust adopting and implementing the IFRS 9 'Financial Instruments' from 1 January 2018.

At the end of the period, the Statutory Reserve Fund and Other Reserves were $358.4 million compared with $228.2 million in 2017, an increase of $130.2 million or 57.0%.

Interest Payments – Fixed Deposits and Special Investment Pass Book Scheme

Our interest payments increased by $3.3 million or 1.32% over 2017 as a result of higher competitive rates payable.

Provision for Losses

We are in full compliance with the provisioning requirements of the Financial Institutions Act 1995 and the Bank of Guyana Guidelines.

Net Income before Tax

The Corporation's Net Income before tax was $63.0 million.

Net Income after Tax, Reserves & Equity

The Institution Total Equity increased by $319.0M compared with $231.7M in 2017 (to G$1.364B from G$1.045B in 2017). This comprised of Net Profit after tax of $50.1 million together with transfers to Reserves of G$268.9 (arising from the Trust adopting and implementing of IFRS 9 'Financial Instruments' from 1 January 2018) .

Financial Performance

The Return on Assets was 0.65%, with Return on Equity of 4.62%, whilst earnings per share were $6.68.

Staff

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

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

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

contribution is invaluable.

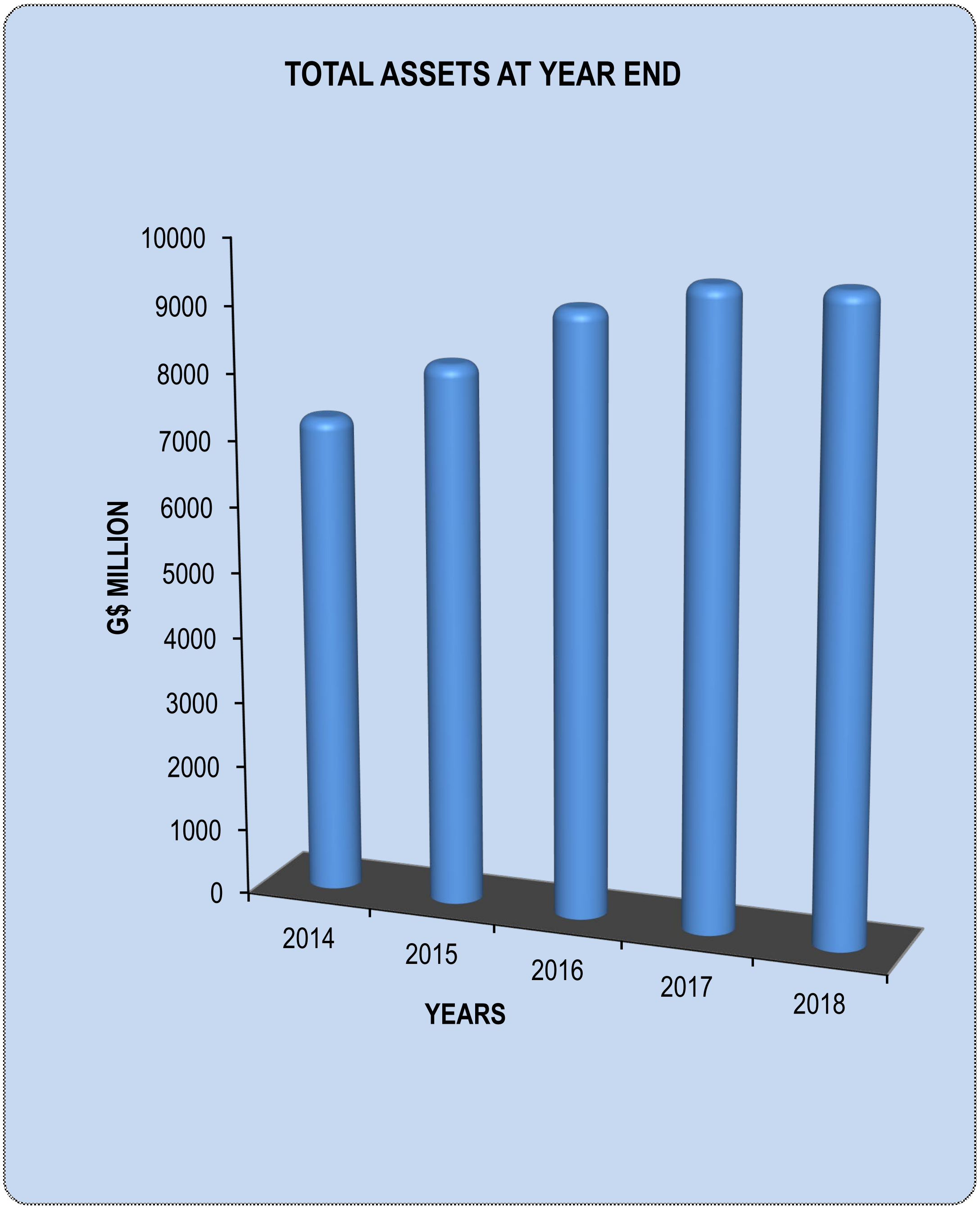
CUSTOMERS

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

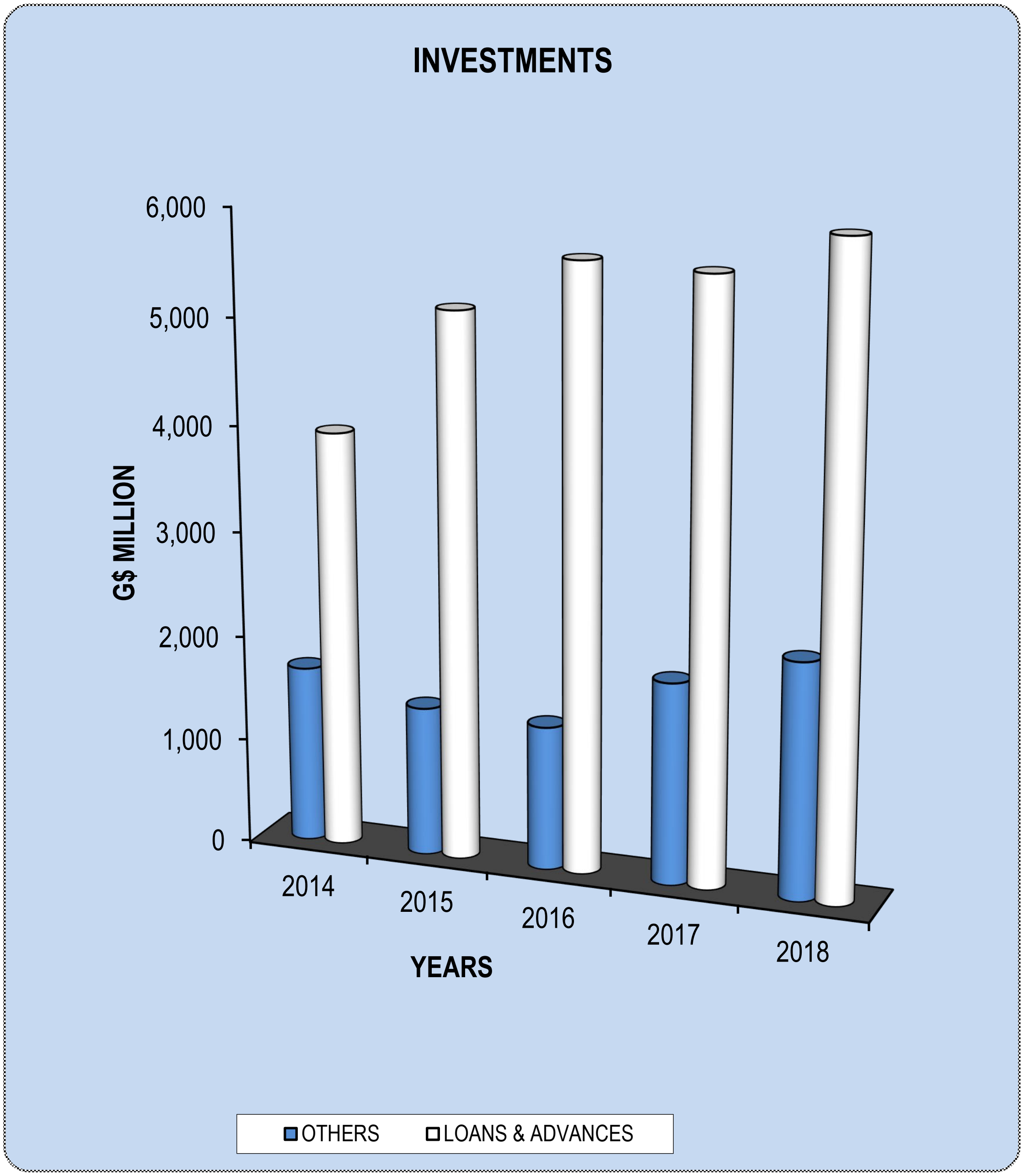
CONCLUSION

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

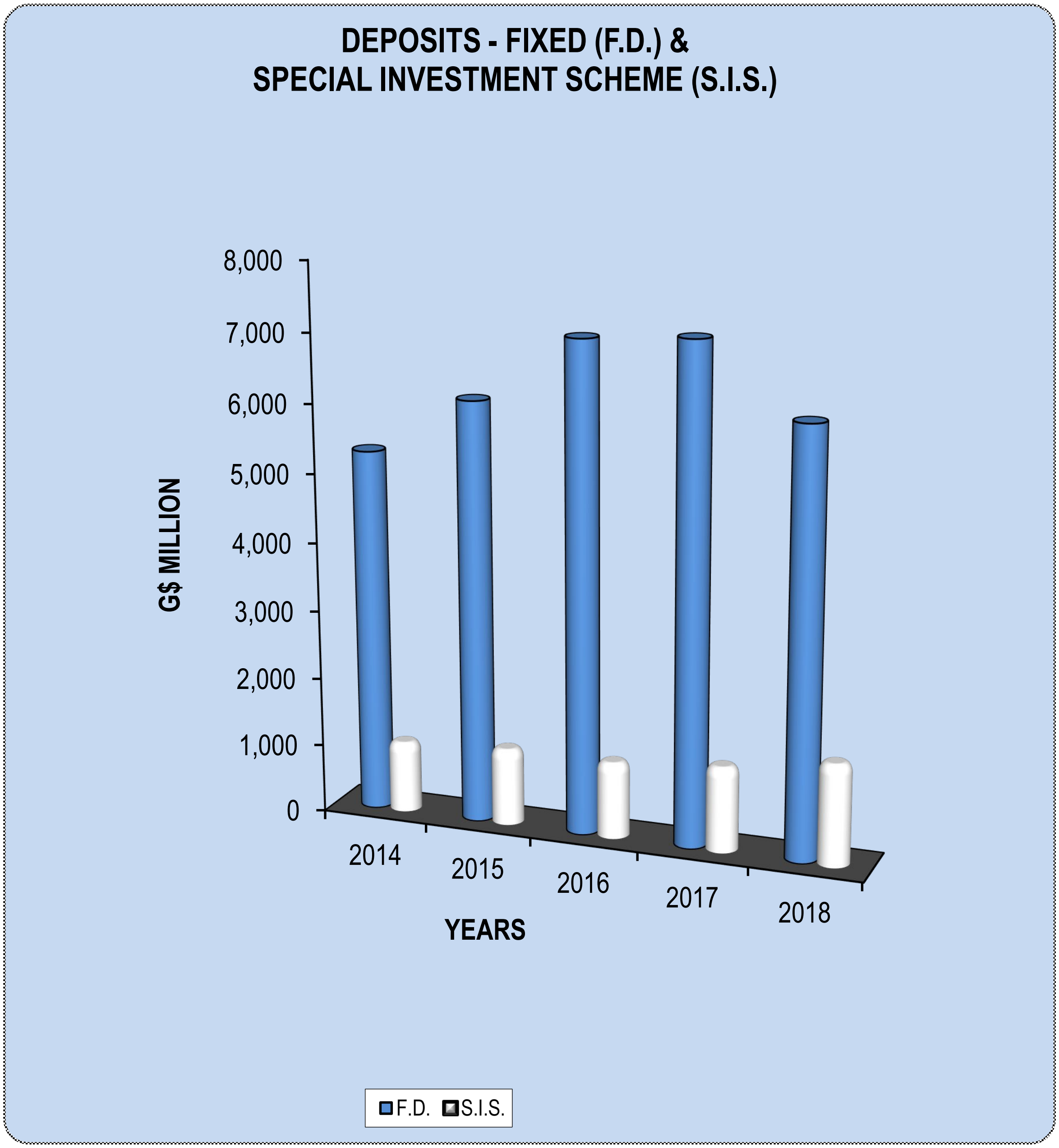
Be assured that we shall continue the pursuance of initiatives to enhance the viability of the Hand-in-Hand Trust Corporation Inc. for its continuation as a dynamic financial intermediary.



