

Company Registration No.: 202039712G

## Trust Bank Singapore Limited

Annual Financial Statements  
31 December 2023



# Trust Bank Singapore Limited

## General information

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### Directors

Judy Hsu Chung Wei  
Patrick Lee Fook Yau  
Jasmine Wong  
Leonard Steven Robert  
Kee Teck Koon  
Elaine Heng YinXuan (Resigned on 26 February 2024)  
Yeoh Oon Jin  
Deniz Guven (Resigned on 5 December 2023)  
Samir Subberwal (Appointed on 5 December 2023)

### Company Secretaries

Chan Wan Mei  
Matthew William Hunter

### Registered Office

77 Robinson Road  
#25-00 Robinson 77  
Singapore 068896

### Auditor

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583

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## **Trust Bank Singapore Limited**

### **Directors' statement**

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The directors are pleased to present their statements to the members of Trust Bank Singapore Limited (the "Bank") together with the audited financial statements for the financial year ended 31 December 2023.

#### **Opinion of the directors**

In the opinion of the directors,

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Bank as at 31 December 2023 and the financial performance of the business, changes in equity and cash flows of the Bank for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

#### **Directors**

The directors of the Bank in office at the date of this statement are:

Judy Hsu Chung Wei  
Patrick Lee Fook Yau  
Jasmmine Wong  
Leonard Steven Robert  
Kee Teck Koon  
Yeoh Oon Jin  
Samir Subberwal

#### **Directors' interests in shares and debentures**

The directors who held office at the end of the financial period have been granted exemption from compliance with Section 201(16) and paragraph 9 of the Twelfth Schedule of the Companies Act 1967 (the "Act") pursuant to Section 202 of the Act. Full detailed information regarding directors' interests in shares or debentures of the Bank or of related corporations, either at the beginning of the financial period, or at date of appointment if later, or at the end of the financial period, can be obtained at the registered office of the Bank at 77 Robinson Road, #25-00 Robinson 77, Singapore 068896, in accordance with Section 164(8) and (9) of the Act.

Standard Chartered PLC (the "ultimate holding company") operates employee share plans, under which eligible employees including directors of the Bank were granted awards over ordinary Standard Chartered PLC shares. Details of Standard Chartered's PLC employee share plans can be found in Standard Chartered PLC annual report which is publicly available on the website.

**Trust Bank Singapore Limited**

**Directors' statement**

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**Directors' interests in shares and debentures (cont'd)**

Except for the granted awards, neither at the end of, nor at any time during the financial year, was the Bank a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

Since the start of the financial year, other than as disclosed in Note 20, no director of the Bank has received or become entitled to receive a benefit by reason of a contract made by the Bank or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

**Share options**

During the financial year, there was:

- (a) no option granted by the Bank to any person to take up unissued shares in the Bank; and
- (b) no share issued by virtue of the exercise of options to take up unissued shares of the Bank.

At the end of the financial year, there was no unissued share of the Bank under option.

**Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:



Patrick Lee Fook Yau  
Director



Yeoh Oon Jin  
Director

Singapore

15 March 2024

**Trust Bank Singapore Limited**

**Independent auditor's report  
For the financial year ended 31 December 2023**

**Independent auditors' report to the members of Trust Bank Singapore Limited**

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**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Trust Bank Singapore Limited (the "Bank"), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Bank for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Bank as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Bank for the financial year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 Bank in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

Management is responsible for other information. The other information comprises the general information, directors' statement and supplementary information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance 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 this other information, we are required to report that fact. We have nothing to report in this regard.

## **Trust Bank Singapore Limited**

### **Independent auditor's report For the financial year ended 31 December 2023**

#### **Independent auditors' report to the members of Trust Bank Singapore Limited**

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#### **Responsibilities of management for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Bank'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 SSAs 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 SSAs, we exercise professional judgement 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 Bank'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 Bank'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 Bank to cease to continue as a going concern.

Trust Bank Singapore Limited

Independent auditor's report  
For the financial year ended 31 December 2023

**Independent auditors' report to the members of Trust Bank Singapore Limited**

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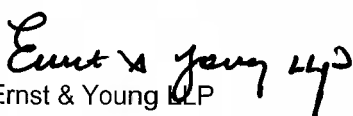
**Auditor's responsibilities for the audit of the financial statements (cont'd)**

- 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 the directors 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**

In our opinion, the accounting and other records required by the Act to be kept by the Bank have been properly kept in accordance with the provisions of the Act.

  
Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

15 March 2024

**Trust Bank Singapore Limited****Statement of financial position  
As at 31 December 2023**

	<b>Notes</b>	<b>2023</b> S\$'000	<b>2022</b> S\$'000
<b>Assets</b>			
Cash and balances with central bank	4	276,656	239,679
Loans and advances to customers	5	304,114	84,298
Singapore government treasury bills	6	1,339,041	397,609
Amounts due from immediate holding company	7(a)	20,522	65,236
Other assets	8	71,198	26,506
Right-of-use assets	9	3,787	3,962
Intangible assets	10	80,949	71,920
<b>Total assets</b>		<b>2,096,267</b>	<b>889,210</b>
<b>Liabilities</b>			
Deposits of non-bank customers	11	1,863,609	640,498
Amounts due to related companies and branches of the ultimate holding company	7(a)	14,247	22,382
Amounts due to related parties	7(b)	3,531	5,808
Other liabilities	12	46,811	33,782
<b>Total liabilities</b>		<b>1,928,198</b>	<b>702,470</b>
<b>Equity</b>			
Share capital	13	510,000	400,000
Fair value reserves		(311)	(19)
Accumulated losses		(341,620)	(213,241)
<b>Total equity</b>		<b>168,069</b>	<b>186,740</b>
<b>Total equity and liabilities</b>		<b>2,096,267</b>	<b>889,210</b>
<b>Off-balance sheet items</b>			
Undrawn credit facilities	22	5,488,484	3,563,924

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*



**Trust Bank Singapore Limited**

**Statement of comprehensive income  
For the financial year ended 31 December 2023**

	<b>Notes</b>	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Net Interest income	14	32,350	4,855
Net fee and commission income/(expense)	15	6,782	(1,883)
<b>Income before operating expenses</b>		39,132	2,972
Staff costs	16	(43,237)	(39,172)
Finance costs for leases		(135)	(79)
Operating and administrative expenses	17	(107,841)	(85,494)
<b>Total operating expenses before impairment</b>		(151,213)	(124,745)
Impairment loss		(16,298)	(2,919)
<b>Loss before taxation</b>		(128,379)	(124,692)
Income tax expense	18	–	–
<b>Loss for the year</b>		(128,379)	(124,692)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
<u>Financial assets held at fair value through other comprehensive income ("FVOCI")</u>			
Net change in fair value		(292)	(19)
<b>Total comprehensive loss for the year</b>		(128,671)	(124,711)

