Goldman Sachs Asia Bank Limited, a restricted licence bank

Directors' Report and Financial Statements

For the year ended 31 December 2024

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For the year ended 31 December 2024

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Goldman Sachs Asia Bank Limited, a restricted licence bank

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 2024.

Principal activities

The Company is a restricted licence bank under the Banking Ordinance in Hong Kong. It is also a registered institution under the Hong Kong Securities and Futures Ordinance and a clearing member of OTC Clearing Hong Kong Limited.

The Company has been established to provide the clients of The Goldman Sachs Group, Inc. and / or its consolidated subsidiaries (collectively, the "Firm") in the Asia excluding Japan region with the opportunity to transact business with a bank counterparty located in Asia.

The Company's principal activities are to engage in over-the-counter ("OTC") derivatives and deposit-taking. These activities are conducted in cooperation with the affiliated companies within the Firm, which give rise to service fee income and expense.

Results and appropriations

The results of the Company for the year ended 31 December 2024 are set out in the statement of comprehensive income on page 6.

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2024.

Share capital

Details of the Company's share capital are set out in Note 15 to the financial statements.

Directors

The Directors of the Company during the year and up to the date of this report are:

Chairperson and independent non-executive director:
Mr. Martin Kaoru Matsui

Executive director:
Mr. Wing Ho Isaac Wong

Non-executive director:
Mr. James Patrick Houghton

Independent non-executive directors:
Ms. Syaru Shirley Lin
Mr. Patrick Blackwell Paul

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

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 of the Company 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 share-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

Except as disclosed in Note 16 (e) and (f), 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 judgement 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

Director/Martin Kaoru Matsui

23 April 2025

羅兵咸永道

Independent Auditor's Report

To the Member of Goldman Sachs Asia Bank Limited
(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The financial statements of Goldman Sachs Asia Bank Limited (the "Company"), which are set out on pages 6 to 37, comprise:

- the balance sheet as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report and Unaudited disclosure statement, 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.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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. We 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

PricewaterhouseCoopers

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23 April 2025

Goldman Sachs Asia Bank Limited, a restricted licence bank

Statement of Comprehensive Income
For the year ended 31 December 2024

	Note	2024 US$'000	2023 US$'000
Interest income	4	5,207	5,870
Interest expense	4	(194)	(234)
Net interest income		5,013	5,636
Other income	5	6,424	6,559
Total revenue		11,437	12,195
Operating expenses	6	(6,258)	(6,433)
Profit before income tax		5,179	5,762
Income tax expense	8	(857)	(948)
Profit and total comprehensive income for the year		4,322	4,814

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

Goldman Sachs Asia Bank Limited, a restricted licence bank

Balance Sheet
As at 31 December 2024

	Note	2024 US$'000	2023 US$'000
Assets			
Current assets			
Cash and cash equivalents	9	137,038	135,121
Derivative financial instruments	10	13,187	1,556
Other receivables	11	37,482	21,728
		187,707	158,405
Non-current assets			
Deferred income tax assets	12	1,297	1,121
Total assets		189,004	159,526
Liabilities			
Current liabilities			
Deposit from an affiliated customer	16(b)	1,000	1,000
Short-term loans payable	16(c)	2,000	2,000
Derivative financial instruments	10	13,323	1,578
Other payables	14	37,414	25,791
Current income tax liabilities		404	93
		54,141	30,462
Non-current liabilities			
Other payables	14	4,903	3,426
Total liabilities		59,044	33,888
Equity			
Share capital	15	114,010	114,010
Retained profits		15,950	11,628
Total equity		129,960	125,638
Total equity and liabilities		189,004	159,526

The financial statements on pages 6 to 37 were approved by the Board of Directors on 23 April 2025 and were signed on its behalf.

M. Matsui .... Director/Martin Kaoru Matsui

.... Director/Patrick Blackwell Paul

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

Goldman Sachs Asia Bank Limited, a restricted licence bank

Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital	Retained profits	Total
	US$'000	US$'000	US$'000
2024			
At the beginning of the year	114,010	11,628	125,638
Total comprehensive income for the year	—	4,322	4,322
At the end of the year	114,010	15,950	129,960
2023			
At the beginning of the year	114,010	6,814	120,824
Total comprehensive income for the year	—	4,814	4,814
At the end of the year	114,010	11,628	125,638

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

Goldman Sachs Asia Bank Limited, a restricted licence bank

Statement of Cash Flows
For the year ended 31 December 2024

	Note	2024 US$'000	2023 US$'000
Operating activities			
Profit before income tax		5,179	5,762
Adjustments for:			
Interest income	4	(5,207)	(5,870)
Interest expense	4	194	234
Currency translation		128	(78)
Changes in operating assets and liabilities:			
Derivative financial instruments		114	20
Other receivables		(15,800)	(21,435)
Other payables		13,077	12,828
Cash used in operations		(2,315)	(8,539)
Interest received from operating activities		5,253	6,043
Interest paid on operating activities		(171)	(260)
Income tax paid		(723)	—
Net cash inflow/ (outflow) from operating activities		2,044	(2,756)
Increase/ (decrease) in cash and cash equivalents		2,044	(2,756)
Cash and cash equivalents at beginning of the year		135,121	137,796
Effect of exchange rate changes on cash and cash equivalents		(127)	81
Cash and cash equivalents at end of the year	9	137,038	135,121

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

The Company is a restricted licence bank under the Banking Ordinance in Hong Kong. It is also a registered institution under the Hong Kong Securities and Futures Ordinance and a clearing member of OTC Clearing Hong Kong Limited.

All references to 2024 and 2023 refer to the years ended, or the dates, as the context requires, 31 December 2024 and 31 December 2023, respectively.

2 Summary of material accounting policy information

The material 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 Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance (Cap.622). They have been prepared on the historical cost basis, except for certain assets or liabilities measured at fair value or revalued amount as described in the accounting policies below.

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

2 Summary of material accounting policy information (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Company

The amendments to HKAS1 - Presentation of Financial Statements that are effective for the year ended 31 December 2024 did not have impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and amendments not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting period and have not been early applied in preparing these financial statements. These standards and amendments are not expected to have a material impact on the Company.

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 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 calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Service fee income from affiliated companies is credited to income on an accrual basis in the period in which the related services are provided by the Company.

2 Summary of material accounting policy information (continued)

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 Employee benefits

(a) Compensation

The Company recognises a liability and an expense for bonuses payable to employees as part of their compensation. A provision is also made for the estimated liability for annual leave earned by employees but untaken at the balance sheet date.

(b) Employee incentive plans

The Goldman Sachs Group, Inc. issues awards in the form of restricted stock units ("RSUs") to the Company's employees for services rendered to the Company. The cost of employee services received in exchange for a share-based award is generally measured based on the grant-date fair value of the award. Share-based awards that do not require future service (i.e., vested awards, including awards granted to retirement-eligible employees) are expensed immediately. Share-based awards that require future service are amortised over the relevant service period. Forfeitures are recorded when they occur.

The Goldman Sachs Group, Inc. settles share awards by the delivery of its ordinary shares to the Company's employees. The Company has entered into a chargeback agreement under which it is committed to pay to The Goldman Sachs Group, Inc. the market value of those shares at the time of delivery. Further details of the share-based award plans are set out in Note 13.

2 Summary of material accounting policy information (continued)

2.5 Employee benefits (continued)

(c) Pension obligations

The Company offers a mandatory provident fund scheme and defined contribution pension plans to employees. Under the pension plans, the Company pays contributions to public or privately administered funds and will have no further payment obligations once the contributions have been paid. The Company's contributions are expensed as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

2.6 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.7 Financial instruments

(a) Recognition and derecognition

The Company's financial assets and financial liabilities are recognised and derecognised using trade date accounting.

Other financial assets and financial liabilities are recognised when the Company Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or if the Company transfers the financial asset and either a) substantially all the risk and rewards of ownership, or b) neither transfers nor retains substantially all the risk and rewards of ownership and the Company does not retain control of that financial asset. Financial liabilities are derecognised only when they are extinguished (i.e., when the obligation specified in the contract is discharged or cancelled or expires).

(b) Classification and measurement - Financial assets

The Company classifies its financial assets into the below categories based on the Company's business model for managing the asset and, where required, subsequent analysis of cash flow characteristics on individual financial assets.

2 Summary of material accounting policy information (continued)

2.7 Financial instruments (continued)

(b) Classification and measurement - Financial assets (continued)

The business model reflects how the Company manages particular groups of assets in order to generate future cash flows. Where the business model is to hold the assets to collect contractual cash flows, the Company subsequently assesses whether the financial asset's cash flows represent solely payments of principal and interest. The Company also considers whether the cash flows represent basic lending arrangements. Where contractual terms introduce exposure to risk or volatility inconsistent with a basic lending arrangement, the financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivative features are considered in their entirety in the above described assessment.

(i) Financial assets classified at amortised cost

Financial assets that are held for the collection of contractual cash flows and have cash flows that represent solely payments of principal and interest, and that are not designated at fair value, are measured at amortised cost. Such financial assets are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial asset but does not consider future credit losses. The calculation includes all fees and points paid or received that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

(ii) Financial assets classified at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Such financial assets are measured in the balance sheet at fair value and subsequent gains or losses are recognised in the statement of comprehensive income.