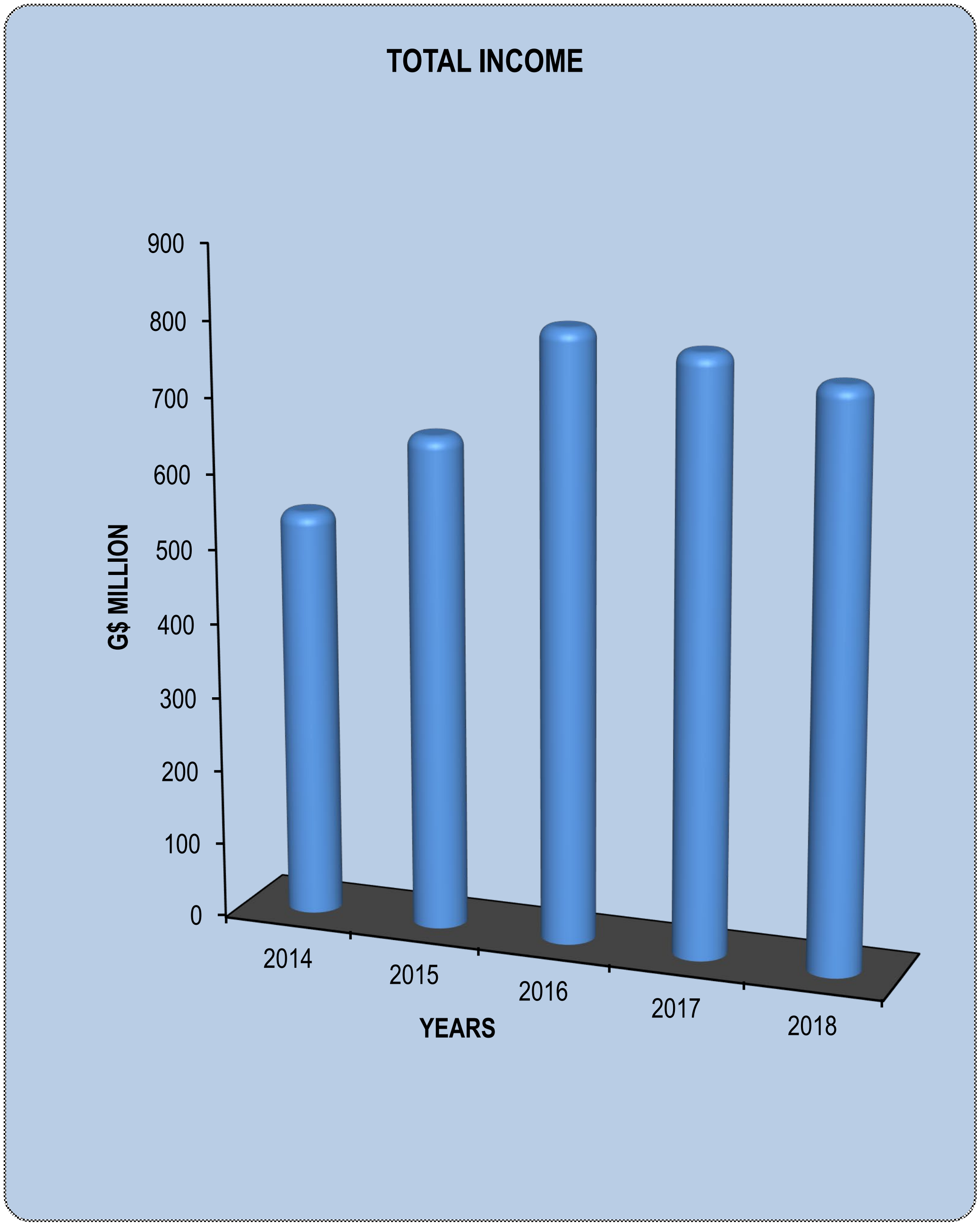
YEAR	2014	2015	2016	2017	2018
AMOUNT G$ (M)	7,283	8,213	9,155	9,614	9,653



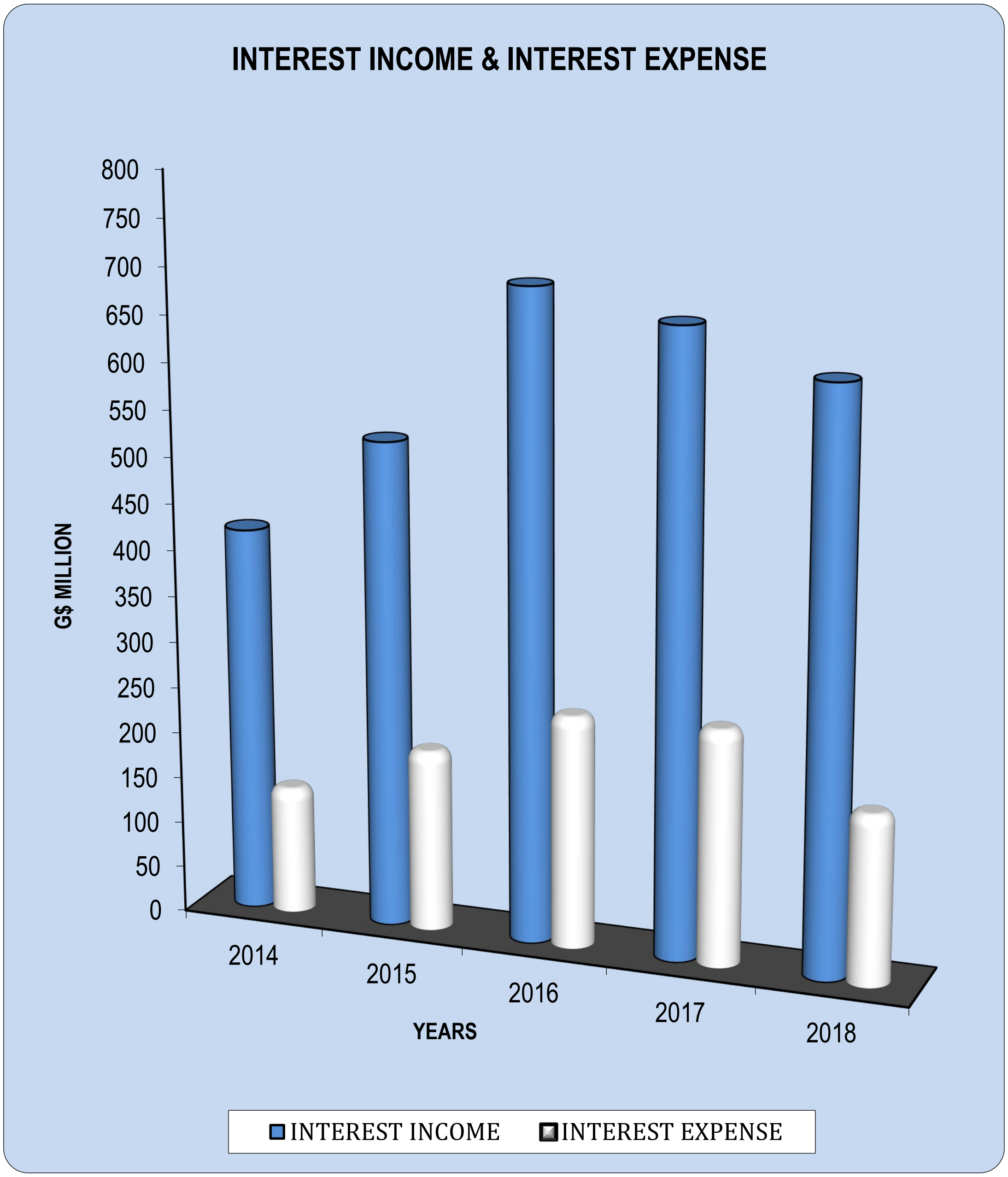
YEAR	2014	2015	2016	2017	2018
LOANS & ADVANCE	3,942	5,144	5,656	5,608	5,995
OTHERS	1,679	1,420	1,372	1,921	2,243
G$ (M)	5,621	6,564	7,028	7,529	8,238



YEAR	2014	2015	2016	2017	2018
S.I.S.	1,030	1,114	1,107	1,238	1,478
F.D.	5,290	6,119	7,077	7,166	6,144
G$ (M)	6,320	7,233	8,184	8,404	7,622



YEAR	2014	2015	2016	2017	2018
AMOUNT G$ (M)	545	659	810	790	762



YEAR	2014	2015	2016	2017	2018
INTEREST INCOME	418.8	525.7	696.8	667.6	621.7
INTEREST EXPENSE	137.6	196.5	251.8	255.1	183.9

MSC 016/2019

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Hand-In-Hand Trust Corporation Inc. which comprise the Statement of Financial Position as at 31 December 2018, 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 23 to 65.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects of the financial position of the Hand-Hand Trust Corporation Inc. as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Financial Institutions Act 1995 and the Companies Act 1991.

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.

