

16TH ANNUAL REPORT

2017
A YEAR OF SUCCESS



HAND-IN-HAND TRUST

CORPORATION INC.

A MEMBER OF THE HAND-IN-HAND GROUP OF COMPANIES





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 SIXTEENTH 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, May 31, 2018 at 08.15 a.m. for the following purposes:

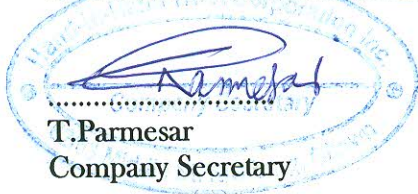
1. To receive the report of the Directors and the Corporation's Audited Financial Statements for the year ended December 31st, 2017.

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

“That the Audited Financial Statements for the period ended December 31, 2017 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,



T. Parmesar
Company Secretary

03rd May, 2018

Registered Office:

62-63 Middle Street,
North Cummingsburg,
Georgetown

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BACKGROUND

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

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

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

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

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

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

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

Background cont'd.

The share issue as at December 31st 2017 is:

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

MISSION STATEMENT

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

Specifically

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

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

BOARD OF DIRECTORS

- MR. PAUL A. CHAN-A-SUE *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 2017

We have great pleasure in presenting the Report and Financial Performance of the Hand-in-Hand Trust Corporation Inc. for the year ended December 31, 2017.

The year 2017 was a very successful one for the Corporation in spite of the many challenges from both local and international regulatory bodies. Notwithstanding, the Corporation consistently applied its recovery programme and continued with its prudent marketing of loans. This year we were able to reduce our Loan Loss Provisioning by \$97.7M while ensuring that we confirmed with the Financial Institution Act 1995 (FIA 1995) and Bank of Guyana Supervisory Guidelines. Our Total Comprehensive Income increased by \$216.8M over 2016 to **\$231.7M**.

Our Investments increased by \$548.8 M.

We continued to pursue measures to ensure that our Capital Adequacy Ratios maintained acceptable levels and in compliance with the Financial Institutions Act. We are happy to report that our Capital Adequacy ratios were Tier I 25.13% and Tier II 25.50% 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 will be strengthened early in the new 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, 2017.

RECOVERIES

We are happy to report that our Recovery Unit continued to resolutely pursue all Delinquent loans, which resulted in an increase of \$19.4M or 113.4% over 2016.

SAVINGS

Our depositors maintained their valued relationship with the Corporation. Fixed and Term Deposits increased by \$89.2 million whilst Ordinary Savings increased by \$130.6 million

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, 2017:-

	G\$(M)
Mortgages/Loans	- 5,607.6
Bonds & Other Investments-	1,921.5

Total Investments	<u>7,529.1</u>

TOTAL ASSETS

The total assets of the Institution increased from \$9.2 billion in 2016 to \$9.6 billion in 2017, an increase of \$459.2 million or 5.0%.

GENERAL RESERVES

The Trust Corporation's Retained Earnings increased from negative (\$123.5) million in 2016, to \$66.5 million in 2017.

At the end of the period, the Statutory Reserve Fund and Other Reserves were \$194.8 million and \$33.5 million respectively.

INTEREST PAYMENTS – FIXED DEPOSITS AND SPECIAL INVESTMENT PASS BOOK SCHEME

Our interest payments increased by \$3.3 million or 1.32% over 2016 as a result of increased deposits of \$219.8 million.

PROVISION FOR LOSSES

There were reversals of provision for Loan Losses of \$97.7 million inclusive of recoveries for the financial year. 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 increased from \$21.5 million in 2016 to \$261.3 million in 2017.

NET INCOME AFTER TAX

The Institution recorded a Net Profit after tax of \$224.7 million.

FINANCIAL PERFORMANCE

The Return on Assets was 2.72%, with Return on Equity of 24.99%. The earnings per share increased from \$1.92 to \$29.96.

TRUSTEESHIP

There were three (3) Pension Plans under Trusteeship with a combined fund balance of \$19.8 billion.

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

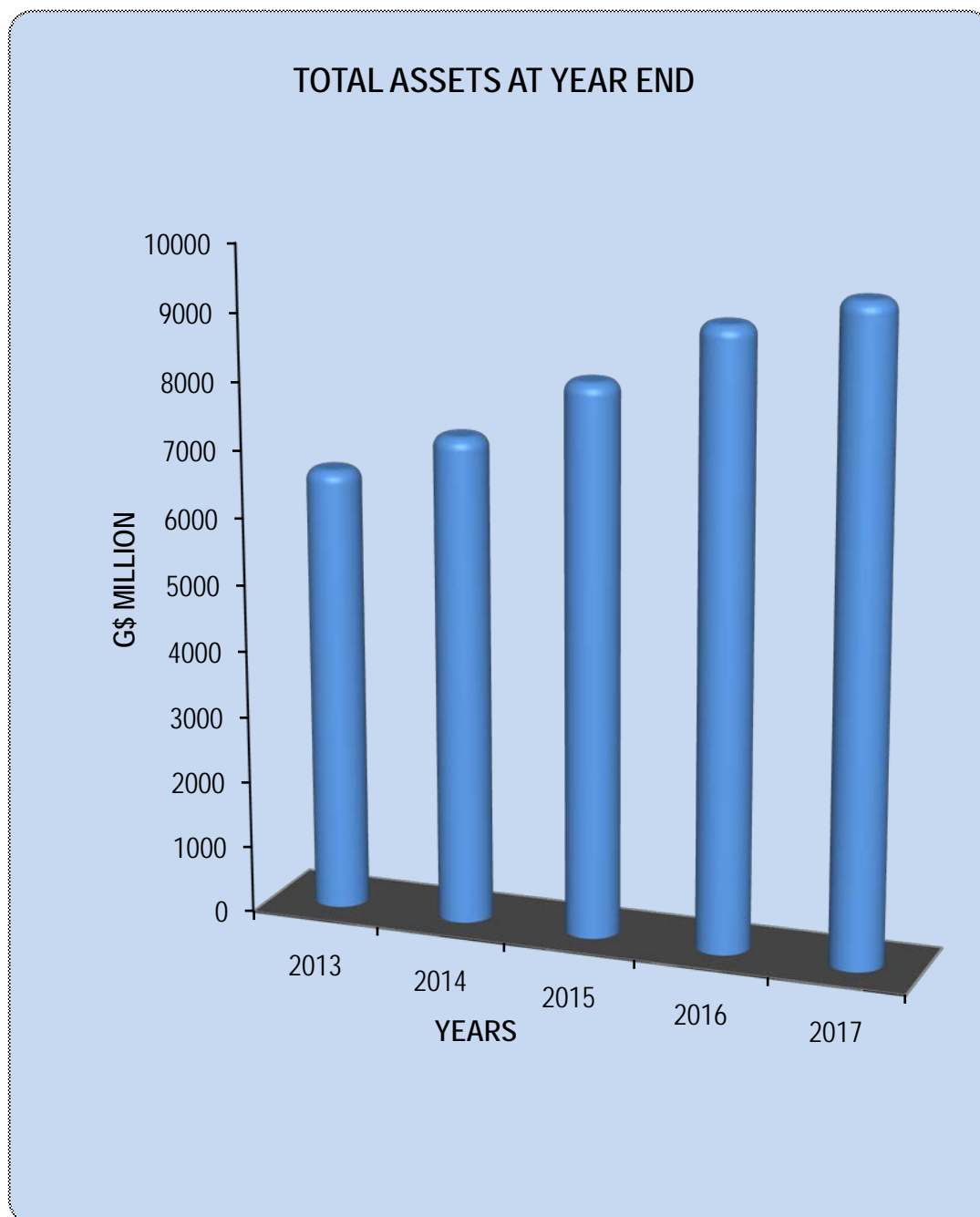
We wish to express our sincerest gratitude to our customers for their continued and unstinted support. We provided a safer physical environment for their comfort and security.

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.

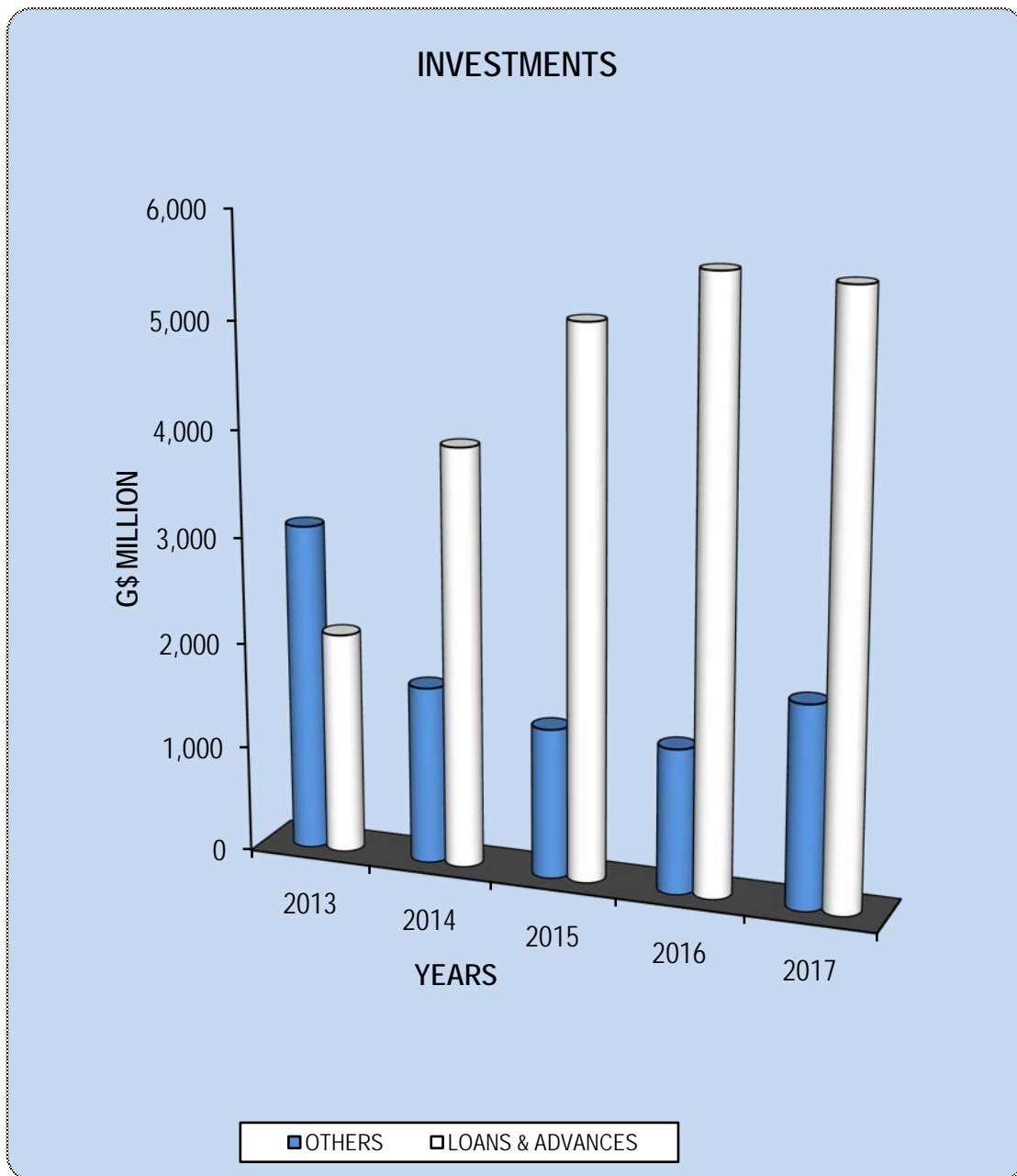
Be assured that we shall continue the pursuance of initiatives to enhance the viability of the Hand-in-Hand Trust Corporation Inc. for its continuation as a dynamic financial intermediary.