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

**Trust Bank Singapore Limited**

**Statement of changes in equity  
For the financial year ended 31 December 2023**

	<b>Share capital</b> S\$'000	<b>Fair value Reserves</b> S\$'000	<b>Accumulated losses</b> S\$'000	<b>Total equity</b> S\$'000
At 1 January 2022	240,000	–	(88,549)	151,451
Loss for the year	–	–	(124,692)	(124,692)
Net change in fair value of financial assets at FVOCI	–	(19)	–	(19)
<b>Total comprehensive loss for the year</b>	–	(19)	(124,692)	(124,711)
Issuance of shares (Note 13)	160,000	–	–	160,000
At 31 December 2022 and 1 January 2023	400,000	(19)	(213,241)	186,740
Loss for the year	–	–	(128,379)	(128,379)
Net change in fair value of financial assets at FVOCI	–	(292)	–	(292)
<b>Total comprehensive loss for the year</b>	–	(292)	(128,379)	(128,671)
Issuance of shares (Note 13)	110,000	–	–	110,000
<b>At 31 December 2023</b>	<b>510,000</b>	<b>(311)</b>	<b>(341,620)</b>	<b>168,069</b>

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

Trust Bank Singapore Limited

**Statement of Cash flows**  
**For the financial year ended 31 December 2023**

	Note	2023 S\$'000	2022 S\$'000
<b>Cash flows from operating activities</b>			
Loss before taxation		(128,379)	(124,692)
Adjustments for:			
Amortisation of intangible assets	10	17,274	8,365
Depreciation of right-of-use assets	9	2,234	957
Impairment loss		16,298	2,919
Finance cost	9	135	79
<b>Operating cash flows before changes in working capital</b>		<b>(92,438)</b>	<b>(112,372)</b>
Changes in working capital:			
Loans and advances to customers		(236,114)	(87,216)
Amounts due from immediate holding company		40,888	11,142
Other assets		(44,692)	(20,439)
Right-of-use assets		(2,059)	(4,919)
Deposit of non-bank customers		1,223,111	640,498
Amount due to related companies and branches of the ultimate holding company		(8,135)	(3,487)
Amount due to related parties		(2,277)	1,538
Other liabilities		14,990	18,600
<b>Net cash flows generated from operating activities</b>		<b>893,274</b>	<b>443,345</b>
<b>Cash flows from investing activity</b>			
Addition of intangible assets	10	(26,303)	(40,763)
Net investment in Treasury bills		(941,724)	(397,628)
<b>Net cash flows used in investing activity</b>		<b>(968,027)</b>	<b>(438,391)</b>
<b>Cash flows from financing activity</b>			
Proceeds from issuance of share capital		110,000	160,000
Finance cost	9	(135)	(79)
Repayment of lease liability	9	(1,961)	(732)
<b>Net cash flows generated from financing activity</b>		<b>107,904</b>	<b>159,189</b>
<b>Net change in cash and cash equivalents</b>		<b>33,151</b>	<b>164,143</b>
Cash and cash equivalents at beginning of year		250,406	86,263
<b>Cash and cash equivalents at end of year</b>		<b>283,557</b>	<b>250,406</b>
<b>Represented by:</b>			
Cash and balances with central bank	4	276,656	239,679
Current account balances held with immediate holding company	7(a)	6,901	10,727
		<b>283,557</b>	<b>250,406</b>

Included in cash and cash equivalents is the minimum statutory cash balance of S\$49,673,000 (2022: S\$17,457,000) which is not available for use in the Bank's day-to-day operations.

*The accompanying accounting policies and explanatory information form an integral part of the financial statements.*

## Trust Bank Singapore Limited

### Notes to the financial statements For the financial year ended 31 December 2023

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#### 1. Corporate information

Trust Bank Singapore Limited (the "Bank") is incorporated in the Republic of Singapore and has its registered office at 77 Robinson Road, #25-00 Robinson 77, Singapore 068896. The Bank operates in Singapore under a Full Bank license granted by the Monetary Authority of Singapore.

The Bank is a joint venture arrangement between Standard Chartered Bank (Singapore) Limited ("SCBSL") and BetaPlus Pte Ltd ("BP") with a shareholding of 60% and 40% respectively. The immediate holding company is SCBSL. The ultimate holding company for SCBSL is Standard Chartered PLC ("SC PLC") which is incorporated in the United Kingdom. The ultimate holding company for BP is NTUC Enterprise Cooperative Ltd which is incorporated in Singapore. The Bank is providing digital banking services.

#### 2. Summary of material accounting policy information

##### 2.1 *Basis of preparation*

The financial statements of the Bank have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act 1967 (the "Act").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

The functional currency of the Bank as determined by management is the Singapore Dollar ("SGD" or "S\$") which reflects the primary economic environment in which the Bank operates.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimate and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 3.

##### 2.2 *Adoption of new and amended standards and interpretations*

The Bank has adopted all the new and revised standards which are relevant to the Bank and are effective for annual periods beginning on or after 1 January 2023. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Bank.

2. Summary of material accounting policy information (cont'd)

2.3 **Standards issued but not yet effective**

The Bank has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual year beginning on or after
Amendments to FRS 1 Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 and FRS 107: Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21: Lack of Exchangeability	1 January 2025

The Bank expects that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application.

2.4 **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and sales taxes or duties. The Bank assesses its revenue arrangements to determine if it is acting as a principal or an agent. The following specific recognition criteria must also be met before revenue is recognised:

- (a) Interest income and expense are recognised over time in the profit and loss using the effective interest method.

The effective interest method is a method used to calculate the amortised cost of a financial asset or a financial liability and the allocation of the interest income or interest expense over a relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (e.g. prepayment options) but does not consider future credit losses. The calculation are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written-down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

**2. Summary of material accounting policy information (cont'd)**

**2.4 Revenue recognition (cont'd)**

(a) (cont'd)

Interest income for financial assets that are either held at fair value through other comprehensive income or amortised cost that have become credit impaired subsequent to initial recognition (Stage 3) and have had amounts written off, is recognised using the credit adjusted effective interest rate. This rate is calculated in the same manner as the effective interest rate except that expected credit losses are included in the expected cash flows. Interest income is therefore recognised on the amortised cost of the financial asset including expected credit losses. Should the credit risk on a Stage 3 financial asset improve such that the financial asset is no longer considered credit impaired, interest income recognition reverts to a computation based on the rehabilitated gross carrying value of the financial asset.

- (b) Fee and commission income comprises mainly of credit card related fee income and is recognised at a point in time when the services are rendered or charged to customer. Fee and commission expenses are generally recognised on accrual basis when the service have been provided.

**2.5 Financial assets**

*Initial recognition and measurement*

Financial assets are recognised when, and only when, the Bank becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Bank measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

*Subsequent measurement*

Financial assets at amortised cost

Subsequent measurement of debt instruments depends on the Bank's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and FVPL.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

As at the end of the financial period, the Bank measures cash and balances with central bank, loans and advances to customers, amounts due from immediate holding company and other assets (excluding prepayments) at amortised cost.

2. Summary of material accounting policy information (cont'd)

2.5 *Financial assets(cont'd)*

*Subsequent measurement (cont'd)*

Financial assets at FVOCI

Financial assets are measured at FVOCI when both of the following conditions are met:

The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

As at the end of the financial period, the Bank measures Singapore government treasury bills at FVOCI.

FVOCI Singapore government treasury bills are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income ("OCI"). Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. The ECL calculation for Singapore government treasury bills measured at FVOCI is explained in Note 6. Where the Bank holds more than one investment in the same security, they are deemed to be disposed off on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

*De-recognition*

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

*Regular way purchase or sale of a financial asset*

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Bank commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

**2. Summary of material accounting policy information (cont'd)**

**2.6 Financial liabilities**

*Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Bank becomes a party to the contractual provisions of the financial instruments. The Bank determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value less, in the case of financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial liabilities.