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Key Audit Matters	**How our audit procedures addressed the key audit matter**
Implementation of IFRS 9 'Financial Instruments' *Refer to* ***note 2.2 (a) i. & 2.2 (b)*** *to the financial statements for disclosures of related accounting policies and balances.*	
The Trust adopted the accounting standard IFRS 9 'Financial instruments' during the financial year. The standard introduces new requirements around two (2) main aspects of how financial instruments are treated – measurement and classification and impairment.	
IFRS 9 introduces a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and the underlying cash flow characteristics. IFRS 9 contains three (3) principal classification categories for financial assets: - Measured at amortised cost, - Fair value through other comprehensive income (FVOCI); and - Fair value through profit and loss (FVPL). IFRS 9 introduces new impairment rules which prescribe a new forward looking expected credit loss ('ECL') impairment model which takes into account reasonable and supportable forward looking information which will generally result in the earlier recognition of impairment provisions. We have focused on this area, because there are a number of significant judgments which management will need to determine as a result of the requirements in measuring ECL's under IFRS 9: - Determining the criteria for a significant increase in credit risk; - Techniques used to determine probability of default (PDs) and loss given default (LGD); and - Factoring in possible future economic scenarios.	With respect to the measurement and classification of the financial assets and liabilities, we read the relevant accounting policies adopted by the Trust and compared them to the requirements of IFRS 9. We obtained an understanding of the Trust's business model assessment and for a sample of instruments verified solely the inputs into payments of principal and interest test performed by the client with original contracts. We tested the opening equity adjustments in relation to the adoption of the new standard's classification and measurement requirements. With respect to the ECL model, our audit approach was as follows: - We obtained the Trust's impairment provisioning policies and compared them to the requirements of IFRS 9; - We tested the ratings used in the ECL model for a sample of instruments. For investment, the Trust made comparison to publically available data. For loans, source documents used in the Trust's rating process were verified; - For a sample of instruments, we tested whether the significant increase in credit risk and default definitions were appropriately applied and the resulting impact of this on the staging of the instruments;

Key Audit Matters	**How our audit procedures addressed the key audit matter**
Implementation of IFRS 9 'Financial Instruments' Refer to ***note 2.2 (a) i. & 2.2 (b)*** *to the financial statements for disclosures of related accounting policies and balances****.*** *(continued)*	
These judgments have required new models to be built and implemented to measure the expected credit losses on loans and investments. Management engaged a credit modeler expert to assist in the more complex aspects of the expected credit loss model. There is a large increase in the data inputs of these models which increases the risk that the data used to develop assumptions and operate the model is not complete or accurate. The impact on net assets from the implementation of the measurement and classification aspects of the standard was not material. Differences between previously reported and new carrying amounts of financial instruments as a result of the implementation of the new ECL Model as at 1 January 2018 of $24.4M have been recognised in the retained earnings.	- We tested the loss given default in the ECL calculation for a sample of instruments. - We tested the completeness of the amounts assessed for impairment on Financial Assets.
Impairment Provision for Loans and Mortgages Loans and mortgages amounting to $5.9B (after impairment provision) represent sixty-two (62) percent of the total assets of the Trust as shown in the Statement of Financial Position (page 6). The methodologies required by IFRS 9 and Bank of Guyana in respect of impairment provisions involve significant judgment by management on matters such as: • Loan classification as impaired; • Valuation and realization of collaterals pledged; • Amount and timing of cash flows; and • Forward looking expected credit losses (ECLs) impairment model as required by IFRS 9 as described above.	Our procedures in relation to this key audit matter included, but were not limited to, the following: • We evaluated and tested the Trust's process and documented policy for mortgage loss provisioning; • For loan loss provisions calculated on an individual basis, we tested the factors underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral and estimates of recovery on default; • We also tested the aging of the loan portfolios and considered the completeness of the loan book assessed for impairment in conformity with the Bank of Guyana Supervision Guideline 5;

Key Audit Matters	How our audit procedures addressed the key audit matter
With a high degree of significant judgment involved in assessing the mortgage impairment provision and in conformity with Supervision Guideline 5 and IFRS 9, mortgage impairment was considered a key audit matter.	• For mortgage loss provisions calculated on a collective basis, we reviewed management's inherent risk provisions estimate, with a focus on the reasonableness of the factors applied and assumptions used, considering the economic changes in Guyana; and • Finally, we focused on the adequacy of the Trust's financial statement disclosures regarding mortgage and the related provisions as required by IFRS 9
Regulatory Environment The Trust operates in a highly regulated environment and non-compliance with laws and regulations, particularly the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Act could result in the Trust facing penalties and other administrative sanctions by Bank of Guyana and Financial Intelligence Unit (FIU). The Compliance Officer is responsible to establish various controls to ensure that the Trust is AML/CFT compliant with governing regulations.	Our procedures in relation to this key audit matter included, but were not limited to, the following: We evaluated and tested the Trust's internal controls with Emphasis on compliance with AML/CFT policy. This include: • A review of policies and procedures in place including approval of those policies by those charged with governance; • Adequate training and refresher programmes for new and existing bank personnel including those charged with governance; • Testing of transactions to ensure AML/CFT requirements are carried out by bank personnel; and • Reporting to Financial Intelligence Unit (FIU) are in conformity with the requirements of the AML/CFT Act.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, The Companies Act 1991, the Financial Institutions Act 1995, Bank of Guyana Supervision Guidelines, 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.

The engagement partner in charge of the audit resulting in this independent auditors' report is Alvin Rambajan.

Maurice Solomon & Co.

Maurice Solomon & Co.
Chartered Accountants
1st April, 2019

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	NOTE	2018 G$	2017 G$
ASSETS			
Cash resources:			
Cash at Bank of Guyana	**3**	999,812,533	1,015,417,903
Cash on Hand and at other Banks	**4**	222,996,183	925,782,659
Total Cash Resources		**1,222,808,716**	**1,941,200,562**
INVESTMENTS			
Investment Securities	**5**	2,242,674,481	1,921,490,880
Loans and Advances	**6**	5,995,380,484	5,607,584,799
Properties on Hand	**7**	52,426,860	12,434,347
		8,290,481,825	**7,541,510,026**
OTHERS			
Deferred Taxation	**9**	1,175,096	1,591,326
Receivables, Prepayments and Other Assets	**10**	36,673,769	29,267,619
Related Parties	**23(ii)**	40,522,362	50,595,815
Interest Receivables	**11**	27,814,886	13,478,635
Taxation Recoverable		2,048,178	-
Property and Equipment	**8**	29,743,401	33,292,120
Intangible Asset	**8 (c)**	1,939,910	2,775,301
Total Others		**139,917,602**	**131,000,816**
TOTAL ASSETS		**9,653,208,143**	**9,613,711,404**

The notes on pages 29 to 65 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 2018

	NOTE	2018 G$	2017 G$
EQUITY AND LIABILITIES			
DEPOSITS			
Customers' Deposits	**12**	8,145,953,382	8,404,128,772
OTHERS			
Payables and Accruals	**13**	138,871,827	125,657,089
Taxation		4,716,858	39,230,181
Total Others		**143,588,685**	**164,887,270**
Total Liabilities		**8,289,542,067**	**8,569,016,042**
CAPITAL AND RESERVES			
Issued Capital	**14**	750,000,000	750,000,000
Statutory Reserve	**15**	202,294,302	194,779,819
General Reserve		-	33,454,077
Risk Reserve	**2.1 (g)**	156,114,432	-
Retained Earnings		255,257,343	66,461,466
Total Equity		**1,363,666,076**	**1,044,695,362**
TOTAL EQUITY AND LIABILITIES		**9,653,208,143**	**9,613,711,404**

The Board of Directors approved these financial statements for issue on 28th March, 2019.

.... **Director**

.... **Director**

The notes on pages 29 to 62 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 2018

	NOTE	2018 G$	2017 G$
INCOME			
Interest income	**16**	621,740,679	667,565,748
Interest expenses		(183,905,092)	(255,088,273)
Net interest income		437,835,587	412,477,475
OTHER INCOME			
Fees	**17**	97,024,024	89,212,830
Dividends/ Gains		26,766,055	22,803,963
Gains from Investment Securities		15,175,129	-
Exchange Gain/ (Loss)		-	9,105,744
Cambio operations		1,503,812	1,065,526
TOTAL NET INCOME		**578,304,607**	**534,665,538**
Operating expenses	**18**	(383,257,911)	(341,328,851)
Decrease in loan provisioning	**19 (a)**	-	97,685,804
Credit Impairment Losses on loans and advances	**19 (a)**	(93,152,373)	-
Credit Impairment Losses on Other Financial Assets	**19 (b)**	(9,781,592)	-
Changes in Fair Value on Investment Securities	**20**	(29,097,901)	(29,753,245)
Profit before taxation		**63,014,830**	**261,269,246**
Taxation	**21**	(12,918,280)	(36,535,014)
PROFIT AFTER TAXATION		**50,096,550**	**224,734,232**
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified subsequently to profit or loss:			
Gain arising on revaluation of:			
Available for sale financial asset		-	6,964,777
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**50,096,550**	**231,699,009**
BASIC EARNINGS PER SHARE	**22**	**6.68**	**29.96**

The notes on pages 29 to 62 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 2018

	Share Capital G$	Statutory Reserve G$	General Reserve G$	Risk Reserve G$	Retained Earnings G$	Total G$
Year ended 31 December 2018						
Balance at 1 January 2018	750,000,000	194,779,819	33,454,077	-	66,461,466	1,044,695,362
Initial Application of IFRS 9 on Loans and Advances	-	-	-	275,450,343	-	275,450,343
Adoption of Fair Value through the Profit or Loss as per IFRS 9	-	-	(33,454,077)	-	33,454,077	-
Initial Recognition of IFRS 9 on Investment Securities	-	-	-	-	(6,701,644)	(6,701,644)
Net Impact of Adoption IFRS 9	**-**	**-**	**(33,454,077)**	**275,450,343**	**26,752,433**	**268,748,699**
Profit for the year	-	-	-	-	50,096,550	50,096,550
Transfer to/(from) Statutory Reserve	-	7,514,483	-	-	(7,514,483)	-
Transfer (from)/ to Risk Reserve	-	-	-	(119,335,911)	119,461,376	125,465
Balance at 31 December 2018	**750,000,000**	**202,294,302**	**-**	**156,114,432**	**255,257,343**	**1,363,666,076**

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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 2018

	Share Capital G$	Statutory Reserve G$	General Reserve G$	Retained Earnings G$	Total G$
Year ended 31 December 2017					
Balance at 1 January 2017	750,000,000	160,024,968	26,489,300	(123,517,915)	812,996,353
Profit for the year	-	-	-	224,734,232	224,734,232
Other Comprehensive Income for the year	-	-	6,964,777	-	6,964,777
Total Comprehensive Income for the year	**-**	**-**	**6,964,777**	**224,734,232**	**231,699,009**
Transfer to/(from) Statutory reserve	-	34,754,851	-	(34,754,851)	-
Balance at 31 December 2017	**750,000,000**	**194,779,819**	**33,454,077**	**66,461,466**	**1,044,695,362**

The notes on pages 29 to 62 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 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES	**G$**	**G$**
Profit Before Taxation	63,014,830	261,269,246
Adjustments for :		
Depreciation	9,090,094	8,525,617
Amortisation	1,056,504	1,450,699
Net credit impairment on financial assets	102,933,965	(97,685,804)
Gains from investment securities	(15,175,129)	-
Changes in fair value on investment securities	29,097,901	-
Adjusted profit before working capital changes	190,018,165	173,559,758
Movements in working capital:		
(Increase)/ decrease in loans and advances	(205,372,250)	145,940,966
(Increase)/ decrease in receivables and prepayments	(7,558,632)	1,289,155
Decrease/ (increase) in related parties	10,073,453	(229,242)
(Increase)/ decrease in interest receivable	(14,336,251)	21,712,189
(Decrease)/ increase in customers' deposits	(258,175,390)	219,806,667
Increase/ (decrease) in payables and accruals	13,214,738	(20,680,336)
Cash used by operations:	(272,136,167)	541,399,157
Taxes paid	(49,063,551)	(7,884,880)
Net cash (outflows)/ inflows used in operating activities	(321,199,718)	533,514,277
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(5,762,488)	(27,478,074)
Net purchase/redemption of investment securities	(351,437,127)	(542,867,866)
Net (decrease) in properties on hand	(39,992,513)	(428,729)
Net cash (used in) investing activities	(397,192,128)	(570,774,669)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**(718,391,846)**	**(37,260,392)**
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	1,941,200,562	1,978,460,954
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	**1,222,808,716**	**1,941,200,562**
CASH AND CASH EQUIVALENTS COMPRISES OF:		
Cash at Bank of Guyana	999,812,533	1,015,417,903
Cash on hand and at other banks	222,996,183	925,782,659
	1,222,808,716	**1,941,200,562**

The notes on pages 29 to 62 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 2018

1. COMPANY IDENTIFICATION

(a) Incorporation and Business Activities

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

On February 23, 1977, the GNCB Trust Company was reconstituted and established as the GNCB Trust Corporation by Order No. 13 of 1977, made under the Co-operative Financial Institutions Act 1976 (No. 8 of 1976).