FINANCIAL REVIEW



YEAR	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
AMOUNT G\$ (M)	6,647	7,283	8,213	9,155	9,614

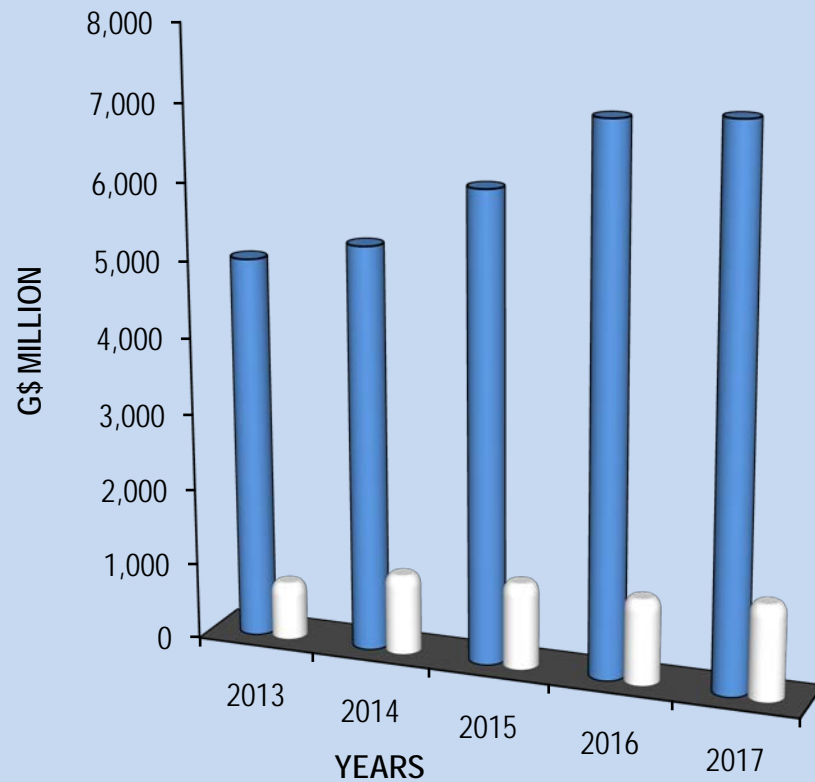
FINANCIAL REVIEW



YEAR	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
LOANS & ADVANCE	2,096	3,942	5,144	5,656	5,608
OTHERS	3,086	1,679	1,420	1,372	1,921
G\$ (M)	<u>5,182</u>	<u>5,621</u>	<u>6,564</u>	<u>7,028</u>	<u>7,529</u>

FINANCIAL REVIEW

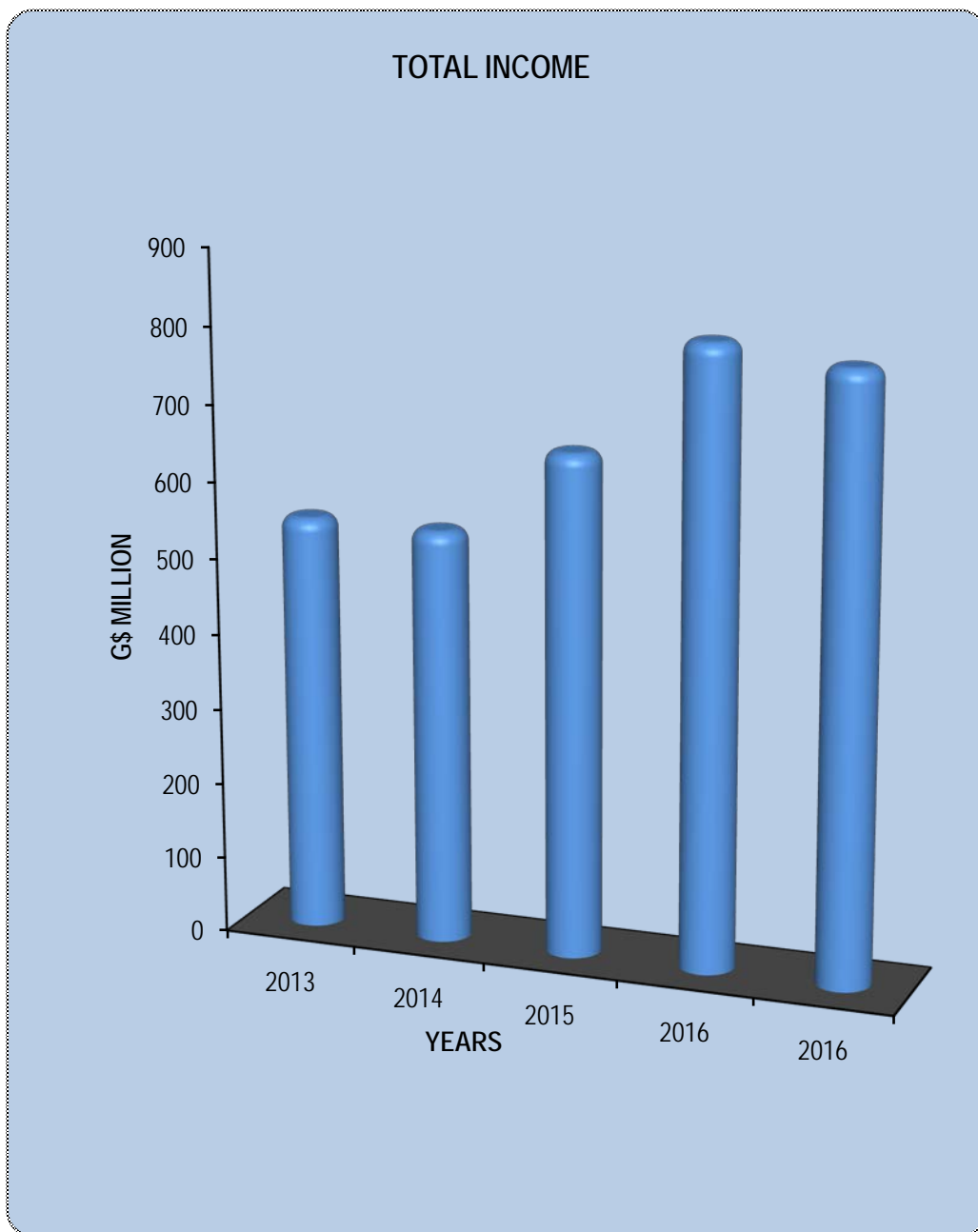
DEPOSITS - FIXED (F.D.) & SPECIAL INVESTMENT SCHEME (S.I.S.)



■ F.D. ■ S.I.S.