(iii) Financial assets subsequent measurement – Expected credit loss

HKFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition of financial assets. The key elements of this approach are outlined below:

Stage 1 Classification for financial instruments that are not credit-impaired on initial recognition and remain not credit-impaired as a result of on-going credit risk monitoring. Expected credit loss ("ECL") is measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.

2 Summary of material accounting policy information (continued)

2.7 Financial instruments (continued)

(b) Classification and measurement - Financial assets (continued)

(iii) Financial assets subsequent measurement – Expected credit loss (continued)

Stage 2 Classification for financial instruments where there has been a significant increase in credit risk since initiation, however not yet deemed to be credit-impaired. ECL is measured based on expected credit losses on a lifetime basis.

Stage 3 Classification for financial instruments that are in default, or are defined as credit-impaired. ECL is measured based on expected credit losses on a lifetime basis.

ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired.

Determination of the relevant staging for each financial instrument is dependent on the definition of 'significant increase in credit risk' (stage 1 to stage 2) and the definition of 'credit-impaired' (stage 2 to stage 3).

The ECL is determined by projecting the Probability of default, Loss given default and Exposure at default for each individual exposure. To calculate ECL, these three components are multiplied together and discounted back to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate.

The assessment of staging and the calculation of ECL both incorporate forward-looking information. Credit Risk have identified key economic variables impacting credit risk and expected credit losses to incorporate into the forward-looking information used.

(c) Classification and measurement - Financial liabilities

(i) Financial liabilities classified at amortised cost

Financial liabilities measured at amortised cost are initially recognised at fair value net of transactions costs and subsequently measured at amortised cost using the effective interest method.

(ii) Financial liabilities classified as held for trading

Financial liabilities classified as held for trading are initially recognised at fair value with transaction costs expensed in profit or loss. Such financial instruments are carried in the balance sheet at fair value and all subsequent gains or losses are recognised in the statement of comprehensive income.

2 Summary of material accounting policy information (continued)

2.7 Financial instruments (continued)

(d) Determination of fair value

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses arising from changes in fair value are recognised in the statement of comprehensive income.

The Company's financial instruments consist of OTC derivatives.

OTC derivatives are valued using market transactions and other market evidence, including market-based inputs to models, calibration to market-clearing transactions, broker or dealer quotations or other alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g. indicative or executable) and the relationship of recent market activity to the prices provided from alternative pricing sources.

Where models are used, the selection of a particular model to value an OTC derivative depends on the contractual terms of and specific risks inherent in the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, such as contractual terms, market prices, yield curves, discount rates, credit curves, measures of volatility, prepayment rates, loss severity rates and correlations of such inputs. For OTC derivatives that trade in liquid markets, model selection does not involve significant management judgement because outputs of models can be calibrated to market clearing levels.

In circumstances where the Company cannot verify the model value by reference to market transactions, it is possible that a different valuation model could produce a materially different estimate of fair value.

(e) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2 Summary of material accounting policy information (continued)

2.8 Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. If collection of other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

2.9 Loans payable

Loans payable are recognised initially at fair value, net of transaction costs incurred. Loans payable are subsequently stated at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is taken to the statement of comprehensive income over the period of the borrowings using the effective interest method.

Loans payable which are due to be settled within twelve months of the balance sheet date or where the Company does not have a right to defer settlement of the liability for at least twelve months after the balance sheet date are included in current liabilities even though the original term was for a period longer than twelve months. Other loans payable due to be settled more than twelve months after the balance sheet date or where the Company has a right to defer settlement of the liability for at least twelve months after the balance sheet date are included in non-current liabilities.

2.10 Other payables

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

Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.11 Comparatives

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

3 Critical accounting estimates and judgements

Estimates and judgements 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

Judgement 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 based on estimates of whether additional taxes will be due. Where the final tax outcome 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.

3.2 Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the balance sheet date.

4 Interest income and interest expense

	2024	2023
	US$'000	US$'000
Interest Income from:		
- third party banks	1,641	1,909
- an affiliated bank (Note 16(a))	3,557	3,954
- an affiliated company (Note 16(a))	9	7
	5,207	5,870

	2024	2023
	US$'000	US$'000
Interest expense to:		
- an affiliated customer (Note 16(b))	55	56
- ultimate parent company (Note 16(c))	68	72
- affiliated companies (Note 16(c))	71	106
	194	234

5 Other income

	2024	2023
	US$'000	US$'000
Service fee income (Note 16(d))	6,226	6,502
Gains on foreign exchange contracts (Note 16(d))	213	58
Net currency translation losses	(15)	(1)
	6,424	6,559

6 Operating expenses

	2024	2023
	US$'000	US$'000
Employee compensation and benefits (Note 16(e))	1,852	1,814
Service fee expense (Note 16(f))	3,779	4,042
Directors' emoluments (Note 7)	453	405
Auditor's remuneration	111	124
Others	63	48
	6,258	6,433

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 are set out below:

	2024	2023
	US$'000	US$'000
Aggregate emoluments		
- in respect of services as directors of the Company	300	275
- in respect of services in connection with the management of the affairs of the Company (Note 16(k))	153	130
	453	405

8 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) of the estimated assessable profits arising in Hong Kong during the year.

The amount of tax charged to the statement of comprehensive income represents:

	2024	2023
	US$'000	US$'000
Current income tax	1,027	543
Deferred income tax (Note 12)	(171)	405
Adjustments of current tax for prior periods	1	—
	857	948

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

	2024	2023
	US$'000	US$'000
Profit before income tax	5,179	5,762
Tax calculated at Hong Kong tax rate	855	951
Under-provision in prior periods	1	—
Currency translation losses/(gains)	1	(3)
Income tax expense	857	948

9 Cash and cash equivalents

	2024	2023
	US$'000	US$'000
Cash at bank	72,038	70,121
Bank deposits		
- with an affiliated bank (Note 16(g))	65,000	65,000
	137,038	135,121

10 Derivative financial instruments

The Company engages in OTC derivatives activities and holds positions accordingly.

The following table sets out the Company's derivative financial instruments.

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	US$'000	US$'000	US$'000	US$'000
Contracts with an affiliated company				
- Foreign exchange contracts (Note16(h))	17	153	594	23
- Interest rate contracts (Note 16(h))	3,680	9,490	224	738
Contracts with others				
- Foreign exchange contracts	—	—	—	593
- Interest rate contracts	9,490	3,680	738	224
	13,187	13,323	1,556	1,578

11 Other receivables

	2024	2023
	US$'000	US$'000
Amounts due from affiliated companies (Note 16(i))	7,611	571
Amounts due from ultimate parent company (Note 16(i))	14	—
Amounts due from an affiliated bank (Note 16(i))	247	293
Amounts due from clearing house	29,610	20,864
	37,482	21,728

12 Deferred income tax assets

The movement of the deferred income tax assets account is as follows:

	Employee incentive plans	Tax losses	Total
2024	US$'000	US$'000	US$'000
At the beginning of the year	1,121	—	1,121
Deferred taxation credited to statement of comprehensive income (Note 8)	171	—	171
Currency translation	5	—	5
At the end of the year	1,297	—	1,297
2023			
At the beginning of the year	1,451	77	1,528
Deferred taxation debited to statement of comprehensive income (Note 8)	(328)	(77)	(405)
Currency translation	(2)	—	(2)
At the end of the year	1,121	—	1,121

Deferred income tax asset is recognised for employee incentive plans and tax losses, to the extent that the realisation of the related tax benefit through future taxable profits is probable.

13 Employee incentive plans

The Company's ultimate parent company sponsors a stock incentive plan, The Goldman Sachs Amended and Restated Stock Incentive Plan (2021) ("2021 SIP"), which provides for grants of RSUs and other share-based awards.

The ultimate parent company grants RSUs to employees of the Company, which are generally valued based on the closing price of the underlying shares on the date of grant after taking into account a liquidity discount for any applicable post-vesting and delivery transfer restrictions. The value of the RSUs also considers the impact of material non-public information, if any, that the ultimate parent company expects to make available shortly following the grant. RSUs not subject to performance or market conditions generally vest and underlying shares of common stock are delivered (net of required withholding tax) over a three-year period.

During 2024, 5,007 RSUs (2023: 5,103 RSUs) were granted to the Company's employees with a weighted average grant-date fair value of US$358.23 (2023: US$327.72) after liquidity discount due to certain share transfer restrictions. The amounts due to the ultimate parent company by the Company for the market value of the underlying shares are included under current and non-current liabilities in Note 14. Refer to related party transactions in note 16(j).

14 Other payables

	2024	2023
	US$'000	US$'000
Current liabilities		
Amounts due to ultimate parent company (Note 16(j))	2,975	3,395
Amounts due to affiliated companies (Note 16(j))	23,260	16,743
Amounts due to clearing house	5,789	519
Accruals and other liabilities	5,390	5,134
	37,414	25,791
Non-current liabilities		
Amounts due to ultimate parent company (Note 16(j))	2,812	1,860
Accruals and other liabilities	2,091	1,566
	4,903	3,426

15 Share capital

	2024	2023
	US$'000	US$'000
Issued and fully paid:		
114,010,000 ordinary shares	114,010	114,010

16 Related party transactions

Details of the related party transactions are disclosed as follows:

(a) Interest income from affiliated companies was earned, primarily from cash deposits placed with an affiliated bank and cash collateral placed with an affiliated company.

