2020 ANNUAL REPORT

TRUST COMPANY (GUYANA) LIMITED

CONTENTS

NOTICE OF MEETING

TRUST COMPANY (GUYANA) LIMITED

Notice is hereby given that the 55th Annual General Meeting of Trust Company (Guyana) Limited will be held on Wednesday, June 30, 2021 at 10:00 hours at the Demerara Bank Ltd Corporate Office, 214 Camp Street, North Cummingsburg, Georgetown, when the following business will be transacted: -

1. To receive and to consider the Report of the Directors and the Audited Accounts for the year ended December 31, 2020.

2. To approve the declaration of a dividend.

3. To elect Directors in the place of those retiring by rotation. The retiring Director is Mr. Hemraj Kissoon and he has offered himself for re-election.

4. To fix the remuneration of the Directors.

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

BY ORDER OF THE BOARD

Ms. D. Williams
Secretary
May 31, 2021

REGISTERED OFFICE
Trust Company (Guyana) Limited
11 Lamaha Street
Queenstown
Georgetown

PLEASE NOTE:

- Only Shareholders or their duly appointed proxies may attend
- Please bring this notice to gain entry to the Meeting
- Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her.
- A proxy need not be a member of the Trust Company. The Form must be deposited at the Registered Office of the Trust Company not less than 48 hours before the time for holding the meeting.
- A proxy form is attached for use.
- Any corporation which is a member of the Trust Company may, by resolution of its Directors or other governing body, authorize such person as it thinks fit to act as its representative at the Meeting.

COMPANY PROFILE

Trust Company (Guyana) Limited is the oldest and only Trust Company that offers traditional trusteeship services in addition to a wide range of other financial services. These include investment, brokerage, registrar and pension schemes. This Company also invests in secured mortgages.

Trust Company (Guyana) Limited was formerly Royal Bank Trust Company (Guyana) Limited, a wholly owned subsidiary of the Royal Bank of Canada. In 1984 the Royal Bank of Canada sold its Guyana operations to the Government of Guyana but the shares of the Trust Company were bought by a small group of businessmen and professionals.

The Company subsequently increased its share capital and expanded its shareholder base. Trust Company (Guyana) Limited is licensed under the Financial Institutions Act and the Securities Industry Act to conduct its business.

BOARD OF DIRECTORS

Mr. Komal Samaroo
Chairman

Dr. Yesu Persaud
Director

Mrs. Chandra Gajraj
Managing Director

Mr. Hemraj Kissoon
Director

Mr. Colin Thompson
Director

Mrs. Prabha Kissoon
Director

MANAGEMENT TEAM

Mrs. Chandra Gajraj
Managing Director

Mrs. Sheldyne Sukhai
Administrative/Accounting Officer

Ms. Deborah Williams
Manager-Trusts

Ms. Shivani Prashad
Credit Officer

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Komal Ram Samaroo - Chairman
Dr. Yesu Persaud
Mr. Hemraj Kissoon
Mrs. Chandra Gajraj
Mr. Colin Thompson
Ms. Prabha Kissoon

MANAGEMENT TEAM

Mrs. Chandra Gajraj – Managing Director
Ms. Deborah Williams – Manager - Trusts
Mrs. Sheldyne Sukhai – Administrative/Accounting Officer
Ms. Shivani Prashad – Credit Officer

REGISTERED OFFICE

11 Lamaha Street
Queenstown
Georgetown
Tel: (592) 227-2654-7 & 9
Fax: (592) 227-2828
E-mail: trust@trustcompanygy.com

AUDITORS

TSD Lal & Company
77 Brickdam
Georgetown
Guyana

ATTORNEY-AT-LAW

De Caires Fitzpatrick & Karran
79 Cowan Street
Kingston
Georgetown
Guyana

CORPORATE SECRETARY

Ms. Deborah Williams

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting this Report and Audited Financial Statements for the year ended December 31, 2020.

1. FINANCIAL RESULTS

The results for the year ended December 31, 2020 are as follows:-

Profit before Tax	$130,471,608
Taxation	$ 34,108,868
Profit after Tax	$ 96,362,740
Proposed Dividends	$ 37,377,563
Retained Profit	$ 58,985,177
Total Retained Earnings	$618,282,041

2. DIVIDENDS

The Directors recommend a dividend of G$0.15 free of taxes.

3. DIRECTORS

Komal Ram Samaroo	Prabha Kissoon
Yesu Persaud	Colin Thompson
Hemraj Kissoon	
Chandra Gajraj	

Under Article 69 of the Company's Memorandum and Articles of Association, the retiring Director, Mr. Hemraj Kissoon, has offered himself for re-election.

4. DIRECTORS INTEREST

	Beneficial Interest	Associate's Interest
Yesu Persaud	5,947,222	Nil.
Chandra Gajraj	1,000,000	Nil
Komal Ram Samaroo	Nil.	32,922,222

5. DIRECTORS' FEES

Yesu Persaud	$ 500,000
Komal Ram Samaroo	$ 400,000
Hemraj Kissoon	$ 400,000
Colin Thompson	$ 400,000
Prabha Kissoon	$ 400,000
Chandra Gajraj	$ 200,000

6. AUDITORS

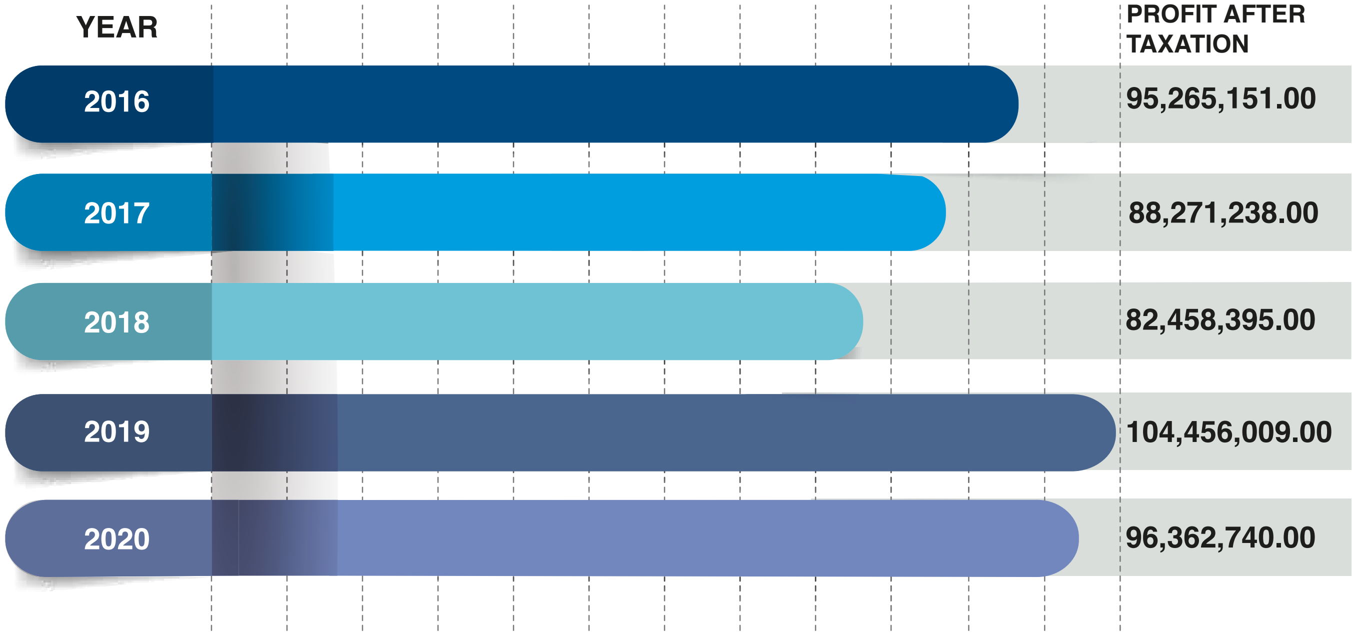
The Auditors, Messrs TSD Lal & Company, retired and have offered themselves for re-election. Accordingly a resolution for their reappointment will be submitted to the Annual General Meeting.