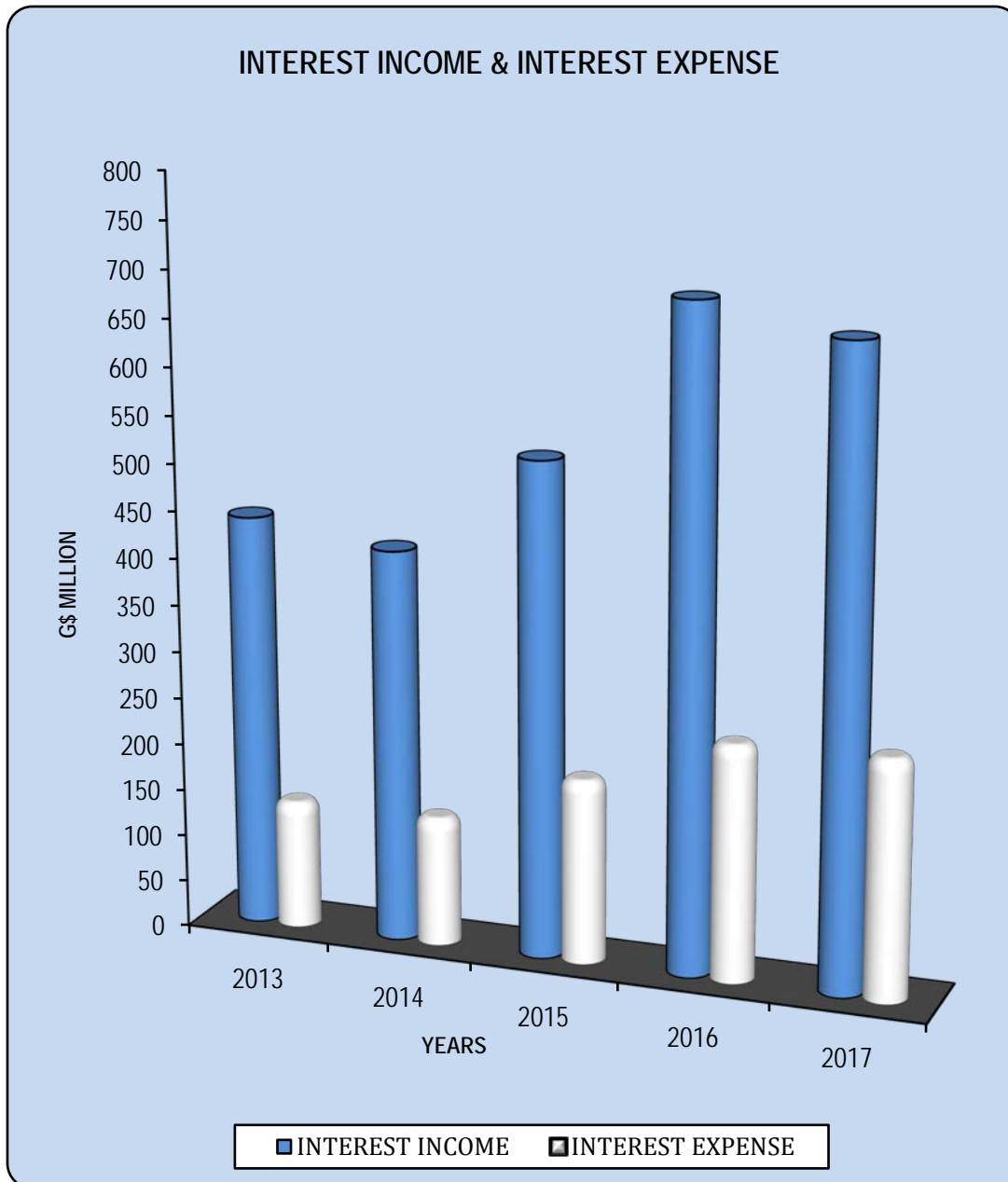
YEAR	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
S.I.S.	737	1,030	1,114	1,107	1,238
F.D.	5,003	5,290	6,119	7,077	7,166
G\$ (M)	<u>5,740</u>	<u>6,320</u>	<u>7,233</u>	<u>8,184</u>	<u>8,404</u>

FINANCIAL REVIEW



YEAR	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
AMOUNT G\$ (M)	548	545	659	810	790

FINANCIAL REVIEW



YEAR	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
INTEREST INCOME	440.7	418.8	525.7	696.8	667.6
INTEREST EXPENSE	136.63	137.6	196.5	251.8	255.1

Secure Your Financial Future TODAY!

with our wide range of
Financial
Services



Residential & Commercial Mortgages

Thrift & Pension Plan Trusteeship

Investment Deposit Accounts

Portfolio Management

Property Management

Safe Deposit Boxes

Shares Brokerage

Personal Trusts

Vehicle Loans

Cambio

Western Union & Bill Express Services

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

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Email: trustco@gol.net.gy
Website: www.handinhandtrust.com



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 2017, 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 10 to 41.

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, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, 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.

Key Audit Matters	How our audit procedures addressed the key audit matter
<p>Impairment Provision for Loans and Mortgages</p> <p>Loans and mortgages amounting to \$5,607,584,799 (after impairment provision) represent fifty eight (58) percent of the total assets of the Trust as shown in the Statement of Financial Position (page 4).</p> <p>The methodologies required by IFRS and Bank of Guyana in respect of impairment provisions involve significant judgment by management on matters such as :</p> <ul style="list-style-type: none"> • Loan classification as impaired; • Valuation and realization of collaterals pledged; • Amount and timing of cash flows. 	<p>Our procedures in relation to this key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • We evaluated and tested the Trust's process and documented policy for mortgage loss provisioning. • For loan loss provisions calculated on an individual basis, we tested the factors underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral and estimates of recovery on default. • We also tested the aging of the loan portfolios and considered the completeness of the loan book assessed for impairment in conformity with the Bank of Guyana Supervision Guidelines.

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

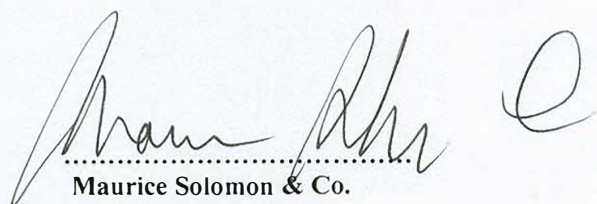
Auditor's Responsibilities for the Audit of the Financial Statements

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.



.....
Maurice Solomon & Co.
Chartered Accountants
16 April, 2018

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	NOTE	2017 G\$	2016 G\$
ASSETS			
Cash resources:			
Cash at Bank of Guyana	3	1,015,417,903	986,417,903
Cash on Hand and at other Banks	4	<u>925,782,659</u>	<u>992,043,051</u>
Total Cash Resources		<u>1,941,200,562</u>	<u>1,978,460,954</u>
INVESTMENTS			
Investment Securities	5	1,921,490,880	1,371,658,237
Loans and Advances	6	5,607,584,799	5,655,839,961
Properties on Hand	7	<u>12,434,347</u>	<u>12,005,618</u>
		<u>7,541,510,026</u>	<u>7,039,503,816</u>
OTHERS			
Deferred Taxation	9	1,591,326	1,861,142
Receivables, Prepayments and Other Assets	10	29,267,619	30,556,774
Related Parties	23(ii)	50,595,815	50,366,573
Interest Receivables	11	13,478,635	35,190,824
Property and Equipment	8	33,292,120	18,565,663
Intangible Asset	8 (c)	<u>2,775,301</u>	<u>-</u>
Total Others		<u>131,000,816</u>	<u>136,540,976</u>
TOTAL ASSETS		<u>9,613,711,404</u>	<u>9,154,505,746</u>

The notes on pages 24 to 55 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 2017

	NOTE	2017 G\$	2016 G\$
EQUITY AND LIABILITIES			
DEPOSITS			
Customers' Deposits	12	8,404,128,772	8,184,322,105
OTHERS			
Payables and Accruals	13	125,657,089	146,337,425
Taxation		39,230,181	10,849,863
Total Others		164,887,270	157,187,288
Total Liabilities		8,569,016,042	8,341,509,393
CAPITAL AND RESERVES			
Issued Capital	14	750,000,000	750,000,000
Statutory Reserve	15	194,779,819	160,024,968
General Reserve		33,454,077	26,489,300
Retained Earnings		66,461,466	(123,517,915)
Total Equity		1,044,695,362	812,996,353
TOTAL EQUITY AND LIABILITIES		9,613,711,404	9,154,505,746

The Board of Directors approved these financial statements for issue on 12th April, 2018



Director



Director

The notes on pages 24 to 55 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 AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
	NOTE	G\$	G\$
INCOME			
Interest income	16	667,565,748	696,764,809
Interest expense		<u>(255,088,273)</u>	<u>(251,759,646)</u>
Net interest income		412,477,475	445,005,163
OTHER INCOME			
Fees	17	89,212,830	84,133,092
Dividends/ Gains		22,803,963	22,075,809
Exchange Gain		9,105,744	4,128,247
Cambio operations		<u>1,065,526</u>	<u>3,066,197</u>
TOTAL NET INCOME		534,665,538	558,408,508
Operating expenses	18	(341,328,851)	(296,301,206)
(Increase)/Decrease in loss provisions	19	<u>97,685,804</u>	<u>(236,490,074)</u>
Profit before Impairment of Investments		291,022,491	25,617,228
Less: Impairment of Investments	20	(29,753,245)	(4,072,545)
Profit before taxation		261,269,246	21,544,683
Taxation	21	<u>(36,535,014)</u>	<u>(7,147,313)</u>
PROFIT AFTER TAXATION		224,734,232	14,397,370
OTHER COMPREHENSIVE INCOME			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Gain arising on revaluation of:			
Available for sale financial asset		<u>6,964,777</u>	<u>466,279</u>
TOTAL COMPREHENSIVE INCOME		231,699,009	14,863,649
FOR THE YEAR			
BASIC EARNINGS PER SHARE	22	29.96	2

The notes on pages 24 to 55 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 2017

	Share Capital G\$	Statutory Reserve G\$	General Reserve G\$	Retained Earnings G\$	Total G\$
Year ended 31 December 2017					
Balance at 1 Jan 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 24 to 55 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 2017

	Share Capital G\$	Statutory Reserve G\$	General Reserve G\$	Retained Earnings G\$	Total G\$
Year ended 31 December 2016					
Balance at 1 Jan 2016	750,000,000	157,795,421	26,023,021	(135,685,738)	798,132,704
Profit for the year	-	-	-	14,397,370	14,397,370
Other Comprehensive Income for the year	-	-	466,279	-	466,279
Total Comprehensive Income for the year	-	-	466,279	14,397,370	14,863,649
Transfer to/(from) Statutory reserve	-	2,229,547	-	(2,229,547)	-
Balance at 31 December 2016	<u>750,000,000</u>	<u>160,024,968</u>	<u>26,489,300</u>	<u>(123,517,915)</u>	<u>812,996,353</u>

The notes on pages 24 to 55 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 2017

	2017	2016
	G\$	G\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	261,269,246	21,544,683
Adjustments for :		
Depreciation	8,525,617	7,229,284
Amortisation	1,450,699	-
Provision for losses	(97,685,804)	236,490,074
Adjusted profit before working capital changes	173,559,758	265,264,041
Movements in working capital:		
(Increase)/Decrease in loans and advances	145,940,966	(748,453,086)
Decrease in receivables and prepayments	1,289,155	16,629,470
Decrease/(Increase) in related parties	(229,242)	15,140,186
(Increase)/Decrease in interest receivable	21,712,189	(6,788,037)
Increase in customers' deposits	219,806,667	951,401,697
Decrease in payables and accruals	(20,680,336)	(24,929,209)
Cash used by operations:	541,399,157	468,265,063
Taxes paid	(7,884,880)	(6,900,773)
Net cash Outflows used in operating activities	533,514,277	461,364,290
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(27,478,074)	(6,304,614)
Proceeds from Sale of Non-Current Assets		
Net purchase/redemption of investment securities	(542,867,866)	49,283,560
Net (decrease) in properties on hand	(428,729)	(206,784)
Net cash generated by investing activities	(570,774,669)	42,772,162
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(37,260,392)	504,136,452
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	1,978,460,954	1,474,324,502
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	1,941,200,562	1,978,460,954
CASH AND CASH EQUIVALENTS COMPRISES OF:		
Cash at Bank of Guyana	1,015,417,903	986,417,903
Cash on Hand and at other Banks	925,782,659	992,043,051
	1,941,200,562	1,978,460,954

The notes on pages 24 to 55 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
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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 available-for-sale investment.