On 23 February 1999 GNCB Trust Corporation was incorporated under the Companies Act of Guyana as a company and known as GNCB Trust Corporation Inc.

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

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

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

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

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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

(a) ***Standards, amendments and interperations that are not yet effective in current year and either not relevant or with has no material impact on the Trust's financial reporting.***

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)

IAS 12/IFRIC 23-Uncertainity over income tax treatments (effective on or after 1 January 2019)

IAS 19- Employee Benefits: Amendments regarding plan amendments, curtailments or settlements (effective on or after 1 January 2019)

IAS 28- Amended long term interest in Associates and Joint Ventures Investments (effective on or after 1 January 2019)

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 9- Finanical Instrument: Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective on or after 1 January 2019)

IFRS 11 - Joint Arrangements: Remeasurement of previously held interest (effective on or after 1 January 2019)

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

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

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

2.1 BASIS OF PREPARATION (Cont'd)

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

IAS 28 Investments in Associates and Joint Ventures (clarifying certain fair value measurements) (effective on or after 1 January 2018)

IFRS 1- First time adoption of IFRS: Amendment; Removing short term exemptions (effective on or after 1 January 2018)

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 de-recognition

The Trust has adopted the requirements of IFRS 9 'Financial Instruments' from 1 January 2018, with the exception of the provisions relating to the presentation of gains and losses on financial liabilities designated at fair value. The classification and measurement, and impairment requirements, are applied retrospectively by adjusting the opening balance sheet at the date of initial application. As permitted by IFRS 9, the Trust has not restated comparatives and the impact of adopting IFRS 9 increases net assets at 1 January 2018 by $269m as shown in the statement of changes in equity of the Financial Statements.

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

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

IAS 40 Investment Property (Amendments to clarify transfers or property to, or from, investment property) effective on or after1 January 2018.

IFRS 2 Share-based Payment Amendments (effective on or after 1 January 2018)

IFRS 4- Insurance Contracts: Amendments regarding the interaction of IFRS 4 & IFRS 9 (effective on or after 1 January 2018)

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 at the rate of exchange at the balance sheet date, except non-monetary assets and liabilities measured at historical cost, which are translated using the rate of exchange at the initial transaction date. Gains and losses arising from the settlement of and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit or Loss.

(e) Critical Accounting Estimates and Judgements

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

(f) Going Concern

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

(g) The Risk Reserve

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

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

The Risk Reserve as at 31 December, 2018 was $156M. The reduction of $119M is shown as a transfer from Risk Reserve to Retained Earnings.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Investments

IFRS 9: Financial Instruments, Recognition and Measurement

- Initial Recognition of IFRS 9

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

The classification is dependent on the purpose for which the investments were acquired. The Trust classified its investment 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 ae measured at fair value through the profit or loss.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Impairment on Financial Assets

i. Initial Recognition and Adoption of IFRS 9

The Trust adopt the requirements of IFRS 9 which recognise a loss allowance on a forward-looking expected credit loss model using the general approach which is effective on or after the 1st January 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 then determine the amount of impairment to be recognised as Expected Credit Losses (ECLs) at each reporting period as well as the amount of interest revenue to be recorded in future periods. ECLs are defined as the weighted average of credit losses, with the respective risks of a default occurring as the weights.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

These three (3) stages then determine the amount of impairment to be recognised as Expected Credit Losses (ECL) at each reporting date:

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

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

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

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

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

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

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

ii. Calculation of Expected Credit Losses (ECLs)

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

iii. Calculation of Expected Credit Losses (ECLs)

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
The calculation is for a specific time frame and measures the percentage of loans and investments
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
The loan and investment repayment pattern and EAD value for each financial assets are then used to determine the overall default risk.

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

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

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Renegotiated Loans

Hand in Hand Trust Corporation Inc.'s policy in relation to renegotiated loans is in accordance with Financial Institutions Act 1995 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. In such cases interest income is accounted for on a cash basis. using the effective interest method. However, as an exception to this, interest on debt securities issued by the Trust that are designated under the fair value option and on derivatives managed in conjunction with those debt securities.

Interest is the return within a basic lending arrangement and typically consists of consideration for the time value of money, and credit risk. It may also include consideration for other basic lending risks such as liquidity risk.

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

(e) Property and Equipment

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

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Taxation

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

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

(g) Cash and Cash Equivalent

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent comprise 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 2018 the corporation's contribution to the plan was G$5,847,831 (2017 - $5,563,064).

The Fund balance was G$126,755,638 as at December 31,2018 (2017 - $87,838,588)

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.

	2018	2017
3. CASH AT BANK OF GUYANA	**G$**	**G$**
Cash at Bank of Guyana	**999,812,533**	**1,015,417,903**

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

4. CASH ON HAND AND AT OTHER BANKS

Cash at bank	154,086,972	288,326,205
Term deposits	50,000,000	622,586,614
Cash on hand	18,909,211	14,869,840
	222,996,183	**925,782,659**

5. INVESTMENT SECURITIES

a) Held for Trading

Listed corporate companies	note (d)	805,585,180	569,845,337
Unlisted corporate companies	note (d)	105,000	105,000
		805,690,180	**569,950,337**

b) Held to Collect - Amortised Cost

CARICOM Governments	419,042,301	409,092,216
Corporate Bonds	751,391,204	653,538,977
Local Bonds	282,881,550	288,909,350
	1,453,315,055	**1,351,540,543**
Provision for impairment ECL's	(16,330,754)	-
	1,436,984,301	**1,351,540,543**
Total Investment Securities	**2,242,674,481**	**1,921,490,880**

c) Impairment on Investment Securities

Initial recognition of IFRS 9 ECLs	6,701,644	-
ECLs during the year (stage 1) - **note 19 (b)**	9,629,110	-
As at year end	**16,330,754**	-

5.1 INVESTMENT SECURITIES (Cont'd)

	Year of Maturity	Rate of Interest	31.12.2018	31.12.2017
Held to Collect				
a) Guyana - Others				
Courts (Guyana) Inc	2019/2020	8.00	170,000,000	170,000,000
Berbice Bridge Inc. - Tranche 1	2018	9.00	12,881,550	18,909,350
Berbice Bridge Inc. - Tranche 2	2022	10.00	100,000,000	100,000,000
			282,881,550	**288,909,350**
b) Caribbean- Government				
St.Vincent & Grenadines	2018	8.50	-	6,300,000
Gov't of Belize	2031	4.94	160,224,960	160,224,960
T&T Housing Bond	2025	7.00	61,120,000	61,120,000
Gov't of ST Kitts New Discount Bonds	2032	3.00	7,838,116	8,308,031
Gov't of ST Kitts New Par Bonds	2057	1.50	9,019,225	9,019,225
Gov't of T&T Bond	2021	-	60,864,000	81,152,000
Gov't of T&T Bond	2021	-	14,976,000	19,968,000
Barbados Port Inc.	2024	8.00	63,000,000	63,000,000
Gov't of St. Lucia	2019	5.00	42,000,000	-
			419,042,301	**409,092,216**
c) Caribbean - Others				
RBC - OMO	2018	2.20	-	125,490,560
JMMB	2018	2.10	-	228,048,417
JMMB Repurchase Agreement	2019	2.20	166,080,439	-
JMMB Repurchase Agreement	2019	2.20	66,082,925	-
RBC - OMO 15-79	2022	2.20	219,227,840	-
Hand In Hand Life Assurance	2022	2.75	300,000,000	300,000,000
			751,391,204	**653,538,977**
Total Investment Securities - Held to Collect			**1,453,315,055**	**1,351,540,543**

	2018	2017
5.2 INVESTMENT SECURITIES (Cont'd)	**G$**	**G$**
(a) Held for Trading		
Shares, other stocks and bonds		
GASCI - Unlisted companies	100,000	100,000
Hand in Hand Investment Inc.	5,000	5,000
RBC Dominion Securities	70,842,913	82,424,633
Others	734,742,267	487,420,704
	805,690,180	**569,950,337**
(b) Held to Collect		
a) Guyana - others	282,881,550	288,909,350
b) Caribbean- government	419,042,301	409,092,216
c) Caribbean - others	751,391,204	653,538,977
Less ECL's	(16,330,754)	-
	1,436,984,301	**1,351,540,543**
(c) Loans and Receivables		
Mortgages and loans	6,085,324,665	5,900,737,354
Credit impairment on loans and advances	(89,944,181)	(293,152,555)
	5,995,380,484	**5,607,584,799**
(d) Properties on Hand	52,426,860	12,434,347
Total Investment	**8,290,481,825**	**7,541,510,026**

6. LOANS AND ADVANCES		
Mortgages	3,936,574,511	3,896,962,530
Special loans	1,567,963,630	1,847,115,176
Other loans	580,786,524	156,659,648
	6,085,324,665	5,900,737,354
Impairment losses (a) and (b)	(89,944,181)	(293,152,555)
	5,995,380,484	**5,607,584,799**
Included above are non-performing mortgages of :	**1,051,375,000**	**1,150,093,000**

6. LOANS AND ADVANCES (Cont'd)

	2018 G$	2017 G$
a) Credit Impairment Losses on Loans and Advance		
As at beginning of the year	293,152,555	377,965,531
Additional provision in the year	753,181,123	2,051,997,307
Reversal of provision in the year	(800,275,065)	(2,136,810,283)
	246,058,613	293,152,555
Reversal of impairment losses and adoption of IFRS 9	(246,058,613)	-
As at end of the year	-	**293,152,555**
b) Loss Allowances		
Initial recognition of IFRS 9 ECLs	17,702,212	-
ECLs during the year	72,241,969	-
As at year end	**89,944,181**	**-**

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

Impairment Losses on Loans and Advances	**Mortgages G$**	**Special Loans G$**	**Car Loans G$**	**Total ECL G$**
Stage 1: 12 - Month ECL	11,240,217	4,285,775	171,785	**15,697,777**
Stage 2: Lifetime ECL	19,871,360	13,033,696	42,071	**32,947,127**
Stage 3: Lifetime Credit Impaired ECL for Financial Assets	22,961,991	18,303,174	34,112	**41,299,277**
	54,073,568	**35,622,645**	**247,968**	**89,944,181**

7. PROPERTIES ON HAND

	2018 G$	2017 G$
Purchased at public auction	88,417,211	48,424,698
Provision for diminution in value	(35,990,351)	(35,990,351)
	52,426,860	12,434,347

Provision for diminution in value

	2018 G$	2017 G$
At 1 Jan	35,990,351	32,870,672
Additional provision for the year	-	3,119,679
At 31 December	35,990,351	35,990,351

These properties relate to foreclosed mortgages.