*Subsequent measurement*

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

Included in this classification are deposits of non-bank customers, other liabilities (excluding provisions) and amounts due to related companies and branches of the ultimate holding company and amounts due to related parties.

*De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**2.7 Reclassification of financial assets and liabilities**

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line.

Financial liabilities are never reclassified. The Bank did not reclassify any of its financial assets or liabilities in the period.

**2.8 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.



**2. Summary of material accounting policy information (cont'd)**

**2.9 Impairment of financial assets**

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset or undrawn commitment. It is computed as unbiased, probability weighed amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information including that which is forward looking.

An expected credit loss allowance is recognised at the time of initial recognition in respect of default events that may occur over the next 12 months (stage 1 assets with allowances equivalent to 12-months expected credit losses). Expected credit loss continues to be determined on this basis until there is either a significant increase in credit risk or the asset becomes credit impaired.

Significant increase in credit risk is assessed by comparing the risk of default of any exposure at the reporting date to the risk of default at origination (after taking into account the passage of time). Whether a change in the risk of default is significant or not is assessed using a number of quantitative and qualitative factors, the weight of which depends on the type of product and counterparty. For credit exposures where there has been a significant increase in credit risk since initial recognition, an allowance for ECL is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (stage 2 assets with loss allowances equivalent to lifetime expected credit loss).

An asset is only considered credit impaired, and lifetime expected credit losses recognised, if there is observed objective evidence of impairment. These factors include, amongst other factors, assets in default, experiencing significant financial difficulty or subject to forbearance actions credit impaired (stage 3 assets).

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

While the above is the comprehensive definition of the ECL and its calculation philosophy, regulations (MAS 612) enables that a bank shall draw on its experience and exercise its expert judgement to derive a best estimate of the future cash flows that it expects to recover from credit exposures, if it has limited historical loss experience. The Bank adopts a simplified approach of calculating the ECL.

The Bank assesses whether there is significant increase in default risk based on delinquency status. This is a systematic, comprehensive, and consistent approach to timely identify the degree of impairment inherent in each credit exposure.

**2. Summary of material accounting policy information (cont'd)**

**2.10 *Impairment of non-financial assets***

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**2.11 *Cash and cash equivalents***

Cash and cash equivalents comprise of balances with central bank and immediate holding company and are subject to an insignificant risk of changes in value. Cash and cash equivalents are accounted for at amortised cost.

**2.12 *Provisions***

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2. Summary of material accounting policy information (cont'd)**

**2.13 Employee benefits**

Employee benefits are recognised as an expense.

(a) *Defined contribution plan*

Defined contribution plans are post-employment benefit plans under which the Bank pays fixed contributions to the Central Provident Fund ("CPF") on a mandatory, contractual or voluntary basis. The Bank has no further payment obligations once the contributions have been paid.

The Bank's contributions to defined contribution plans are recognised as employee compensation expense in which the related service is performed.

(b) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(c) *Long Term Incentive Plan (LTIP)*

The Bank offers a cash-settled share-based payment award to selected group of employees.

Cash-settled awards are revalued at each balance sheet date and a liability recognised on the balance sheet for all unpaid amounts, with any changes in fair value charged or credited to staff costs in the income statement until the awards are exercised. Where forfeitures occur prior to vesting that are attributable to factors such as failure to satisfy service conditions, the cumulative charge incurred up to date of forfeiture is credited to the income statement.

The liability related to cash-settled award is measured by reference to the fair value of share price valuation of the Bank at the date they are granted and at each financial year end.

**2.14 Intangible assets**

(a) *Acquired intangibles*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with the development of software are capitalised where it is probable that it will generate future economic benefits in excess of its cost.

These intangible assets are measured at cost less amortisation on the basis of expected useful life of 5 years, which is reviewed on an annual basis. Costs associated with maintaining software are recognised as an expense as incurred. At each reporting date, these assets are assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately.

**2. Summary of material accounting policy information (cont'd)**

**2.14 Intangible assets (cont'd)**

(b) Capitalised software

Internally generated software represents substantially all of the total software capitalised. Direct costs of the development of separately identifiable internally generated software are capitalised where it is probable that future economic benefits attributable to the asset will flow from its use. These costs include salaries and wages, service providers, contractors, and directly attributable overheads. Costs incurred in the ongoing maintenance of software are expensed immediately when incurred. Internally generated software is amortised over an estimated useful life of 7 years. On an annual basis software assets' residual values and useful lives are reviewed, including assessing for indicators of impairment. Indicators of impairment include loss of business relevance, obsolescence of asset, exit of the business to which the software relates, technological changes, change in use of the asset, reduction in useful life, plans to reduce usage or scope.

For capitalised software, judgement is required to determine which costs relate to research which are expensed, and which costs relate to development which are capitalised as intangible assets. Further judgement is required to determine the technical feasibility of completing the software such that it will be available for use. Estimates are used to determine how the software will generate probable future economic benefits, these estimates include: cost savings, income increases, balance sheet improvements, improved functionality or improved asset safeguarding.

(c) Work-in-progress

Work-in-progress intangible assets pertain to internally generated software which are undergoing further customisation / development. No amortisation is made against this balance until the customisation / development work is complete and the software is capable of operating in the manner intended by management.

**2.15 Deposits of non-bank customers**

These deposits are initially recognised at fair value, classified as liabilities held at amortised cost and subsequently stated at amortised cost using the effective interest method. These deposits include directly attributable acquisition costs that are amortised to interest expense over the actuarial life of the deposits portfolio.

**2. Summary of material accounting policy information (cont'd)**

**2.16 Loans and advances to customers**

Loans and advances to customers comprises credit cards and unsecured personal loans. These are classified at amortised cost net of any applicable impairment allowances. Directly attributable incremental costs incurred to acquire new credit card clients are recognised in other assets and amortised to fee and commission expense over the actuarial life of the credit cards portfolio.

**2.17 Singapore government treasury bills**

Singapore government treasury bills are held for non-dealing purposes and classified as FVOCI.

**2.18 Leases**

(a) *Right-of-use assets*

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease term includes periods covered by an option to extend if the Bank is reasonably certain to exercise that option. Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are subject to impairment assessment in line with the Bank's policy as described in Note 2.10.

(b) *Lease liabilities*

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating a lease, if the lease term reflects Bank exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Bank uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**2. Summary of material accounting policy information (cont'd)**

**2.18 Leases (cont'd)**

(c) *Short-term leases and leases of low-value assets*

The Bank applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**2.19 Taxation**

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or recovered that reflects uncertainty related to income taxes, if any.

(b) *Deferred tax*

Deferred tax is recognised in respect of temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

**2. Summary of material accounting policy information (cont'd)**

**2.19 Taxation (cont'd)**

**(b) Deferred tax (cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**2.20 Share capital**

Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

**2. Summary of material accounting policy information (cont'd)**

**2.21 Foreign currency transactions and balances**

Transactions in foreign currencies are measured in SGD, being the functional currency of the Bank and are recorded on initial recognition in SGD at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

**2.22 Foreign exchange (losses)/income**

Foreign exchange (losses)/income comprise gains/losses relating to dealing assets and liabilities and includes all realised and unrealised foreign exchange differences.

**2.23 Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Bank if that person:
  - (i) Has control or joint control over the Bank;
  - (ii) Has significant influence over the Bank; or
  - (iii) Is a member of the key management personnel of the Bank or of a parent of the Bank.
  