The Trust's accounting policies confirm with International Financial Reporting Standards, Companies Act 1991, Bank of Guyana Supervision Guidelines and Financial Institution Act 1995.

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES

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 Institution's financial reporting.*

IAS 12 Income Taxes 1 January 2019

IAS 19 Employee Benefits 1 January 2019

IAS 23 Borrowing Costs 1 January 2019

IAS 28 Investments in Associates and Joint Ventures (clarifying certain fair value measurements) 1 January 2019

IFRS 3 Business Combinations 1 January 2019

IFRS 9 Financial Instruments (Amendments regarding prepayment features with negative compensation and modifications of financial liabilities) I January 2019

IFRS 11 Joint Arrangements 1 January 2019

IFRS 16 Leases 1 January 2019

IFRS 17 Insurance Contracts 1 January 2021

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

IAS 1 Presentation of Financial Statements

IAS 7 Statement of Cash Flows January 2017

IAS 16 Property, Plant and Equipment

IAS 21 The Effects of Changes in Foreign Exchange Rates

IAS 36 Impairment of Assets

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

IFRS 9 Financial Instruments 1 January 2018

IFRS 12 Disclosure of Interests in Other Entities 1 January 2017

IFRS 13 Fair Value Measurement

IFRS 15 - Revenue from Contracts with customers

IFRS 7 Financial Instruments Disclosures

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 28 Investments in Associates and Joint Ventures (clarifying certain fair value measurements) 1 January 2018

IAS 39 Financial Instruments: Recognition and Measurement

IAS 32 Financial Instruments: Presentation

IAS 32 Offsetting Financial Assets and Liabilities

IAS 36 Recoverable Amount Disclosures for Non Financial Assets

IAS 38 Intangible Assets (Amendments regarding the clarification of acceptable methods of depreciation and amortisation)

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENT
31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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)
 1 January 2018

IFRS 1 First-time Adoption of International Financial Reporting Standards Amendments 1 January 2018

IFRS 2 Share-based Payment Amendments 1 January 2018

IFRS 4 Insurance Contract: Applying IFRS 9 "Financial Instrument" with "IFRS 4"

IFRS 14 - Regulatory Deferral Accounts

(d) Foreign Currency Transaction

Transactions involving foreign currencies are translated at the exchange rates at the dates of these transactions. At the date of the Statement of Financial Position, all assets and liabilities denominated in foreign currencies are translated into Guyana dollars at the exchange rates ruling at that 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) Investment

The Trust classified its investment into the following categories: available-for-sale and held-to-maturity. The classification is dependent on the purpose for which the investments were acquired.

Available-for-sale investments comprise securities intended to be held for an indefinite period of time which may be sold in response to need for liquidity or change in interest rates or equity prices. Available-for-sale investments are initially recognized at cost and subsequently re-measured at fair value with gains and losses arising on re-measurement recognized in general reserve.

Investment securities with fixed maturity that management has the intent and ability to hold to maturity are classified held-to-maturity and such securities are carried at amortized cost.

(f) Loans and Advances

Loan and advances are stated net of unearned interest and provision for losses. Specific provisions are established on individual loans to recognize anticipated losses, and doubtful debts are written off when the possibility of further recovery seems remote. The level of the specific provision is determined by the relevant requirements of Supervision Guidelines No. 5 issued by the Bank of Guyana and of the Financial Institutions Act 1995.

Loans are classified as non-accrual whenever there is reasonable doubt regarding the collectability of principal or where interest or payment of interest and principal is ninety days past due.

Provisioning for each classification categories are made based on the following minimum level:-

<u>Classification</u>	<u>Level of Provision</u>
Pass	0 %
Special Mention	0 %

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(f) Loans and Advances (cont'd)

<u>Classification</u>	<u>Level of Provision</u>
Substandard	0/20%
Doubtful	50%
Loss	100%

Renegotiated Loans

Hand in Hand Trust Corporation Inc.'s policy in relation to renegotiated loans is in accordance with Financial Institutions Act 1995.

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.

(g) Revenue Recognition

Interest income and expense are recognized in the Statement of Profit or Loss 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.

Fees and commission income are recognised as earned.

(h) 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 adjusted, if appropriate.

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

(i) 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.

(j) 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.

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

2. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

(k) 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 2017 the corporation's contribution to the plan was G\$5,563,064 (2016 - \$5,629,625).

The Fund balance was G\$87,838,588 as at December 31,2017 (2016 - \$95,155,708)

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

(l) Properties on Hand

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

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
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	2017 G\$	2016 G\$
3. CASH AT BANK OF GUYANA		
Cash at Bank of Guyana	<u>1,015,417,903</u>	<u>986,417,903</u>

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	288,326,205	876,809,524
Term Deposits	622,586,614	96,508,928
Cash on Hand	<u>14,869,840</u>	<u>18,724,599</u>
	<u>925,782,659</u>	<u>992,043,051</u>

5. INVESTMENT SECURITIES

	2017		2016	
	Carrying amount G\$	Cost G\$	Carrying amount G\$	Cost G\$
a) Available for sale				
Listed corporate companies	569,845,337	615,078,000	597,648,238	635,885,331
Unlisted corporate companies	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>
	<u>569,950,337</u>	<u>615,183,000</u>	<u>597,789,238</u>	<u>635,990,331</u>
Caricom governments	409,092,216	409,092,216	419,191,399	419,191,399
Corporate Bonds	653,538,977	60,000,000	60,000,000	60,000,000
Local bonds	<u>288,909,350</u>	<u>288,909,350</u>	<u>294,677,600</u>	<u>294,677,600</u>
	<u>1,351,540,543</u>	<u>758,001,566</u>	<u>773,868,999</u>	<u>773,868,999</u>
Total investments	<u>1,921,490,880</u>	<u>1,373,184,566</u>	<u>1,371,658,237</u>	<u>1,409,859,330</u>

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

5.1 INVESTMENT SECURITIES CONT'D

	Year of Maturity	Rate of Interest	31.12.2017 G\$	31.12.2016 G\$
Held to Maturity				
<u>a) Guyana - Others</u>				
Courts (Guyana) Inc	2018/2019	8.00	170,000,000	170,000,000
Berbice Bridge Inc. - Tranche 1	2018	9.00	18,909,350	24,677,600
Berbice Bridge Inc. - Tranche 2	2022	10.00	100,000,000	100,000,000
			<u>288,909,350</u>	<u>294,677,600</u>
<u>b) Caribbean- Government</u>				
St. Vincent & Grenadines	2018	8.50	6,300,000	9,180,000
Gov't of Belize	2031	5.00	160,224,960	155,647,104
T&T Housing Bond	2025	7.00	61,120,000	61,120,000
Gov't of Trinidad & Tobago	2017	8.25	-	49,536,000
Gov't of ST Kitts New Discount Bonds	2032	6.00	8,308,031	8,514,762
Gov't of ST Kitts New Par Bonds	2057	1.50	9,019,225	8,761,533
Gov't of T&T Bond	2021	-	81,152,000	101,472,000
Gov't of T&T Bond	2021	-	19,968,000	24,960,000
Barbados Port Inc.	2024	8.00	63,000,000	-
			<u>409,092,216</u>	<u>419,191,399</u>
<u>c) Caribbean - Others</u>				
Neal & Massey Holdings	2017	5.35	-	16,000,000
TSTT BONDS	2017	4.50	-	44,000,000
HIH Life Assurance	2022	2.75	300,000,000	-
OMO	2018	2.20	125,490,560	-
JMMB	2018	2.10	228,048,417	-
			<u>653,538,977</u>	<u>60,000,000</u>

HAND-IN-HAND TRUST CORPORATION INC.
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5.1.1 INVESTMENT SECURITIES

<u>Available for Sale</u>	31.12.2017		31.12.2016	
	G\$		G\$	
Shares, other stocks and bonds	Carrying Amount	Cost	Carrying Amount	Cost
GASCI - Unlisted Companies	100,000	100,000	100,000	100,000
Hand in Hand Investment Inc.	5,000	5,000	5,000	5,000
RBC Dominion Securities	82,424,633	66,847,711	75,756,719	66,568,857
Others	487,420,704	548,230,289	521,927,519	631,229,055
	<u>569,950,337</u>	<u>615,183,000</u>	<u>597,789,238</u>	<u>697,902,912</u>
<u>Held to Maturity</u>				
a) Guyana - Others	288,909,350	294,677,600	294,677,600	294,677,600
b) Caribbean- Government	409,092,216	409,092,216	419,191,399	419,191,399
c) Caribbean - Others	653,538,977	653,538,977	60,000,000	60,000,000
	<u>1,351,540,543</u>	<u>1,357,308,793</u>	<u>773,868,999</u>	<u>773,868,999</u>
<u>Loans and Receivables</u>				
Mortgages and Loans	5,900,737,354	5,900,737,354	6,033,805,492	6,033,805,492
Provision for Loan losses	(293,152,555)	(293,152,555)	(377,965,531)	(377,965,531)
	<u>5,607,584,799</u>	<u>5,607,584,799</u>	<u>5,655,839,961</u>	<u>5,655,839,961</u>
Properties on Hand	12,434,347	12,434,347	12,005,618	12,005,618
Total Investment	<u>7,541,510,026</u>	<u>7,592,510,939</u>	<u>7,136,012,744</u>	<u>7,139,617,490</u>
Included above are non-performing mortgages	<u>1,150,093,000</u>	<u>1,150,093,000</u>	<u>1,211,277,927</u>	<u>1,211,277,927</u>

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

6. LOANS AND ADVANCES	2017	2016
	G\$	G\$
Mortgages	3,896,962,530	4,426,205,802
Special loans	1,847,115,176	1,072,693,793
Other loans	156,659,648	534,905,897
	<u>5,900,737,354</u>	<u>6,033,805,492</u>
Provision for impairment losses (a)	(293,152,555)	(377,965,531)
	<u>5,607,584,799</u>	<u>5,655,839,961</u>
Included above are non-performing mortgages of :	<u>1,150,093,000</u>	<u>1,211,277,927</u>
a) Provision for impairment losses		
At 1 Jan	377,965,531	179,827,973
Additional provision for the year	2,051,997,307	404,748,655
Reversal of provision in the year	(2,136,810,283)	(206,611,097)
At 31 December	<u>293,152,555</u>	<u>377,965,531</u>
7. PROPERTIES ON HAND		
Purchased at public auction	48,424,698	44,876,290
Provision for diminution in value	(35,990,351)	(32,870,672)
	<u>12,434,347</u>	<u>12,005,618</u>
Provision for diminution in value		
At 1 Jan	32,870,672	22,314,816
Additional provision for the year	3,119,679	10,555,856
At 31 December	<u>35,990,351</u>	<u>32,870,672</u>
These properties relate to foreclosed mortgages.		