8. (a) PROPERTY AND EQUIPMENT

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

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

8. (b) PROPERTY AND EQUIPMENT

Cost / Valuation	Motor Vehicles G$	Furniture and Equipment G$	Total G$
At 1 Jan 2017	19,822,371	82,327,271	102,149,642
Additions	6,030,531	17,221,543	23,252,074
Disposals	-	(1,843,882)	(1,843,882)
At 31 December 2017	**25,852,902**	**97,704,932**	**123,557,834**
Accumulated Depreciation			
At 1 Jan 2017	15,538,129	68,045,850	83,583,979
Charges for the year	4,585,681	3,939,936	8,525,617
Write back on disposals	-	(1,843,882)	(1,843,882)
At 31 December 2017	**20,123,810**	**70,141,904**	**90,265,714**
Net Book Values			
At 31 December 2017	**5,729,092**	**27,563,028**	**33,292,120**
At 31 December 2016	**4,284,242**	**14,281,421**	**18,565,663**

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

8. (c) INTANGIBLE ASSET

Beginning of the year	4,226,000
Additions	221,113
End of the year	4,447,113
Beginning of the year	1,450,699
Amortisation charge for the year	1,056,504
	2,507,203
Carrying amouint as at year end	**1,939,910**

	2018	2017
9. DEFERRED TAXATION	**G$**	**G$**
Asset arising on accelerated accounts depreciation		
At 1 Jan	1,591,326	1,861,142
Current year	(416,230)	(269,816)
At 31 December	**1,175,096**	**1,591,326**

10. RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

Trustee Fees	28,531,279	25,202,613
Loss allowance ECL's	(152,482)	-
	28,378,797	25,202,613
Stationery Stock	758,291	543,000
Other Debtors	2,444,629	-
Prepayments	5,092,052	3,522,006
	36,673,769	**29,267,619**

11. INTEREST RECEIVABLES

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

Bonds	27,814,886	12,415,987
Deposits at Bank	-	1,062,648
	27,814,886	**13,478,635**

12. CUSTOMERS' DEPOSITS

Fixed and Term	6,668,113,544	7,166,362,188
Savings	1,477,839,838	1,237,766,584
	8,145,953,382	**8,404,128,772**

Customers' Deposit by maturity

Fixed - within one year	6,144,560,784	6,208,017,971
Fixed and Savings - on demand	1,477,839,838	1,262,850,728
	7,622,400,622	**7,470,868,699**
Fixed - over one year	523,552,760	933,260,073
	8,145,953,382	**8,404,128,772**

	2018	2017
13. PAYABLES AND ACCRUALS	**G$**	**G$**
Staff benefits	1,188,125	1,057,857
Refundable mortgage payments	25,025	4,237,114
Interest on special interest savings	12,005,229	10,774,514
Interest on fixed deposits	47,406,187	57,640,701
Others	39,264,761	34,466,903
Audit fee	1,800,000	1,680,000
Deposits on properties	37,182,500	15,800,000
	138,871,827	**125,657,089**

14. ISSUED CAPITAL

Authorised Share Capital

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

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

15. STATUTORY RESERVE	**2018**	**2017**
	G$	**G$**
At 1 January and December 2018	**202,294,302**	**194,779,819**

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.

	2018	2017
16. INTEREST INCOME	**G$**	**G$**
Loans and Advances	550,631,754	608,606,030
Fixed Deposits	9,628,494	15,371,909
Interest from Banks	-	908
Money Market Account	698,953	1,553,114
Bonds and other investments	60,781,478	42,033,787
	621,740,679	**667,565,748**

17. FEES

Trustee	52,625,999	53,666,628
Mortgage	20,053,184	18,755,678
Management	24,344,841	16,790,524
	97,024,024	**89,212,830**

17.1 INVESTMENT INCOME

Held to Maturity	71,108,925	58,959,718
Dividends/Gains	26,766,055	22,803,963
Financial Assets (Held for Trading and FVTPL)	15,175,129	-
Loans and Advance	550,631,754	608,606,030
Other Income	74,182,995	73,487,832
Management Fees	24,344,841	16,790,524
Gain on Exchange	-	9,105,744
	762,209,699	**789,753,811**

18. EXPENSES BY NATURE	2018 G$	2017 G$
Advertising	10,306,519	8,717,007
Legal Fee	11,645,308	3,402,173
Audit Fee	1,940,650	1,682,741
Directors' Fees (**Note 23(iii)**)	4,342,704	4,686,514
Employment Costs	259,570,406	221,082,264
Stationery, Postage and Telephone	5,687,339	5,076,893
Security	8,788,332	9,773,557
Electricity	8,489,791	8,938,003
Licence	1,014,500	1,012,500
General Administrative Expenses	31,661,938	31,547,462
Repairs and Maintenance	14,482,254	21,309,405
Bank Charges	1,789,834	1,506,407
Depreciation	10,146,598	9,976,316
Professional Services and Membership	13,391,738	12,617,609
	383,257,911	**341,328,851**

	2018	2017
19. LOSS ALLOWANCES	**G$**	**G$**
(a) Credit Impairment Losses on Loan and Advances		
Decrease in loan loss provision	-	84,812,976
Other Credit Losses Movements:		
Bad debts written off	(38,600,651)	(23,577,249)
Bad debt recoveries/ repayments	17,690,247	36,450,077
Loss allowances (ECL's) for the year	(72,241,969)	-
	(93,152,373)	**97,685,804**
(b) Credit Impairment Losses on Other Financial Assets		
Loss allowance on investment securities	9,629,110	-
Loss allowance on other financial assets	152,482	-
	9,781,592	**-**
20. IMPAIRMENT ON INVESTMENTS		
RBC Dominion and Other Investments	**29,097,901**	**29,753,245**

21. TAXATION

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

	2018	2017
Current:		
Property tax	10,162,037	8,000,000
Withholding tax	1,887,588	1,796,490
Corporation	452,425	26,468,708
Deferred		
Corporation tax (27.5%)	416,230	269,816
	12,918,280	**36,535,014**
Reconciliation of tax expense and accounting profit:		
Profit before taxation	**63,014,830**	**261,269,246**
Corporation tax (27.5 %)	17,329,078	71,849,043
Loss relief (Utilised)	-	(26,468,708)
Expenses not deductible for tax purposes	(416,229)	324,264
Income exempt from corporation tax	(21,740,993)	(19,235,892)
Property tax	10,162,037	8,000,000
Withholding tax	1,887,588	1,796,490
Corporation tax adjustment	452,425	-
Deferred tax losses recognised	5,244,374	269,816
	12,918,280	**36,535,014**

21. TAXATION (CONT'D)

Company Tax Losses to be Utilized / Carried Forward

The Company did not utilized tax losses in the current year, (2017 - $96,249,846).

The Company has tax losses of $3,432,084,320 (2017 - $3,414,527,434) 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.

	2018 G$	2017 G$
Profit attributable to shareholders	**50,096,550**	**224,734,232**
Number of ordinary shares in issue and fully paid	**7,500,000**	**7,500,000**
Basic earnings per share	**6.68**	**29.96**

23. RELATED PARTIES TRANSACTIONS

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions.

Transactions carried out with related parties:

(i) Loan and Advances **Balance at end of year**	**2018** **G$**	**2017** **G$**
(a) Staff Loans	50,455,321	86,152,582
- Interest Rate Charged To:	**5 % - 10 %p.a**	**5 % - 10 %p.a**
(b) Director's Loan and Mortgages	19,882,667	126,684,983
(c) The following are transactions of common interest with the Trust:		
USA Global Export Company Ltd.	**84,796,464**	**87,964,164**
- Interest Rate Charged To:	**10 %p.a**	**10 %p.a**

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

	2018	2017
23. RELATED PARTY TRANSACTIONS (CONT'D)	**G$**	**G$**
(i) Loan and Advances (Cont'd)		
(c) The following are transactions of common interest with the Trust:		
Stark Inc.	**46,246,437**	**50,094,457**
- Interest Rate Charged To:	**8 %p.a**	**8 %p.a**
Keith Evelyn Investments	**61,023,786**	-
- Interest Rate Charged To:	**8 %p.a**	-

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

(ii) Balances as at year end

Due from/ (to)

	2018	2017
Hand in Hand Fire Mutual Insurance Company Limited	40,454,472	42,753,403
Hand in Hand Fire Mutual Insurance Company Limited	(2,298,831)	-
Hand in Hand Investments Inc.	417,890	382,370
Hand in Hand Mutual Life Assurance	(350,000)	7,460,042

(iii) Directors' Emoluments

Emoluments including expenses paid in respect of services as directors:

	2018	2017
Paul Chan-A-Sue-Chairman	1,042,128	1,042,128
Charles R. Quintin	825,144	825,144
Ian A. Mc Donald	825,144	825,144
Allan Parris	825,144	825,144
Troy Cadogan	825,144	825,144
Timothy Jonas	-	343,810
	4,342,704	**4,686,514**

(iv) Compensation of key management personnel

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

	2018	2017
	58,270,850	**49,189,680**

24. CONTINGENT MATTERS

(i) Ligitation Matters

As at 31 December, 2018 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 Trustees of the APUA Bonds, the Government of Antigua were ordered by the Court to make monthly payments until the Bond is fully repaid, however this has not been consistent. The Trustee has therefore advised that payments would be distributed to the Bondholders as they are collected.

The Trust received payments totaling US$12,209.88 with an outstanding balance US$72,700.29 to be collect from Trustees of APUA.

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:

	2018	2017
Assets	**G$**	**G$**
United States Dollars - $7,261,389 (2017 - $6,384,374)	1,540,755,448	1,340,718,523

Foreign Currency sensitivity analysis

The following table details the Trust's sensitivity to a 2.5% increase and decrease in the Guyana dollar against balances denominated in foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2.5% change in foreign currency rates.

A positive number indicates an increase in profit where foreign currencies strengthens 2.5% against the G$ and for a 2.5% weakening of the foreign currencies against G$ there would be an equal and opposite impact on the profit and the balances would be negative.

Profit	38,518,886	33,517,963

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 2018, 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 Financial Institutions Act, 1995. Credit risk is further restricted by securing adequate collateral.

Management of Loans

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

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

25. FINANCIAL RISK MANAGEMENT (CONT'D)

(iv) Credit risk (Cont'd)

Management of Loans (Cont'd)

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

(a) Credit applications are initially reviewed by an officer of the Trust's Credit Department relating to the purpose of the loan, the applicant's financial standing and collateral offered as security, and ability to service the loan.

(b) The Trust usually requires collateral be lodged, and has established policies that guide its loan ceiling to a value based on the type of collateral lodged. During the review of the loan application, an independent valuation of collateral is obtained, where possible.

(c) Loans are generally collateralised with some of all of the following:
Cash
Mortgages
Bill of Sale
Promissory notes
Assignment of salary or proceeds
Debentures
Assignment of Insurance Policies

(d) Any recommended loan applications are then subject to the approval from either senior management,credit commitee and the Board of Directors, based on pre-set levels applicable.

(e) The Credit Department is required to carry out weekly and monthly reviews of any past due or impaired loans.

(f) Independent valuations of collateral lodged against loan facilities are carried out every three (3) years.

(g) Compliance with the 'single borrower' or 'group borrower's' limit are carried out as set out in the Financial Institution Act (1995) and other regulatory guidelines and the Trust's own prudential judgements.

25. Financial Risk Management (Cont'd)

(iv) Credit risk (Cont'd)

Credit quality per category of financial assets

Loans receivables

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

	2018	2017
	G$	G$
Current	3,815,014,000	3,700,873,354
Past due but not impaired	1,219,070,665	743,067,000
Impaired	1,051,240,000	1,456,797,000
	6,085,324,665	5,900,737,354
Past Due but not Impaired	1,219,070,665	743,067,000
Past due more than 1 year	595,635,000	520,439,000
	1,814,705,665	1,263,506,000

Renegotiated Loans.