(b) The deposit from an affiliated customer is a time deposit, which is unsecured and interest-bearing at prevailing market rates.

(c) The Company has unsecured term loans payable to the ultimate parent company and an affiliated company, which bear interest at a variable margin over the U.S. Federal Reserve's federal funds rate or applicable currency's interest rate.

(d) Service fee income from an affiliated company primarily represents charging of expenses, some of which with mark up, incurred by the Company for engaging in OTC derivative activities in cooperation with the affiliated companies. Gains/ (losses) on foreign exchange contracts from an affiliated company represents revenue transfers to and from the Company arising from funding activities of foreign currency in the normal course of business.

(e) Employee compensation and benefits are presented net of recharges to and from affiliated companies for secondment arrangements between the Company and the affiliated companies.

(f) Service fee expense represents the allocation of costs from an affiliated company in relation to the support services provided to the Company.

(g) The Company deposits excess cash with an affiliated bank under normal commercial terms.

(h) Derivative assets and liabilities with an affiliated company arise from transactions that the Company entered into with an affiliated company in the normal course of business.

(i) Amounts due from affiliated companies primarily comprise interest, service charges, and cash collateral receivables. Service charges receivables are unsecured and interest-free. Cash collateral receivable is interest-bearing at prevailing market rates. Amount due from ultimate parent company primarily comprise service charges. Service charges receivables are unsecured and interest-free. Amounts due from an affiliated bank comprise interest from cash deposits placed with an affiliated bank.

(j) Amounts due to the ultimate parent company primarily comprise chargeback of share-based awards before further recharges to an affiliated company. The balance is unsecured and interest-free. Amounts due to affiliated companies include cash collateral payable, which is interest-bearing at prevailing market rates.

(k) Directors' emoluments and key management compensation include salaries, bonuses and other emoluments (including benefits-in-kind), together with the value of any awards of shares in the ultimate parent company delivered during the year. Key management provide services to the Company and to an affiliated company. The amounts represent net compensation costs incurred by the Company after recharges to an affiliated company for the related services rendered.The Company regards its key management to be 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 management compensation	2024 US$'000	2023 US$'000
Salaries and bonuses	328	343
Employee incentive plans	81	76
	409	419

17 Financial risk management

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

The Firm monitors market, credit and liquidity risk on a consistent basis firmwide. Consequently, the Company, as a 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, 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 ("Risk Committees"). 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, revenue-producing units, Conflicts Resolution, Controllers, Engineering, Corporate Treasury and certain other corporate functions, collectively referred as first line of defence, is responsible for its risk-generating activities, as well as for the design and execution of controls to mitigate such risks. Risk and Compliance functions are considered second line of defence and provide independent assessment, oversight and challenge of the risks taken by the first line of defence. Internal Audit is considered third line of defence and is responsible for independently assessing and validating the effectiveness of key controls. The three lines of defence structure promotes the accountability of first line risk takers, provides a framework for effective challenge by the second line and empower independent review from the third line.

17.1 Market risk

(a) Overview

Market risk is the risk of an adverse impact to the Company's earnings due to changes in market conditions. The Company employs a variety of risk measures, each described in the respective sections below, to monitor market risk. 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, prepayment speeds and credit spreads; and
- Currency rate risk: results from exposures to changes in spot prices, forward prices and volatilities of currency rates.

Market Risk, which is part of the Firm's second line of defence and reports to the Firm's chief risk officer, has primary responsibility for assessing, monitoring and managing market risk by providing independent oversight and challenge on the Firm's businesses. The Company's framework for managing company level market risk is consistent with, and is part of the Firm's framework.

Managers in revenue-producing units, Corporate Treasury and Market Risk discuss market information, positions and estimated loss scenarios on an ongoing basis. Managers in revenue-producing units and Corporate Treasury are accountable for managing risk within prescribed limits.

The Company's process for managing market risk includes:

- Monitoring compliance with established market risk limits and reporting the Company's exposures;
- Diversifying exposures;
- Controlling position sizes; and

17 Financial risk management (continued)

17.1 Market risk (continued)

(a) Overview (continued)

- Evaluating mitigants, such as economic hedges in related securities or derivatives.

Market Risk produces risk measures and monitors them against established market risk limits. These measures reflect an extensive range of scenarios and the results are aggregated at the product, business and entity levels.

A variety of risk measures are used to estimate the size of potential losses for small, moderate and more extreme market moves over both short-term and long-term time horizons. Primary risk measures are Value-at-Risk ("VaR"), and other stress tests. The risk reports detail key risks, drivers and changes for each desk and business, and are distributed weekly to senior management of both the revenue-producing units and Market Risk.

(b) Stress testing

Stress testing is performed on a regular basis as part of the Company's routine risk management processes and to meet the local regulatory requirements. The Company also conducts tailored stress tests on an ad hoc basis in response to market developments, where necessary. Stress testing is conducted jointly with the Company's risk and finance functions.

(c) Limits

Risk limits are used at various levels to manage the size of the Company's market exposures. These limits are set for the Company based on a range of stress tests relevant to the Company's exposures. The qualitative disclosures related to the limit approval process are set forth in Note 3 to the Unaudited Disclosure Statement "Overview of Risk Management".

Market Risk is responsible for monitoring these limits, and identifying and escalating to senior management and / or the appropriate risk committee, on a timely basis, instances where limits have been exceeded (e.g., due to positional changes or changes in market conditions, such as increased volatilities or changes in correlations). Such instances are remediated by a reduction in the positions the Company holds and / or a temporary or permanent increase to the limit, if warranted.

(d) Currency risk

The Company's main currency exposure is to Hong Kong dollar, which is managed by hedging with an affiliated company.

(e) Interest rate risk

The Company is exposed to cash flow interest rate risk primarily on its deposits and cash placements. Based on the values of these balances as at 31 December 2024, a 50 basis point (2023: 50 basis point) change in market interest rates would result in a US$560,000 (2023: US$588,000) change in annual net interest income.

17 Financial risk management (continued)

17.2 Credit risk

(a) Overview

Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty (e.g., an OTC derivatives counterparty or a borrower) or an issuer of securities or other instruments the Company holds. The Company's exposures to credit risk come mostly from cash and deposits placed with banks. Credit risk also comes from client transactions in OTC derivatives, and receivables from customers and counterparties.

Credit Risk, which is part of the Firm's second line of defence and reports to the Firm's chief risk officer, has primary responsibility for assessing, monitoring and managing credit risk by providing independent firmwide oversight and challenge across the Firm's businesses.The Company's framework for managing company level credit risk is consistent with, and is part of the Firm's framework.

(b) Credit risk management process

The process for managing credit risk includes:

- Monitoring compliance with established credit risk limits and reporting the Company's credit exposures and credit concentrations;
- 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 a counterparty default;
- Using credit risk mitigants, including collateral and hedging; and
- Maximising recovery through active workout and restructuring of claims.

As part of the risk assessment process, Credit Risk performs credit analyses, which incorporate initial and ongoing evaluations of the capacity and willingness of a counterparty to meet its financial obligations. For substantially all of the Company's credit exposures, the core of the process is an annual counterparty credit evaluation or more frequently if deemed necessary as a result of events or changes in circumstances. Credit Risk determines an internal credit rating for the counterparty by considering the results of the credit evaluations and assumptions with respect to the nature of and outlook for the counterparty's industry and the economic environment. Senior personnel, 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. These systems also provide management with comprehensive information about the aggregate credit risk by product, internal credit rating, industry, country and region.

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.

17 Financial risk management (continued)

17.2 Credit risk (continued)

(b) Credit risk management process (continued)

The Company's concentrations of credit risk arise from its client facilitation and cash management activities, and may be impacted by changes in economic, industry or political factors. These activities expose the Company to many different industries and counterparties, and may also subject the Company to a concentration of credit risk to a particular counterparty. The Company seeks to mitigate credit risk by actively monitoring exposures and obtaining collateral from counterparties as deemed appropriate.

The Company measures and monitors its credit exposure based on amounts owed to the Company after taking into account risk mitigants that the Company considers when determining credit risk. Such risk mitigants include netting and collateral arrangements. Netting and collateral agreements permit the Company to offset receivables and payables with such counterparties and/or enable the Company to obtain collateral on an upfront or contingent basis.

As at 31 December 2024, the Company's main credit exposures are from cash and deposits placed with banks of US$137 million (2023: US$135 million) which are primarily located in the United Kingdom and Hong Kong.

(c) Credit risk measures

Credit risk is measured based on the potential loss in the event of non-payment by a counterparty using current and potential exposure. For derivatives transactions, current exposure represents the amount presently owed to the Company after taking into account applicable netting and collateral arrangements, while potential exposure represents the Company's estimate of the future exposure that could arise over the life of a transaction based on market movements within a specified confidence level. Potential exposure also takes into account netting and collateral arrangements.