- (b) An entity is related to the Bank if any of the following conditions applies:
  - (i) The entity and the Bank are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Bank or an entity related to the Bank. If the Bank is itself such a plan, the sponsoring employers are also related to the Bank;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Bank or to the parent of the Bank.



3. Use of estimates and judgements

***Significant accounting judgements and estimates***

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

***Judgements made in applying accounting policies***

In the process of applying the Bank's accounting policies, the Bank's management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements are as follows:

a) *Capitalisation criteria on capitalised software*

Capitalised software are intangible assets pertaining to installed IT software which are undergoing further customisation/ development in-house to enable them to operate in a manner intended by management. Management exercises judgement in determining that the intangible asset meets the criteria to be capitalised as intangible assets in accordance with applicable accounting framework. Management also exercises judgment in determining the proportion of internal costs that are directly attributable to the development of intangible assets.

b) *Amortisation of capitalised software*

Amortisation are provided to write down assets to their residual values over their estimated useful lives. The determination of these residual values and estimated lives, and any change to the residual values or estimated lives, requires the exercise of management judgement.

*Change in accounting estimate*

The Bank reviews the useful life of capitalised software during the financial year in accordance with the accounting policy in Note 2.14 (b). The Bank assessed that useful life of its capitalised software can be extended from 5 to 7 years, considering several factors, such as substantial software enhancements and economic value generation potential. The financial impact of this change in the current financial year is approximately \$1,400,000 additional amortisation expense, should the Bank had continued with a 5 year useful life for its capitalised software. The net carrying amount of capitalised software as at 31 December 2023 and the amortisation charge for the financial year ended 31 December 2023 as disclosed in Note 10 have taken into account the change in useful life.

c) *Impairment of capitalised software*

Intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Where an impairment is required, the recoverable amount is determined based on value-in-use calculations prepared using management's assumptions and estimates.

**3. Use of estimates and judgements (cont'd)*****Judgements made in applying accounting policies (cont'd)****d) Long Term Incentive Plan*

The liability related to long term incentive plan is measured by reference to the share price valuation and achievement factor. Judgement is applied in determining the most appropriate valuation model and in determining the inputs to the model. Independent external valuation experts are engaged to advise on the fair value calculation. Assessment is also done to estimate the achievement factor of the award based on the evaluation of the performance against the scorecard.

**4. Cash and balances with central bank**

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Cash held with central bank	226,983	222,222
Restricted Balances	49,673	17,457
Total	<u>276,656</u>	<u>239,679</u>

Cash and balances with central bank held at the end of the reporting period are non- interest bearing and are held for regulatory liquidity reserve purposes except for deposit with central bank amounting S\$194,000,000 (2022: S\$202,000,000).

All cash and balances with central bank are classified as Stage 1 and are entered into with counterparties of an investment grade. The loss allowance of these financial assets is measured at an amount equal to a 12-month ECL and is not considered material.

**5. Loans and advances to customers**

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
At amortised cost	316,536	87,222
Impairment loss allowance	(12,422)	(2,924)
	<u>304,114</u>	<u>84,298</u>

Loans and advances to customers pertains solely to credit card facilities and unsecured personal loans granted to private individuals. These credit card facilities are unsecured and outstanding balances are due within 30 days.

**Notes to the financial statements**  
**For the financial year ended 31 December 2023**

**5. Loans and advances to customers (cont'd)**

Maturity analysis:	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Maturing within 7 days	183,972	65,253
Maturing after 7 days but within 1 month	62,821	20,112
Maturing after 1 month but within 3 months	4,518	1,857
Maturing after 3 months but within 1 year	10,747	–
Maturing after 1 year but within 3 years	25,290	–
Maturing after 3 years	29,188	–
	<b>316,536</b>	<b>87,222</b>

Movement in gross balance and impairment allowance as follow: (cont'd)

<b>2023</b>	<b>Stage 1</b> S\$'000	<b>Stage 2</b> S\$'000	<b>Stage 3</b> S\$'000	<b>Total</b> S\$'000
<b>Loans and advances to customers at amortised cost</b>				
At 1 January 2023	86,984	232	6	87,222
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(732)	732	–	–
Transfers to Stage 3	(3,968)	(192)	4160	–
New assets originated, staged as at year end	260,096	2,020	5,690	267,806
Amount written off	(305)	(37)	(6,817)	(7,159)
Amount derecognised or repaid (excluding write offs)	(31,115)	(61)	(157)	(31,333)
At 31 December 2023	<b>310,960</b>	<b>2,694</b>	<b>2,882</b>	<b>316,536</b>
<b>Impairment loss allowance</b>				
At 1 January 2023	2,891	27	6	2,924
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(26)	26	–	–
Transfers to Stage 3	(138)	(6)	144	–
New assets originated, staged as at year end	7,895	144	5,691	13,730
Impact on year end ECL from transfers	–	2	4,007	4,009
Write-off	(157)	(37)	(6,817)	(7,011)
Amount derecognised or repaid (excluding write offs)	(1,070)	(3)	(157)	(1,230)
At 31 December 2023	<b>9,395</b>	<b>153</b>	<b>2,874</b>	<b>12,422</b>

Trust Bank Singapore Limited

Notes to the financial statements  
For the financial year ended 31 December 2023

5. Loans and advances to customers (cont'd)

Movement in gross balance and impairment allowance as follow: (cont'd)

2022	Stage 1 S\$'000	Stage 2 S\$'000	Stage 3 S\$'000	Total S\$'000
<b>Loans and advances to customers at amortised cost</b>				
At 1 January 2022	1	–	–	1
New assets originated, staged as at year end	86,983	232	6	87,221
At 31 December 2022	86,984	232	6	87,222
<b>Impairment loss allowance</b>				
At 1 January 2022	4	–	–	4
New assets originated staged as at year end	2,887	27	6	2,920
At 31 December 2022	2,891	27	6	2,924

6. Singapore government treasury bills

	2023 S\$'000	2022 S\$'000
<i>Fair value through other comprehensive income</i>		
Singapore Government Treasury bills	1,339,041	397,609

All treasury bills placed during the year are classified as Stage 1 and are entered into with a counterparty of an investment grade. These financial assets are not credit-impaired as at origination and as of year-end and there is no modification of contractual cash flows on these financial assets that resulted in a derecognition during the year. There are no transfers in ECL staging during the year and the loss allowance of these financial assets is measured at an amount equal to a 12-month ECL and it is deemed not material. All treasury bills are transacted through immediate holding company in which the Bank has incurred transaction costs amounting to \$250,000 (2022: \$8,900). Transaction costs incurred are recognised in net interest income over the contractual term of the treasury bills based on the effective interest rate method.

**7(a). Amounts due from immediate holding company/ amounts due to related companies and branches of the ultimate holding company**

Amounts due from immediate holding company comprise of current accounts and time deposit placements. Included in the amounts due from immediate holding company are time deposit placements of S\$13,559,000 (2022: S\$54,509,000) with a fixed rate of 5.52% (2022: 3.82% to 3.91%) per annum. Current accounts are unsecured, non-interest bearing and repayable on demand and amounted to S\$6,901,000 (2022: S\$10,727,000) as at the end of the reporting period.