HAND-IN-HAND TRUST CORPORATION INC.
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8. (a) 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	<u><u>25,852,902</u></u>	<u><u>97,704,932</u></u>	<u><u>123,557,834</u></u>
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	<u><u>20,123,810</u></u>	<u><u>70,141,904</u></u>	<u><u>90,265,714</u></u>
Net Book Values			
At 31 December 2017	<u><u>5,729,092</u></u>	<u><u>27,563,028</u></u>	<u><u>33,292,120</u></u>
At 31 December 2016	<u><u>4,284,242</u></u>	<u><u>14,281,421</u></u>	<u><u>18,565,663</u></u>

Included in the amount of furniture and equipment, the sum of **\$3,812,256** represent payment made in advance for the development of loan, payroll and human resource management software.

The Trust has rented the building situated at 62-63 Middle Street, Georgetown effective from June 2012.

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

8. (b) PROPERTY AND EQUIPMENT

Cost / Valuation	Motor Vehicles G\$	Furniture and Equipment G\$	Total G\$
At 1 Jan 2016	31,584,462	76,022,657	107,607,119
Additions	-	6,304,614	6,304,614
Disposals	(11,762,091)	-	(11,762,091)
At 31 December 2016	<u><u>19,822,371</u></u>	<u><u>82,327,271</u></u>	<u><u>102,149,642</u></u>

Accumulated Depreciation

At 1 Jan 2016	23,719,624	64,397,162	88,116,786
Charges for the year	3,580,596	3,648,688	7,229,284
Write Back on Disposals	(11,762,091)	-	(11,762,091)
At 31 December 2016	<u><u>15,538,129</u></u>	<u><u>68,045,850</u></u>	<u><u>83,583,979</u></u>

Net Book Values

At 31 December 2016	<u><u>4,284,242</u></u>	<u><u>14,281,421</u></u>	<u><u>18,565,663</u></u>
At 31 December 2015	<u><u>7,864,838</u></u>	<u><u>11,625,495</u></u>	<u><u>19,490,333</u></u>

The Trust has rented the building situated at 62-63 Middle Street, Georgetown effective from June 2012.

8. (c) INTANGIBLE ASSET

	G\$
Beginning of the year	-
Additions	4,226,000
End of the year	<u>4,226,000</u>
Amortisation charge for the year	1,450,699
Carrying amount as at year end	<u><u>2,775,301</u></u>

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

	2017	2016
	G\$	G\$
9. DEFERRED TAXATION		
<i>Asset arising on accelerated accounts depreciation</i>		
At 1 Jan	1,861,142	1,586,405
Current year	(269,816)	274,737
At 31 December	1,591,326	1,861,142
10. RECEIVABLES, PREPAYMENTS AND OTHER ASSETS		
Trustee Fees	25,202,613	25,737,986
Stationery Stock	543,000	615,030
Other Debtors	-	4,116
Prepayments	3,522,006	4,199,642
	29,267,619	30,556,774
11. INTEREST RECEIVABLES		
Interest receivables consists of accrued interest on various bonds redeemable at future dates.		
Interest receivable consists of accrued interest of:		
Bonds	12,415,987	34,855,418
Deposits at Bank	1,062,648	335,406
	13,478,635	35,190,824
12. CUSTOMERS' DEPOSITS		
Fixed and Term	7,166,362,188	7,077,200,304
Savings	1,237,766,584	1,107,121,801
	8,404,128,772	8,184,322,105
<u>Customers' Deposit by maturity</u>		
Fixed - within one year	6,208,017,971	5,920,207,372
Fixed and Savings - on demand	1,262,850,728	1,107,121,801
	7,470,868,699	7,027,329,173
Fixed - over one year	933,260,073	1,156,992,932
	8,404,128,772	8,184,322,105

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

13. PAYABLES AND ACCRUALS	2017	2016
	G\$	G\$
Staff benefits	1,057,857	1,627,346
Refundable mortgage payments	4,237,114	3,311,672
Interest on special interest savings	10,774,514	8,734,469
Interest on fixed deposits	57,640,701	85,482,722
Others	34,466,903	38,624,362
Audit fee	1,680,000	1,756,854
Deposits on properties	15,800,000	6,800,000
	<u>125,657,089</u>	<u>146,337,425</u>
14. STATED CAPITAL		
Authorised Share Capital		
Number of Ordinary Shares	<u>7,500,000</u>	<u>7,500,000</u>
Issued capital comprises:	G\$	G\$
Ordinary Shares		
7,500,000 issued and fully paid shares at G\$100 each	<u>750,000,000</u>	<u>750,000,000</u>
Fully paid ordinary shares carrying one vote per share and carry a right to dividends.		
15. STATUTORY RESERVE	2017	2016
	G\$	G\$
At 1 January and December 2017	<u>194,779,819</u>	<u>160,024,968</u>

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

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

	2017	2016
	G\$	G\$
16. INTEREST INCOME		
Loans and Advances	608,606,030	635,635,747
Fixed Deposits	15,371,909	844,334
Interest from Banks	908	5,359
Money Market Account	1,553,114	987,991
Bonds and other investments	42,033,787	59,291,378
	<u>667,565,748</u>	<u>696,764,809</u>
17. FEES		
Trustee	53,666,628	47,292,738
Mortgage	18,755,678	24,148,423
Management	16,790,524	12,691,931
	<u>89,212,830</u>	<u>84,133,092</u>
17.1 INVESTMENT INCOME		
Held to Maturity	58,959,718	61,129,062
Dividends/Gains	22,803,963	22,075,809
Loans and Receivable	608,606,030	635,635,747
Other Income	73,487,832	74,507,358
Management Fees	16,790,524	12,691,931
Gain on Exchange	9,105,744	4,128,247
	<u>789,753,811</u>	<u>810,168,154</u>

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

18. EXPENSES BY NATURE	2017	2016
	G\$	G\$
Advertising	8,717,007	10,141,649
Legal Fee	3,402,173	452,324
Audit Fee	1,682,741	1,680,000
Directors' Fees (Note 23(iii))	4,686,514	5,167,848
Employment Costs	221,082,264	193,066,939
Stationery, Postage and Telephone	5,076,893	4,410,287
Security	9,773,557	7,887,437
Electricity	8,938,003	7,909,942
Licence	1,012,500	1,012,500
General Administrative Expenses	31,547,462	30,059,651
Repairs and Maintenance	21,309,405	12,649,030
Bank Charges	1,506,407	1,740,867
Depreciation	9,976,316	7,229,284
Professional Services and Membership	12,617,609	12,893,448
	341,328,851	296,301,206

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	2017	2016
	G\$	G\$
19. INCREASE/ DECREASE IN LOSS PROVISION		
(Increase)/Decrease in loan loss provision	84,812,976	(253,571,184)
Bad Debts Written off	(23,577,249)	-
Bad debt recoveries	36,450,077	17,081,110
	97,685,804	(236,490,074)
	97,685,804	(236,490,074)
20. IMPAIRMENT ON INVESTMENTS		
RBC Dominion and Other Investments	29,753,245	4,072,545
	29,753,245	4,072,545
21. The provisional charge for taxation in the financial statements is made up as follows:		
<u>Current:</u>		
Property tax	8,000,000	6,665,000
Withholding tax	1,796,490	757,050
Corporation	26,468,708	-
<u>Deferred</u>		
Corporation tax (27.5%)	269,816	(247,737)
	36,535,014	7,174,313
	36,535,014	7,174,313
Reconciliation of tax expense and accounting profit:		
Profit before taxation	261,269,246	21,544,683
	261,269,246	21,544,683
Corporation tax (27.5 %)	71,849,043	6,463,405
Loss Relief Utilised	(26,468,708)	-
Expenses not deductible for tax purposes	324,264	328,505
Income exempt from corporation tax	(19,235,892)	(22,063,732)
Property tax	8,000,000	6,665,000
Withholding tax	1,796,490	757,050
Deferred tax losses not recognised	269,816	14,997,084
	36,535,014	7,147,313
	36,535,014	7,147,313

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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.

	2017	2016
	G\$	G\$
Profit attributable to shareholders	<u>224,734,232</u>	<u>14,397,370</u>
Number of ordinary shares in issue and fully paid	<u>7,500,000</u>	<u>7,500,000</u>
Basic earnings per share	<u>29.96</u>	<u>1.92</u>

23. RELATED PARTIES TRANSACTIONS

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

Transactions carried out with related parties:

(i) Loan and Advances

	2017	2016
	G\$	G\$
Balance at end of year		
(a) Staff Loans/ Mortgages	<u>86,152,582</u>	<u>87,047,433</u>
- Interest Rate Charged To:	<u>5 % - 10 %p.a</u>	<u>5 % - 10 %p.a</u>
(b) Director's Loan and Mortgages	<u>126,684,983</u>	<u>155,177,923</u>

(c) The following are transactions of common interest with the Trust:

USA Global Export Company Ltd.	87,964,164	88,000,000
- Interest Rate Charged To:	10 %p.a	10 %p.a
Stark Inc.	50,094,457	-
- 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.