(d) Limits

Credit limits are used at various levels to manage the size and nature of the Company's credit exposures. Limits for industries and countries are based on the Firm's and Company's risk appetite and are designed to allow for regular monitoring, review, escalation and management of credit risk concentrations. The qualitative disclosures related to the limit approval process are set forth in Note 3 to the Unaudited Disclosure Statement "Overview of Risk Management".

Credit Risk is responsible for monitoring these limits, and identifying and escalating to senior management and/or the appropriate risk committee, on a timely basis, instances where limits have been exceeded.

17 Financial risk management (continued)

17.2 Credit risk (continued)

(e) Stress tests

Regular stress tests are used to calculate the credit exposures, including potential concentrations that would result from applying shocks to counterparty credit ratings or credit risk factors (e.g., currency rates, interest rates, equity prices). These shocks cover a wide range of moderate and more extreme market movements, including shocks to multiple risk factors, consistent with the occurrence of a severe market or economic event. In the case of sovereign default, the Company estimate the direct impact of the default on the Company's sovereign credit exposures, changes to the Company's credit exposures arising from potential market moves in response to the default, and the impact of credit market deterioration on corporate borrowers and counterparties that may result from the sovereign default. Unlike potential exposure, which is calculated within a specified confidence level, stress testing generally does not assume a probability of these events occurring.

To supplement these regular stress tests, as described above, tailored stress tests are also conducted on an ad hoc basis in response to specific events that are deemed significant. The Company also utilises stress tests to estimate the indirect impact of certain hypothetical events on its country exposures, such as the impact of credit market deterioration on corporate counterparties along with the shocks to the risk factors described above. The parameters of these shocks vary based on the scenario reflected in each stress test. Estimated losses produced by the stress tests are reviewed in order to understand the magnitude, highlight potential loss concentrations, and assess and seek to mitigate its exposures where necessary.

The Firm's and the Company's potential credit exposure and stress testing models, and any changes to such models or assumptions, are independently reviewed, validated and approved by Model Risk.

(f) Credit risk mitigation

To reduce credit exposures on derivatives, the Company may enter into master netting agreements or similar arrangements (collectively, netting agreements) with counterparties that permit it to offset receivables and payables with such counterparties. A netting agreement is a contract with a counterparty that permits net settlement of multiple transactions with that counterparty, including upon the exercise of termination rights by a non-defaulting party. Upon exercise of such termination rights, all transactions governed by the netting agreement are terminated and a net settlement amount is calculated.

The Company may also reduce credit risk with counterparties by entering into agreements that enables it to receive and post cash and securities collateral with respect to its derivatives, subject to the terms of the related credit support agreements or similar arrangements (collectively, credit support agreements). An enforceable credit support agreement grants the non-defaulting party exercising termination provisions the right to liquidate collateral and apply the proceeds to any amounts owed. In order to assess enforceability of our right to setoff under netting and credit support agreements, the Company evaluates various factors, including applicable bankruptcy laws, local statutes and regulatory provisions in the jurisdiction of the parties to the agreement. The collateral it holds consists primarily of cash.

17 Financial risk management (continued)

17.2 Credit risk (continued)

(f) Credit risk mitigation (continued)

The Company's collateral is managed by certain functions within the Company which reviews exposure calculations, makes margin calls with relevant counterparties, and ensures subsequent settlement of collateral movements. The Company monitors the fair value of the collateral on a daily basis to ensure that our credit exposures are appropriately collateralised.

When the Company does not have sufficient visibility into a counterparty's financial strength or when it believes a counterparty requires support from its parent company, the Company may obtain third-party guarantees of the counterparty's obligations.

(g) Credit exposure

Cash and Cash Equivalents. Cash and cash equivalents include both interest-bearing and non-interest-bearing deposits. The Company seeks to mitigate the risk of credit loss, by placing substantially all of its deposits with highly-rated banks.

OTC Derivatives. Derivative instruments are reported at fair value on a gross-by-counterparty basis in the Company's financial statements, unless the Company has a current legal right of set-off and also intends to settle on a net basis. OTC derivatives are risk-managed using the risk processes, measures and limits described above.

Other Credit Exposures. The Company is exposed to credit risk from its receivables from counterparties. These primarily comprise receivables from related parties and receivables related to cash collateral paid to counterparties in respect of derivative financial instrument liabilities.

(h) Exposure to credit risk by class

(i) Financial instruments subject to impairment

The Company assesses on a forward-looking basis the ECL associated with financial assets measured at amortised cost. The Company's impairment model is based on changes in credit quality since initial recognition of the relevant assets and incorporates three stages. See Note 2.7(b)(iii) for further information about the Company's impairment methodology.

The following table discloses the carrying values of financial instruments subject to impairment recorded in the financial statements:

Financial assets	2024 US$'000	2023 US$'000
Cash and cash equivalents	137,038	135,121
Other receivables	37,482	21,728
	174,520	156,849

17 Financial risk management (continued)

17.2 Credit risk (continued)

(h) Exposure to credit risk by class (continued)

(i) Financial instruments subject to impairment (continued)

The following table contains an analysis of the credit risk exposure of financial instruments subject to impairment assessment and is grouped by credit rating equivalent (internally determined public rating agency equivalents). The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

	2024 Stage 1 US$'000	2023 Stage 1 US$'000
Credit rating equivalent		
AA	15,222	19,426
A	159,280	122,750
BBB	18	14,630
Unrated	—	43
Gross carrying amount	174,520	156,849
Loss allowance	—	—
Carrying amount	174,520	156,849

(ii) Financial instruments not subject to impairment

The following table shows the fair value of financial instruments grouped by credit rating equivalent (internally determined public rating agency equivalents) and represents the Company's maximum exposure to credit risk without taking into account of the value of collateral obtained or any other credit enhancements.

Credit rating equivalent	2024 US$'000	2023 US$'000
A	13,187	1,556
Total	13,187	1,556

The Company had no financial assets that were either past due or impaired as at 31 December 2024 (2023: Nil).

17 Financial risk management (continued)

17.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to fund itself or meet its liquidity needs in the event of an entity-specific, broader industry or market liquidity stress events. Accordingly, the Company follows the Firm's comprehensive and conservative set of liquidity and funding policies. The Company's principal objective is to be able to fund itself and to enable its core businesses to continue to serve clients and generate revenues, even under adverse circumstances.

Corporate Treasury is responsible for the Company's liquidity including developing and executing the liquidity and funding strategy.

Liquidity Risk, which is part of the Firm's second line of defence and reports to the Firm's chief risk officer, has primary responsibility for assessing, monitoring and managing liquidity risk by providing independent firmwide oversight and challenge and the establishment of stress testing and limits frameworks. The Company's framework for managing liquidity risk is consistent with, and is part of the Firm's framework.

The Company manages liquidity risk according to three principles: (i) hold sufficient excess liquidity to cover outflows during a stressed period, (ii) maintain appropriate Asset-Liability Management and (iii) maintain a viable Contingency Funding Plan.

- **Excess liquidity.** The Company maintains excess liquidity to meet a broad range of potential cash outflows and collateral needs in a stressed environment. The Company uses liquidity thresholds, limits, and alerts across relevant liquidity risk types to monitor and manage the size of its liquidity exposure. The Company also monitors cash-flow projections to anticipate cash flows arising from assets, liabilities, off-balance sheet exposures, to the extent applicable, over short and long-term time horizons.

- **Asset-Liability Management.** The Company's liquidity risk management policies are designed to ensure it has a sufficient amount of financing, even when funding markets experience persistent stress. The Company manages maturities and diversity of funding across markets, products and counterparties, and seeks to maintain a diversified funding profile with an appropriate tenor, taking into consideration the characteristics and liquidity profile of its assets. The Company's primary sources of funding include equity capital, deposits and unsecured borrowings. The Company monitors relevant funding thresholds, to the extent applicable.

- **Contingency Funding Plan.** The Company maintains a contingency funding plan to provide a framework for analysing and responding to a liquidity crisis situation or periods of market stress. The contingency funding plan outlines a list of potential risk factors, key reports and metrics that are reviewed on an ongoing basis to assist in assessing the severity of, and managing through, a liquidity crisis and/or market dislocation. The contingency funding plan also describes the Company's potential responses if assessments indicate that the Company has entered a liquidity crisis, which includes pre-funding for what the Company estimates will be its potential cash and collateral needs, as well as utilising secondary sources of liquidity. Mitigants and action items to address specific risks which may arise are also described and assigned to individuals responsible for execution.

Liquidity risk policies are communicated to relevant committees, departments and parties engaged in assessing, monitoring and managing liquidity risk through oversight and the establishment of stress-testing and limits frameworks. The Company regularly performs liquidity stress tests to analyse the potential impact of stress on its cash flows, liquidity position, profitability and solvency.

17 Financial risk management (continued)

17.3 Liquidity risk (continued)

The Company's liquidity risk tolerance is set by the Board and is defined in the Company's Risk Appetite Statement ("RAS"). The Company's RAS describes the levels and types of risk the Company is willing to accept or to avoid, in order to achieve its strategic business objectives, while remaining in compliance with regulatory requirements. Measuring, monitoring and controlling liquidity risk is an essential part of liquidity risk management. The Company computes and reviews metrics related to a range of liquidity risk areas which are distributed to various stakeholders, including relevant committees on a regular basis.