Amounts due to related companies and branches of the ultimate holding company comprise of the consideration payable for software assets, cost recharges pertaining to support services rendered to the Bank and reimbursement of expenses paid on behalf of the Bank. These amounts are unsecured and non-interest bearing.

Amounts due from immediate holding company as at 31 December 2023:

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Trade	—	—
Non-trade	20,522	65,236
Total	<u>20,522</u>	<u>65,236</u>

Amounts due to related companies and branches of the ultimate holding company as at 31 December 2023:

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Trade	858	3,278
Non-trade	13,389	19,104
Total	<u>14,247</u>	<u>22,382</u>

**7(b). Amounts due to related parties**

Amounts due to related parties relate mainly to marketing services rendered to the Bank under a collaboration agreement with a related party. These amounts are unsecured and non-interest bearing.

Trust Bank Singapore Limited

Notes to the financial statements  
For the financial year ended 31 December 2023

8. Other assets

	2023 S\$'000	2022 S\$'000
Prepayments	4,089	4,513
GST input tax recoverable - net	1,496	1,686
Acquisition costs*	10,089	7,190
Unsettled receivable, settlement and clearing balances	52,637	11,593
Others	2,887	1,524
	71,198	26,506

Included under prepayments is a balance of \$2,765,000 (2022: \$3,787,000) relating to services rendered under a marketing collaboration agreement with a related party.

\*Acquisition costs comprise mainly incentives given to new credit card accounts. These are incremental costs incurred for the acquisition of new credit card accounts.

9. Right-of-use assets

The movement in right-of-use assets are as follows:

	Right-of-use asset S\$'000
<b>Cost</b>	
At 1 January 2022	-
Additions	4,919
Disposals	-
At 31 December 2022 and as at 1 January 2023	4,919
Additions	2,059
Disposals	-
At 31 December 2023	6,978
<b>Accumulated depreciation</b>	
At 1 January 2022	-
Depreciation charge for the year	957
At 31 December 2022 and at 1 January 2023	957
Depreciation charge for the year	2,234
At 31 December 2023	3,191
<b>Net book value</b>	
At 31 December 2023	3,787
<b>Net book value</b>	
At 31 December 2022	3,962

9. Right-of-use assets (cont'd)

The movement in lease liabilities are as follows:

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
At beginning of year	3,812	–
Additions	1,808	4,465
Disposals	–	–
Repayment	(1,961)	(732)
Finance cost	135	79
	<hr/>	<hr/>
At end of year	3,794	3,812
	<hr/> <hr/>	<hr/> <hr/>

The impact of the application of FRS 116 to the statement of comprehensive income for the financial year ended 31 December 2023 and 2022 is shown as below:

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Depreciation of right-of-use assets	2,234	957
Finance cost	135	79
	<hr/>	<hr/>
Total expense recognised in statement of comprehensive income	2,369	1,036
	<hr/> <hr/>	<hr/> <hr/>

The impact of the application of FRS 116 on the disclosure in the cash flow statement for the financial year ended 31 December 2023 and 2022 is shown as below:

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Total cash outflows for leases :		
Payment of principal portion of lease liabilities	1,826	653
Finance cost paid	135	79
	<hr/>	<hr/>
	1,961	732
	<hr/> <hr/>	<hr/> <hr/>

Trust Bank Singapore Limited

Notes to the financial statements  
For the financial year ended 31 December 2023

10. Intangible assets

	Work-in-progress S\$'000	Capitalised software S\$'000	IT software S\$'000	Total S\$'000
<b>Cost</b>				
At 1 January 2022	14,120	–	27,217	41,337
Additions	–	40,763	–	40,763
Disposals	–	–	–	–
Transfers	(14,120)	14,120	–	–
At 31 December 2022 and at 1 January 2023	–	54,883	27,217	82,100
Additions	5,007	21,296	–	26,303
Disposals	–	–	–	–
Transfers	–	–	–	–
At 31 December 2023	5,007	76,179	27,217	108,403
<b>Accumulated amortisation</b>				
At 1 January 2022	–	–	(1,815)	(1,815)
Amortisation charge for the financial period	–	(2,922)	(5,443)	(8,365)
Disposals	–	–	–	–
At 31 December 2022 and at 1 January 2023	–	(2,922)	(7,258)	(10,180)
Amortisation charge for the financial year	–	(11,831)	(5,443)	(17,274)
Disposals	–	–	–	–
At 31 December 2023	–	(14,753)	(12,701)	(27,454)
<b>Net book value</b>				
At 31 December 2023	5,007	61,426	14,516	80,949
At 31 December 2022	–	51,961	19,959	71,920



Trust Bank Singapore Limited

Notes to the financial statements  
For the financial year ended 31 December 2023

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**11. Deposits of non-bank customers**

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
At amortised cost	1,863,609	640,498

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Deposits pertains solely to savings accounts placed by private individuals and are repayable on demand.

Maturity analysis:	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Maturing within 7 days	1,863,609	640,498

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Deposit of non-bank customers presented above includes acquisition cost capitalised which amounted to S\$9,030,000 (2022: S\$6,838,000).

**12. Other liabilities**

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Accrued operating expenses	14,004	15,178
Provision for employee related expenses	12,996	11,073
Provision for short-term accumulated compensated absences	719	453
Provision for professional fees	688	439
Sundry creditors	5,491	2,160
Lease liabilities	3,794	3,812
Provision for reinstatement costs	670	430
Provision for fraud loss	—	202
Unsettled payable, settlement and clearing balances	8,189	—
Others	260	35
	<hr/> 46,811	<hr/> 33,782

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**Trust Bank Singapore Limited**

**Notes to the financial statements  
For the financial year ended 31 December 2023**

**13. Share capital**

	2023		2022	
	No. of shares	S\$'000	No. of shares	S\$'000
<b><i>Issued and fully paid shares:</i></b>				
At beginning of year	400,000	400,000	240,000	240,000
Issuance of shares	110,000	110,000	160,000	160,000
At end of year	510,000	510,000	400,000	400,000

The holder of ordinary shares is entitled to receive dividends as and when declared by the Bank. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

**14. Interest income and expense**

	2023 S\$'000	2022 S\$'000
Interest income:		
Amounts due from immediate holding company	1,639	3,059
Cash and balances with central bank	9,489	1,676
Loans and advances to customers	20,112	1,178
Singapore government treasury bills	30,247	1,540
	61,487	7,453
Interest expense:		
Deposits of non-bank customers	(29,137)	(2,598)
Net interest income	32,350	4,855

Interest income and expense derived from each class of financial instruments were as follows:

	2023 S\$'000	2022 S\$'000
Financial assets at FVOCI	30,247	1,540
Financial assets at amortised cost	31,240	5,913
Financial liabilities at amortised cost	(29,137)	(2,598)
	32,350	4,855

**Trust Bank Singapore Limited**

**Notes to the financial statements  
For the financial year ended 31 December 2023**

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**15. Fee and commission income and expense**

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Fee and commission income earned from providing services at a point in time:		
Interchange fees received	32,064	4,412
Late payment charged	4,770	643
Other fees	347	–
	<hr/> 37,181	<hr/> 5,055
Fee and commission expense:		
Rewards cost incurred from a related party	(24,449)	(4,715)
Network charges	(3,240)	(1,893)
Acquisition cost	(2,710)	(327)
Others	–	(3)
	<hr/> (30,399)	<hr/> (6,938)
Net fee and commission income/(expense)	<hr/> 6,782	<hr/> (1,883)