BY ORDER OF THE BOARD

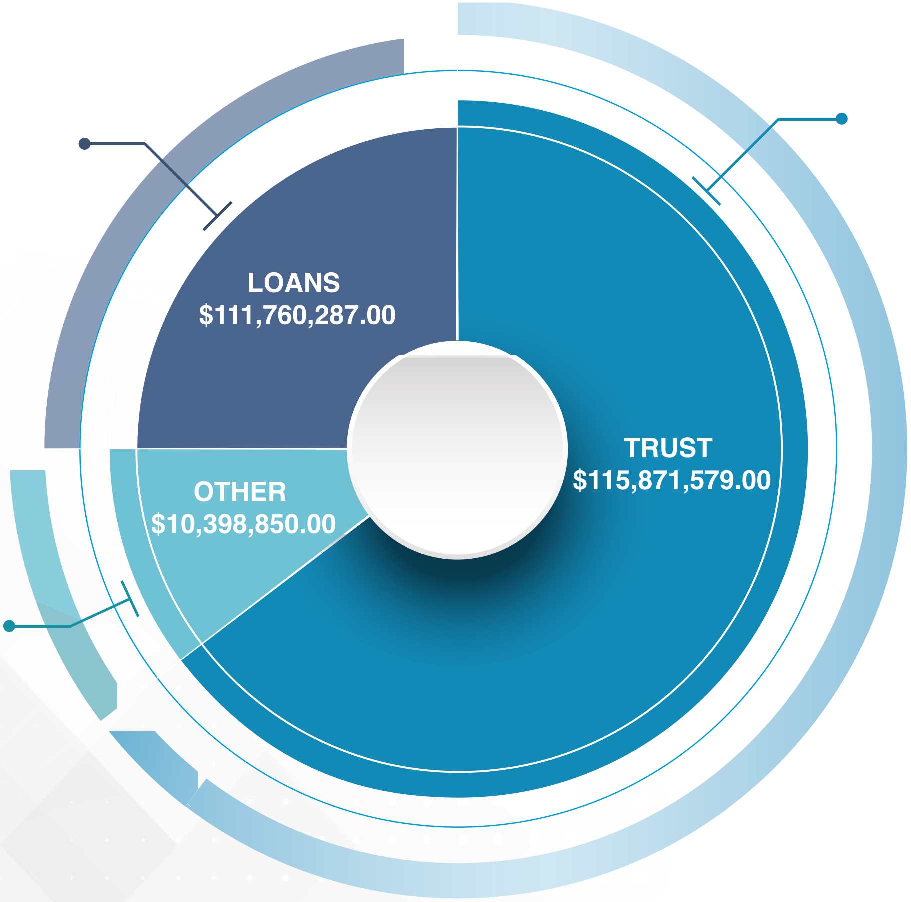
....
Ms. D. Williams
Secretary

FINANCIAL HIGHLIGHTS

PROFIT AFTER TAXATION (GYD)



SOURCES OF INCOME (GYD)



FUND MANAGEMENT (GYD) $69 BILLION

Mr. Komal Samaroo
Chairman

I am pleased to present to Shareholders the Annual Report and Audited Financial Statements for the year ended December 31, 2020.

ECONOMIC OUTLOOK

In its April 2021 World Economic Outlook Report the International Monetary Fund in reflecting on the impact of the COVID-19 pandemic in 2020 reported *"High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented in living memory in its speed and synchronized nature."*
The global economy is estimated to have contracted by 3.3% in 2020.

In Guyana the impact of the pandemic coupled with the failure to finalise the results of the March 2nd General Elections for five months placed great economic and social pressure on the population. While the overall economy grew by an estimated 43.5% on account of the newly emerging Oil and Gas Sector, the non-oil economy declined by 7.3%. The Bank of Guyana Annual Report for 2020 reported that "the contraction in the non-oil economy reflected significant declines in all the major sectors, except the agriculture sector which grew on account of higher output of rice, other crops and livestock. Inflation remained low at 0.9 percent on account of lower oil prices which offset higher food prices."

THE COMPANY'S RESULTS FOR THE YEAR

Against this background the total Income for the year declined by 3.6% compared with the previous year. Income earned from credit operations declined by more than $24m or 18% on account of Government's moratorium on loan servicing on account of the COVID-19 pandemic. Other areas of income increased overall by almost $15.9m or 14%, resulting in a net decline in income for the year of $8.8m.

Expenditures were tightly managed during the year, increasing by less that 3% compared with the preceding year.
Profit before tax for the year was approximately $130.5m compared to $142.2m the previous year, a decline of 8.3%, while Profit after tax was $96.4m compared to $104.4 a decline of 7.7%.

DIVIDENDS

Taking into consideration the prevailing circumstances and commitments based on future plans of the company the Directors are recommending a dividend for the year of 15%.

PRODUCTS AND SERVICES

The company has a strong position in the market for services such as Investment, Brokerage, Pension etc. However, while presently the market is relatively quite small the company is well positioned to take advantage of growth opportunities as they emerge. There continues to be a dearth of investment opportunities locally and trading on the local Stock Exchange is far from brisk. The Guyana Unit Trust offers an alternative investment opportunity for citizens, and there has been steady growth in the portfolio in recent years. In 2020, this portfolio increased 16% over the past year.

HUMAN RESOURCE

One of the challenges the company faces is training and retaining staff at the junior level as this group tends to move on to larger institutions. Our Management Team continues to be committed and are dedicated in ensuring that the Company delivers the quality of service expected of our loyal customers.

FUTURE OUTLOOK

We remain optimistic in the future outlook of the Company as a critical services provider in a growing and diversified economy. We have commenced the process to upgrade and modernize our IT infrastructure to enhance our competitive edge. The Company has acquired land in Brickdam, Georgetown and we are currently finalizing the architectural designs for the construction of a new corporate office building.

ACKNOWLEDGEMENTS

I wish to express sincere thanks to my fellow Directors for their support and guidance in the past year and look forward to their continued co-operation as we grow the Company in the future. The Management and Staff have been the mainstay of the company and I wish to express my deepest appreciation for their hard work,dedication and loyalty in the last year despite challenging circumstances. I also want to thank our customers whose interests and needs are the focal point of our plans as we look to the future with optimism and confidence.