The following table details the undiscounted cash flows of the Company's financial liabilities by remaining contractual maturity, including interest that will accrue, except for derivatives or where the Company is obligated to repay the liability before its maturity. Financial instruments are presented at their fair value.

2024	Less than three months US$'000	More than three months but less than one year US$'000	More than one year but less than five years US$'000	Undated US$'000	Total US$'000
Current liabilities					
Deposit from an affiliated customer	1,000	—	—	—	1,000
Short-term loans payable	2,000	—	—	—	2,000
Derivative financial instruments	767	2,835	9,960	—	13,562
Other payables	8,274	103	—	29,051	37,428
Non-current liabilities					
Other payables	—	—	4,903	—	4,903
	12,041	2,938	14,863	29,051	58,893

2023	Less than three months US$'000	More than three months but less than one year US$'000	More than one year but less than five years US$'000	Undated US$'000	Total US$'000
Current liabilities					
Deposit from an affiliated customer	1,000	—	—	—	1,000
Short-term loans payable	2,000	—	—	—	2,000
Derivative financial instruments	225	923	1,421	—	2,569
Other payables	10,124	117	—	15,563	25,804
Non-current liabilities					
Other payables	—	—	3,426	—	3,426
	13,349	1,040	4,847	15,563	34,799

17 Financial risk management (continued)

17.4 Offsetting financial assets and financial liabilities

(a) Financial assets

The following table shows the Company's financial assets, and those that are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross exposure	Netting arrangements	Net amount presented in balance sheet	Amounts not offset in the balance sheet: Counterparty netting	Amounts not offset in the balance sheet: Cash collateral	Net amount
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2024						
Cash and cash equivalents	137,038	—	137,038	—	—	137,038
Derivative financial instruments	13,187	—	13,187	(7,361)	(5,809)	17
Other receivables	37,607	(125)	37,482	—	(5,789)	31,693
	187,832	(125)	187,707	(7,361)	(11,598)	168,748
2023						
Cash and cash equivalents	135,121	—	135,121	—	—	135,121
Derivative financial instruments	1,556	—	1,556	(471)	(1,010)	75
Other receivables	21,784	(56)	21,728	—	(519)	21,209
	158,461	(56)	158,405	(471)	(1,529)	156,405

17 Financial risk management (continued)

17.4 Offsetting financial assets and financial liabilities (continued)

(b) Financial liabilities

The following table shows the Company's financial liabilities, and those that are subject to offsetting, enforceable master netting arrangements and similar agreements:

				Amounts not offset in the balance sheet		
	Gross exposure	Netting arrangements	Net amount presented in balance sheet	Counterparty netting	Cash collateral	Net amount
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2024						
Deposit from an affiliated customer	1,000	—	1,000	—	—	1,000
Short-term loans payable	2,000	—	2,000	—	—	2,000
Derivative financial instruments	13,323	—	13,323	(7,361)	(5,789)	173
Other payables	42,442	(125)	42,317	—	(5,809)	36,508
	58,765	(125)	58,640	(7,361)	(11,598)	39,681
2023						
Deposit from an affiliated customer	1,000	—	1,000	—	—	1,000
Short-term loans payable	2,000	—	2,000	—	—	2,000
Derivative financial instruments	1,578	—	1,578	(471)	(519)	588
Other payables	29,270	(56)	29,214	—	(1,010)	28,204
	33,848	(56)	33,792	(471)	(1,529)	31,792

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Company and the counterparty allows for net settlement of the relevant financial assets and liabilities when both intend to settle on a net basis.

17 Financial risk management (continued)

17.5 Fair value estimation

The tables below show financial instruments carried at fair value, by valuation method. The different levels of fair value hierarchy have been defined as follows:

Level 1 The fair value of financial instruments is based on quoted market prices in active markets for identical assets or liabilities at the balance sheet date. The quoted market price used for financial assets and liabilities is the current bid price and ask price, respectively. These instruments are included in level 1.

Level 2 The fair value of financial instruments is determined by using valuation techniques which maximise the use of observable market data where it is available. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 If one or more inputs to valuation techniques are significant and unobservable, the instrument is included in level 3.

2024

	Level 2 US$'000
Financial assets at fair value	
Derivative financial instruments	13,187
Financial liabilities at fair value	
Derivative financial instruments	13,323

2023

	Level 2 US$'000
Financial assets at fair value	
Derivative financial instruments	1,556
Financial liabilities at fair value	
Derivative financial instruments	1,578

There were no transfers of financial assets and liabilities between levels of the fair value hierarchy classifications during the years ended 31 December 2024 and 2023.

The Company's level 2 financial instruments are valued using derivative pricing models such as discounted cash flow models.

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

17 Financial risk management (continued)

17.6 Capital management

The Company's capital is considered to comprise total equity in 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.

The Company met the HKMA's capital adequacy ratio requirements during the years ended 31 December 2024 and 2023.

The Company did not pay a dividend or return capital to its shareholders for the years ended 31 December 2024 and 2023.

18 Approval of the financial statements

The financial statements were approved by the Board of Directors on 23 April 2025.

Goldman Sachs Asia Bank Limited, a restricted licence bank

Unaudited Disclosure Statement

For the year ended 31 December 2024

Goldman Sachs Asia Bank Limited, a restricted licence bank

Unaudited Disclosure Statement
For the year ended 31 December 2024

Contents

The following information is disclosed for Goldman Sachs Asia Bank Limited (the "Company"), a restricted licence bank, as part of the accompanying information to the financial statements to comply with the Banking (Disclosure) Rules. The publication of the Company's Unaudited Disclosure Statement is governed by the Company's disclosure policy, which has been approved by the Board of Directors (the "Board"). The disclosure policy sets out the governance and internal controls over the publication of the information, to ensure that such information is relevant and adequate to convey an accurate impression of the Company's state of affairs and risk profile. While the Unaudited Disclosure Statement is not required to be audited, the document has been subject to independent review to ensure that the information is not false or misleading in any material respect.

To comply with the Banking (Disclosure) Rules, the Company's Unaudited Disclosure Statement is published on the Firm's website as the Company does not maintain a website of its own:
https://www.goldmansachs.com/disclosures/gsab-disclosures/financial-disclosures.html

All references to 2024 and 2023 refer to the years ended, or the dates, as the context requires, 31 December 2024 and 31 December 2023, respectively.

1 Corporate governance

The Board and the management of the Company recognise 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 (the "HKMA").

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

The information in this Note 1 represents the corporate governance structure of the Company as of 23 April 2025.

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 takes 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, one non-executive director and three 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. The Board met four times during the year ended 31 December 2024.

1.2 Board-level committees

The Board has established a number of board-level committees, the roles, functions and composition of which are set out below.

1 Corporate governance (continued)

1.2 Board-level committees (continued)

(a) Audit Committee

The Audit Committee is a board-level committee which currently comprises three independent non-executive directors.

The purposes of the Audit Committee are to:

(i) assist the Board in its oversight of the Company's internal control systems including:
- the integrity of the Company's financial statements;
- the Company's compliance with the applicable legal and regulatory requirements;
- the Company's external independent auditors' qualifications, independence, objectivity and performance;
- the performance of the Company's Internal Audit function;
- the scope and frequency of audit reviews; and
- the Company's internal controls over financial reporting and related infrastructure controls in light of the Bank's business plan and growth expectations.

(ii) reinforce the work of internal and external auditors, with the responsibilities as set out in the HKMA Supervisory Policy Manual module headed "IC-2 Internal Audit Function".

(iii) where not otherwise done on a global basis, recommend for approval to the Board or shareholders (as applicable) the appointment, retention/re-appointment, compensation and termination of appointment 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.

The Audit Committee shall hold regular meetings from time to time as required. The Audit Committee met three times during the year ended 31 December 2024.

(b) Board-Level Risk Committee

The Board-Level Risk Committee is a board-level committee which currently comprises three independent non-executive directors.

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

The Board-Level Risk Committee shall meet on a quarterly basis, although meetings may occur more or less frequently. The Board-Level Risk Committee met four times during the year ended 31 December 2024.

(c) Remuneration Committee

The Remuneration Committee is a board-level committee which currently comprises three independent non-executive directors.

The disclosures about the composition and mandate of the Remuneration Committee are set forth in Note 24.1(c) of the Unaudited Disclosure Statement "Design and implementation of the remuneration system – Remuneration Governance".

1 Corporate governance (continued)

1.2 Board-level committees (continued)

(c) Remuneration Committee (continued)

The Remuneration Committee shall hold regular meetings from time to time as required. The Remuneration Committee met three times during the year ended 31 December 2024.

(d) Nomination Committee

The Nomination Committee is a board-level committee which currently comprises three independent non-executive directors.

The Nomination Committee is responsible for (i) reviewing candidates for the role of the Chief Executive, Alternate Chief Executive and/or directors of the Company proposed by the Company's management and making recommendations to the Board on the appointment and/or re-appointment of the nominated individuals for such positions; and (ii) succession planning for directors, in particular the chair and the Chief Executive.

The Nomination Committee shall meet on an annual basis, although meetings may occur more frequently as needed. The Nomination Committee met once during the year ended 31 December 2024.

(e) Culture Committee

The Culture Committee is a board-level committee which currently comprises three non-executive directors, of whom two members are independent.