**16. Staff costs**

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Salaries, allowances and bonuses	33,090	32,177
Share-based payment expense	2,059	405
Contribution to defined contribution plan	4,041	1,414
Recruitment expenses	897	1,262
Other staff costs	3,150	3,914
	<hr/> 43,237	<hr/> 39,172

**Trust Bank Singapore Limited****Notes to the financial statements  
For the financial year ended 31 December 2023****17. Operating and administrative expenses**

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Amortisation of intangible assets	17,275	8,365
Depreciation of right-of-use assets	2,234	956
Rental expense	130	689
Professional fees	5,198	5,877
Marketing expenses	14,843	14,498
Information technology related costs	49,475	37,101
Subscriptions	1,478	394
Share of recharges from related companies and branches of the ultimate holding company	6,224	5,834
Irrecoverable GST	2,766	2,161
Directors fees	289	289
Others	7,929	9,330
	<u>107,841</u>	<u>85,494</u>

Under the Technology License Agreement (“TLA”) with its related company, the Bank has incurred service fees amounting to S\$1,527,419 (2022: S\$3,147,203) which is recorded under professional fees.

**18. Taxation**

The major components of income tax expense for the financial year ended 31 December 2023 and 2022 were:

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Current income tax	–	–

A reconciliation between the tax expense and the product of accounting loss multiplied by the applicable tax rate are as follows:

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Loss before taxation	(128,379)	(124,692)
Tax at the applicable tax rate of 17%	(21,825)	(21,198)
Adjustment:		
- Expenses not deductible for tax purposes	55	200
- Tax effect of unrecognised tax losses and unabsorbed capital allowances	21,770	20,998
Income tax expense recognised in profit or loss	<u>–</u>	<u>–</u>

**18. Taxation (cont'd)**

***Unrecognised tax losses and unabsorbed capital allowances***

As at balance sheet date, the Bank has tax losses and unabsorbed capital allowances of approximately S\$296,245,000 (2022: S\$194,399,000) that could be available for offset against future taxable profits, subject to meeting the relevant conditions as stipulated in the Singapore Income Tax Act. No deferred tax asset has currently been recognised on these tax losses and unabsorbed capital allowances on the basis that there is no certainty in the timing in which these items can be utilised at this juncture.

**19. Employee benefits**

*Trust Long Term Incentive Plan*

The Bank operates a Long Term Incentive Plan ("LTIP"), which is a share-based payment award to a certain group of eligible employees. The award was approved by Remuneration Committee and Board of Directors of the Bank in September 2022. LTIP units were granted with vesting period of three years from the time of grant. The award when exercised, are settled in cash, based on the valuation of the shares and subject to performance measures of the Bank.

*Valuation*

The award is measured at fair value, which is based on the share price valuation of the Bank conducted by independent external valuation experts. The cost approach is primarily used to determine the fair value, corroborated by range of estimated equity values using market and discounted cash flow approach.

	<b>2023</b>	<b>2022</b>
Outstanding units as at 1 January	5,600,000	–
Granted	800,000	5,600,000
Forfeited	(2,550,000)	–
	<hr/>	<hr/>
Outstanding units as at 31 December	3,850,000	5,600,000
	<hr/>	<hr/>

The value per unit as at 31 December 2023 is S\$1.

**20. Related party transactions**

In the normal course of its banking business, the Bank has undertaken transactions with its immediate holding company, related parties, related companies and branches of the ultimate holding company on terms as agreed between the parties. Material related party transactions that took place between the Bank and related parties during the financial year ended are separately disclosed in the relevant notes to the financial statements.

		<b>2023</b>	<b>2022</b>
		S\$'000	S\$'000
Net Interest Income	14	1,639	3,059
Net fee and commission expense		(24,167)	(4,727)
Staff costs		(459)	(718)
Operating and administrative expenses		(24,577)	(28,832)

***Key management remuneration***

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank. The key management compensation includes fees, salary, bonus, and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Bank, and where the Bank did not incur any costs, the value of the benefit.

The remuneration of key management personnel of S\$9,290,000 (2022: S\$7,463,000) comprises short term employee benefits of S\$7,599,000 (2022: S\$6,928,000), share-based compensation benefits of S\$1,548,000 (2022: S\$405,000) and contribution to defined contribution plan of S\$143,000 (2022: S\$130,000).

Share-based compensation benefits is from key management personnel's participation in a number of share-based payment plans operated by Standard Chartered PLC. Key management personnel also participate in Trust Long Term Incentive Plan, with the same terms and conditions as described in Note 19.

**Trust Bank Singapore Limited**

**Notes to the financial statements  
For the financial year ended 31 December 2023**

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**21. Non-current assets and liabilities**

The following table shows the non-current assets and liabilities (not expected to be settled or recovered within the next 12 months).

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
<b>Liabilities</b>		
Amount due to related companies and branches of the ultimate holding company	6,325	12,891
Lease liabilities	1,011	2,487
	<hr/> 7,336	<hr/> 15,378
<b>Assets</b>		
Loans and advances to customers	54,478	–
Other assets	7,471	6,229
Intangible assets	80,949	71,920
Right-of-use assets	1,114	2,323
	<hr/> 144,012	<hr/> 80,472

Other than the items disclosed above, all other balances are current.

**22. Undrawn credit facilities**

Undrawn credit facilities comprise agreements to extend credit card facilities to customers. The credit facilities under this arrangement are unsecured and unconditionally cancellable by the Bank.

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
Undrawn credit facilities	5,488,484	3,563,924

## 23. Risk management

The Bank's Risk Management Framework ("RMF") defines the Principal Risk Types ("PRTs") and sets out the principles and standards for risk management for the entity. The RMF is supported by distinct Risk Type Frameworks ("RTF"), Policies and Standards.

The Bank has identified and defined in its RMF 11 PRTs; namely Technology, Information and Cyber Security ("ICS"), Third Party, Operational, Financial Crime, Compliance, Credit, Capital and Liquidity, Reputational and Sustainability, Model and Traded. For each PRT, Policies and Standards have also been formulated and approved by the appropriate authority.

The Bank's Board of Directors ("BoD") approves the Risk Appetite Statement, which defines the maximum amount and type of risk the Bank is willing to assume in pursuit of its strategy. The Board has approved the RMF, RTFs, and Risk Appetite Metrics. The Board is also responsible for approving the Corporate plan and Strategy.

### ***Risk governance***

The Bank's Board is primarily responsible for approving and overseeing the implementation of risk management. The Chief Risk Officer ("CRO") has been delegated authority by the Board to implement the RMF and manage the PRTs. The CRO appoints Risk Framework Owners ("RFOs") for the management of each of the PRTs and further delegates authority to the RFOs to discharge their responsibilities through the approval of the RTFs. The Framework reinforces clear accountability for managing risk through the Three Lines of Defence ("LOD") model.

The CRO has established and chairs the Executive Risk Committee ("ERC"). The ERC is responsible for the effective management of risks (excluding Traded and Capital and Liquidity) in support of the strategy; including effective implementation of the RMF and RTFs. The ERC also recommends the RMF and overall Risk Appetite Statements/Metrics for approval by the Board. The CRO, as chair of the ERC, approves the use of sub-committees to support the ERC in overseeing risk at a PRT level.