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23. RELATED PARTY TRANSACTIONS (CONT'D)	2017	2016
	G\$	G\$
(ii) Balances as at year end		
Hand in Hand Fire Mutual Insurance Company Limited	42,753,403	50,016,123
Hand in Hand Investments Inc.	382,370	350,450
Hand in Hand Mutual Life Assurance	7,460,042	-
(iii) Directors' Emoluments		
Emoluments including expenses paid in respect of services as directors:		
Paul Chan-A-Sue-Chairman	1,042,128	1,042,128
Charles R. Quintin	825,144	825,144
Ian A. Mc Donald	825,144	825,144
Allan Parris	825,144	825,144
Troy Cadogan	825,144	825,144
Timothy Jonas	343,810	825,144
	4,686,514	5,167,848
	4,686,514	5,167,848
(iv) Compensation of key management personnel		
The remuneration paid to key management personnel during the year were as follows:		
	49,189,680	48,922,284
	49,189,680	48,922,284

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24. CONTINGENT MATTER

(i) Litigation Matter

As at 31 December, 2017 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 last payment was made on the January 24, 2018 with Hand-in-Hand Trust Corporation Inc. receiving US\$21,368.92 with an outstanding balance US\$84,910.17.

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.

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	2017	2016
25. FINANCIAL RISK MANAGEMENT (CONT'D)	G\$	G\$
The aggregate amount of assets and liabilities denominated in foreign currency are:		
Assets		
United States Dollars - \$6,384,374 (2016 - \$7,645,470)	<u>1,340,718,523</u>	<u>1,564,162,380</u>

Foreign Currency sensitivity analysis

The following table details the Trust's sensitivity to a 2.5%/1% increase and decrease in the Guyana dollar against balances denominated in foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2.5%/1% change in foreign currency rates.

A positive number indicates an increase in profit where foreign currencies strengthens 2.5/1% against the G\$ and for a 2.5/1% weakening of the foreign currencies against G\$ there would be an equal and opposite impact on the profit and the balances would be negative.

Profit	<u>13,407,185</u>	<u>39,104,060</u>
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(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 2017, 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.

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25. FINANCIAL RISK MANAGEMENT (CONT'D)

(iv) Credit risk (Cont'd)

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.

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

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

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25. Financial Risk Management - cont'd

(iv) Credit risk - cont'd

Credit quality per category of financial assets

Loans receivables

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

	<u>2017</u> G\$	<u>2016</u> G\$
Current	3,700,873,35	3,522,784,803
Past due but not impaired	4 743,067,000	2,455,076,668
Impaired	1,456,797,000	55,944,021
	<u>5,900,737,354</u>	<u>6,033,805,492</u>
Past Due but not Impaired	743,067,000	2,455,076,668
Past due more than 1 year	520,439,000	11,874,208
	<u>1,263,506,000</u>	<u>2,466,950,876</u>

Renegotiated Loans.

The carrying amounts of all renegotiated loans aggregated to:

	<u>2017</u> G\$	<u>2016</u> G\$
Renegotiated loans	<u>660,634,493</u>	<u>157,758,080</u>

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

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

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25. Financial Risk Management - cont'd

(v) Liquidity Risk

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

Liquidity Risk Tables

		<u>Maturing</u>					
		<u>2017</u>					
		<u>Within 1 year</u>					
	Average Interest rate	<u>On demand</u>	<u>Due in 3 mths</u>	<u>Due 3 - 12 mths</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Assets	%	G\$	G\$	G\$	G\$	G\$	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	288,911	1,197,745	-	13,478,636
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	1,595,982,034	2,697,075,305	3,268,173,480	9,576,052,658
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	(3,624,809,713)	1,763,815,232	3,268,173,480	1,007,036,616

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25. Financial Risk Management - cont'd

(v) Liquidity Risk

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

Liquidity Risk Tables

		Maturing					
		2016					
		Within 1 year					
	Average Interest rate	<u>On demand</u>	<u>Due in 3 mths</u>	<u>Due 3 - 12 mths</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Assets	%	G\$	G\$	G\$	G\$	G\$	G\$
Investments	5.65	-	5,878,025	263,629,169	301,865,864	800,285,179	1,371,658,237
Loans (net)	9.44	28,536,848	38,469,920	456,351,585	1,129,079,342	4,003,402,266	5,655,839,961
Properties on Hand		-	-	12,005,618	-	-	12,005,618
Interest Receivable		-	35,121,464	69,360	-	-	35,190,824
Receivables and Prepayments		-	714,322	29,842,452	-	-	30,556,774
Related Parties		-	-	-	50,366,573	-	50,366,573
Cash on Hand and at Bank	5.64	18,724,599	135,764,374	694,094,562	143,459,516	-	992,043,051
Cash at Bank of Guyana		132,854,616	41,165,621	732,985,448	79,412,218	-	986,417,903
		<u>180,116,063</u>	<u>272,466,269</u>	<u>2,159,251,342</u>	<u>1,716,403,836</u>	<u>4,803,687,445</u>	<u>9,131,924,955</u>
Liabilities							
Customers' Deposits	2.56	1,107,121,801	343,046,840	6,108,212,065	625,941,399	-	8,184,322,105
Payables and Accruals		-	-	146,337,425	-	-	146,337,425
Taxation		-	-	10,849,863	-	-	10,849,863
		<u>1,107,121,801</u>	<u>343,046,840</u>	<u>6,265,399,353</u>	<u>625,941,399</u>	<u>-</u>	<u>8,341,509,393</u>
Net assets/(liabilities)		<u>(927,005,738)</u>	<u>(70,580,571)</u>	<u>(4,106,148,011)</u>	<u>1,090,462,437</u>	<u>4,803,687,445</u>	<u>790,415,562</u>

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25. Financial Risk Management - cont'd

(vi) Market risk-cont'd

(ii) Interest rate risk-cont'd

Interest Rate Risk Tables

	Average Interest Rate %	Maturing 2017			<u>Non- interest Bearing</u> G\$	<u>Total</u> G\$
		<u>Within 1 year</u> G\$	<u>Within 1 to 5 years</u> G\$	<u>Over 5 years</u> G\$		
Assets						
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	-	-	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	1.86	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		

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25. Financial Risk Management - cont'd

(vi) Market risk-cont'd

(ii) Interest rate risk-cont'd

Interest Rate Risk Tables

	Average Interest Rate %	Maturing			Non- interest Bearing G\$	Total G\$
		2016				
Assets		<u>Within 1 year</u> G\$	<u>Within 1 to 5 years</u> G\$	<u>Over 5 years</u> G\$		
Investment Securities	5.65	269,507,194	301,865,864	202,495,941	597,789,238	1,371,658,237
Loans (net)	9.44	523,358,353	1,129,079,342	4,003,402,266	-	5,655,839,961
Properties on Hand		-	-	-	12,005,618	12,005,618
Interest Receivable		35,190,824	-	-	-	35,190,824
Receivables and Prepayments		-	-	-	30,556,774	30,556,774
Related Parties		-	-	-	50,366,573	50,366,573
Cash on Hand and at Bank	5.64	848,583,535	143,459,516	-	-	992,043,051
Cash at Bank of Guyana		-	-	-	986,417,903	986,417,903
		<u>1,676,639,906</u>	<u>1,574,404,722</u>	<u>4,205,898,207</u>	<u>1,677,136,106</u>	<u>9,134,078,942</u>
Liabilities						
Customers' Deposits	2.56	7,558,380,706	625,941,399	-	-	8,184,322,105
Payables and Accruals		-	-	-	146,337,425	146,337,425
Taxation		-	-	-	10,849,863	10,849,863
		<u>7,558,380,706</u>	<u>625,941,399</u>	<u>-</u>	<u>157,187,288</u>	<u>8,341,509,393</u>
Interest sensitivity gap		<u>(5,881,740,800)</u>	<u>948,463,323</u>	<u>4,205,898,207</u>		

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26.

Analysis of Financial Assets and liabilities by measurement basis

2017 Assets	Held to Maturity G\$	Available for Sale G\$	Loans and Receivables G\$	Other assets and liabilities at amortized cost G\$	Total G\$
Investment Securities	1,351,540,543	569,950,337	-	-	1,921,490,880
Loan and Advances	-	-	5,607,584,799	-	5,607,584,799
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	-	-	50,595,815	-	50,595,815
Receivables and Prepayments	-	-	29,267,619	-	29,267,619
	<u>1,351,540,543</u>	<u>569,950,337</u>	<u>5,700,926,868</u>	<u>1,953,634,909</u>	<u>9,576,052,657</u>
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
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,569,016,042</u>	<u>8,569,016,042</u>

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26.

Analysis of Financial Assets and liabilities by measurement basis

2016	Held to Maturity	Available for	Loans and	Other assets and	Total
Assets	G\$	Sale	Receivables	liabilities at	G\$
	G\$	G\$	G\$	amortized cost	G\$
				G\$	
Investment Securities	773,868,999	597,789,238	-	-	1,371,658,237
Loan and Advances	-	-	5,655,839,961	-	5,655,839,961
Properties on hand	-	-	-	12,005,618	12,005,618
Cash on hand and at bank	-	-	-	992,043,051	992,043,051
Cash at bank of Guyana	-	-	-	986,417,903	986,417,903
Interest Receivables	-	-	35,190,824	-	35,190,824
Related Party	-	-	50,366,573	-	50,366,573
Receivables and Prepayments	-	-	30,556,774	-	30,556,774
	<u>773,868,999</u>	<u>597,789,238</u>	<u>5,771,954,132</u>	<u>1,990,466,572</u>	<u>9,134,078,941</u>
Liabilities					
Customers' Deposit	-	-	-	8,184,322,105	8,184,322,105
Payables and Accruals	-	-	-	146,337,425	146,337,425
Taxation	-	-	-	10,849,863	10,849,863
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,341,509,393</u>	<u>8,341,509,393</u>

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	2017	2016
	G\$	G\$
27. CONCENTRATION OF ASSETS AND LIABILITIES		
Loan and Advances		
Mortgages - Commercial	1,530,405,883	2,317,026,298
- Domestic	2,124,591,558	1,832,669,843
- Low Income	60,093,126	67,138,325
- Other	1,399,276,758	1,224,440,344
	5,114,367,325	5,441,274,810
Agriculture Sector	70,506,938	51,065,501
Manufacturing Sector	108,758,415	145,462,431
Construction Sector	441,405,210	396,002,750
Mining Sector	165,699,466	-
	5,900,737,354	6,033,805,492
Provision for Losses	(293,152,555)	(377,965,531)
	5,607,584,799	5,655,839,961
Liabilities		
Customers' Deposits		
Fixed Deposits	7,166,362,188	7,077,200,304
Special Savings	1,237,766,584	1,107,121,801
	8,404,128,772	8,184,322,105

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28. Capital Risk Management

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

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

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 Bank's Tier 1 Capital Adequacy Ratio standing at 25.13% and 18.93% as at 31 December 2017 and 2016 respectively.

