Goldman Sachs Asia Bank Limited, a restricted licence bank
(Formerly known as "Goldman Sachs Asia Pacific Company Limited")

Directors' Report and Financial Statements

For the year ended 31 December 2015

Goldman Sachs Asia Bank Limited, a restricted licence bank
(Formerly known as “Goldman Sachs Asia Pacific Company Limited”)

Directors’ Report and Financial Statements
For the year ended 31 December 2015

Contents Pages

Goldman Sachs Asia Bank Limited, a restricted licence bank
(Formerly known as "Goldman Sachs Asia Pacific Company Limited")

Directors' Report

The directors submit their report together with the audited financial statements of Goldman Sachs Asia Bank Limited (the "Company"), a restricted licence bank, for the year ended 31 December 2015.

Principal activity

On 19 August 2015, the Monetary Authority granted the Company a restricted banking licence under the Banking Ordinance.

The Company has not commenced business as of the date of this report.

Results and appropriations

The results of the Company for the year ended 31 December 2015 are set out in the statement of comprehensive income on page 5.

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015.

Share capital

Details of the Company's share capital are set out in note 10 to the financial statements.

Directors

The directors of the Company during the year and up to the date of this report were:

Chairman and non-executive director:	
Mr. Timothy Freshwater	
Directors:	
Mr. Amol Naik	
Mr. John Killian	(resigned on 31 July 2015)
Non-executive director:	
Mr. James Houghton	(appointed on 6 January 2015)
Independent non-executive directors:	
Ms. Syaru Shirley Lin	(appointed on 6 January 2015)
Mr. Patrick Paul	(appointed on 6 January 2015)

There being no provision in the Company's Articles of Association for retirement by rotation, all current directors continue in office.

Mr. John Killian resigned on 31 July 2015 as a director of the Company. Mr. John Killian confirmed that he has no disagreement with the Board and nothing related to the affairs of the Company needed to be brought to the attention of the member of the Company.

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

No transactions, arrangements or contracts of significance in relation to the Company's business to which the Company, its affiliated companies, its parent companies or its ultimate parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' interests in equity and debt securities or any specified undertaking of the Company

Directors of the Company, except for the independent non-executive directors, have acquired interests in the shares of the Company's ultimate parent company, The Goldman Sachs Group, Inc., through equity-based compensation arrangements. Pursuant to awards made under these employee incentive plans, all of the directors of the Company during the year, except for the independent non-executive directors, received common shares in the Company's ultimate parent company.

Except for the above, at no time during the year was the Company, its affiliated companies, its parent companies or its ultimate parent company a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Permitted indemnity provisions

The Articles of Association of the Company provide that the Company may indemnify any director of the Company against any liability incurred by the director in relation to the Company in defending any proceedings, whether civil or criminal, in which judgment is given in the director's favor or in which the director is acquitted or in connection with any application under certain provisions of the Hong Kong Companies Ordinance in which relief is granted to the director by the court.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the coming Annual General Meeting of the Company.

On behalf of the Board

T Freshwater

Director

26 April 2016

pwc

羅兵咸永道

Independent Auditor's Report
To the Member of Goldman Sachs Asia Bank Limited
(Formerly known as "Goldman Sachs Asia Pacific Company Limited")
(incorporated in Hong Kong with limited liability)

We have audited the financial statements of Goldman Sachs Asia Bank Limited (the "Company") set out on pages 5 to 20, which comprise the balance sheet as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, 21/F Edinburgh Tower, 15 Queen's Road Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

羅兵咸永道

Independent Auditor's Report
To the Member of Goldman Sachs Asia Bank Limited
(Formerly known as "Goldman Sachs Asia Pacific Company Limited") (continued)
(incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 April 2016

Goldman Sachs Asia Bank Limited, a restricted licence bank
(Formerly known as "Goldman Sachs Asia Pacific Company Limited")

Statement of Comprehensive Income
For the year ended 31 December 2015

	Note	2015 US$	2014 US$
Interest income	5	15	27
Operating expenses	6	(861,631)	(191)
Loss before income tax		(861,616)	(164)
Income tax expense	8	-	-
Loss and total comprehensive loss for the year		(861,616)	(164)

The accompanying notes are an integral part of these financial statements.

Goldman Sachs Asia Bank Limited, a restricted licence bank
(Formerly known as "Goldman Sachs Asia Pacific Company Limited")

Balance Sheet
As at 31 December 2015

	Note	2015 US$	2014 US$
Assets			
Current assets			
Cash and balances with banks	9	13,808,190	9,580
Total assets		**13,808,190**	**9,580**
Liabilities			
Current liabilities			
Amount due to related parties	12	205,468	-
Other liabilities and accrued expenses		454,758	-
Total liabilities		**660,226**	**-**
Equity			
Share capital	10	14,010,000	10,000
Accumulated losses		(862,036)	(420)
Total equity		**13,147,964**	**9,580**
Total equity and liabilities		**13,808,190**	**9,580**

The financial statements on page 5 to 20 were approved by the Board of Directors on 26 April 2016 and were signed on its behalf.

....
Director Director

The accompanying notes are an integral part of these financial statements.

Goldman Sachs Asia Bank Limited, a restricted licence bank
(Formerly known as "Goldman Sachs Asia Pacific Company Limited")

Statement of Changes in Equity
For the year ended 31 December 2015

	Note	Share capital US$	Accumulated losses US$	Total US$
2015				
At the beginning of the year		10,000	(420)	9,580
Additional capital contributions	10	14,000,000	-	14,000,000
Total comprehensive loss for the year		-	(861,616)	(861,616)
At the end of the year		14,010,000	(862,036)	13,147,964
2014				
At the beginning of the year		10,000	(256)	9,744
Total comprehensive loss for the year		-	(164)	(164)
At the end of the year		10,000	(420)	9,580

The accompanying notes are an integral part of these financial statements.