The carrying amounts of all renegotiated loans aggregated to:

	2018	2017
	G$	G$
Renegotiated loans	194,928,983	660,634,493

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

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

25. Financial Risk Management (Cont'd)

(v) Liquidity Risk

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

Liquidity Risk Tables

		Maturing 2018					
		Within 1 year					
Assets	Average Interest rate %	On demand G$	Due in 3 months G$	Due 3 - 12 months G$	1 to 5 years G$	Over 5 years G$	Total G$
Investments	4.73	-	466,993,389	198,319,106	473,048,676	1,104,313,310	2,242,674,481
Loans (net)	10.39	144,524,898	74,604,710	1,428,951,198	2,156,116,933	2,191,182,745	5,995,380,484
Properties on Hand		-	-	52,426,860	-	-	52,426,860
Interest Receivables	5.85	-	22,732,886	5,082,000	-	-	27,814,886
Receivables and Prepayments		-	28,531,279	8,142,490	-	-	36,673,769
Related Parties		-	-	-	40,522,362	-	40,522,362
Cash on Hand and at Bank	1.05	18,715,771	81,712,165	102,140,206	20,428,041	-	222,996,183
Cash at Bank of Guyana		177,340,781	140,493,049	619,152,372	62,826,331	-	999,812,533
		340,581,450	**815,067,477**	**2,414,214,232**	**2,752,942,343**	**3,295,496,055**	**9,618,301,558**
Liabilities							
Customers' Deposits	1.87	1,477,839,838	984,957,680	5,159,603,104	523,552,760	-	8,145,953,382
Payables and Accruals		-	-	138,871,827	-	-	138,871,827
Taxation		-	-	4,716,858	-	-	4,716,858
		1,477,839,838	**984,957,680**	**5,303,191,789**	**523,552,760**	**-**	**8,289,542,067**
Net assets/(liabilities)		**(1,137,258,388)**	**(169,890,203)**	**(2,888,977,557)**	**2,229,389,583**	**3,295,496,055**	**1,328,759,491**

25. Financial Risk Management - cont'd

(v) Liquidity Risk - cont'd

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

Liquidity Risk Tables

		Maturing 2017					
		Within 1 year					
Assets	Average Interest rate %	On demand G$	Due in 3 months G$	Due 3 - 12 months G$	1 to 5 years G$	Over 5 years G$	Total G$
Investments	5.2	-	413,538,977	50,960,418	587,871,973	869,119,512	1,921,490,880
Loans (net)	9.44	310,694,264	351,344,457	632,589,275	1,913,902,835	2,399,053,968	5,607,584,799
Properties on Hand		-	-	12,434,347	-	-	12,434,347
Interest Receivable		-	11,991,980	288,910	1,197,745	-	13,478,635
Receivables and Prepayments		-	-	29,267,619	-	-	29,267,619
Related Parties		-	-	-	50,595,815	-	50,595,815
Cash on Hand and at Bank	1.05	14,869,840	622,586,614	263,732,927	24,593,278	-	925,782,659
Cash at Bank of Guyana		151,542,087	138,253,619	606,708,537	118,913,659	-	1,015,417,903
		477,106,191	**1,537,715,647**	**1,595,982,033**	**2,697,075,305**	**3,268,173,480**	**9,576,052,657**
Liabilities							
Customers' Deposits	1.86	1,262,850,728	1,152,113,493	5,055,904,478	933,260,073	-	8,404,128,772
Payables and Accruals		-	-	125,657,089	-	-	125,657,089
Taxation		-	-	39,230,181	-	-	39,230,181
		1,262,850,728	**1,152,113,493**	**5,220,791,748**	**933,260,073**	**-**	**8,569,016,042**
Net assets/(liabilities)		**(785,744,537)**	**385,602,154**	**(3,624,809,714)**	**1,763,815,232**	**3,268,173,480**	**1,007,036,615**

25. Financial Risk Management - cont'd

(vi) Market Risk

(ii) Interest rate risk-cont'd

Interest Rate Risk Tables

		Maturing 2018				
	Average Interest Rate	Within 1 year	Within 1 to 5 years	Over 5 years	Non- interest Bearing	Total
Assets	%	G$	G$	G$	G$	G$
Investment Securities	4.73	665,312,495	473,048,676	1,104,313,310	-	2,242,674,481
Loans (net)	10.39	1,648,080,806	2,156,116,933	2,191,182,745	-	5,995,380,484
Properties on Hand		-	-	-	52,426,860	52,426,860
Interest Receivables	5.85	27,814,886	-		-	27,814,886
Receivables and Prepayments		-	-	-	36,673,769	36,673,769
Related Parties		-	-	-	40,522,362	40,522,362
Cash on Hand and at Bank	1.05	183,658,931	20,428,041	-	18,909,211	222,996,183
Cash at Bank of Guyana		-	-	-	999,812,533	999,812,533
		2,524,867,118	**2,649,593,650**	**3,295,496,055**	**1,148,344,735**	**9,618,301,558**
Liabilities						
Customers' Deposits	1.87	7,622,400,622	523,552,760	-	-	8,145,953,382
Payables and Accruals		-	-	-	138,871,827	138,871,827
Taxation		-	-	-	4,716,858	4,716,858
		7,622,400,622	**523,552,760**	**-**	**143,588,685**	**8,289,542,067**
Interest sensitivity gap		**(5,097,533,504)**	**2,126,040,890**	**3,295,496,055**		

25. Financial Risk Management (Cont'd)

(vi) Market Risk (Cont'd)

(ii) Interest rate risk (cont'd)

Interest Rate Risk Tables

		Maturing				
		2017				
	Average Interest Rate	Within 1 year	Within 1 to 5 years	Over 5 years	Non- interest Bearing	Total
Assets	%	G$	G$	G$	G$	G$
Investment Securities	5.20	464,499,395	587,871,973	869,119,512	-	1,921,490,880
Loans (net)	9.44	1,294,627,996	1,913,902,835	2,399,053,968	-	5,607,584,799
Properties on Hand		-	-	-	12,434,347	12,434,347
Interest Receivable		11,991,980	288,910	1,197,745	-	13,478,635
Receivables and Prepayments		-		-	29,267,619	29,267,619
Related Parties		7,460,042.00	-	-	43,135,773	50,595,815
Cash on Hand and at Bank	1.05	886,319,541	24,593,278	-	14,869,840	925,782,659
Cash at Bank of Guyana		-	-	-	1,015,417,903	1,015,417,903
		2,664,898,954	**2,526,656,996**	**3,269,371,225**	**1,115,125,482**	**9,576,052,657**
Liabilities						
Customers' Deposits	2.56	7,470,868,699	933,260,073	-	-	8,404,128,772
Payables and Accruals		-	-	-	125,657,089	125,657,089
Taxation		-	-	-	39,230,181	39,230,181
		7,470,868,699	**933,260,073**	**-**	**164,887,270**	**8,569,016,042**
Interest sensitivity gap		**(4,805,969,745)**	**1,593,396,923**	**3,269,371,225**		

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2018
Analysis of Financial Assets and liabilities by measurement basis

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

Analysis of Financial Assets and liabilities by measurement basis

26. 2017

	Held to Maturity	Available for Sale	Loans and Receivables	Other assets and liabilities at amortized cost	Total
Assets	**G$**	**G$**	**G$**	**G$**	**G$**
Investment Securities	1,123,492,126	569,950,337	-	-	1,693,442,463
Loan and Advances	-	-	5,692,397,775	-	5,692,397,775
Properties on hand	-	-	-	12,434,347	12,434,347
Cash on hand and at bank	-	-	-	925,782,659	925,782,659
Cash at bank of Guyana	-	-	-	1,015,417,903	1,015,417,903
Interest Receivables	-	-	13,478,635	-	13,478,635
Related Party	-	-	-	-	-
Receivables and Prepayments	-	-	-	-	-
	1,123,492,126	**569,950,337**	**5,705,876,410**	**1,953,634,909**	**9,352,953,782**
Liabilities					
Customers' Deposit	-	-	-	8,404,128,772	8,404,128,772
Payables and Accruals	-	-	-	125,657,089	125,657,089
Taxation	-	-	-	39,230,181	39,230,181
	-	**-**	**-**	**8,569,016,042**	**8,569,016,042**

27. CONCENTRATION OF ASSETS AND LIABILITIES

	2018 G$	2017 G$
Loan and Advances		
Mortgages - Commercial	1,744,051,232	1,530,405,883
- Domestic	1,799,146,546	2,124,591,558
- Low Income	53,013,964	60,093,126
- Other	1,782,536,217	1,399,276,758
	5,378,747,959	5,114,367,325
Agriculture Sector	77,298,928	70,506,938
Manufacturing Sector	117,152,637	108,758,415
Construction Sector	389,234,245	441,405,210
Mining Sector	122,890,896	165,699,466
	6,085,324,665	**5,900,737,354**
Loss Allowance on Loans and Advances	(89,944,181)	(293,152,555)
	5,995,380,484	**5,607,584,799**
Liabilities		
Customers' Deposits		
Fixed Deposits	6,668,113,544	7,166,362,188
Special Savings	1,477,839,838	1,237,766,584
	8,145,953,382	**8,404,128,772**

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 20.82% and 25.13% as at 31 December 2018 and 2017 respectively.

Total Tier 1 and Tier 11 Capital was of risk adjusted assets as at 31 December 2018, compared 21.22% to 25.50 % at the end of the previous year.

Gearing ratio

The gearing ratio at the year end was as follows:

	2018	2017
Debt(i)	8,145,953,382	8,404,128,772
Cash and Cash Equivalents	(1,222,808,716)	(1,941,200,562)
Net Debt	6,923,144,666	6,462,928,210
Equity(ii)	1,363,666,076	1,079,450,213
Net debt to equity ratio	5.08	5.99

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

29. FAIR VALUE MEASUREMENTS

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

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

Financial Assets	Fair value as at 31.12.2018	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Loan Receivables	$6,260,329,463	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	$766,432,568	Level - 2	The fair values have been estimated by applying discounted cash flows analysis, using current market rates.	N/A	N/A
Investments - Equity	$272,727,360	Level - 1	The fair value of the equity investments are based on current market value.	N/A	N/A
Investments - Equity	$105,000	Level - 3	The fair value of the equity investments are based on the exit price that will be received from market participants.	Management has intention to use the asset for strategic purpose and the exit price is still appropriate to fair value.	N/A

29. FAIR VALUE MEASUREMENTS (Cont'd)

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

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

	2018	
	Carrying amount	**Fair Value**
Assets	**G$**	**G$**
Property and Equipment	29,743,401	29,743,401
Intangible Asset	1,939,910	1,939,910
Receivables and Prepayments	36,673,769	36,673,769
Related Parties	40,522,362	40,522,362
Properties on Hand	52,426,860	52,426,860
Interest Receivable	27,814,886	27,814,886
Cash Resources	1,222,808,716	1,222,808,716
	1,411,929,904	**1,411,929,904**
Liabilities		
Customers' Deposits	8,145,953,382	8,145,953,382
Payables and Accruals	138,871,827	138,871,827
	8,284,825,209	**8,284,825,209**