Total Tier 1 and Tier 11 Capital was 25.50 % of risk adjusted assets as at 31 December 2017, compared to 19.22 % at the end of the previous year.

Gearing ratio

The gearing ratio at the year end was as follows:

	2017	2016
	G\$	G\$
Debt(i)	8,404,128,772	8,184,322,105
Cash and Cash Equivalents	(1,941,200,562)	(1,978,460,954)
Net Debt	<u>6,462,928,210</u>	<u>6,205,861,151</u>
Equity(ii)	<u>1,044,695,362</u>	<u>812,996,353</u>
Net debt to equity ratio	<u>6.19</u>	<u>7.63</u>

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

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

HAND-IN-HAND TRUST CORPORATION INC.
(A Member of the Hand - In - Hand Group of Companies)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

29. FAIR VALUE MEASUREMENTS

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

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

Financial Assets	Fair value as at 31.12.2017	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Loan Receivables	\$6,135,053,789	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	\$909,891,334	Level - 2	The fair values have been estimated by applying discounted cash flows analysis, using current market rates.	N/A	N/A
Investments - Equity	\$0	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

HAND-IN-HAND TRUST CORPORATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

29. FAIR VALUE MEASUREMENTS (Cont'd)

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

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

<u>Assets</u>	2017	
	Carrying amount	Fair Value
	G\$	G\$
Intangible Asset	2,775,301	2,775,301
Property and Equipment	33,292,120	33,292,120
Receivables and Prepayments	29,267,619	29,267,619
Related Parties	50,595,815	50,595,815
Properties on Hand	12,434,347	12,434,347
Interest Receivable	13,478,635	13,478,635
Cash Resources	1,941,200,562	1,941,200,562
	2,083,044,399	2,083,044,399
<u>Liabilities</u>		
Customers' Deposits	8,404,128,772	8,404,128,772
Payables and Accruals	125,657,089	125,657,089
	8,529,785,861	8,529,785,861

(c) **Cash Resources and Other Assets**

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

(d) **Customers' Deposits**

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

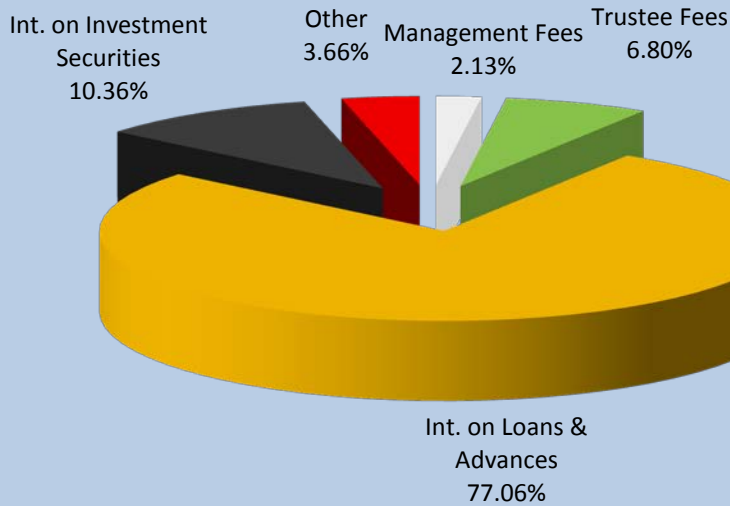
(e) **Trade Payables**

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

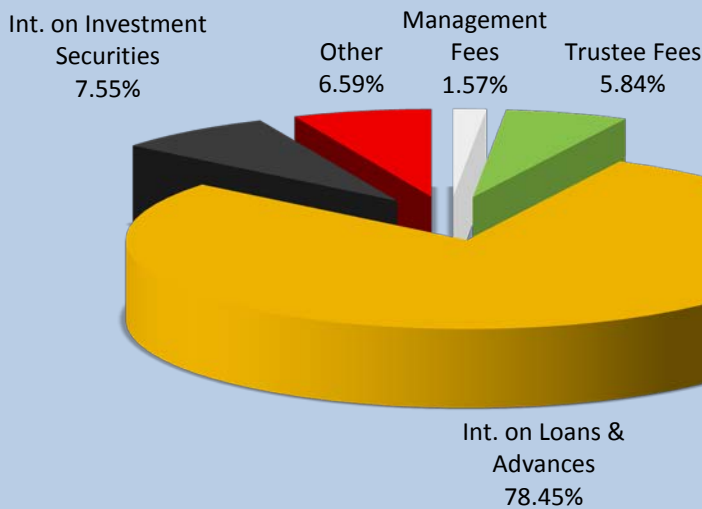
- (f) There were no transfer between levels in the current year.

STATISTICAL REVIEW

SOURCE OF INCOME DOLLAR - 2017



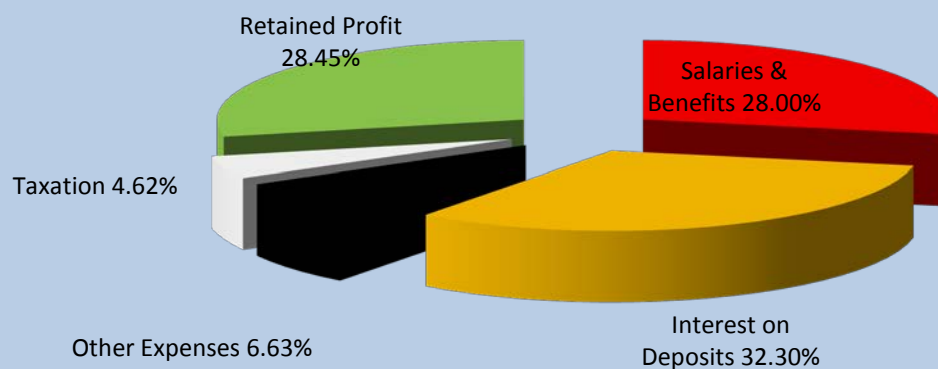
SOURCE OF INCOME DOLLAR - 2016



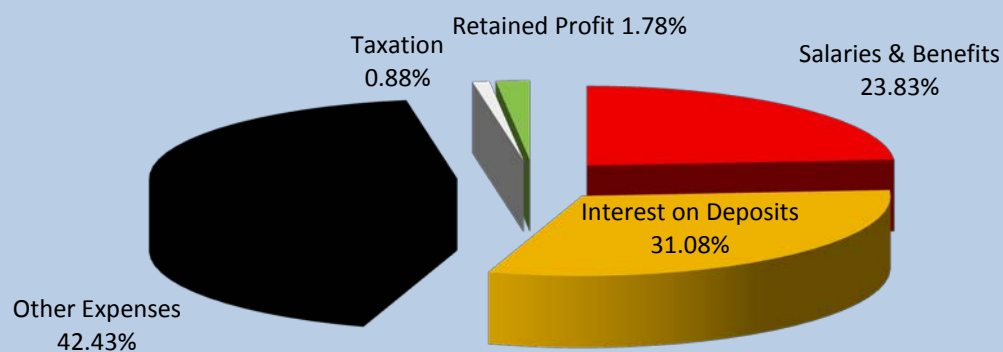
	2017 AMOUNT G\$ (M)	%	2016 AMOUNT G\$ (M)	%
Management Fees	16.8	2.13	12.7	1.57
Trustee Fees	53.7	6.80	47.3	5.84
Int. on Loans & Advances	608.6	77.06	635.6	78.45
Int. on Investment Securities	81.8	10.36	61.2	7.55
Other	28.9	3.66	53.4	6.59
TOTAL	789.8	100.00	810.2	100.00