The Culture Committee is responsible for advising and assisting the Board in discharging its responsibilities for the Company's culture-related matters.

The Culture Committee shall meet on an annual basis, although meetings may occur more frequently as needed. The Culture Committee met once during the year ended 31 December 2024.

1.3 Management-level committees

In addition to the Board and the board-level committees set out above, the Company has established management-level committees including 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 management-level 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. 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.

1 Corporate governance (continued)

1.3 Management-level committees (continued)

(a) Management Committee (continued)

The Management Committee is co-chaired by the Chief Executive and the Alternate Chief Executive(s) 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 sub-committees, for supporting the Chief Risk Officer, the Board-Level Risk Committee, and the Board in overseeing the on-going monitoring and management of the Company's (i) market risk, credit risk, operational risk, liquidity risk, interest rate risk, reputational risk, legal risk and strategic risk; and (ii) compliance with the minimum regulatory capital ratios required under the HKMA requirements.

The Risk Committee is chaired by the 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 and the Board-Level Risk Committee.

(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 a senior member from Credit Risk 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 ("ALCO")

The ALCO considers and addresses matters related to the Company's liquidity, funding and asset liability management. The committee reviews and makes recommendations to the Risk Committee 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 business unit specific asset-liability management frameworks. In addition, the committee discusses entity and industry-wide initiatives related to liquidity and funding.

The ALCO is co-chaired by the Chief Risk Officer and Treasurer and its membership includes senior managers from the revenue-producing divisions and independent control and support functions.

The ALCO reports to the Risk Committee, and may report to the Firm's Asia Pacific Asset Liability Committee, if needed.

2 Key prudential ratios

The Company is regulated by the HKMA and as such is subject to minimum capital and liquidity requirements. The Company computes capital ratios in accordance with the Banking (Capital) Rules (the "BCR") of the Banking Ordinance. In addition, liquidity ratios are computed in accordance with the Banking (Liquidity) Rules (the "BLR") of the Banking Ordinance.

The capital adequacy ratios are measures of regulatory capital to risk-weighted amounts ("RWA"). RWA represent the sum of the Company's exposure to credit risk, market risk and operational risk calculated in accordance with the relevant provisions of the BCR. The Company has been exempted by the HKMA under section 22(1) of the BCR from the calculation of market risk under section 17 of the BCR for 2024.

The Common Equity Tier 1 ("CET1") ratio is defined as CET1 divided by RWA. The Tier 1 capital ratio is defined as Tier 1 capital divided by RWA. The total capital ratio is defined as total capital divided by RWA.

The leverage ratio ("LR") is defined as Tier 1 capital to a measure of total exposures, defined as the sum of on-balance sheet exposures (after certain Tier 1 capital deductions), certain derivative exposures, securities financing transaction exposures and other off-balance sheet exposures.

The liquidity maintenance ratio ("LMR") is calculated as the arithmetic mean of the average LMRs of the three calendar months within the quarter. The average LMR of each calendar month is the figure reported in MA(BS)1E Return of Liquidity Position submitted to the HKMA.

The Company is a category 2 institution (not designated as a category 2A institution) under the BLR. Hence, the liquidity coverage ratio, net stable funding ratio and core funding ratio are not applicable.

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2 Key prudential ratios (continued)

Using the standard template as specified by the HKMA, the details of the Company's key prudential ratios and an explanation of material changes in the ratios during the quarterly reporting periods are set out below.

Template KM1: Key prudential ratios

		31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023	Note
	Regulatory capital (US$'000)						
1	Common Equity Tier 1 (CET1)	128,663	127,940	127,038	125,892	124,517	
2	Tier 1	128,663	127,940	127,038	125,892	124,517	
3	Total capital	128,663	127,940	127,038	125,892	124,517	
	RWA (US$'000)						
4	Total RWA	49,360	48,108	47,687	45,893	45,625	
	Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	260.66%	265.94%	266.40%	274.32%	272.91%	
6	Tier 1 ratio (%)	260.66%	265.94%	266.40%	274.32%	272.91%	
7	Total capital ratio (%)	260.66%	265.94%	266.40%	274.32%	272.91%	
	Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%	
9	Countercyclical capital buffer requirement (%)	0.508%	1.104%	1.064%	1.131%	1.180%	(i)
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-	
11	Total AI-specific CET1 buffer requirements (%)	3.008%	3.604%	3.564%	3.631%	3.680%	
12	CET1 available after meeting the AI's minimum capital requirements (%)	252.66%	257.94%	258.40%	266.32%	264.91%	
	Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure (US$'000)	203,715	198,974	194,294	179,387	172,281	
14	LR (%)	63.16%	64.30%	65.38%	70.18%	72.28%	
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)						
	Applicable to category 1 institution only:						
15	Total high quality liquid assets (HQLA)	-	-	-	-	-	
16	Total net cash outflows	-	-	-	-	-	
17	LCR (%)	-	-	-	-	-	
	Applicable to category 2 institution only:						
17a	LMR (%)	159.99%	160.03%	160.04%	160.01%	160.03%	
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)						
	Applicable to category 1 institution only:						
18	Total available stable funding	-	-	-	-	-	
19	Total required stable funding	-	-	-	-	-	
20	NSFR (%)	-	-	-	-	-	
	Applicable to category 2A institution only:						
20a	CFR (%)	-	-	-	-	-	

(i) The decrease in the countercyclical capital buffer requirement from the previous quarter is mainly due to the reduction in the countercyclical capital buffer ratio for Hong Kong from 1% to 0.5%.

3 Overview of risk management

Effective risk management is critical to our success. Accordingly, the Firm has established an enterprise risk management framework that employs a comprehensive, integrated approach to risk management and is designed to enable comprehensive risk management processes through which the Firm identifies, assesses, monitors and manages the risks we assume in conducting our activities. Our risk management structure is built around three core components: governance, processes and people.

3.1 Governance

Risk management governance starts with the Board, which both directly and through its committees, including the Board-Level Risk Committee, oversees our approach to managing our risks through the enterprise risk management framework. The Board is also responsible for the annual review and approval of the Company's risk appetite statement. The risk appetite statement describes the levels and types of risk the Company is willing to accept or to avoid, in order to achieve our objectives included in our strategy and business plan, while remaining in compliance with regulatory requirements. The Board reviews the Company's strategy and business plan and is ultimately responsible for overseeing and providing direction about the Company's strategy and risk appetite.

Our first line of defense consists of our revenue-producing units, Controllers, Engineering, Corporate Treasury and certain other corporate functions. The first line of defense is responsible for its risk-generating activities, as well as for the design and execution of controls to mitigate such risks.

Our Risk and Compliance functions are considered our second line of defense and provide independent assessment, oversight and challenge of the risks taken by our first line of defense, as well as lead and participate in risk committees.

Internal Audit is considered the third line of defence and reports to the Audit Committee of the Board. Internal Audit includes professionals with a broad range of audit and industry experience, including risk management expertise. Internal Audit is responsible for independently assessing and validating the effectiveness of key controls, including those within the risk management framework, and providing timely reporting to the Audit Committee of the Board, senior management and regulators.

The three lines of defence structure promotes the accountability of first line risk takers, provides a framework for effective challenge by the second line and empowers independent review from the third line.

3 Overview of risk management (continued)

3.2 Processes

The Company maintains various processes that are critical components of its risk management framework, including (a) risk identification and assessment, (b) risk appetite, limits, thresholds and alerts, (c) control monitoring and testing, and (d) risk reporting.

(a) Risk Identification and Assessment

The Company believes the identification and assessment of our risks is a critical step in providing the Board and senior management transparency and insight into the range and materiality of the Company's risks. The Company has a comprehensive data collection process, including policies and procedures that require all employees to report and escalate risk events. The approach for risk identification and assessment is comprehensive across all risk types, is dynamic and forward-looking to reflect and adapt to our changing risk profile and business environment, leverages subject matter expertise, and allows for prioritization of the most critical risks. We perform risk assessments periodically with the aim of ensuring that our material financial and nonfinancial risks are mitigated through controls to an acceptable tolerance level in accordance with our risk appetite. Our risk assessments include, among other things, the use of stress testing as well as an assessment of our internal control processes designed to mitigate such risks.

Firmwide stress testing is an important part of our risk management process. It allows us to quantify our exposure to tail risks, highlight potential loss concentrations, undertake risk/reward analysis, and assess and mitigate our risk positions. Firmwide stress tests are performed on a regular basis and are designed to ensure a comprehensive analysis of our vulnerabilities and idiosyncratic risks combining financial and nonfinancial risks, including, but not limited to, credit, market, liquidity and funding, operational and compliance, strategic, systemic and emerging risks into our stress scenarios. We also perform ad hoc stress tests in anticipation of market events or conditions. Stress tests are also used to assess capital adequacy as part of our capital planning and stress testing process.

We maintain a daily discipline of marking substantially all of our inventory to current market levels. We carry our inventory at fair value, with changes in valuation reflected immediately in our risk management systems and in net revenues. We do so because we believe this discipline is one of the most effective tools for assessing and managing risk and that it provides transparent and realistic insight into our inventory exposures.