(c) Cash Resources and Other Assets

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

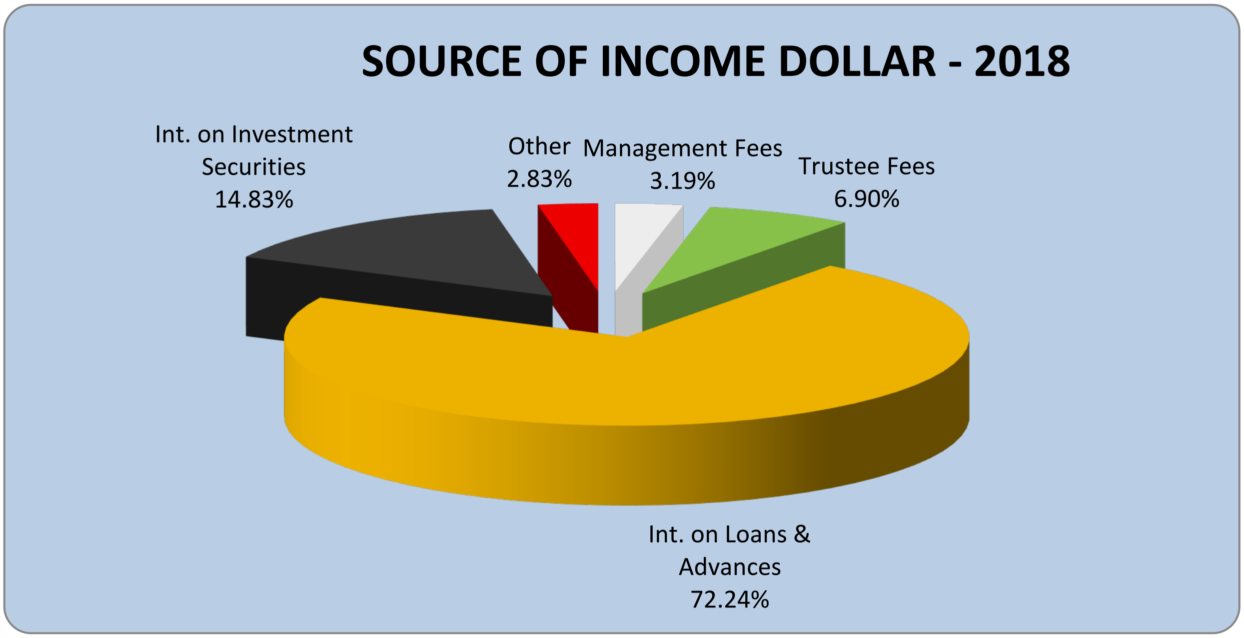
(d) Customers' Deposits

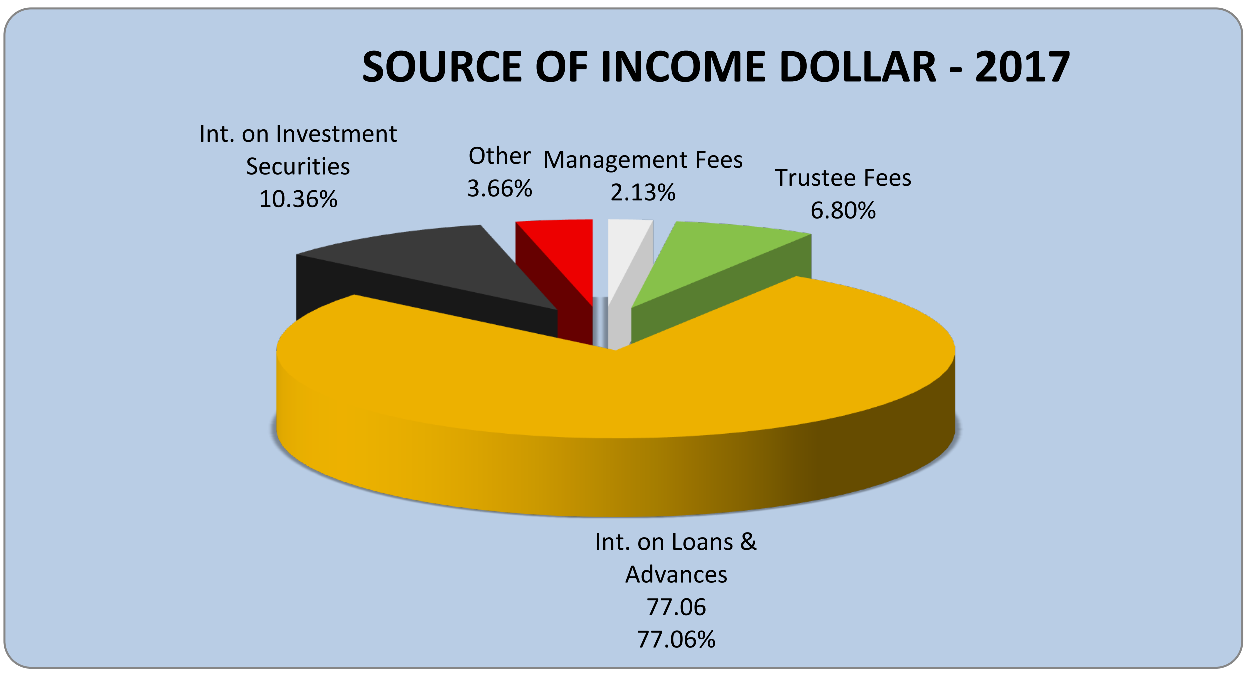
The fair value of deposits with no stated maturity is the amount payable on demand. The fair value of fixed term, interest bearing deposits approximate to carrying amount given their short maturity period.

(e) Trade Payables

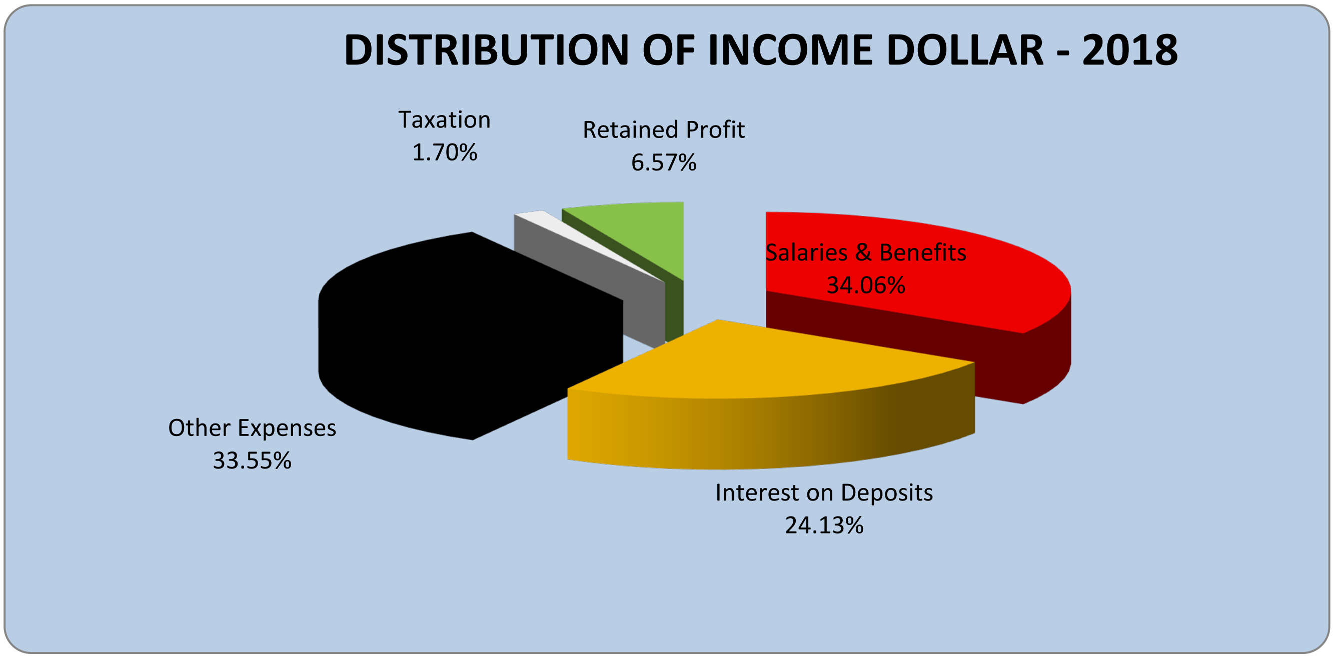
The carrying value of trade payables approximate to fair value given their short term nature.

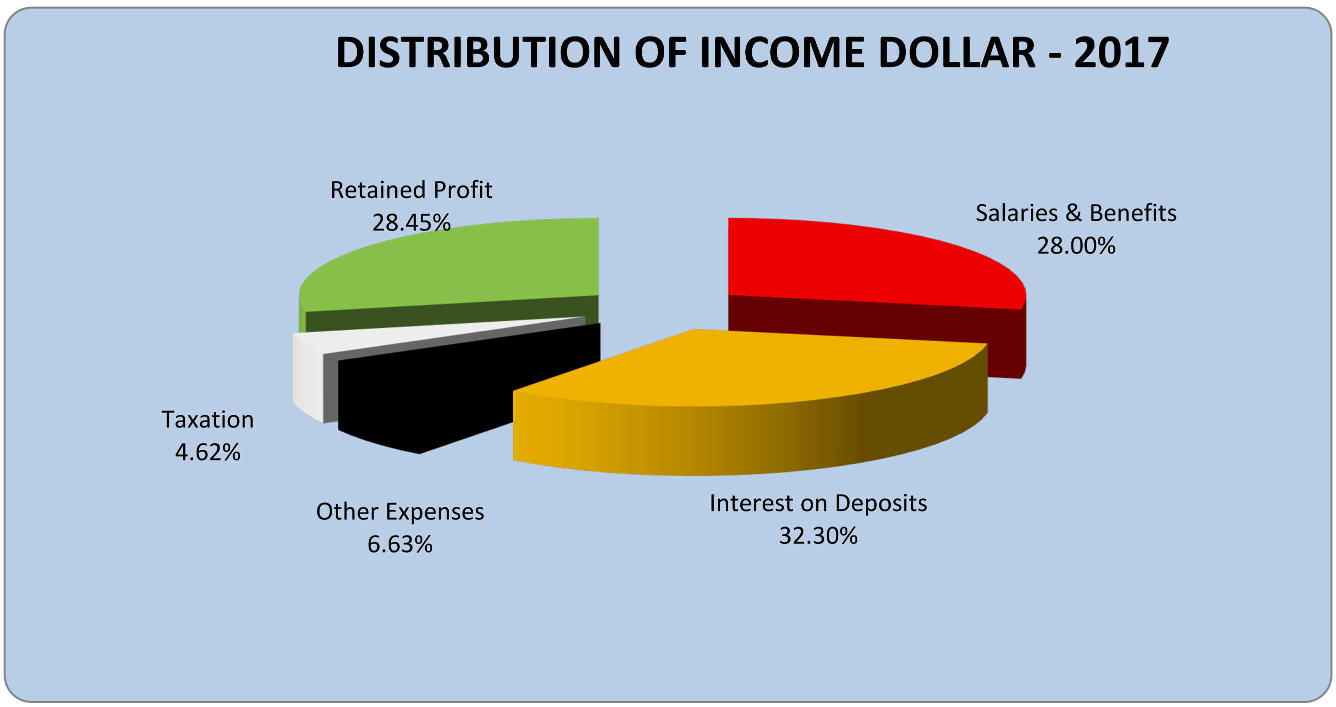
(f) There were no transfer between levels in the current year.