STATISTICAL REVIEW

DISTRIBUTION OF INCOME DOLLAR - 2017



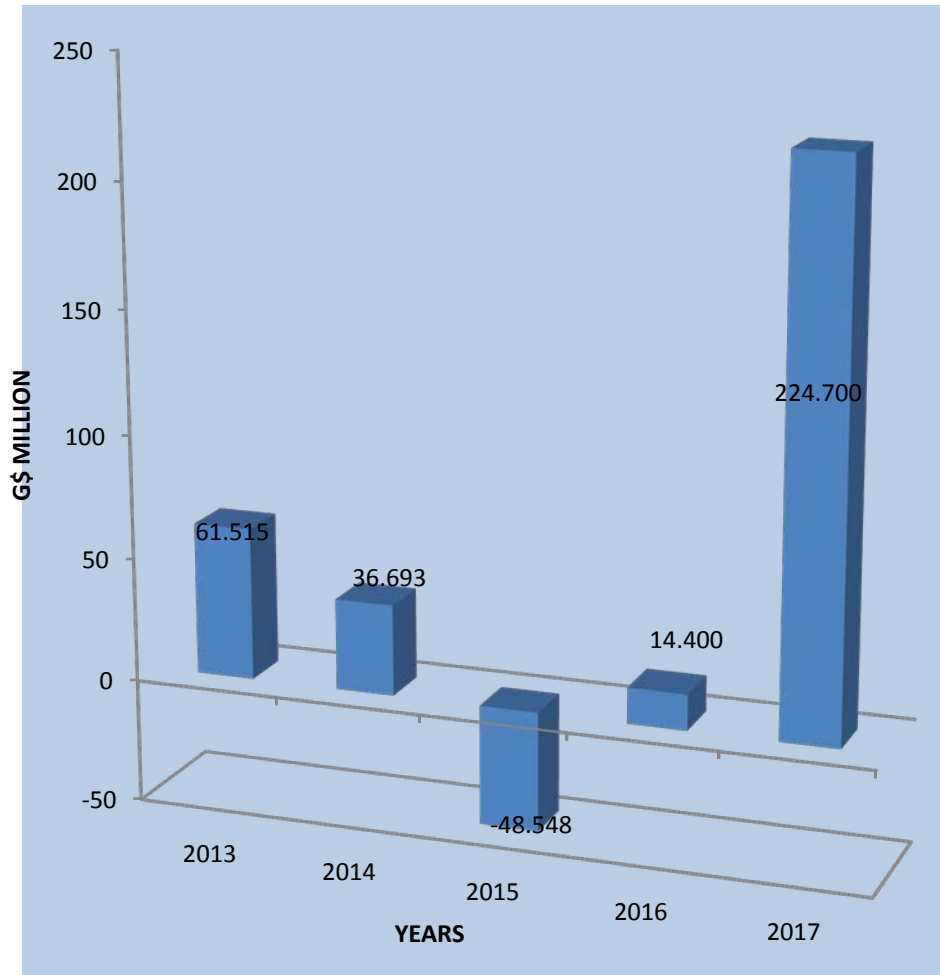
DISTRIBUTION OF INCOME DOLLAR - 2016



YEAR	2017		2016	
	AMOUNT G\$ (M)	%	AMOUNT G\$ (M)	%
Salaries & Benefits	221.1	28.00	193.1	23.83
Interest on Deposits	255.1	32.30	251.8	31.08
Other Expenses	52.4	6.63	343.8	42.43
Taxation	36.5	4.62	7.1	0.88
Retained Profit	224.7	28.45	14.4	1.78
TOTAL	789.8	100.00	810.2	100.00

STATISTICAL REVIEW

NET INCOME/(LOSS) AFTER TAX



YEAR	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
AMOUNT G\$ (M)	61.515	36.693	-48.548	14.400	224.700

STATISTICAL REVIEW

FIVE YEAR SUMMARY OF EARNINGS

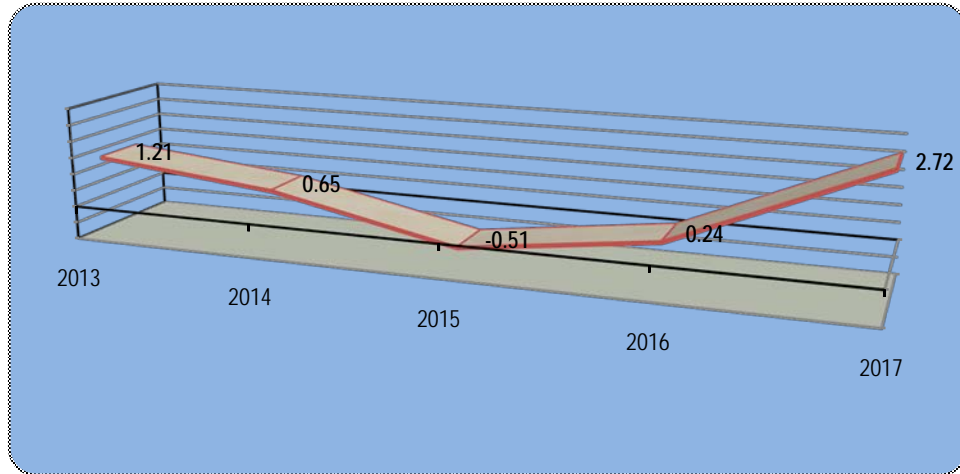
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Interest Income	667,565,748	696,764,809	525,672,719	418,824,889	440,704,484
LESS: Interest Expenses	255,088,273	251,759,646	196,538,453	137,608,352	136,633,675
Interest Differential	412,477,475	445,005,163	329,134,266	281,216,537	304,070,809
Other Operating Income	122,188,063	113,403,345	133,382,755	125,972,637	106,849,590
Total Operating Income					
LESS: Interest Expenses	534,665,538	558,408,508	462,517,021	407,189,174	410,920,399
Salaries & Staff Benefits	221,082,264	193,066,939	172,050,908	167,167,697	141,000,448
Other Operating Expenses	120,246,587	103,234,267	103,300,381	111,185,648	110,708,290
Increase/Reduction in loss provisions	(97,685,804)	236,490,074	195,784,237	9,000,819	25,932,234
Total Operating Expenses	243,643,047	532,791,280	471,135,526	287,354,164	277,640,972
Profit before Impairment of Investments					
Impairment of investments	291,022,491	25,617,228	-8,618,505	119,835,009	133,279,427
LESS: Provision for losses S&SBI	29,753,245	4,072,545	33,349,488	72,325,900	52,684,046
Taxation	36,535,014	7,147,313	6,579,911	10,816,030	19,080,146
Profit/(Loss) for the period	224,734,232	14,397,370	(48,547,904)	36,693,079	61,515,235
Gain/(Loss) on revaluation of asset	6,964,777	466,279	-6,288,537	11,085,864	9,694,422
NET INCOME	231,699,009	14,863,649	(54,836,441)	47,778,943	71,209,657

FIVE YEAR GROWTH RECORD

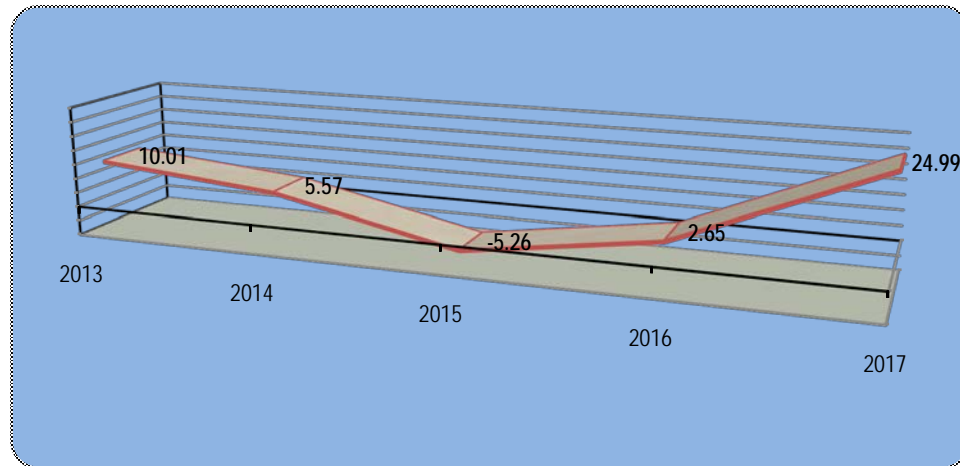
ASSETS	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Fixed Assets	33,292,120	18,565,663	19,490,333	24,047,194	13,816,945
Investments	7,541,510,026	7,039,503,816	6,576,151,301	5,536,241,802	5,097,860,938
Other Assets	2,038,909,258	2,096,436,267	1,617,006,697	1,722,751,107	1,535,795,784
TOTAL ASSETS	9,613,711,404	9,154,505,746	8,212,648,331	7,283,040,103	6,647,473,667
LIABILITIES					
Customers' Deposits	8,404,128,772	8,184,322,105	7,232,920,408	6,319,684,319	5,740,465,229
Other Liabilities	164,887,270	157,187,288	181,585,219	110,386,639	101,818,237
Share Capital	750,000,000	750,000,000	750,000,000	750,000,000	750,000,000
Retained Earnings	66,461,466	(123,517,915)	(135,685,738)	(87,137,834)	(116,705,639)
Other Reserves	228,233,896	186,514,268	183,818,442	190,106,979	171,895,841
TOTAL LIABILITIES	9,613,711,404	9,154,505,746	8,212,638,331	7,283,040,103	6,647,473,668
Return on Assets (%)	2.72	0.24	-0.51	0.65	1.21
Return on Equity (%)	24.99	2.65	-5.26	5.57	10.01
Earnings Per Share (Dollars)	29.96	1.92	-6.47	4.89	8.20

STATISTICAL REVIEW

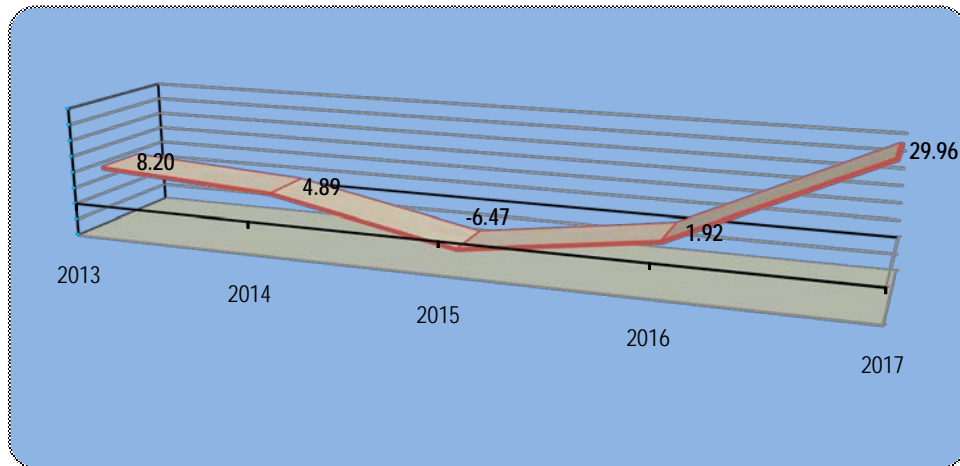
RETURN ON ASSETS (PERCENT)



RETURN ON EQUITY (PERCENT)



EARNINGS PER SHARE (DOLLARS)





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

Mr/Mrs _____

of (address) _____

or failing him/her (Mr/Mrs) _____

of (address) _____

as nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the 16th Annual General Meeting of the said Corporation to be held on Thursday, May 31, 2018 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 _____, 2018

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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