Goldman Sachs Asia Bank Limited, a restricted licence bank
(Formerly known as "Goldman Sachs Asia Pacific Company Limited")

Statement of Cash Flows
For the year ended 31 December 2015

	Note	2015 US$	2014 US$
Operating activities			
Cash used in operations	13	(201,390)	(164)
Net cash outflow from operating activities		(201,390)	(164)
Financing activities			
Proceeds from capital contributions	10	14,000,000	-
Net cash inflow from financing activities		14,000,000	-
Increase / (decrease) in cash and cash equivalents		13,798,610	(164)
Cash and cash equivalents, at the beginning of the year		9,580	9,744
Cash and cash equivalents, at the end of the year	9	13,808,190	9,580

The accompanying notes are an integral part of these financial statements

1 General information

Goldman Sachs Asia Bank Limited (the "Company"), a restricted licence bank, is a limited liability company incorporated in Hong Kong on 12 December 2012. The address of its registered office is 68th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

The Company is wholly owned by Goldman Sachs Holdings (Hong Kong) Limited. The ultimate parent company is The Goldman Sachs Group, Inc. ("Group Inc.") which is incorporated in the State of Delaware, U.S.A. and listed on the New York Stock Exchange.

On 19 August 2015, the Monetary Authority granted the Company a restricted banking licence under the Banking Ordinance.

The Company has not commenced business as of the date of this report.

All references to 2015 and 2014 refer to the years ended, or the dates, as the context requires, 31 December 2015 and 31 December 2014, respectively.

2 Summary of principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements are prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"). They have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets or liabilities.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Company

The following standards have been adopted by the Company for the first time for the accounting year beginning on or after 1 January 2015:

Annual improvement to HKFRS 13, "Fair value measurement", clarifies that the portfolio exception in HKFRS 13, which allows an entity to measure the fair value of a company's financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of HKAS 39 or HKFRS 9.

Annual improvement to HKAS 24, "Related Party Disclosures", clarifies that the reporting entity is not required to disclose the compensation paid by the management entity (as a related party) to management entity's employee or director, but it is required to disclose the amount charged to the reporting entity by the management entity for services provided.

Other standards, amendments and interpretations which are effective for the accounting period beginning on 1 January 2015 have had no significant financial impact on these financial statements.

2 Summary of principal accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(b) New standards and interpretations not early adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. Further information about those HKFRSs that are expected to be applicable to the Company is set out below:

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedged ratio" to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Company is yet to assess HKFRS 9's full impact.

Amendment to HKAS 1 for the disclosure initiative clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The above amendments do not have any material financial impact on the Company.

There are no other HKFRSs or Hong Kong International Financial Reporting Interpretations Committee ("HK(IFRIC")) interpretations that are not yet effective that would be expected to have a material impact on the Company.

(c) New Hong Kong Companies Ordinance (Cap. 622)

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) has come into operation during the financial year and as a result, there are changes to presentation and disclosures of certain information in the financial statements.

2.2 Currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The

2 Summary of principal accounting policies (continued)

2.2 Currency translation (continued)

(a) Functional and presentation currency (continued)

financial statements are presented in US dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in currencies other than US dollars are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than US dollars, are recognised in the statement of comprehensive income.

2.3 Revenue recognition

Interest income is recognised on a time apportioned basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2.4 Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is then recognised in other comprehensive income or directly in equity.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.5 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

2 Summary of principal accounting policies (continued)

2.6 Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.7 Comparatives

Where necessary, comparative figures have been reclassified to conform with the current year's presentation.

3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

3.1 Income taxes

Judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4 Financial risk management

Normal trading activities expose the Company to credit, market, liquidity and operational risks. These risks, described below, are managed in accordance with established risk management policies and procedures.

Group Inc. and its consolidated subsidiaries (together "GS Group") monitor credit, market, liquidity and operational risk on a consistent basis firmwide. Consequently, the Company, as part of the global group, adheres to global risk management policies and procedures.

The Company seeks to monitor and control its risk exposure through a risk and control framework encompassing a variety of separate, but complementary, financial, credit, operational, compliance, legal reporting systems and internal controls, management review processes and other mechanisms. In addition, a number of global, regional and entity committees are responsible for monitoring risk exposures and for general oversight of the Company's risk management process. These committees meet regularly and consist of senior members of both the revenue-producing units and departments that are independent of the revenue-producing units. In addition to these committees, functions that are independent of the revenue-producing units, such as Compliance, Finance (including Risk Management), Legal, Internal Audit and Operations, perform risk management functions, which include monitoring, analysing and evaluating risk.

4 Financial risk management (continued)

4.1 Credit risk

Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty. Exposure to credit risk comes from cash placed with banks.

Credit Risk Management, which is independent of the revenue-producing units and reports to the Chief Risk Officer of GS Group, has primary responsibility for assessing, monitoring and managing credit risk.

The GS Group Credit Policy Committee and the GS Group Risk Committee establish and review credit policies and parameters. The Company's framework for managing credit risk is consistent with GS Group's framework.

Policies authorised by the GS Group Risk Committee and the GS Group Credit Policy Committee prescribe the level of formal approval required for the Company to assume credit exposure to a counterparty across all product areas, taking into account any applicable netting provisions, collateral or other credit risk mitigants. These policies are complemented by specific policies for the Company, which are approved by the Company's governance bodies.

Effective management of credit risk requires accurate and timely information, a high level of communication and knowledge of customers, countries, industries and products. The process for managing credit risk includes:

- approving transactions and setting and communicating credit exposure limits;
- monitoring compliance with established credit exposure limits;
- assessing the likelihood that a counterparty will default on its payment obligations;
- measuring the Company's current and potential credit exposure and losses resulting from counterparty default;
- reporting of credit exposures to senior management, boards of directors and regulators;
- use of credit risk mitigants, including collateral and hedging; and
- communication and collaboration with other independent control and support functions such as Operations, Legal and Compliance.