(b) Risk Appetite, Limits Thresholds and Alerts setting

We apply risk limits, thresholds and alerts to control and monitor risk across transactions, products, businesses and markets. The Board, directly or indirectly through its Risk Committee, approves limits, thresholds and alerts included in our risk appetite statement at firmwide, business and product levels.

Certain limits may be set at levels that will require periodic adjustment, rather than at levels that reflect our maximum risk appetite. This fosters an ongoing dialogue about risk among our first and second lines of defense, committees and senior management, as well as rapid escalation of risk-related matters. Limits are reviewed regularly and amended on a permanent or temporary basis to reflect changes to our strategic business plan, as well as changing market conditions, business conditions or risk tolerance. Risks limits are monitored by the respective Risk functions.

The Company's overall risk appetite is established through an assessment of opportunities relative to potential loss, and is calibrated to the Company's respective capital, liquidity and earnings capability. The primary means of evaluating loss-taking capacity is through the Internal Capital Adequacy Assessment Process ("ICAAP").

3 Overview of risk management (continued)

3.2 Processes

(c) Control Monitoring and Testing

We perform control monitoring and testing to measure the effectiveness of our key controls and to ensure that we are in compliance with policies, codes of conduct, control standards and regulatory requirements. Monitoring and testing is performed by dedicated teams within the first and second lines of defense. These teams establish procedures, develop risk-based annual plans, perform control testing and escalate identified issues. Issues identified by the dedicated teams, as well as self identified issues by our employees, are assessed for appropriate escalation and resolution. Where material or thematic issues exist, we develop a plan to remediate them, as appropriate, and monitor the remediation activities.

(d) Risk decision-Reporting

Effective risk reporting depends on our ability to get the right information to the right people at the right time. Risk reporting is designed to be both forward and backward-looking and consider detailed information on existing and emerging risk exposures. Risk reporting may include stress testing and scenario analysis, information about the risk profiles for financial and nonfinancial risks, utilization of risk limits and thresholds, details of new and emerging risks identified through our risk identification processes, details of issues, significant internal and external events, and information related to the effectiveness of our controls and remediation plans. As such, we focus on the rigor and effectiveness of our risk systems, with the objective of ensuring that our risk management technology systems provide us with complete, accurate and timely information. Our risk reporting process is designed to take into account information about both existing and emerging risks, thereby enabling our risk committees and senior management to perform their responsibilities with the appropriate level of insight into risk exposures.

We make extensive use of risk committees and councils that meet regularly and serve as an important means to facilitate and foster ongoing discussions to manage and mitigate risks.

We maintain strong and proactive communication about risk and we have a culture of collaboration in decision making among our first and second lines of defense, committees and senior management. While our first line of defense is accountable and responsible for management of their risk, we dedicate extensive resources to our second line of defense in order to reinforce the importance of having effective oversight and challenge, and a strong culture of escalation and accountability across all functions.

3.3 People

The Company reinforces a culture of effective risk management, consistent with its risk appetite, in its training and development programmes, as well as in the way it evaluates performance, and recognises and rewards people. The Company's training and development programmes, including certain sessions led by the most senior leaders, are focused on the importance of risk management, client relationships and reputational excellence. As part of the Company's performance review process, the Company assesses reputational excellence, including how an employee exercises good risk management and reputational judgement, and adheres to the Company's code of conduct and compliance policies. The Company's review and reward processes are designed to communicate and reinforce to its professionals the link between behaviour and how people are recognised, the need to focus on clients and reputation, and the need to always act in accordance with the highest standards.

3 Overview of risk management (continued)

3.4 Structure

Ultimate oversight of risk is the responsibility of our Board. The Board oversees risk both directly and through its committees, including its Risk Committee. We also have a series of committees that generally consist of senior managers, including from both our first and second lines of defense, with specific risk management mandates that have oversight or decision-making responsibilities for risk management activities. The key committees with oversight of the Company's activities are described in Note 1 of the Unaudited Disclosure Statement "Corporate governance".

3.5 Linkage between Risk Appetite and Strategy

As a subsidiary of Group Inc., the Company's strategic decisions are integrated with and follow a similar process as those of Group Inc., with primary focus in Fixed Income franchise activities in the Asia Pacific region.

Strategic and business planning define the Company's long-term goals and the processes for achieving those goals, which support prioritized decision-making and foster discussion amongst the Firm's leadership on how to most effectively allocate the Firm's human, capital, and other resources. Risk appetite is an important consideration and constraint as the firm develops, evaluates, and implements plans in line with its strategic ambitions. The Firm assesses risk implications of strategic decisions through evaluation of risk management and control capabilities required to execute within the established appetite.

As we consider entering into activities which are materially different from those in which we have first hand knowledge, we do so only after conducting a thorough risk assessment which includes an evaluation of our risk management and control capabilities for the new activity. The Company will not pursue entry into a new business, market, or geography if we conclude that we have inadequate risk expertise, infrastructure, or other resources to avoid executing outside the established appetite.

Our Board provides ultimate oversight of the Firm's strategy and serves as a resource and sounding board for senior management. Senior management provides updates to the Board on a regular basis regarding aspects of the Firm's strategy, risk, and control considerations. The Management Committee conducts an annual strategy review, during which it reviews the business plans of businesses and control-side divisions, with input from the Company's senior managers. In addition, the Chief Executive provides updates to the Board on matters related to the Firm's strategy, including where relevant, recommendations for changes to the strategy.

4 Overview of RWA

The Company uses the Standardized (Credit Risk) Approach ("STC"), the Standardized (Market Risk) Approach ("STM") and the Basic Indicator Approach ("BIA"), as set out in the BCR, to calculate its credit risk, market risk and operational risk respectively.

Using the standard template as specified by the HKMA, the detailed breakdown of the Company's RWA are set out below.

Template OV1: Overview of RWA

		RWA		Minimum capital requirements (Note (i))
		31 December 2024	30 September 2024	31 December 2024
		US$'000	US$'000	US$'000
1	Credit risk for non-securitization exposures	28,403	27,500	2,272
2	Of which STC approach	28,403	27,500	2,272
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
6	Counterparty default risk and default fund contributions	854	1,171	68
7	Of which SA-CCR	588	924	47
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	266	247	21
10	CVA risk	29	137	2
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA	-	-	-
13	CIS exposures – MBA	-	-	-
14	CIS exposures – FBA	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	-	-	-
21	Of which STM approach	-	-	-
22	Of which IMM approach	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	Not applicable	Not applicable	Not applicable
24	Operational risk	20,074	19,300	1,606
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	-	-	-
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
27	Total	49,360	48,108	3,949

(i) The minimum capital requirements are determined by multiplying the Company's RWAs derived from the relevant calculation approach by 8%, not the Company's actual regulatory capital.

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5 Composition of regulatory capital

5.1 Template CC1: Composition of regulatory capital

The following table sets out the detailed composition of the Company's regulatory capital as at 31 December 2024 using the standard template as specified by the HKMA. Notes (a) to (c) represents the source which is to be cross-referenced to the corresponding rows in Template CC2.

		Amount (US$'000)	Source based on reference letters of the balance sheet under the regulatory scope of consolidation
	CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	114,010	(a)
2	Retained earnings	15,950	(b)
3	Disclosed reserves	-	
4	*Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)*	Not applicable	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**	129,960	
	CET1 capital: regulatory deductions		
7	Valuation adjustments	-	
8	Goodwill (net of associated deferred tax liabilities)	-	
9	Other intangible assets (net of associated deferred tax liabilities)	-	
10	Deferred tax assets (net of associated deferred tax liabilities)	1,297	(c)
11	Cash flow hedge reserve	-	
12	Excess of total EL amount over total eligible provisions under the IRB approach	-	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital 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 LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Significant LAC 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 (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	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 MA	-	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	-	
26e	Capital shortfall of regulated non-bank subsidiaries	-	

5 Composition of regulatory capital (continued)

5.1 Template CC1: Composition of regulatory capital (continued)

		Amount (US$'000)	Source based on reference letters of the balance sheet under the regulatory scope of consolidation
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**	1,297	
29	**CET1 capital**	128,663	
	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 LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
40	Significant LAC 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	-	
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 (T1 = CET1 + AT1)**	128,663	
	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 provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	-	
51	**Tier 2 capital before regulatory deductions**	-	

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5 Composition of regulatory capital (continued)

5.1 Template CC1: Composition of regulatory capital (continued)

		Amount (US$'000)	Source based on reference letters of the balance sheet under the regulatory scope of consolidation
	Tier 2 capital: regulatory deductions		
52	Investments in own Tier 2 capital instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	-	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	-	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only)	-	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
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	-	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR	-	
57	**Total regulatory adjustments to Tier 2 capital**	-	
58	**Tier 2 capital (T2)**	-	
59	**Total regulatory capital (TC = T1 + T2)**	128,663	
60	**Total RWA**	49,360	
	Capital ratios (as a percentage of RWA)		
61	**CET1 capital ratio**	260.66%	
62	**Tier 1 capital ratio**	260.66%	
63	**Total capital ratio**	260.66%	
64	**Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)**	3.008%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.508%	
67	of which: higher loss absorbency requirement	-	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	252.66%	
	National minima (if different from Basel 3 minimum)		
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable

5 Composition of regulatory capital (continued)

5.1 Template CC1: Composition of regulatory capital (continued)

		Amount (US$'000)	Source based on reference letters of the balance sheet under the regulatory scope of consolidation
	Amounts below the thresholds for deduction (before risk weighting)		
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	-	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	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 BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	-	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	*Current cap on CET1 capital instruments subject to phase-out arrangements*	Not applicable	Not applicable
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	Not applicable	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)*	-	

Notes to the Template:

	Description	Hong Kong basis (US$'000)	Basel III basis (US$'000)
10	**Deferred tax assets (net of associated deferred tax liabilities)**	1,297	-
	Explanation As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), Deferred Tax Assets ("DTAs") of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for Mortgage Servicing Rights ('MSRs'), DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		

Remarks: The amount of the 10% threshold is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.