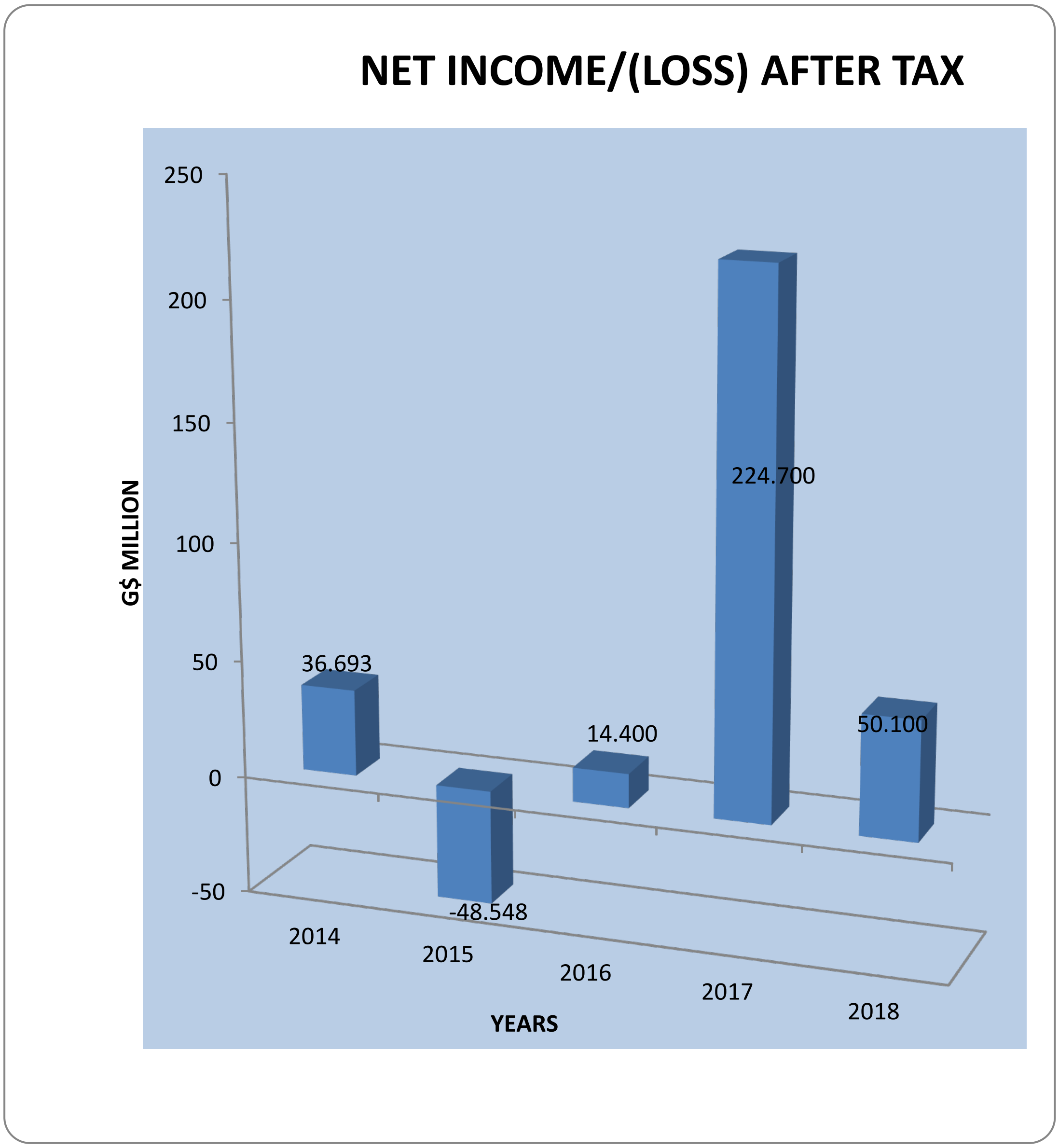


	2018 AMOUNT G$ (M)	%	2017 AMOUNT G$ (M)	%
Management Fees	24.3	3.19	16.8	2.13
Trustee Fees	52.6	6.90	53.7	6.80
Int. on Loans & Advances	550.6	72.24	608.6	77.06
Int. on Investment Securities	113.1	14.83	81.8	10.36
Other	21.6	2.83	28.9	3.66
TOTAL	762.2	100.00	789.8	100.00





YEAR	2018 AMOUNT G$ (M)	%	2017 AMOUNT G$ (M)	%
Salaries & Benefits	259.6	34.06	221.1	28.00
Interest on Deposits	183.9	24.13	255.1	32.30
Other Expenses	255.7	33.55	52.4	6.63
Taxation	12.9	1.70	36.5	4.62
Retained Profit	50.1	6.57	224.7	28.45
TOTAL	762.2	100.00	789.8	100.00



YEAR	2014	2015	2016	2017	2018
AMOUNT G$ (M)	36.693	-48.548	14.400	224.700	50.100

STATISTICAL REVIEW

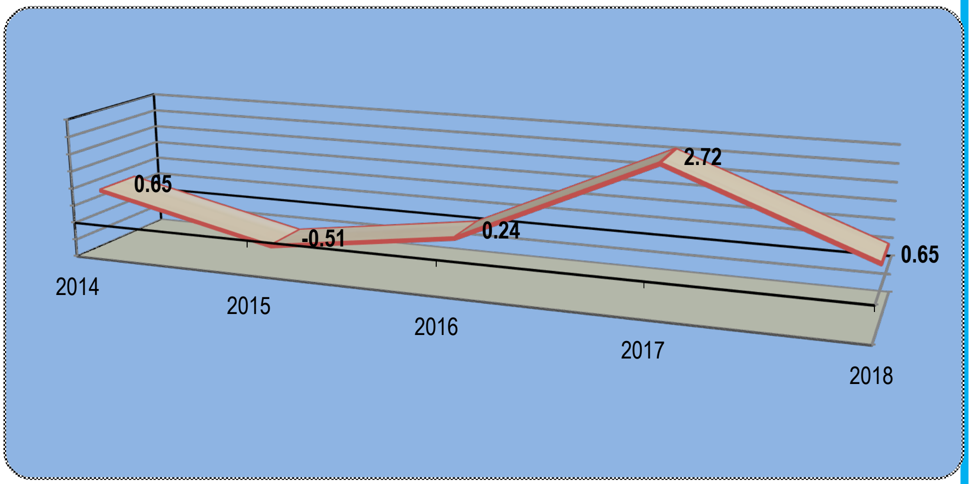
FIVE YEAR SUMMARY OF EARNINGS

	2018	2017	2016	2015	2014
Interest Income	621,740,679	667,565,748	696,764,809	525,672,719	418,824,889
LESS: Interest Expenses	183,905,092	255,088,273	251,759,646	196,538,453	137,608,352
Interest Differential	437,835,587	412,477,475	445,005,163	329,134,266	281,216,537
Other Operating Income	125,293,891	122,188,063	113,403,345	133,382,755	125,972,637
Total Operating Income					
LESS: Interest Expenses	563,129,478	534,665,538	558,408,508	462,517,021	407,189,174
Salaries & Staff Benefits	123,687,505	221,082,264	193,066,939	172,050,908	167,167,697
Other Operating Expenses	259,570,406	120,246,587	103,234,267	103,300,381	111,185,648
Increase/Reduction in loss provisions	93,152,373	(97,685,804)	236,490,074	195,784,237	9,000,819
Total Operating Expenses	476,410,284	243,643,047	532,791,280	471,135,526	287,354,164
Profit before Impairment of Investments					
Impairment of investments	86,719,194	291,022,491	25,617,228	-8,618,505	119,835,009
LESS: Provision for losses S&SBI	38,879,493	29,753,245	4,072,545	33,349,488	72,325,900
Taxation	12,918,280	36,535,014	7,147,313	6,579,911	10,816,030
Profit /(Loss) for the period	34,921,421	224,734,232	14,397,370	(48,547,904)	36,693,079
Gain/(Loss) on revaluation of asset	15,175,129	6,964,777	466,279	-6,288,537	11,085,864
NET INCOME	50,096,550	231,699,009	14,863,649	(54,836,441)	47,778,943

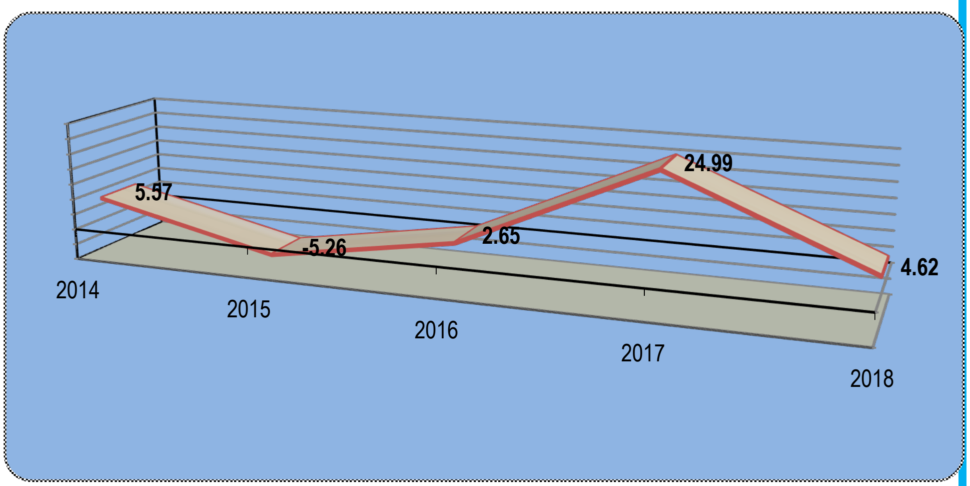
FIVE YEAR GROWTH RECORD

ASSETS	2018	2017	2016	2015	2014
Fixed Assets	31,683,311	33,292,120	18,565,663	19,490,333	24,047,194
Investments	8,290,481,825	7,541,510,026	7,039,503,816	6,576,151,301	5,536,241,802
Other Assets	1,331,043,007	2,038,909,258	2,096,436,267	1,617,006,697	1,722,751,107
TOTAL ASSETS	9,653,208,143	9,613,711,404	9,154,505,746	8,212,648,331	7,283,040,103
LIABILITIES					
Customers' Deposits	8,145,953,382	8,404,128,772	8,184,322,105	7,232,920,408	6,319,684,319
Other Liabilities	143,588,685	164,887,270	157,187,288	181,585,219	110,386,639
Share Capital	750,000,000	750,000,000	750,000,000	750,000,000	750,000,000
Retained Earnings	255,257,343	66,461,466	(123,517,915)	(135,685,738)	(87,137,834)
Other Reserves	358,408,733	228,233,896	186,514,268	183,818,442	190,106,979
TOTAL LIABILITIES	9,653,208,143	9,613,711,404	9,154,505,746	8,212,638,331	7,283,040,103
Return on Assets (%)	0.65	2.72	0.24	-0.51	0.65
Return on Equity (%)	4.62	24.99	2.65	-5.26	5.57
Earnings Per Share (Dollars)	6.68	29.96	1.92	-6.47	4.89

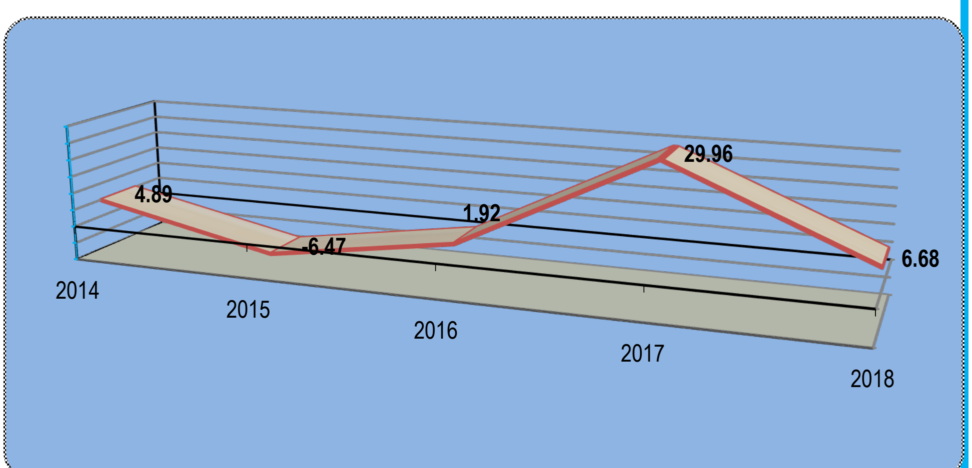
STATISTICAL REVIEW



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 17th Annual General Meeting of the said Corporation to be held on Thursday, June 6, 2019 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 ____________, 2019

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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