As part of the risk assessment process, Credit Risk Management performs credit reviews which include initial and ongoing analyses of our counterparties. For substantially all of the Company's credit exposures, the core of the process is an annual counterparty review. A credit review is an independent judgment about the capacity and willingness of a counterparty to meet its financial obligations. The determination of internal credit ratings incorporates assumptions with respect to the counterparty's future business performance, the nature and outlook for the counterparty's industry, and the economic environment. Senior personnel within Credit Risk Management, with expertise in specific industries, inspect and approve credit reviews and internal credit ratings.

The global credit risk management systems capture credit exposure to individual counterparties and, on an aggregate basis, to counterparties and their subsidiaries (economic groups). These systems also provide management with comprehensive information on aggregate credit risk by product, internal credit rating, industry, country and region.

Credit risk is measured based on the potential loss in an event of non-payment by a counterparty. Credit risk is also monitored in terms of current exposure, which is the amount presently owed to the Company after taking into account applicable netting and collateral.

Credit limits is measured at various levels (counterparty, economic group, industry, country) to control the size of the Company's credit exposures. Limits for counterparties and economic groups are reviewed regularly and revised to reflect changing appetites for a given counterparty or group of counterparties. Limits for industries and countries are based on the Company's risk

4 Financial risk management (continued)

4.1 Credit risk (continued)

tolerance and are designed to allow for regular monitoring, review, escalation and management of credit risk concentrations.

Credit concentration risk represents the risk of increased financial loss through significant credit exposures to the same counterparty or group of related counterparties that failed to perform under their contractual obligations.

(a) Credit Exposure

Cash and cash equivalents. Cash and cash equivalents include both interest bearing and non-interest bearing deposits. To mitigate the risk of credit loss, the Company places substantially all of its deposits with highly rated banks.

(b) Exposure to credit risk by class

The following tables disclose the carrying values of financial assets recorded in the financial statements and represent the Company's maximum exposure to credit risk without taking into account any other credit enhancements:

Financial assets	2015 US$	2014 US$
Cash and cash equivalents	13,808,190	9,580
	13,808,190	9,580

The following table shows the carrying value of financial assets grouped by credit ratings. The categories shown reflect our internally determined public rating agency equivalents.

Credit rating	2015 US$	2014 US$
AA	7,000,918	-
A	6,807,272	9,580
Total	13,808,190	9,580

The Company had no financial assets that were either past due or impaired as at 31 December 2015 (2014: Nil).

4.2 Market risk

Market risk is the risk of loss in the value of the Company's financial instruments due to changes in market conditions. Financial instruments are accounted for at fair value and therefore fluctuate on a daily basis. Categories of market risk include the following:

- interest rate risk: results from exposures to changes in the level, slope and curvature of yield curves, the volatilities of interest rates and credit spreads; and

4 Financial risk management (continued)

4.2 Market risk (continued)

- currency rate risk: results from exposures to changes in spot prices, forward prices and volatilities of currency rates.

Market Risk Management, which is independent of the revenue-producing units and reports to the Chief Risk Officer of GS Group, has primary responsibility for assessing, monitoring and managing market risk. Risks are monitored and controlled through strong oversight and independent control and support functions across the global businesses.

The Company's framework for managing market risk is consistent with, and part of, the GS Group's framework, and results are analysed by business and in aggregate, at both the GS Group and Company level.

The Company's operating cash flows are not substantially affected by changes in interest rate risk or currency rate risk.

4.3 Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient cash or collateral to make payments to its counterparties and customers as they fall due. Liquidity is of critical importance to financial institutions. Most of the failures of financial institutions have occurred in large part due to insufficient liquidity. Accordingly, the Company has in place a comprehensive and conservative set of liquidity and funding policies to address both company-specific and broader industry or market liquidity events. The principal objective is to be able to fund the Company and to enable the core businesses to continue to serve clients and generate revenues, even under adverse circumstances.

The Company manages liquidity risk according to the following principles:

- liquidity – maintaining substantial excess liquidity to meet a broad range of potential cash outflows and collateral needs in a stressed environment;

- asset / liability management – assessing anticipated holding periods for the Company's assets and their expected liquidity in a stressed environment, maintaining the maturities and diversity of funding across markets, products and counterparties, and seeking to maintain liabilities of appropriate tenor relative to the asset base; and

- contingency funding plan – maintaining a contingency funding plan to provide a framework for analysing and responding to a liquidity crisis situation or periods of market stress. The framework sets forth the plan of action to fund normal business activity in emergency and stressed situations.

4 Financial risk management (continued)

4.3 Liquidity risk (continued)

The following table details the undiscounted cash flows of the Company's financial assets and financial liabilities by remaining contractual maturity, including interest that will accrue.

	2015						
	On demand	Less than one month	More than one month but less than three months	More than three months but less than one year	More than one year but less than five years	More than five years	Total
	US$	US$	US$	US$	US$	US$	US$
Financial assets							
Cash and balances with banks	13,808,190	-	-	-	-	-	13,808,190
Total financial assets	13,808,190	-	-	-	-	-	13,808,190
Financial liabilities							
Amount due to related parties	205,468	-	-	-	-	-	205,468
Other liabilities and accrued expenses	-	191,258	160,800	102,700	-	-	454,758
Total financial liabilities	205,468	191,258	160,800	102,700	-	-	660,226

	2014						
	On demand	Less than one month	More than one month but less than three months	More than three months but less than one year	More than one year but less than five years	More than five years	Total
	US$	US$	US$	US$	US$	US$	US$
Financial assets							
Cash and balances with banks	9,580	-	-	-	-	-	9,580
Total financial assets	9,580	-	-	-	-	-	9,580
Financial liabilities							
Amount due to related parties	-	-	-	-	-	-	-
Other liabilities and accrued expenses	-	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-	-

4 Financial risk management (continued)

4.4 Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Company's exposure to operational risk arises from routine processing errors as well as extraordinary incidents, such as major systems failures. Potential types of loss events related to internal and external operational risk include: clients, products and business practices, execution, delivery and process management, business disruption and system failures, employment practices and workplace safety, damage to physical assets, internal fraud, and external fraud.