The Asset and Liabilities Committee ("ALCO") appointed by the Executive Committee is co-chaired by the Chief Executive Officer and Chief Financial Officer and is responsible for the management of Traded and Capital and Liquidity PRT as well as maintaining a strong balance sheet to support business objectives and comply with policies and regulatory requirements.

#### (a) *Credit risk*

Management of Credit risk is defined by the Credit RTF along with, policies and procedures which lay down the conditions and guidelines for the identification, measurement, evaluation, monitoring, reporting, control or mitigation of credit risk both at an individual level as well as portfolio level. The Credit RTF is also the formal mechanism through which the delegation of Credit authorities is made.

The Bank's maximum exposure to credit risk of on-balance sheet financial assets and off-balance sheet exposure exclude any collateral held or other credit enhancements. For on-balance sheet financial assets, the maximum exposure to credit risk equals their gross carrying amount at the end of the reporting period. For off-balance sheet items, the maximum exposure to credit risk is limited to the commitments to undrawn credit line. The maximum credit exposures related to unsecured credit card facilities granted to its clients which are presented under loans and advances to customers (Note 5) and undrawn credit facilities (Note 22).



23. Risk management (cont'd)

*Risk governance (cont'd)*

(b) *Credit quality*

Amounts due from immediate holding company, cash and balances with central bank and Singapore government treasury bills are placed with counterparties which are of an investment grade as determined by international credit-rating agencies.

Credit classification for financial assets

The Bank also classifies its credit portfolios according to the delinquency of the borrower. All accounts are categorised into 'Pass', 'Special Mention' or 'Impaired' categories. Impaired accounts are further categorised as 'Substandard', 'Doubtful' or 'Loss' in accordance with Notice to Bank No. 612 "Credit Files, Grading and Provisioning" issued by the MAS.

Performing

Pass represents credit facilities where timely repayment is not in doubt and which do not exhibit any potential weakness in repayment capability, business, cash flow or financial position of the borrower. Loans and advances which are current to 59 days past due fall under this category.

Special mention represents credit facilities which require closer monitoring. These facilities exhibit potential weakness that, if not corrected in a timely manner, may adversely affect repayment at a future date. Loans and advances which are 60 days to 89 days past due under this category.

Classified or Non-Performing

Substandard represents credit facilities that require special attention. The facilities exhibit definable weakness, either in respect of the business, cash flow or financial position of the borrower, which may jeopardise repayment on existing terms. Loans and advances which are 90 days to 119 days past due fall under this category.

Doubtful represents credit facilities that demonstrate severe weaknesses, such that the prospects of full recovery of the amounts outstanding are questionable and prospects of a loss are high. Loans and advances which are 120 days past due or more fall under this category.

Loss represents credit facilities that are not collectable and little or nothing can be done to recover the amounts outstanding from any collateral or from the borrower's assets generally.

## 23. Risk management (cont'd)

*Risk governance (cont'd)*(b) *Credit quality (cont'd)*

The following table provides a breakdown of the loans and advances gross carrying amount according to the MAS Notice to Bank No. 612 "Credit Files, Grading and Provisioning":

2023	Stage 1 S\$'000	Stage 2 S\$'000	Stage 3 S\$'000	Total S\$'000
<b>Performing</b>				
Pass	310,960	1,794	–	312,754
Special Mention	–	900	–	900
<b>Classified or Impaired</b>				
Substandard	–	–	1,676	1,676
Doubtful	–	–	1,206	1,206
Loss	–	–	–	–
	310,960	2,694	2,882	316,536
<hr/>				
2022	Stage 1 S\$'000	Stage 2 S\$'000	Stage 3 S\$'000	Total S\$'000
<b>Performing</b>				
Pass	86,984	–	–	86,984
Special Mention	–	232	–	232
<b>Classified or Impaired</b>				
Substandard	–	–	6	6
Doubtful	–	–	–	–
Loss	–	–	–	–
	86,984	232	6	87,222

In order to determine whether an instrument is subject to 12-month ECL or lifetime ECL, the Bank assesses whether there has been a significant increase in credit risk ("SICR") since initial recognition. SICR is recognised based on the change in the risk of default between initial recognition and reporting date. The Bank monitors SICR based on its delinquency status of its credit exposures which is based on 30 days past due trigger.

The Bank considers its credit exposures defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

23. Risk management (cont'd)

*Risk governance (cont'd)*

(b) *Credit quality (cont'd)*

Concentration risk

Specifically in the area of country or industry exposure, concentration of credit risk exists when changes in geographic or industry factors affect groups of counterparties whose aggregate credit exposure is significant in relation to the Bank's total credit exposures. Other than Singapore, the Bank is not exposed to concentration risk from specific countries. As at 31 December 2023, the Bank has only granted credit facilities to private individuals.

(c) *Market risk*

Market risk is the risk that the fair value or future cash flows of the Bank's financial instruments will fluctuate because of changes in market variables interest rate and foreign exchange rates:

(i) Interest rate risk

The Bank defines interest rate risk in the banking book ("IRRBB") as the potential for a reduction in earnings or economic value due to movements in interest rates on banking book assets, liabilities and off-balance sheet items. This risk arises from differences in the re-pricing profile, interest rate basis, and optionality of these exposures. The Bank monitors IRRBB in line with Standardised Approach for Interest Rate Risk in the Banking Book under MAS Notice 637. As at 31 December 2023, the IRRBB metric remained within threshold with a maximum impact of S\$2,443,000.

(ii) Foreign exchange risk

Foreign exchange risk is the risk to earnings and value of financial instruments caused by fluctuations in foreign exchange rates.

The Bank's business is conducted and recorded in Singapore Dollars (S\$). The Bank monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. At present, the Bank's foreign exchange activities are mainly derived from share of cost recharges from related entities and technology license fee payable to a related company. Since majority of the Bank's transactions are in SGD, the Bank considers the impact of foreign exchange exposure to be minimal.

The following table summarises the SGD equivalent amount of the Bank's exposures to foreign currencies including SGD as at 31 December:

Trust Bank Singapore Limited

Notes to the financial statements  
For the financial year ended 31 December 2023

23. Risk management (cont'd)

*Risk governance (cont'd)*

(c) *Market risk (cont'd)*

(ii) Foreign exchange risk (cont'd)

2023	USD S\$'000	SGD S\$'000	Total S\$'000
<b>Financial assets</b>			
Cash and balances with central bank	–	276,656	276,656
Loans and advances to customers	–	316,536	316,536
Amounts due from immediate holding company	13,621	6,901	20,522
Other assets (excluding prepayments)	804	56,216	57,020
	14,425	656,309	670,734
<b>Financial liabilities</b>			
Deposits of non-Bank Customers	–	1,872,639	1,872,639
Amounts due to related companies and branches of the ultimate holding company	13,840	407	14,247
Amounts due to related parties	–	3,531	3,531
Other liabilities (excluding provisions)	–	31,740	31,740
	13,840	1,908,317	1,922,157
<b>Net exposure</b>	585	(1,252,008)	(1,251,423)

## 23. Risk management (cont'd)

*Risk governance (cont'd)*(c) *Market risk (cont'd)*(ii) Foreign exchange risk (cont'd)