Komal Samaroo
Chairman

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TRUST COMPANY (GUYANA) LIMITED
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Trust Company (Guyana) Limited, which comprise the statement of financial position as at 31 December, 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, 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 on pages 2 to 37.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Trust Company (Guyana) Limited as at 31 December, 2020, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION IN THE ANNUAL REPORT

The Directors are responsible for the other information. The other information comprises all the information in the Trust Company (Guyana) Limited's annual report for 2020 other than the financial statements and our auditor's report thereon (''the other information'').

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Directors/Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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, the Directors are responsible for assessing the Company'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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The objectives of our audit 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 ISAs, we exercise professional judgment and maintain professional scepticism 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 Company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

– Conclude on the appropriateness of the Directors' 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 Company'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 Company 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The financial statements comply with the requirements of the Financial Institutions Act 1995 and the Companies Act 1991.

TSD Lal & Co.

TSD LAL & CO
CHARTERED ACCOUNTANTS

Date: April 28, 2021

77 Brickdam,
Stabroek, Georgetown
Guyana

TRUST COMPANY (GUYANA) LIMITED
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		G$	G$	G$	G$
Income					
Loans	6(i)	111,760,287		136,393,643	
Management fees		115,871,579		97,002,106	
Brokerage fees		7,696,046		9,419,084	
Other income		1,892,804		3,249,327	
Investment	6 (ii)	810,000		720,000	
			238,030,716		246,784,160
Expenditure					
Administrative		24,103,218		23,055,657	
Interest expenses		17,248,009		10,954,102	
Personnel		44,838,759		49,608,779	
Depreciation		18,327,257		18,357,223	
Auditor's remuneration	7 (a)	741,865		659,654	
Directors' emoluments	7(b)	2,300,000		1,900,000	
			107,559,108		104,535,415
Profit before taxation			130,471,608		142,248,745
Taxation	8		(34,108,868)		(37,792,736)
Profit after taxation	7		96,362,740		104,456,009
Basic earnings per share in dollars	9		0.39		0.42

"THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS"

TRUST COMPANY (GUYANA) LIMITED
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME -CONT'D
FOR THE ENDED 31 DECEMBER 2020

	Note	2020	2019
		G$	G$
Profit after taxation		96,362,740	104,456,009
Total comprehensive income for the year		**96,362,740**	**104,456,009**
Basic earnings per share in dollars	9	0.39	0.42

"THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS"

TRUST COMPANY (GUYANA) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE ENDED 31 DECEMBER 2020

	Note	Share capital	Accumulated earnings	Total
		G$	G$	G$
Balance at 1 January 2018		250,236,000	552,022,516	802,258,516
Changes in equity 2019				
Total comprehensive income for the year		-	104,456,009	104,456,009
Dividends paid	21	-	(67,279,612)	(67,279,612)
Balance at 31 December 2019		250,236,000	589,198,913	839,434,913
Changes in equity 2020				
Total comprehensive income for the year		-	96,362,740	96,362,740
Dividends paid	21	-	(67,279,612)	(67,279,612)
Balance at 31 December 2020		250,236,000	618,282,041	868,518,041

"THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS"

TRUST COMPANY (GUYANA) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020	2019
ASSETS		G$	G$
Property, plant and equipment	10	178,232,158	194,037,800
Investments	11	10,600,000	10,600,000
Loans	12	1,423,571,069	1,359,222,246
Other debtors and accrued interest	14	2,374,035	1,359,343
Tax recoverable		8,233,139	8,233,139
Cash on hand and at bank		90,682,806	46,317,959
Total Assets		1,713,693,207	1,619,770,487
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	250,236,000	250,236,000
Accumulated earnings		618,282,041	589,198,913
Shareholders' funds		868,518,041	839,434,913
LIABILITIES			
Deferred tax liability	8	2,369,750	3,137,000
Lease liability	15(b)	33,634,281	43,795,310
Tax payable		10,097,445	5,842,022
Other payables and accruals	15(a)	7,713,690	7,001,242
Customers investment	16	791,360,000	720,560,000
		845,175,166	780,335,574
Total Equity and Liabilities		1,713,693,207	1,619,770,487

These financial statements were approved by the Board of Directors on April 28, 2021

On behalf of the Board:

.... Director

.... Director

"THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS"

TRUST COMPANY (GUYANA) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	G$	G$
Operating activities		
Profit before taxation	130,471,608	142,248,745
Adjustment for:		
Depreciation - Right of use asset	10,694,496	10,694,496
Lease interest	2,189,766	2,673,624
Depreciation	7,632,761	7,662,727
	150,988,631	163,279,592
Operating activities		
Decrease/(increase) in other receivables and accrued interest	(1,014,692)	1,380,443
Increase in loans	(64,348,823)	(152,325,293)
(Decrease)/increase in other payables and accruals	712,448	(720,839)
Increase in customers investment	70,800,000	118,000,000
Cash provided by operating activities	157,137,564	129,613,903
Taxation:		
Taxes paid/adjusted	(30,620,695)	(33,718,973)
Net cash provided by operating activities	126,516,869	95,894,930
Investing activities		
Purchases of property, plant and equipment	(2,521,615)	(104,198,497)
Net cash used in investing activities	(2,521,615)	(104,198,497)
Financing activities		
Lease interest expense	(2,189,766)	(2,673,624)
Repayment of lease liability	(10,161,029)	(9,677,172)
Dividends paid	(67,279,612)	(67,279,612)
Net cash used in financing activities	(79,630,407)	(79,630,408)
Net increase/(decrease) in cash and cash equivalents	44,364,847	(87,933,975)
Cash and cash equivalents at the beginning of the year	46,317,959	134,251,934
Cash and cash equivalents at the end of the year	90,682,806	46,317,959

"THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS"

1. INCORPORATION AND ACTIVITIES

The Company was incorporated in Guyana on 17 May 1966. The Company engages in Trust Business and is licensed under the Financial Institutions Act 1995.

2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Amendments effective for the current year end

New and Amended Standards	Effective for annual periods beginning on or after
- Amendments to IFRS 3, 'Business combinations' Definition of a business	1 January 2020
- Amendments to IAS 1 and IAS 8 – Definition of material	1 January 2020
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest rate benchmark reform	1 January 2020
- Amendments to the Conceptual framework	1 January 2020

None of the above new and amended standards and interpretations had a significant effect on the financial statements of the Company.

Pronouncements effective in future periods available for early adoption

New and Amended Standards	Effective for annual periods beginning on or after
Amendments to IFRS 16 – Covid-19-related Rent Concessions	1 June 2020
Amendments to IAS 16 – Proceeds before intended use	1 January 2022
Amendments to IFRS 3 – Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	1 January 2022
Amendments to IAS 1 – 'Presentation of financial statements' on classification of liabilities	1 January 2023
FRS 17, 'Insurance contracts'	1 January 2023

None of the above standards and amendments are expected to have a material impact on the Company's accounting policies when adopted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

b) Basis of preparation

The financial statements have been prepared on the historical cost convention, as modified for the revaluation of FTOCI investments .The principal accounting policies are set out below.

c) Revenue and expense recognition

Revenues are recognised when the performance obligations are satisfied.

Management fees are dealt with on a cash basis, whilst income on fixed return securities is recognised as it is earned. Income on loans is taken up on an accrual basis except for non-performing loans. Non-Performing loans are those loan accounts where both principal and interest charges have been capitalized, refinanced and rolled over.