Operational Risk Management is a risk management function independent of the revenue producing units and is responsible for developing and implementing policies, methodologies and a formalised framework for operational risk management with the goal of minimising the firm's exposure to operational risk.

The objective of the operational risk management function of the Company is to develop and implement an operational risk management framework for the Company. The framework enables management to:

.

- analyse, aggregate, and report operational risk events, trends, and exposures to senior management and business managers;
- proactively effect ongoing changes in business practices with the goal of further improving operational risk management; and
- run the analytic framework to calculate operational risk capital for internal risk management and decision-making purposes.

Operational risk management is embedded in all elements of the Company's functions and is supported through the promotion of a strong control culture and an organisational structure that reflects this philosophy. The Company has adopted methodologies to manage and measure operational risk.

4.5 Offsetting financial assets and financial liabilities

There were no significant financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2015 (2014: Nil).

4.6 Fair value estimation

The carrying value of financial assets and financial liabilities are a reasonable approximation of their fair values.

4.7 Capital management

The Company's capital is considered to comprise total equity on the balance sheet. The primary objectives in managing capital are to safeguard the ability of the Company to continue as a going concern and to meet the capital requirements of the Company's regulators in Hong Kong.

The Company is regulated by the Hong Kong Monetary Authority ("HKMA") and as such is subject to minimum capital requirements. The Company's capital is monitored on an ongoing basis in accordance with the Company's Capital Management Policy to ensure compliance with these requirements. The Company must ensure the capital is sufficient to meet the minimum capital adequacy ratio as required by the HKMA.

4 Financial risk management (continued)

4.7 Capital management (continued)

The Company has met HKMA's capital adequacy ratio requirements for the period ended 31 December 2015 since it was granted the restricted bank licence on 19 August 2015.

To adjust capital the Company may pay dividends, return capital to its shareholder or call additional capital contributions.

5 Interest income

	2015 US$	2014 US$
Interest income from:		
- balances with financial institutions	15	27

6 Operating expenses

Operating expenses include:

	Note	2015 US$	2014 US$
Net currency translation losses		214	165
Professional fees		592,294	-
Auditor's remuneration		13,500	-
Directors' emoluments	7	197,222	-
Other expenses		58,401	26
Total		861,631	191

Auditor's remuneration of US$10,000 for the year ended 31 December 2014 was borne by the Company's affiliate.

7 Directors' emoluments

The emoluments of the Directors of the Company disclosed pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation were set out below:

	2015 US$	2014 US$
Fees paid to independent non-executive directors	197,222	-

Other directors have neither received nor will receive any emoluments in respect of their services as directors of the Company or in connection with the management of the affairs of the Company (2014: Nil).

8 Income tax expense

No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits arising in Hong Kong during the year (2014: Nil).

The tax on the Company's loss before income tax differs from the theoretical amount that would arise using the Hong Kong taxation rate due to the following:

	2015 US$	2014 US$
Loss before income tax	(861,616)	(164)
Tax calculated at Hong Kong tax rate of 16.5%	(142,167)	(27)
Income not subject to tax	(2)	(5)
Expenses not deductible for tax purposes	109,627	32
Deferred income tax asset not recognised for the tax loss	32,542	-
Income tax expense	-	-

9 Cash and balances with banks

	2015 US$	2014 US$
Cash and balances with financial institutions	13,808,190	9,580

10 Share capital

The movement of share capital was:

	2015		2014	
	Number of shares	Share capital US$	Number of shares	Share capital US$
At the beginning of the year	10,000	10,000	10,000	10,000
Additional capital contributions (Note (a))	14,000,000	14,000,000	-	-
At the end of the year	14,010,000	14,010,000	10,000	10,000

(a) On 14 January 2015 and 26 June 2015, the Company issued 1,000,000 and 13,000,000 ordinary shares to its member for US$1,000,000 and US$13,000,000, respectively, which were fully paid in cash.

11 Deferred income tax

Deferred income tax assets are recognised for tax loss carry forward to the extent that the realisation of the related tax benefit through future taxable profit is probable. The Company did not recognise deferred income tax asset of US$32,542 (2014: Nil) in respect of losses amounting to US$197,222 (2014: Nil) that can be carried forward against future taxable income.

12 Related party transactions

The following transactions were carried out with related parties:

	Note	2015 US$	2014 US$
Liabilities			
Amount due to related parties			
- an affiliated company	(a)	205,468	-

(a) The amount due to an affiliated company represents expenses paid on behalf of the Company.

As at 31 December 2015, the Company has not commenced lending activities and there was no amount lent to affiliates.

Key management compensation

Apart from its directors, whose aggregate emoluments are disclosed in note 7 above, no individuals have been identified as key management for the years ended 31 December 2014 and 31 December 2015.

13 Notes to the statement of cash flows

Reconciliation of loss before income tax to cash used in operations:

	2015 US$	2014 US$
Loss before income tax	(861,616)	(164)
Changes in operating assets and liabilities:		
Amount due to related parties	205,468	-
Other liabilities and accrued expenses	454,758	-
Cash used in operations	(201,390)	(164)

14 Events after the reporting period

On 7 January 2016, the Company changed its name from Goldman Sachs Asia Pacific Company Limited to Goldman Sachs Asia Bank Limited.

15 Approval of financial statements

The financial statements were approved by the board of directors on 26 April 2016.

Goldman Sachs Asia Bank Limited, a restricted licence bank
(Formerly known as “Goldman Sachs Asia Pacific Company Limited”)

Unaudited Supplementary Financial Information

For the year ended 31 December 2015

The following information is disclosed as part of the accompanying information to the financial statements to comply with the Banking (Disclosure) Rules and does not form part of the audited financial statements.

1 Corporate Governance

The Board of Directors ("The Board") and the management of Goldman Sachs Asia Bank Limited (the "Company"), a restricted licence bank, recognises the importance of robust corporate governance to ensure an environment of effective oversight and strong accountability.