<b>2022</b>	<b>USD</b> S\$'000	<b>SGD</b> S\$'000	<b>Total</b> S\$'000
<b>Financial assets</b>			
Cash and balances with central bank	–	239,679	239,679
Loans and advances to customers	–	87,222	87,222
Amounts due from immediate holding company	19,524	45,712	65,236
Other assets (excluding prepayments)	298	14,504	14,802
	19,822	387,117	406,939
<b>Financial liabilities</b>			
Deposits of non-Bank Customers	–	647,336	647,336
Amounts due to related companies and branches of the ultimate holding company	21,485	751	22,236
Amounts due to related parties	–	5,808	5,808
Other liabilities (excluding provisions)	–	23,319	23,319
	21,485	677,214	698,699
<b>Net exposure</b>	(1,663)	(290,097)	(291,760)

Foreign exchange risk is measured using sensitivity analysis that estimates the potential impact resulting from a 10% change in the foreign exchange rates for USD against the SGD at the reporting date. The estimated impact on profit or loss before tax for the Bank are as follows:

	<b>2023</b> S\$'000	<b>2022</b> S\$'000
<b>Increase/(decrease) in profit before tax</b>		
USD (+/-10%)	+/- 59	+/- 166

## 23. Risk management (cont'd)

*Risk governance (cont'd)*(d) *Liquidity risk*

Liquidity and Funding Risk is the risk that the Bank may not have sufficient stable or diverse sources of funding to meet its obligations as they fall due. The Bank's policy is to maintain adequate liquidity and funding at all times. Liquidity risk is managed in conjunction with set liquidity policies and practices and local regulatory requirements. The Bank's ALCO is chaired by the Chief Executive Officer and Chief Financial Officer. The ALCO is responsible for determining the Bank's approach to balance sheet management, recovery and resolution planning and ensuring that, in executing the Bank's strategy, the Bank operates within internally approved risk appetite and external requirements relating to capital, liquidity, leverage, interest rate risk in the banking book, and meets internal and external recovery and resolution planning requirements (where applicable).

Liquidity and Funding Risk is a risk sub-type under the Capital and Liquidity PRT.

The table below summarises the maturity profile of the Bank's financial liabilities as at 31 December based on contractual cashflows. The balances of the accounts in the below tables will approximate the balances on the balance sheet due to the short term nature of the accounts.

2023	On demand S\$'000	Less than 3 months S\$'000	3 to 12 months S\$'000	1 year to 5 years S\$'000	Total S\$'000
<b>Financial liabilities</b>					
Amounts due to related companies and branches of the ultimate holding company	–	1,597	6,325	6,325	14,247
Deposits of non-bank customer	1,872,638	–	–	–	1,872,638
Amounts due to related parties	–	3,531	–	–	3,531
Other liabilities (excluding provisions)	242	28,436	2,051	1,011	31,740
	1,872,880	33,564	8,376	7,336	1,922,156
<hr/>					
2022	On demand S\$'000	Less than 3 months S\$'000	3 to 12 months S\$'000	1 year to 5 years S\$'000	Total S\$'000
<b>Financial liabilities</b>					
Amounts due to related companies and branches of the ultimate holding company	–	4,434	4,911	12,891	22,236
Deposits of non-bank customer	647,336	–	–	–	647,336
Amounts due to related parties	–	5,808	–	–	5,808
Other liabilities (excluding provisions)	51	19,906	1,033	2,329	23,319
	647,387	30,148	5,944	15,220	698,699

**24. Fair value measurements**

The carrying amounts of cash and balances with central bank, loans and advances to customers, amounts due from immediate holding company, other assets (excluding prepayments), right-of-use assets, deposit of non-bank customers, other liabilities (excluding provisions), amounts due to related companies and branches of the ultimate holding company, amount due to related parties are measured at amortised cost. The carrying value of these financial instruments is an approximation of the fair value because they are either (i) short term in nature or (ii) are receivable or payable on demand.

The Singapore government treasury bills are measured at fair value based on quoted market prices in active markets and is classified as level 1 in the fair value hierarchy as at the end of the reporting period.

As at the end of 31 December 2023 and 2022, the Bank does not have any financial assets or financial liabilities that can be offset within the associated balance sheet line.

**25. Capital management**

The Bank's capital management strategy is based on guidelines set out in the Capital and Liquidity Risk Type framework, which has been formally approved by the Board. The capital requirements are mapped out on an annual basis as part of the Bank's corporate plan with the key objective to optimise and to maintain a strong capital position to meet ongoing regulatory requirements and the expectation of various stakeholders. Capital is managed in conjunction with set capital policies and practices and local regulatory requirements.

	<b>2023</b>	<b>2022</b>
	S\$'000	S\$'000
Share capital	510,000	400,000
Accumulated losses	(341,620)	(213,241)
	<hr/>	<hr/>
	168,380	186,759
	<hr/>	<hr/>

The Board maintains oversight of the regulatory capital of the Bank in line with regulatory requirements under the Monetary Authority of Singapore Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore" that sets out the requirements relating to the minimum capital adequacy ratios for banks incorporated in Singapore and the methodology the banks shall use in calculating these ratios.

The Bank has complied with all externally imposed regulatory capital requirements for the financial period.

**26. Geographical analysis**

The Bank's total assets, income before operating expenses and net loss for the year are booked in Singapore.

**27. Events after the reporting period**

On 11 January 2024, the Bank received a total capital of S\$80,000,000 from its shareholders as part of the 1<sup>st</sup> tranche of scheduled capital injection in year 2024.

**28. Authorisation of financial statements for issue**

The financial statements of the Bank were authorised for issue by the Board of Directors on 15 March 2024.



Company Registration No.: 202039712G

## Trust Bank Singapore Limited

Supplementary information  
31 December 2023

(The following supplementary information does not form part of the  
financial statement of the Bank)

**Trust Bank Singapore Limited**

**Supplementary information  
For the financial year ended 31 December 2023**

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**Capital adequacy ratios**

The capital adequacy ratio and capital components of the Bank are:

	<b>2023</b> %	<b>2022</b> %
Common Equity Tier 1 capital	23.8%	92.2%
Tier 1 capital	23.8%	92.2%
Total capital	24.9%	93.3%

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	<b>2023</b> S\$'million	<b>2022</b> S\$'million
Common Equity Tier 1 capital	87	115
Tier 1 capital	87	115
Tier 2 capital	4	1
Total capital	91	116

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**Risk weighted assets:**

Credit risk	322	115
Operational risk	44	8
Market risk	—*	2
Total risk weighted assets	366	125

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\* Market risk weighted assets amount to 200k.

**Financial Review**

Trust Bank is Singapore's first cloud-native bank and was launched in a partnership with FairPrice Group in September 2022.

Trust Bank continued to scale and, by reaching 12 per cent market share a year after launch, became one of the world's fastest growing digital banks. Product development remained on track, with the launch of unsecured loans, supplementary credit cards, and broadening of the general insurance offering. By the end of 2023, its customer base had grown 1.7 times YoY to 700,000 customers and deposit balances had grown 3.0 times YoY to \$1.9bn. Customer engagement remained strong with card activation of 85 per cent and more than 2 million digital coupons redeemed by customers in the Trust ecosystem. In its first year of operation, Trust was recognised as the best digital retail bank in Singapore and Southeast Asia by The Digital Banker and was the number one rated banking app in the Singapore Apple App Store.

Trust Bank aims to become the fourth largest retail bank in Singapore by the end of 2024. To achieve this, it will scale through its partner ecosystem and deepen its customer relationships with the mass and mass affluent customer segments.