Interest income

Interest income for all interest bearing financial instruments except for those classified as FTOCI or designated at fair value is recognized in the statement of profit or loss and other comprehensive income using the effective interest rate method.

Interest income and expense are recognized in the statement of profit or loss and other comprehensive income for all interest bearing instruments on an accrual basis.

The effective interest rate method is used to calculate the amortised cost of a financial asset or financial liability (or groups of financial assets or financial liabilities) and allocating the interest income over the relevant period.

The effective interest rate is the rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument or where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Expenses are recognized on an accruals basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

d) Property, plant and equipment and depreciation

Motor vehicle, machinery, equipment and furniture and fixtures are carried at initial cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write-off the cost of assets over their estimated useful lives using the straight line method as follows:-

Motor vehicle	-	20%
Machinery and equipment	-	15% - 25%
Furniture and fixtures	-	10% - 15%

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount. The excess of the carrying amount above the recoverable amount is written off to the statement of profit or loss and other comprehensive income.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of income.

e) Pension

The Company established a defined contributory pension scheme in the year 2001 to provide pension for its employees. The Scheme is administered by the Guyana and Trinidad Mutual Life Insurance Company Limited. The only obligation of the company with respect to the Scheme is to make the specified contributions. During the year, the company's contribution to the Pension Scheme was G$2,144,246 (2019 – G$1,935,868).

Employees contribute 5% of their annual earnings to the scheme whilst the employer contributes 10% of the employees' annual earnings.

f) Loans

Loans to customers that have fixed or determinable payments and which are not quoted in an active market, are classified as other financial assets. Loans are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised when installments are paid. Loans receivable are recognized when cash is advanced to borrowers and are derecognized when borrowers repay their obligations or when written off.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(f) Loans – cont'd

Classification

The Company follows the prescription of the Financial Institutions Act 1995 and classifies loans into the following categories:-

Pass- represents loans demonstrating financial condition, risk factors and capacity to repay that are good to excellent and generally reflects accounts which are not impaired and are up-to-date in repayments or operating within approved limits as per the company's policy guidelines.

Special mention- represents satisfactory risk and includes credit facilities which require closer monitoring, operates outside product guidelines and various degrees of special attention, where the collateral is not fully in place; where current market conditions are affecting a sector or industry; and that are progressively between 30 and 90 days past due.

Sub-Standard-represents loan for which principal and interest are due and unpaid between 90 to 179 days or, where interest charges for three to five months have been capitalized for reasons such as primary sources of repayment has become insufficient, and where appropriate, mortgages in arrears by greater than 90 days where the value of the collateral is sufficient to repay both principal and interest in the event the account is identified for recovery action.

Doubtful/loss-represent loan accounts which are considered uncollectible or for which the collection of the full debt is improbable; accounts which have shown little or no improvement over the twelve months period prior to its present classification; principal or interest is due and unpaid for twelve months or more; or an account which may have some recovery value but is not considered practical nor desirable to defer write-off, for example, where litigations becomes protracted.

The Financial Institutions Act 1995 requires that a Financial Institution shall report in its monthly statement of assets and liabilities, the outstanding balance of its loan portfolio considered to be past due and those considered to be non-performing.

Past Due

A loan is classified as past due when:

(i) Principal or interest is due and unpaid for one month to less than three months or
(ii) Interest charges for one to two months have been capitalized, refinanced or rolled over.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(f) Loans – cont'd

Non- Performing Loans

For individually assessed accounts, loans are required to be designated as non-performing as soon as there is objective evidence that an impairment loss has been incurred. Objective evidence of impairment includes observable data such as when contractual payments of principal or interest are 90 days overdue. Portfolio of loans are designed as non-performing if facilities are 90 days or more overdue.

Loan accounts reported as past due are reclassified and reported as non-performing when:

(i) Principal or interest is due and unpaid for three months or more, or
(ii) Interest charges for three months or more have been capitalized, refinanced or rolled over.

Loan losses
The Financial Institutions Act 1995 prescribes that a loan be classified as loss where one or more of the following conditions apply:

(i) An account is considered uncollectible.

(ii) An account classified as doubtful with little or no improvement over the twelve months period.

(iii) The unsecured portion of a loan with fixed repayment dates when:-

(a) Principal or interest is due and unpaid for twelve months or more; or
(b) Interest charges for twelve months or more have been capitalized, refinanced or rolled over;
(c) Principal or interest is due and unpaid for twelve months or more, or Interest charges for twelve months or more have been capitalized, refinanced or rolled over.

Loans under this category include accounts which are considered uncollectible or for which the collection of the full debt is improbable; accounts which have shown little or no improvement over the twelve months period prior to its present classification; principal or interest is due and unpaid for twelve months or more; or an account which may have some recovery value but is not considered practical nor desirable to defer write-off, for example, where litigations become protracted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(f) Loans – cont'd

The company writes off such loans twelve months after being so classified unless it shows a definite and significant improvement which indicates recovery within the next six months.

Collateral

It is the company's policy that all loans are fully and substantially secured. The usual collateral types accepted by the company are listed in note 19(c) (note on credit risks).

Loan provisioning

It is the company's policy to provide for impaired loans in accordance with the Financial Institutions Act 1995.

Appropriate allowances for estimated unrecoverable amounts are recognised in the statement of profit or loss and other comprehensive income when there is objective evidence that the loan is impaired. The allowance is recognised based on management's evaluation of the collectability of each individual or collectively assessed loan.

Upon classification of a loan to a non-accrual status, interest is not taken up in income on an accrual basis. In subsequent periods, interest is only recognized to the extent payments are received.

Individually assessed allowances for each classification categories are made based on the following minimum level:

Classification	Level of provision
Pass	0%
Special Mention	0%
Sub Standard	0-20%
Doubtful	50%
Loss	100%

Collectively assessed allowances of 1% of the portion of the portfolio not individually assessed is also made.

Renegotiated loans

The company's policy in relation to renegotiated loans is in accordance with the Financial Institutions Act (FIA) 1995 – Supervision Guidelines No. 5, paragraph No. 14. The Act states that a renegotiated loan is a loan which has been refinanced, rescheduled, hived-off, rolled over or otherwise modified because of weaknesses in the borrower's financial position or the non-repayment of the debt as arranged, where it has been determined by the Company that the terms of the renegotiated loan are such as to remedy the specific difficulties faced by the borrower.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(f) Loans – cont'd

A credit facility may also be renegotiated upon the request by the client, followed by a subsequent analysis and approval by the Company's credit committee; which may be due to the occurrence of one or both of the following conditions:

- The merging of total liabilities into one credit facility.
- The refinancing of a loan to facilitate the accessing of additional financing.

Renegotiated credit facilities are permitted subject to the following conditions:

- The existing financial position of the borrower can service the debt under the new conditions.
- An account classified as doubtful or loss cannot be renegotiated unless an upfront cash payment is made to cover, at the least, unpaid interest or there is an improvement in the collateral taken which will make the renegotiated loan including unpaid interest, a well-secured account.
- a commercial loan shall not be renegotiated more than twice over the life of the original loan or mortgage, nor more than twice in a five-year period; and
- a renegotiated loan shall not be reclassified upward for a minimum of one year following the new arrangements.