To the extent applicable, the Company has complied with the requirements set out in the guideline CG-1 "Corporate Governance of Locally Incorporated Authorized Institutions" issued by the Hong Kong Monetary Authority ("HKMA").

The Company's ultimate parent company is The Goldman Sachs Group, Inc. ("Group Inc."). The term "GS Group" refers to Group Inc. and its consolidated subsidiaries.

1.1 Board of Directors

The Board is responsible for overseeing the establishment of corporate governance policies and procedures in order to protect the interests of the Company's stakeholders and to ensure the safety and soundness of the Company's operations and its compliance with applicable laws and regulations. Directors exercise their independent judgment when managing the Company's business. The Board oversees the implementation of controls and risk management processes and take the steps it reasonably believes are necessary to ensure that a strong and cooperative relationship with regulators exist.

Currently, the Board comprises five members: one executive director, two non-executive directors and two independent non-executive directors.

The directors of the Board collectively possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight of the Company's business.

The Board meets at least once in each quarter.

1.2 Audit Committee

The Audit Committee is a board level committee currently comprises of three non-executive directors, of whom the chairperson of the Audit Committee is independent.

The purposes of the Audit Committee are to:

(1) assist the Board in its oversight of:
- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- the Company's external independent auditors' qualifications, independence and performance;
- the performance of the Company's Internal Audit;
- the Company's internal controls over financial reporting and the financial reporting process;
- the review and approval of the audit scope and frequency;
- receipt of audit reports and ensuring that bank management takes necessary corrective action in a timely manner to address control weakness, non-compliance with policies, laws and regulations or other problems identified by the auditors;
- reviewing the HKMA on-site examination reports and bringing major findings to the attention of the Board;

1 Corporate Governance (continued)

1.2 Audit Committee (continued)

- the Company's management of financial and operational risks, including market, credit and liquidity risks; and

(2) recommend to the Board or shareholders (as applicable) the appointment, retention, re-appointment, compensation and termination of the Company's external auditors, and to pre-approve all audit, audit-related, tax and other services, if any, to be provided by the external auditors to the Company.

The Audit Committee shall hold regular meetings from time to time as required.

1.3 Bank committees

In addition to the Board and the Audit Committee, the Company has established the Management Committee, Risk Committee, Credit Sub-committee and Asset and Liability Sub-committee as part of its corporate governance framework. These committees meet regularly and serve as an important means to facilitate and foster ongoing discussions to identify, manage and mitigate risks.

The main duties and responsibilities of the Company's committees are described below. In addition to their duties and responsibilities, all committees are also accountable for business standards and practices, reputational risk management and, where applicable, client service, within the scope of their mission.

(a) Management Committee

The Management Committee oversees all activities of the Company, including all risk control functions. The Committee provides this oversight directly and through authority delegated to the committees it has established, if any, and coordinating with other committees and sub-committees of the Company.

The Management Committee is co-chaired by the approved Chief Executive and Alternate Chief Executive and its membership includes senior managers from the revenue-producing divisions and independent control and support functions.

The Management Committee reports to the Board.

(b) Risk Committee

The Risk Committee is responsible, directly or through its subcommittees, for the on-going monitoring and management of the Company's: (a) market risk, credit risk, operational risk, liquidity risk, interest rate risk, reputational risk, legal risk and strategic risk; and (b) compliance with the minimum regulatory capital ratios required under the HKMA requirements.

The Risk Committee is co-chaired by the approved Alternate Chief Executive and the prospective Chief Risk Officer and its membership includes senior managers from the revenue-producing divisions and independent control and support functions.

The Risk Committee reports to the Board.

1 Corporate Governance (continued)

1.3 Bank committees (continued)

(c) Credit Sub-committee

The Credit Sub-committee is responsible for (i) ensuring the Company has an appropriate and effective credit risk management process, and (ii) ongoing monitoring and review of the Company's counterparty credit risk exposure.

The Credit Sub-committee is chaired by the prospective Chief Risk Officer and its membership includes senior managers from independent control and support functions.

The Credit Sub-committee reports to the Risk Committee.

(d) Asset and Liability Sub-committee

The Asset and Liability Sub-committee considers and addresses matters related to the Company's liquidity, funding and asset liability management. The Committee will review and make recommendations to the Risk Committee of the Company and Corporate Treasury with respect to the Company's liquidity position and funding activities, including related models, frameworks and limits. The Committee may also recommend to the Risk Committee of the Company business unit-specific asset-liability management frameworks. In addition, the Committee will discuss entity and industry-wide initiatives related to liquidity and funding.

The Asset and Liability Sub-committee is chaired by the prospective Chief Risk Officer and Head of Corporate Treasury and its membership includes senior managers from the revenue-producing divisions and independent control and support functions.

The Asset and Liability Sub-committee reports to the Risk Committee.

2 Remuneration system

The Company has complied with Part 3 (Disclosure on remuneration) of CG-5 "Guidelines on a Sound Remuneration System" issued by the HKMA. Below are the applicable disclosures made pursuant to the requirements set out:

2.1 Design and implementation of remuneration system

The Board is responsible for establishing and maintaining the remuneration policy of the Company. The Company has adopted GS Group's global remuneration policy which will be implemented in a manner consistent with the GS Group's Amended and Restated Firmwide Performance Assessment & Variable Compensation Framework.

For further details on GS Group's global remuneration policy, please refer to the Proxy Statement via the link below:

http://www.goldmansachs.com/investor-relations/financials/current/proxy-statements/2016-proxy-statement-pdf.pdf

2 Remuneration system (continued)

2.2 Aggregate quantitative information on remuneration for senior management and key personnel

Senior management is defined as those persons who are responsible for oversight of the Company's strategy or activities and / or those of the Company's material business lines. Key personnel are defined as individual employees whose duties or activities in the course of their employment involve the assumption of material risk or taking on of material exposures on behalf of the Company.

The Company has not commenced business and has no employees since it was granted the restricted banking licence on 19 August 2015. No individuals have been identified as senior management or key personnel for the years ended 31 December 2014 and 2015 in respect of whom quantitative disclosures would be required under paragraphs (g) to (m) of Annex A of CG-5.

3 Risk management

3.1 Risk governance structure

The Board oversees the implementation of controls and risk management processes. The Board is responsible for approving key risk management policies and ensuring that an effective risk management framework is in place to facilitate an integrated approach to managing the Company's risks (e.g. credit, market and other major risks), including but not limited to regular review of reports on credit, market and operational risk which are in accordance with the Company's risk tolerance / appetite. The Board regularly reviews the risk management framework to ensure that it remains adequate and consistent with the Company's operating environment, and is able to support business expansion.

The Board has put in place a corporate governance framework consisting of bank committees to effectively oversee the operations of the Company. The committees and their roles are stated in the "1. Corporate Governance" section.

3.2 Management of principal risks

For the description on the Company's credit, market, liquidity and operational risks, please refer to Note 4 "Financial risk management" to the financial statements.

3.3 Approval of new products

The Goldman Sachs Firmwide New Activity Committee (the "Firmwide NAC") and Asia Pacific Regional New Activity Committees (the "RNAC") shall review proposals for new activities, products and services of the Company, including those that are, or may have been previously, undertaken or offered by the Company affiliates, and shall review potential acquisitions of entities or of significant amounts of assets or liabilities by the Company. The Firmwide NAC and RNAC may also review any other activity or transaction of the Company, at their discretion. The Firmwide NAC and RNAC shall take steps reasonably designed to ensure that the Company has the necessary infrastructure in place to identify, monitor and control risks associated with such new activities, potential acquisitions or transactions.

4 Internal Audit

Internal Audit is an integral part of the Company's risk management infrastructure, which provides independent assessment and opinions on the Company's control structure, and assists the Company's Audit Committee in fulfilling its oversight responsibilities.

5 Capital adequacy ratio

The capital ratios below are computed in accordance with the Banking (Capital) Rules of the Banking Ordinance.

	2015
Common Equity Tier 1 ("CET1") capital ratio	274%
Tier 1 capital ratio	274%
Total capital ratio	274%

Components of capital base

Total capital after deductions used in the calculation of capital adequacy ratio as at 31 December 2015 is as follows:

	2015
	US$
CET1 capital instruments	
Paid up ordinary share capital	14,010,000
Accumulated losses	(862,036)
CET1 capital before deductions	13,147,964
Deductions	-
CET1 after capital deductions	13,147,964
Additional Tier 1 capital	-
Tier 2 capital	-
Total capital	13,147,964

Information relating to the disclosure of the full terms and conditions of the Company's capital instruments can be viewed on the website: http://www.goldmansachs.com/disclosures/gsab-disclosures/terms-and-conditions.html

6 Capital charge for credit, market and operational risk

The capital requirements for each class of exposures are summarised as follows:

6.1 Capital charge for credit risk

The Company uses the Standardized (Credit Risk) Approach ("STC approach") to calculate its credit risk requirement.

The capital requirements on each class of exposures under the STC approach are as follows:

	2015	
	Risk weighted amounts US$	Capital charge US$
On-balance sheet		
Bank exposures	4,803,820	384,306

There were no off-balance sheet exposures in the Company as at 31 December 2015.

The capital requirement is determined by multiplying the Company's risk-weighted amount derived from the relevant calculation approach by 8%, not the Company's actual regulatory capital.

6.2 Capital charge for market risk

The Company uses the Standardized (Market Risk) Approach to calculate its market risk. There are no positions covered by the approach and no capital charge for market risk as at 31 December 2015.

6.3 Capital charge for operational risk

The Company uses the Basic Indicator Approach to calculate its operational risk.

	2015 US$
Capital charge for operational risk	49

6.4 Securitization exposures

The Company does not have securitization exposure as at 31 December 2015.

6.5 Credit risk exposures

Standard & Poor's Rating Services and Moody's Investors Service are the external credit assessment institutions (the "ECAIs") that the Company has used to determine the credit risk exposures below. The Company follows the process as prescribed in Part 4 of the Banking (Capital) Rules to map ratings to exposures booked in its banking book.

6.5 Credit risk exposures (continued)

	2015			
		Exposures after recognised credit risk mitigation	Risk-Weighted Amounts	
	Total exposures	Rated (Note (a))	Rated (Note (a))	Total risk-weighted amount
	US$	US$	US$	US$
On-balance sheet				
- Bank exposures	13,808,190	13,808,190	4,803,820	4,803,820

(a) The amount represents exposures which have an inferred rating (i.e. exposures which do not have an issue-specific rating but whose risk weights are determined under the Banking (Capital) Rules by reference to an ECAI issuer rating assigned to the obligor of the exposure or to an ECAI issue rating of any other exposures of the obligor). There are no unrated exposures as at 31 December 2015.

As at 31 December 2015, there were no exposures which are covered by recognised collateral, recognised guarantees, or recognised credit derivative contracts. There were no on-balance sheet and off-balance sheet recognised netting in respect of credit risk mitigation.

There are no credit exposures which are risk-weighted at 1250% as at 31 December 2015.

7 Countercyclical capital buffer ratio

The Company's countercyclical capital buffer ratio was 0% as there was no private sector credit exposure for the year ended 31 December 2015.

8 Regulatory capital disclosures

(a) Transition Disclosures Template:

See Appendix 1 on pages 31 to 35.

(b) Balance sheet reconciliation between the Company's balance sheet and the capital components of regulatory capital:

See Appendix 2 on page 36.

(c) Main Features of Capital Instruments:

See Appendix 3 on page 37.

9 Leverage Ratio Disclosure Templates – Summary Comparison Table and Leverage Ratio Common Disclosure Template:

See Appendix 4 on pages 38 to 39.