Renegotiation of selected credit facilities can be facilitated upon approval granted by the Bank of Guyana/ Ministry of Finance on the occurrence of natural disasters or exceptional circumstances.

Impairment losses
Impairment policy

The Company applies the general approach to loans and other receivables to determine the provision for expected credit loss as permitted by IFRS 9.

The impairment allowance for all exposures from the time the loan is originated based on the deterioration allowance of credit risk since initial recognition. If credit risk has no increased significantly (stage 1) IFRS 9 requires allowances based on 12 months expected loss. If the credit risk has increased significantly, (stage 2) and if the loan is 'credit impaired' (stage 3), the standard required an allowance based on lifetime expected losses.

A loan is credit-impaired when one or more events have occurred that have a detrimental impact on the expected future cash flows of the financial asset. It includes observable data that has come to the attention of the Company about the following events:

1. significant financial difficulty of the borrower;
2. a breach of contract, such as a default or past-due event;
3. becoming probable that the borrower will enter bankruptcy or other financial reorganization;
4. the disappearance of an active market for the financial asset because of financial difficulties;
5. satisfies the conditions on the loan loss account under SG5.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(f) Loans – cont'd

Effective interest rates

The Company's policy is to determine interest rates based on the following factors:-

- Prevailing rates
- Competitive rates
- Relationship with borrower
- Transactional cost
- Repayment risk involved
- Quality of security

The company aims for a spread of at least 6%.

g) Foreign currency transactions

Transactions in currencies other than Guyana dollars are recorded at the official or Cambio rates of exchange prevailing on the dates of the transaction.

At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the official or Cambio rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period.

h) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted in Guyana at the end of each reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(h) Taxation – cont'd

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets realized based on tax rates (tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to statement of profit or loss and other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current assets against current liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

i) Financial assets

Investments are recognized and derecognized on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets held by the Company are classified as other financial assets and are stated at amortised cost. The Company's investments are classified as fair value through other comprehensive income. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(f) Loans – cont'd

Effective interest rates

The Company's policy is to determine interest rates based on the following factors:-

- Prevailing rates
- Competitive rates
- Relationship with borrower
- Transactional cost
- Repayment risk involved
- Quality of security

The company aims for a spread of at least 6%.

g) Foreign currency transactions

Transactions in currencies other than Guyana dollars are recorded at the official or Cambio rates of exchange prevailing on the dates of the transaction.

At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the official or Cambio rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period.

h) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted in Guyana at the end of each reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(h) Taxation – cont'd

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets realized based on tax rates (tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to statement of profit or loss and other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current assets against current liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

i) Financial assets

Investments are recognized and derecognized on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets held by the Company are classified as other financial assets and are stated at amortised cost. The Company's investments are classified as fair value through other comprehensive income. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

i) Financial assets - cont'd

ii) Investments

The Company's investments have been classified as "fair value through other comprehensive income"/ "FVTOCI".

"FVTOCI" investments are initially recognized at cost and adjusted to fair value at subsequent periods.

Gains or losses on "FVTOCI" are recognized through the statement of profit or loss and other comprehensive income until the asset is sold or otherwise disposed, at which time previously recognized gains or losses are transferred to the statement of profit or loss and other comprehensive income for that period.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Impairment of property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(j) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(k) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Company's financial liabilities are classified as other financial liabilities.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period. The Company derecognizes financial liabilities when its's obligations are discharged, cancelled or expire.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(l) Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investments or other purposes. These are readily convertible to known amounts of cash, with maturity dates of three (3) months or less. Impairment of financial assets

(m) Dividends

Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been approved. Dividends that are proposed or declared after the end of each reporting period are disclosed as a note to the financial statements.

(n) Business reporting division

A business reporting division is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business divisions. A geographical division is engaged in providing products or a service within a particular economic environment that are subject to risks and returns that are different from those of divisions operating in other economic environments.

The Company's operations are considered a single business unit with certain activities segmented along geographical lines viz Guyana and outside of Guyana.

(o) Earnings per share

Basic earnings per share attributable to ordinary equity holders of the entity is calculated by dividing profit or loss attributable to ordinary equity holders of the entity by the number of ordinary shares outstanding during the period.

(p) Intangible assets

Intangible assets are recognized at amortized cost and tested for impairment.

Software
The software is for a period of five years and will be amortized at a rate of 20% over the useful life of the software. The estimated lives and amortization are reviewed at the end of each annual reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(q) Leases – IFRS16

The Company assesses whether a contract is or contains a lease, at inception of the contract. TheCompany recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

(i) Impairment losses on loans

The Company on a regular basis reviews its portfolio of loans with a view of assessing impairment. This is done in addition to what is required under the Financial Institutions Act 1995 with respect to provisioning. Certain judgments are made that reflect the Company's assessment of several critical factors that can influence future cash flows.

(ii) Useful lives of property, plant and equipment

Management reviews the estimated useful lives of property, plant and equipment at the end of each year to determine whether the useful lives of property, plant and equipment should remain the same.

(iii) Impairment of financial assets

Management makes judgment at the end of each reporting period to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater that the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

5. ASSETS HELD IN TRUST

Assets held in Trust totaling G$ 68,816,299,000 (2019 – G$ 56,397,583,000) of which G$791,360,000 was invested into Trust Co. (2019 – G$720,560,000) are not beneficially owned by the Company but the Company has responsibilities in accordance with Trust Deeds. The net amount of the above has been excluded from these financial statements.

		2020 G$	2019 G$
6	Income		
	(i) Loans	111,760,287	136,393,643
	(ii) Investment income		
	Fair value through Other Comprehensive Income	810,000	720,000

(i)This is income derived from loans granted to customers
(ii)This is income from investments measured at fair value through Other Comprehensive Income

7 Profit after taxation

	2020 G$	2019 G$
Profit after taxation	96,362,740	104,456,009
After charging:		
Auditor's remuneration (a)	741,865	659,654
Interest expenses	17,248,009	10,954,102
Depreciation	18,327,257	18,357,223
Directors' emoluments (b)	2,300,000	1,900,000

(a) Auditor's remuneration

Audit services	495,500	495,500
Taxes and related services and expenses	246,365	164,154
	741,865	659,654

(b) Directors' emoluments

Chairman	500,000	500,000
Five (5) directors (2019 - Four (4) directors)	1,800,000	1,400,000
	2,300,000	1,900,000

	2020 G$	2019 G$
8 Taxation		
Reconciliation of tax expense and accounting profit		
Accounting profit	130,471,608	142,248,745
Corporation tax at 25%	32,617,902	35,562,186
Add:		
Tax effect of expense not deductible in determining taxable profits		
Depreciation for accounting purposes	4,581,814	4,568,254
Interest expense - lease land	547,442	668,406
Provision for bad debts	-	775,000
Property tax	1,555,606	1,368,387
	39,302,764	42,942,233
Deduct:		
Tax effect of depreciation for tax purpose	(1,136,446)	(1,670,466)
Tax exempt income	(202,500)	(180,000)
Rental expense	(3,087,699)	(3,054,428)
Corporation tax	34,876,118	38,037,339
Deferred tax	(767,250)	(244,603)
	34,108,868	37,792,736
Current tax	34,876,118	38,037,339
Deferred tax	(767,250)	(244,603)
	34,108,868	37,792,736
Components of deferred tax liability		
Property, plant and equipment	2,369,750	3,137,000