10 Liquidity

	2015
Average liquidity maintenance ratio	160%

The average liquidity maintenance ratio is computed in accordance with the Banking (Liquidity) Rules.

11 Interest rate exposures in banking book

The Company is exposed to interest rate risk arising from banking book activities such as deposits and loans. The financial assets and liabilities of the Company, which have interest rate risk exposures, are primarily driven by prevailing market rates.

As at 31 December 2015, the Company only held interest bearing financial assets by way of cash and balances with financial institutions, which are not exposed to material interest rate movements. As such, an interest rate sensitivity analysis has not been presented.

12 Currency risk

The currency risk arising from the Company's operations for those individual currencies which each constitute more than 10% of the total net positions in all foreign currencies are as follows:

	2015 US$'000
USD currency	
Spot assets	13,807
Spot liabilities	(13,685)
Forward purchases	-
Forward sales	-
Net long position	122

As at 31 December 2015, there was no foreign currency exposure arising from structural positions.

13 Segmental information

During the year ended 31 December 2015, the Company has not commenced business. The profit and loss and operating assets of the Company are mainly contributed by Institutional Client Services. Institutional Client Services serves our clients who come to the firm to buy and sell financial products, raise funding and manage risk. All of the profit and loss, assets and liabilities are managed and booked in Hong Kong for the year ended 31 December 2015.

	Institutional Client Services US$
Total operating income	15
Loss before income tax	(861,616)
Total assets	13,808,190

There are no impairment losses, specific provision and collective provision for impaired assets for the year ended 31 December 2015.

There are no contingent liabilities and commitments as at 31 December 2015.

14 International Claims

International claims are on-balance sheet exposures of counterparties based on the location of the counterparties after taking into account any risk transfer. The risk transfers have been made if the claims are guaranteed by a party in a geographical area which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another geographical area.

	2015	
	Banks	Total
	US$	US$
Developed countries		
United States	6,798,673	6,798,673

15 Loans and advances – sector information

There are no loans and advances to customers as at 31 December 2015.

16 Overdue and rescheduled assets

There are no impaired, rescheduled or overdue assets as at 31 December 2015.

17 Mainland activities

There are no non-bank mainland exposures as at 31 December 2015.

18 Derivatives transactions

There are no derivatives transactions as at ended 31 December 2015.

19 Equity exposures

There are no equity exposures booked in the Company's banking book as at 31 December 2015.

20 Comparatives

As at 31 December 2014, the Company was not registered as a restricted licence bank under the Banking Ordinance in Hong Kong. Therefore, no comparative information is disclosed.

Goldman Sachs Asia Bank Limited, a restricted licence bank
(Formerly known as "Goldman Sachs Asia Pacific Company Limited")

Unaudited Supplementary Financial Information
For the year ended 31 December 2015

Appendix 1 Transition Disclosures Template

The following table sets out the detailed composition of the Company's regulatory capital as at 31 December 2015 using the Transition Disclosures Template as specified by the HKMA. The table also shows those items that are currently benefiting from the Basel III transitional arrangements, and are consequently subject to the pre-Basel III treatment, as set out in Schedule 4H to the Banking (Capital) Rules.

			Amounts subject to pre-Basel III treatment*	Cross reference to balance sheet reconciliation
		US$	US$	
	CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	14,010,000		(1)
2	Retained earnings	(862,036)		(2)
3	Disclosed reserves	-		
4	*Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)*	Not applicable		
	Public sector capital injections grandfathered until 1 January 2018	Not applicable		
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	-		
6	**CET1 capital before regulatory deductions**	13,147,964		
	CET1 capital: regulatory deductions			
7	Valuation adjustments	-		
8	Goodwill (net of associated deferred tax liability)	-		
9#	Other intangible assets (net of associated deferred tax liability)	-	-	
10#	Deferred tax assets net of deferred tax liabilities	-		
11	Cash flow hedge reserve	-		
12	Excess of total EL amount over total eligible provisions under the IRB approach	-	-	
13	Gain-on-sale arising from securitization transactions	-		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	-	-	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	-	
18#	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
19#	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable		
22	Amount exceeding the 15% threshold	Not applicable		
23	of which: significant investments in the common stock of financial sector entities	Not applicable		
24	of which: mortgage servicing rights	Not applicable		

Appendix 1 Transition Disclosures Template (continued)

			Amounts subject to pre-Basel III treatment*	Cross reference to balance sheet reconciliation
		US$	US$	
	CET1 capital: regulatory deductions			
25	of which: deferred tax assets arising from temporary differences	Not applicable		
26	National specific regulatory adjustments applied to CET1 capital	-		
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	-		
26b	Regulatory reserve for general banking risks	-		
26c	Securitization exposures specified in a notice given by the Monetary Authority	-		
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	-		
26e	Capital shortfall of regulated non-bank subsidiaries	-	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	-		
28	**Total regulatory deductions to CET1 capital**	-		
29	**CET1 capital**	13,147,964		
	AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	-		
31	of which: classified as equity under applicable accounting standards	-		
32	of which: classified as liabilities under applicable accounting standards	-		
33	*Capital instruments subject to phase out arrangements from AT1 capital*	-		
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-		
35	*of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements*	-		
36	**AT1 capital before regulatory deductions**	-		
	AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	-	-	
38	Reciprocal cross-holdings in AT1 capital instruments	-	-	
39#	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	-	
41	National specific regulatory adjustments applied to AT1 capital	-		
41a	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital	-		

Appendix 1 Transition Disclosures Template (continued)

			Amounts subject to pre-Basel III treatment*	Cross reference to balance sheet reconciliation
		US$	US$	
	AT1 capital: regulatory deductions			
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	-		
ii	of which: Capital shortfall of regulated non-bank subsidiaries	-		
iii	of which: Investments in own CET1 capital instruments	-		
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	-		
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-		
vi	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		
vii	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-		
43	**Total regulatory deductions to AT1 capital**	-		
44	**AT1 capital**	-		
45	**Tier 1 capital (Tier 1 = CET1 + AT1)**	13,147,964		
	Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	-		
47	*Capital instruments subject to phase out arrangements from Tier 2 capital*	-		
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	-		
49	*of which: capital instruments issued by subsidiaries subject to phase out arrangements*	-		
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	-		
51	**Tier 2 capital before regulatory deductions**	-		
	Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	-	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments	-	-	
54#	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	-	
56	National specific regulatory adjustments applied to Tier 2 capital	-		
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	-		

Appendix 1 Transition Disclosures Template (continued)

			Amounts subject to pre-Basel III treatment*	Cross reference to balance sheet reconciliation
		US$	US$	
	Tier 2 capital: regulatory deductions			
56b	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 2 capital	-		
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	-		
ii	of which: Capital shortfall of regulated non-bank subsidiaries	-		
iii	of which: Investments in own CET1 capital instruments	-		
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	-		
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-		
vi	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		
vii	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		
57	**Total regulatory deductions to Tier 2 capital**	-		
58	**Tier 2 capital**	-		
59	**Total capital (Total capital = Tier 1 + Tier 2)**	13,147,964		
59a	Deduction items under Basel III which during transitional period remain subject to risk-weighting, based on pre-Basel III treatment			
i	of which: Mortgage servicing rights	-		
ii	of which: Defined benefit pension fund net assets	-		
iii	of which: Investments in own CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments			
iv	of which: Capital investment in a connected company which is a commercial entity	-		
v	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		
vi	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		
60	**Total risk weighted assets**	4,803,869		
	Capital ratios (as a percentage of risk weighted assets)			
61	CET1 capital ratio	274%		
62	Tier 1 capital ratio	274%		
63	Total capital ratio	274%		
64	Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)	0%		

Appendix 1 Transition Disclosures Template (continued)

			Amounts subject to pre-Basel III treatment*	Cross reference to balance sheet reconciliation
		US$	US$	
65	*of which: capital conservation buffer requirement*	0%		
66	*of which: bank specific countercyclical buffer requirement*	0%		
67	*of which: G-SIB or D-SIB buffer requirement*	0%		
68	CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3A, or s.3B, as the case requires, of the BCR	0%		
	National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable		
70	National Tier 1 minimum ratio	Not applicable		
71	National Total capital minimum ratio	Not applicable		
	Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		
73	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		
74	Mortgage servicing rights (net of related tax liability)	Not applicable		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable		
	Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap)	-		
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	-		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	-		
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	-		
	Capital instruments subject to phase-out arrangements			
80	*Current cap on CET1 capital instruments subject to phase out arrangements*	Not applicable		
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	Not applicable		
82	*Current cap on AT1 capital instruments subject to phase out arrangements*	-		
83	*Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)*	-		
84	*Current cap on Tier 2 capital instruments subject to phase out arrangements*	-		
85	*Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)*	-		

* This refers to the position under the Banking (Capital) Rules in force on 31 December 2012.

Footnote:
# Indicates elements where a more conservative definition has been applied in the BCR relative to that set out in the Basel III capital standards.

Abbreviations:
CET1: Common Equity Tier 1
AT1: Additional Tier 1

Appendix 2 Balance Sheet Reconciliation

The following table shows a reconciliation of amounts shown in the balance sheet of the Company to the capital components of regulatory capital:

	Balance Sheet as in Published Financial Statements	**Under regulatory scope of consolidation**	**Cross reference to Transition Disclosure Template**
As at 31 December 2015	**US$**	**US$**	
Assets			
Cash and balances with banks	13,808,190	13,808,190	
Total Assets	**13,808,190**	**13,808,190**	
Liabilities			
Amount due to related parties	205,468	205,468	
Other liabilities and accrued expenses	454,758	454,758	
Total Liabilities	**660,226**	**660,226**	
Equity			
Share capital	14,010,000	14,010,000	(1)
Accumulated losses	(862,036)	(862,036)	(2)
Total Equity	**13,147,964**	**13,147,964**	
Total Liabilities and Equity	**13,808,190**	**13,808,190**	

Appendix 3 Main Features of Capital Instruments

The following table shows the main features of outstanding capital instruments:

1	Issuer	Goldman Sachs Asia Bank Limited (formerly known as Goldman Sachs Asia Pacific Company Limited)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable
3	Governing law(s) of the instrument	Hong Kong Law
	Regulatory treatment	
4	Transitional Basel III rules#	Not applicable
5	Post-transitional Basel III rules+	Common Equity Tier 1
6	Eligible at solo*/group/group & solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	US$14,010,000
9	Par value of instrument	Not applicable
10	Accounting classification	Shareholders' equity
11	Original date of issuance	10,000 shares issued on 12 December 2012 1,000,000 shares issued on 14 January 2015 13,000,000 shares issued on 26 June 2015
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	Not applicable
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	
24	If convertible, conversion trigger (s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	No
31	If write-down, write-down trigger(s)	Not applicable
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable

Footnote:
Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules
+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules
* Include solo-consolidated

Appendix 4 Leverage Ratio Disclosure Templates

Summary Comparison Table

	Item	**Leverage ratio framework US$ equivalent**
1	Total consolidated assets as per published financial statements	13,808,190
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	-
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	-
7	Other adjustments	-
8	**Leverage ratio exposure**	13,808,190

Appendix 4 Leverage Ratio Disclosure Templates (continued)

Leverage Ratio Common Disclosure Template

	Item	**Leverage ratio framework US$ equivalent**
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	13,808,190
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	13,808,190
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with all derivatives transactions	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions (reported as negative amounts)	-
8	Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts)	-
11	Total derivative exposures (sum of lines 4 to 10)	-
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	-
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	-
19	Off-balance sheet items (sum of lines 17 and 18)	-
	Capital and total exposures	
20	Tier 1 capital	13,147,964
21	Total exposures (sum of lines 3, 11, 16 and 19)	13,808,190
	Leverage ratio	
22	**Basel III leverage ratio**	**95.22%**