Movement in temporary differences

	Property, plant and equipment	
	2020	2019
	G$	G$
At 1 January	3,381,603	2,658,704
Movement during year:-		
Statement of profit or loss - timing difference	(244,603)	1,061,059
Effects of tax rate change	-	(338,160)
At 31 December	3,137,000	3,381,603
Movement during year:-		
Statement of profit or loss - timing difference Lease liabilities	(767,250)	(244,603)
At 31 December	2,369,750	3,137,000

9 Basic earnings per share

Calculated as follows:

	2020 G$	2019 G$
Profit after taxation	96,362,740	104,456,009
Ordinary shares issued and fully paid	249,183,753	249,183,753
Basic earnings per share in dollars	0.39	0.42

10 Property, plant and equipment

	Right of use asset GS	Land GS	Motor vehicle G$	Machinery and equipment G$	Furniture and fixtures G$	Accounting software G$	Total G$
Cost							
At 1 January 2019	-	12,937,500	9,974,580	9,664,923	19,217,086	18,666,134	70,460,223
Additions	53,472,482	103,500,000	52,675	645,622	200	-	157,670,979
Disposals	-	-	-	(175,910)	-	-	(175,910)
At 31 December 2019	53,472,482	116,437,500	10,027,255	10,134,635	19,217,286	18,666,134	227,955,292
Additions	-	1,320,000	-	839,743	182,184	179,688	2,521,615
Disposals	-	-	-	(1,337,997)	-	-	(1,337,997)
							-
At 31 December 2020	53,472,482	117,757,500	10,027,255	9,636,381	19,399,470	18,845,822	229,138,910
Depreciation							
At 1 January 2019	-	-	1,632,198	6,629,739	7,400,226	74,016	15,736,179
Charge for the year	10,694,496	-	2,004,557	1,045,074	1,813,176	2,799,920	18,357,223
Write back on disposals	-	-	-	(175,910)	-	-	(175,910)
At 31 December 2019	10,694,496	-	3,636,755	7,498,903	9,213,402	2,873,936	33,917,492
Charge for the year	10,694,496	-	1,969,640	1,036,605	1,826,596	2,799,920	18,327,257
Write back on disposals	-	-	-	(1,337,997)	-	-	(1,337,997)
At 31 December 2020	21,388,992	-	5,606,395	7,197,511	11,039,998	5,673,856	50,906,752
Net book values:							
At 31 December 2019	42,777,986	116,437,500	6,390,500	2,635,732	10,003,884	15,792,198	194,037,800
At 31 December 2020	32,083,490	117,757,500	4,420,860	2,438,870	8,359,472	13,171,966	178,232,158

11 Investments

	2020		2019	
Lease liabilities	Cost G$	Fair value G$	Cost G$	Fair value G$
(a) Fair value through other comprehensive income	10,600,000	10,600,000	10,600,000	10,600,000

	2020 G$	2019 G$
(b) Income from investment		
Dividend received	810,000	720,000

12 Loans

	2020 G$	2019 G$
Loans	1,514,183,369	1,449,834,546
Less: Impairment allowances (Note (a))	90,612,300	90,612,300
At 31 December	1,423,571,069	1,359,222,246

(a) Impairment allowances

Individually assessed impairment	2020 G$	2019 G$
Beginning provision	90,612,300	90,612,300
Provision write off	-	(3,100,000)
Specific provision for the year	-	3,100,000
Ending provision	90,612,300	90,612,300

	2020	2019
Performing loan accounts	1,382,884,161	1,309,553,180
Non-performing loan accounts	131,299,208	140,281,366
	1,514,183,369	1,449,834,546

Loans are carried at amortised cost subject to an annual test for impairment.
Interest rates ranged from 5% to 12% and terms of repayments from 1 year to a maximum of 20 years.

The undiscounted fair value of collateral that the Company held relating to loans individually determined to be impaired at 31 December, 2020 amounted to G$239,500,000 (2019:G$ 255,000,000) The collateral consists of cash, securities and properties.

The fair values of collaterals held for loans not impaired were significantly higher to cover the amount indebted to Trust Co (Guy) Ltd at 31 December 2020

Collateral realised

During the current and prior year, the Company did not realise any collateral.

13 Share capital

	2020	2019
Authorised		
Number of ordinary shares	300,000,000	300,000,000
	G$	G$
Issued and fully paid		
249,183,753 ordinary shares	250,236,000	250,236,000

These shares carry equal voting rights and rights to dividend.

14 Other receivables and accrued interest

	2020	2019
	G$	G$
Other receivables		
Accrued interest	2,374,035	1,359,343

	2020	2019
15 (a) Other payables and accruals	G$	G$
Accruals	7,713,690	7,001,242

	2020	2019
(b) Lease liability	G$	G$
Repayment due within one year	10,669,082	10,161,030
Repayments due within two to five years	22,965,199	33,634,280
	33,634,281	43,795,310

This represents an operating lease for the building that houses Trust Company's operations over a period of five (5) years and discounted to present value at a rate of 5%.

	2020	2019
	G$	G$
16 Customers investment	791,360,000	720,560,000

Funds held on behalf of specific investment customers are invested into a collective fund with the Trust Company. Interest is at 2% - 2.2% (2019 -2.2%- 2.75%) per annum.

17 Related party transactions and other disclosures

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

Listed below are transactions and balances with related parties:

Key management personnel

(i) Compensation of key management personnel

The company's four (4) (2019 -5) key management personnel comprises of its Managing Director, Finance/Administrative Office and other Managers.
The remuneration paid to key management personnel during the year was as follows:

	2020	2019
	G$	G$
Short term employee benefits	20,736,246	24,935,920
Post-employment benefits	977,014	1,202,698
	21,713,260	26,138,618
Directors' emoluments	2,300,000	1,900,000

17 Related party transactions and other disclosures- cont'd

	2020 G$	2019 G$
(ii) Loans		
Balance at end of year	20,646,702	35,169,541
Employees of the company are granted loans at concessionary rates of interest. Ranging from 5% - 8%.		
(iii) Directors loans		
Balance at end of year (interest rate of 9%)	63,075,225	66,356,799
(iv) Director's investments		
Customer's account (Interest rate of 2.2%)	115,000,000	107,000,000

Other disclosures:

The following are transactions with companies that share common directors with the company.

	2020 G$	2019 G$
Demerara Bank Limited		
Deposit accounts	87,147,752	46,186,595
Guarantees	284,500,000	284,500,000
Diamond Fire and General Insurance		
Investments in shares	10,500,000	10,500,000
Premium paid	313,291	319,499
Dividend received	810,000	720,000
Demerara Distillers Limited		
Customers' account (Interest rate of 2% (2019 2.75%)	399,000,000	399,000,000
Guyana Unit Trust		
Customers' account (Interest rate 2.2% (2019 2.5%)	64,000,000	64,000,000

18 Analysis of financial assets and liabilities by measurement basis

2020	Fair value through Other comprehensive income	Other financial assets and liabilities at amortised cost	Total
ASSETS	G$	G$	G$
Investments	10,600,000	-	10,600,000
Loans	-	1,423,571,069	1,423,571,069
Other receivables and accrued interest	-	2,374,035	2,374,035
Tax recoverable	-	8,233,139	8,233,139
Cash on hand and at bank	-	90,682,806	90,682,806
Total assets	10,600,000	1,524,861,049	1,535,461,049
LIABILITIES			
Other payables and accruals	-	7,713,690	7,713,690
Customers investment	-	791,360,000	791,360,000
Taxes payable	-	10,097,445	10,097,445
Total liabilities	-	809,171,135	809,171,135

2019	Fair value through Other comprehensive income	Other financial assets and liabilities at amortised cost	Total
ASSETS	G$	G$	G$
Investments	10,600,000	-	10,600,000
Loans	-	1,359,222,246	1,359,222,246
Other receivables and accrued interest	-	1,359,343	1,359,343
Tax recoverable	-	8,233,139	8,233,139
Cash on hand and at bank	-	46,317,959	46,317,959
Total assets	10,600,000	1,415,132,687	1,425,732,687
LIABILITIES			
Other payables and accruals	-	7,001,242	7,001,242
Taxes payable	-	5,842,022	5,842,022
Customers investment	-	720,560,000	720,560,000
Total liabilities	-	733,403,264	733,403,264

19 Financial risk management

Financial risk management objectives

The company's management monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The company seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the board of directors.

The company's management reports monthly to the board of directors on matters relating to risk and management of risk.

(a) Market risk

The company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The company uses gap analysis, interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the company's exposure to market risks or the manner in which it manages these risks.

(i) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize the risk.

The Company is not significantly exposed to other price risks arising from equity investments.

(ii) Interest rate sensitivity analysis.

The sensitivity analysis below has been determined based on the exposure to interest rates for all financial instruments at the end of the reporting period. The analysis is prepared assuming the amounts of the financial instruments at the end of the reporting period were in existence throughout the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31 December 2020 would increase/decrease by G$342,862 (2019: G$320,527). This is mainly attributable to the Company's exposure to interest rates on its variable rate loans, receivables, balances at banks, lease liabilities and customer investments.

19 Financial risk management - cont'd

(a) Market risk-cont'd

(iii) Interest rate risk

Interest risk is the risk that the financial instruments will fluctuate due to changes in market interest rates.

The Company is exposed to various risks that are associated with the effects of variations in interest rates. This impacts directly on its cash flows.

The Company's management continually monitors and manages these risks through the use of appropriate tools and implements relevant against any adverse effects.

Interest rate risk tables

	Average Interest rate	Maturing 2020			
		Within 1 year	Within 2 to 5 years	Over 5 years	Non- interest Bearing
	%	G$	G$	G$	G$
Assets					
Investments	-	-	-	-	10,600,000
Loans (net)	5-12	217,661,307	158,461,653	1,047,448,109	-
Other receivables and accrued interest	-	-	-	-	2,374,035
Tax recoverable	-	-	-	-	8,233,139
Cash on hand and cash at bank	0.05	87,147,752	-	-	3,535,054
		304,809,059	158,461,653	1,047,448,109	24,742,228
Liabilities					
Lease liabilities	5	10,669,082	22,965,199	-	-
Other payables and accruals	-	-	-	-	7,713,690
Taxes payable	-	-	-	-	10,097,445
Customers investment	1-3	791,360,000	-	-	-
		802,029,082	22,965,199	-	17,811,135
Interest sensitivity gap		(497,220,023)	135,496,454	1,047,448,109	

	Average Interest rate	Maturing 2019			
		Within 1 year	Within 2 to 5 years	Over 5 years	Non- interest Bearing
	%	G$	G$	G$	G$
Assets					
Investments	-	-	-	-	10,600,000
Loans (net)	9.23 - 10.5	123,661,299	117,234,339	1,118,326,608	-
Other receivables and accrued interest	-	-	-	-	1,359,343
Tax recoverable	-	-	-	-	8,233,139
Cash on hand and cash at bank	0.5	46,186,595	-	-	131,364
		169,847,894	117,234,339	1,118,326,608	20,323,846
Liabilities					
Lease liabilities	5	10,161,030	33,634,280	-	-
Other payables and accruals	-	-	-	-	7,001,242
Taxes payable	-	-	-	-	5,842,022
Customers investment	1-3	720,560,000	-	-	-
		730,721,030	33,634,280	-	12,843,264
Interest sensitivity gap		(560,873,136)	83,600,059	1,118,326,608	

(iv) Currency risk

The company's exposure to the effects of fluctuations in foreign currency exchange rates arises mainly from cash resources and investments.

19 Financial risk management - cont'd

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The company's policy is to maintain a strong liquidity position and to manage the liquidity profile of asset, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations met when due.

The table below shows the contractual undiscounted cash flows arising on financial liabilities.

Liquidity risk tables

	Maturing 2020			
	Within 1 year			
	On demand	Due in 3 mths	Due 3 - 12 mths	Total
	G$	G$	G$	G$
Liabilities				
Other payables and accruals	-	-	7,713,690	7,713,690
Taxes payable	-	10,097,445	-	10,097,445
Customers investment	791,360,000	-	-	791,360,000
	791,360,000	10,097,445	7,713,690	809,171,135

	Maturing 2019			
	Within 1 year			
	On demand	Due in 3 mths	Due 3 - 12 mths	Total
	G$	G$	G$	G$
Liabilities				
Other payables and accruals	-	-	7,001,242	7,001,242
Taxes payable	-	5,842,022	-	5,842,022
Customers investment	720,560,000			720,560,000
	720,560,000	5,842,022	7,001,242	733,403,264

19 Financial risk management - cont'd

(c) Credit risk

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements.

The table below shows the Company's maximum exposure to credit risk.

Gross maximum exposure:	2020 G$	2019 G$
Investments	10,600,000	10,600,000
Loans	1,514,183,369	1,449,834,546
Other receivables and accrued interest	2,374,035	1,359,343
Cash at bank	87,147,752	46,186,595
Tax recoverable	8,233,139	8,233,139
Total credit risk exposure	**1,622,538,295**	**1,516,213,623**

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

Cash on hand and at bank are amounts held with banks and in the vault. These banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due. The related risk is therefore considered very low.

Collateral and other enhancements

The company maintains credit risk exposure within acceptable parameters through the use of collateral as a risk- mitigation tool. The amounts and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are cash or securities, charges over real estate properties, inventory and trade receivables and mortgages over residential properties.

Management monitors the market value of collateral, request additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

It is the company's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to repay the outstanding claim. In general, the company does not occupy repossessed properties for business use.

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following:

(i) Geographical sectors

The company's maximum credit exposure, after taking account of credit loss provisions established but before taking into account any collateral held and other credit enhancements, can be analysed by the following geographical sectors based on the country of domicile of counterparties:

	2020 G$	2019 G$
Guyana	1,514,183,369	1,449,834,546

(ii) Industry sector

The following table breaks down the company's maximum credit exposure as categorised by the industry sector:

	2020 G$	2019 G$
Services	564,746,134	586,582,852
Lease liabilities	21,011,698	23,560,472
Household	900,244,736	811,575,419
Agriculture	4,169,103	4,254,105
Mining	24,011,698	23,861,698
	1,514,183,369	1,449,834,546
Impairment allowances	(90,612,300)	(90,612,300)
	1,423,571,069	**1,359,222,246**

19. Financial risk management - cont'd

(c) Credit risk - cont'd

Credit risk is the risk that financial loss arises from failure of customers or counter parties to meet its obligations under a contract. It arises principally from loans, cash resources, investments and receivables.
The objective of the company's credit risk management is to optimally manage its credit risk exposure so as to:

- Not adversely affect its profitability.
- Maintain the public's confidence in its assets quality and to continue as a going concern.
- Assure shareholders of the company's solvency.
- Comply with the requirements of the prevailing laws and Financial Institution regulations.
- Assure an orderly and balanced growth of its assets over time.

In controlling and monitoring credit risk, the company has adopted standard policies and procedures under which each new customer is analysed individually for credit worthiness. The policies include, but, are not limited to:

i. An interview, at which information is gathered on the applicant's ability to manage its finances.

ii. Evaluating collaterals;

iii. Physically inspecting collateral to ensure that there are no conflicts with the valuators opinion.

iv. Loans are generally collateralised with some or all of the following:

- Cash
- Mortgages
- Debentures
- Bills of sale
- Shares
- Guarantees
- Assignment of salary
- Assignment of insurance policies
- Promissory notes

v. Funds are disbursed only when collateral is perfected.

vi. If and when credit is granted to the customer, periodic visits are made to customers to assess the state of the collateral and/ or to ensure that the purpose of the loan is being fulfilled.

vii. The loans officer is required to track all loans approved to ensure repayments are made in accordance with the loan agreements. Potential problems are identified and relevant actions are taken to avoid the loan from becoming non-performing.

viii. The exposure to any one borrower or group of borrowers is restricted by limits covering on and off-balance sheet exposures set out in the Financial Institutions Act 1995.

ix. Non-performing accounts are provided for or written-off in accordance with accepted accounting principles and the Financial Institutions Act 1995.

19 Financial risk management - cont'd

(c) Credit risk - cont'd

Credit quality per category of financial assets

Loans receivable

In assessing the credit quality of loans, the company adheres to the requirements set out by the Financial Institutions Act 1995 and IFRS 9. The following information is based on these requirements.

	2020	2019
	G$	G$
Neither past due nor non performing	1,341,745,107	929,375,562
Past due receivables but not impaired	41,139,054	380,177,618
Non performing receivables	131,299,208	140,281,366
	1,514,183,369	1,449,834,546

During the year a number of customers who were past due brought their loans up to date. In addition three loans were restructured (2019 - three (3)).

Renegotiated Loans.

The carrying amount of all renegotiated loans aggregated to:

	2020	2019
	G$	G$
Renegotiated loans	27,261,528	12,123,355

At the reporting date, there were no significant concentrations of credit risk for loans. There is no special collateral requirement relating to concentration of risks.

19 Financial risk management - cont'd

(d) Operational risk

The growth of the financial sector and the impact of the Global Financial Crisis has made the company's operational risk profile more complex. Operational risk is inherent in all business activities and is the potential for financial or reputational loss arising from inadequate or failed internal controls, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud.

The company recognises that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions. The company's operational risk committee oversees this and where appropriate, risk is transferred by the placement of adequate insurance coverage.

20 Contingent liabilities

The company was contingently liable as at 31 December as Guarantor for credit facilities extended.

	2020 G$	2019 G$
Guarantees	284,500,000	379,500,000

	2020 G$	2019 G$
21 Dividends		
Prior year dividends paid G$ 0.27 per share (2018 - G$0.27)	67,279,612	67,279,612
The Directors recommend a dividend of G$0.15 per share for the year 2020 (2019 - G$0.27)	37,377,563	67,279,612

The proposed final dividend is subject to approval by the shareholders at the annual general meeting and has not been included as a liability in the financial statements.

22 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.
The Company's overall strategy remains unchanged from 2019.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity shareholders, comprising issued capital, reserves and retained earnings.

Gearing ratio

The Company's management reviews the capital structure on an on-going basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.
The Company has not set a target gearing ratio .

The company has no borrowings and gearing ratio.

Fair value estimation

Fair value measurement recognised in the statement of financial position

Level 1 - Fair value determination is with reference to quoted prices in active markets for identical assets and liabilities. Quotation from recognised stock exchange was used to value investments under this ranking.

Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The following assets and liabilities except fixed assets are carried at amortised cost. However, fair values have been stated for disclosure
purposes.

		2020			2019	
	IFRS 13 Level	Carrying value G$	Market value G$	IFRS 13 Level	Carrying value G$	Market value G$
Assets						
Fixed assets	2	178,232,158	178,232,158	2	194,037,800	194,037,800
Loans	2	1,423,571,069	1,423,571,069	2	1,359,222,246	1,359,222,246
Other receivables and accrued interest	2	2,374,035	2,374,035	2	1,359,343	1,359,343
Cash on hand and at bank	1	90,682,806	90,682,806	1	46,317,959	46,317,959
Tax recoverable	2	8,233,139	8,233,139	2	8,233,139	8,233,139
		1,703,093,207	1,703,093,207		1,609,170,487	1,609,170,487
Liabilities						
Taxes payable	2	10,097,445	10,097,445	2	5,842,022	5,842,022
Other payables and accruals	2	7,713,690	7,713,690	2	7,001,242	7,001,242
Customers investment	2	791,360,000	791,360,000	2	720,560,000	720,560,000
		809,171,135	809,171,135		733,403,264	733,403,264

23 Fair value estimation- cont'd

The fair value of financial assets and financial liabilities were determined as follows:

(a) Property, plant and equipment were measured primarily at cost less accumulated depreciation. Management's judgement was used to determine that fair value approximates to the carrying value.

(b) Loans are net of specific and other provisions for impairment. The fair value of loans is based on expected realisation of outstanding balances taking into account the company's history with respect to delinquencies.

(c) Financial instruments where the carrying amounts are equal to fair value :- Due to the short maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair value. These includes cash on hand and at bank, other receivables and accrued interest, other payables and accruals, customers investment, taxes payable and recoverable.

Asset carried at fair value

	2020 G$	2019 G$
Fair value through other comprehensive income - Level 3	10,600,000	10,600,000

Investments are based on directors valuation and are stated at Level 3 as per IFRS 13.

24 Pending litigations

There are several pending litigations against the company, the outcome of which cannot be determined at this date.

25 Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on April 28, 2021

PROXY FORM

The Secretary
Trust Company (Guyana) Limited
11 Lamaha Street, Queenstown
Georgetown

I / We

of

a Member / Members of **TRUST COMPANY (GUYANA) LIMITED** hereby appoint

of

or in his / her absence

of

as my/ or Proxy to vote in my / our names (s) and on my / our behalf upon any matter proposed at the 55th Annual General Meeting of the Trust Company to be held on June 30, 2021 or any adjournment thereof in such manner as such Proxy may think proper.

As witness by hand day of 2021.
Signed by the said

(Name of Member (s))

(Signature of Member (s))

SHAREHOLDER'S NOTES