5 Composition of regulatory capital (continued)

5.2 Template CC2: Reconciliation of regulatory capital to balance sheet

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

31 December 2024

	Balance sheet as in published financial statements / Under regulatory scope of consolidation (i)	Cross reference to composition of regulatory capital
	US$'000	
Assets		
Cash and cash equivalents	137,038	
Derivative financial instruments	13,187	
Other receivables	37,482	
Deferred income tax assets	1,297	(c)
Total assets	**189,004**	
Liabilities		
Deposit from an affiliated customer	1,000	
Short-term loans payable	2,000	
Derivative financial instruments	13,323	
Other payables	42,317	
Current income tax liabilities	404	
Total liabilities	**59,044**	
Equity		
Share capital	114,010	(a)
Retained profits	15,950	(b)
Total equity	**129,960**	
Total equity and liabilities	**189,004**	

(i) There is no difference in scope between the balance sheet and the composition of regulatory capital.

5 Composition of regulatory capital (continued)

5.3 Table CCA: Main features of regulatory capital instruments

The following table shows the main features of regulatory capital instruments.

31 December 2024

1	Issuer	Goldman Sachs Asia Bank Limited
2	Unique identifier (e.g. 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 / solo and group	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares (with voting rights)
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	US$ 114.01 million
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 100,000,000 shares issued on 12 July 2016
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	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	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 in the insolvency creditor hierarchy of the legal entity concerned).	Not applicable
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable

5 Composition of regulatory capital (continued)

5.3 Table CCA: Main features of regulatory capital instruments (continued)

Information relating to the disclosure of the full terms and conditions of the Company's capital instruments can be viewed on the Firm's website as the Company does not maintain a website of its own: http://www.goldmansachs.com/disclosures/gsab-disclosures/terms-and-conditions.html

6 Macroprudential supervisory measures

6.1 Template CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer

The geographical allocation of private sector credit exposures to the various jurisdictions is based on "ultimate risk basis". "Ultimate risk basis" means the allocation of exposures to the jurisdictions where the risk ultimately lies, as defined as the location where the "ultimate obligor" resides.

The geographical distribution of private sector credit exposures that are relevant in the calculation of CCyB ratio is set out below.

31 December 2024

	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio (US$'000)	AI-specific CCyB ratio (%)	CCyB amount (US$'000)	Note
1	Hong Kong, China	0.500%	1,733	[redacted]	[redacted]	(i)
2	United Kingdom	2.000%	24	[redacted]	[redacted]	
3	Sum	[redacted]	1,757	[redacted]	[redacted]	
4	Total	[redacted]	1,801	0.508%	9	

(i) The increase in RWA used in the computation of CCyB ratio from the previous semi-annual reporting period is mainly due to the increase in the central counterparties exposure.

7 Leverage ratio

7.1 Template LR1: Summary comparison of accounting assets against leverage ratio ("LR") exposure measure

The leverage ratio is calculated in accordance with the relevant provisions of the BCR.

31 December 2024

	Item	Value under the LR framework (US$'000 equivalent)
1	Total consolidated assets as per published financial statements	189,004
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
2a	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
3a	Adjustments for eligible cash pooling transactions	-
4	Adjustments for derivative contracts	16,008
5	Adjustment for SFTs (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	-
6a	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	-
7	Other adjustments	(1,297)
8	**Leverage ratio exposure measure**	203,715

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7 Leverage ratio (continued)

7.2 Template LR2: Leverage ratio

31 December 2024

		US$'000 equivalent	
		31 December 2024	30 September 2024
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	175,834	170,337
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,297)	(1,022)
3	**Total on-balance sheet exposures (excluding derivative contracts and SFTs)**	174,537	169,315
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	26,854	26,477
5	Add-on amounts for PFE associated with all derivative contracts	2,324	3,182
6	Gross-up for collateral provided in respect of derivative contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	-	-
11	**Total exposures arising from derivative contracts**	29,178	29,659
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	**Total exposures arising from SFTs**	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	-	-
18	Less: Adjustments for conversion to credit equivalent amounts	-	-
19	**Off-balance sheet items**	-	-
Capital and total exposures			
20	**Tier 1 capital**	128,663	127,940
20a	**Total exposures before adjustments for specific and collective provisions**	203,715	198,974
20b	**Adjustments for specific and collective provisions**	-	-
21	**Total exposures after adjustments for specific and collective provisions**	203,715	198,974
Leverage ratio			
22	**Leverage ratio**	63.16%	64.30%

8 Linkages between financial statements and regulatory exposures

8.1 Template LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

31 December 2024

	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items: subject to credit risk framework	subject to counterparty credit risk framework	subject to the securitization framework	subject to market risk framework	not subject to capital requirements or subject to deduction from capital
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Assets							
Cash and cash equivalents	137,038	137,038	137,038	-	-	-	-
Derivative financial instruments	13,187	13,187	17	13,170	-	-	-
Other receivables	37,482	37,482	2,083	35,399	-	-	-
Deferred income tax assets	1,297	1,297	-	-	-	-	1,297
Total assets	**189,004**	**189,004**	**139,138**	**48,569**	**-**	**-**	**1,297**
Liabilities							
Deposit from an affiliated customer	1,000	1,000	-	-	-	-	1,000
Short-term loans payable	2,000	2,000	-	-	-	-	2,000
Derivative financial instruments	13,323	13,323	-	13,170	-	-	153
Other payables	42,317	42,317	-	23,102	-	-	19,215
Current income tax liabilities	404	404	-	-	-	-	404
Total liabilities	**59,044**	**59,044**	**-**	**36,272**	**-**	**-**	**22,772**

8.2 Template LI2: Main sources of differences between regulatory exposures amounts and carrying values in financial statements

31 December 2024

		Total	Items subject to: credit risk framework	securitization framework	counterparty credit risk framework	market risk framework
		US$'000	US$'000	US$'000	US$'000	US$'000
1	**Asset carrying value amount under scope of regulatory consolidation (as per template LI1)**	187,707	139,138	-	48,569	-
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	36,272	-	-	36,272	-
3	Total net amount under regulatory scope of consolidation	151,435	139,138	-	12,297	-
4	Off-balance sheet amounts	-	-	-	-	-
5	Differences due to replacement cost of derivatives	19,182	-	-	19,182	-
6	Differences due to potential future exposures of derivatives	1,007	-	-	1,007	-
7	Difference due to scalar applied for derivatives	8,075	-	-	8,075	-
8	**Exposure amounts considered for regulatory purposes**	179,699	139,138	-	40,561	-

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8 Linkages between financial statements and regulatory exposures (continued)

8.2 Template LI2: Main sources of differences between regulatory exposures amounts and carrying values in financial statements (continued)

The below outlines the main drivers for the differences between regulatory exposure amounts and accounting carrying values under the regulatory scope of consolidation:

(i) Exposure amounts are calculated after taking into account recognized collateral received or posted.
(ii) Counterparty credit risk exposures for regulatory purposes consist of both the current exposures and the potential future exposures, where potential future exposures are not considered in the accounting carrying values.
(iii) A scalar factor of 1.4 is applied to exposures of derivatives under the standardized approach for measuring counterparty credit risk.

There were no valuation adjustments for all assets measures at fair value, including non-derivative and derivative instruments as at 31 December 2024.

9 Liquidity risk management

The following table shows the Company's on-balance sheet items by remaining contractual maturity and the resultant liquidity gaps as at 31 December 2024 based on the reported numbers under MA(BS)23 Return of Liquidity Monitoring Tools.

There were no off-balance sheet items as at 31 December 2024, other than derivative transactions covered below.

The qualitative disclosures related to liquidity risk management are set forth in Note 17.3 to the financial statements "Financial risk management – Liquidity risk."

	On demand	Within 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	Over five years	Undated	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Amount receivable arising from derivative contracts	14	4	613	2,834	9,960	-	-	13,425
Due from banks	72,285	-	65,000	-	-	-	-	137,285
Other assets	29	2,319	-	-	809	-	35,399	38,556
Total on-balance sheet assets	72,328	2,323	65,613	2,834	10,769	-	35,399	189,266
Deposits from non-bank customers	-	4	1,000	-	-	-	-	1,004
Amount payable arising from derivative contracts	1	1	613	2,834	9,960	-	-	13,409
Other liabilities	-	8,248	2,032	507	4,903	-	29,203	44,893
Capital and reserves	-	-	-	-	-	-	129,960	129,960
Total on-balance sheet liabilities	1	8,253	3,645	3,341	14,863	-	159,163	189,266
Contractual Maturity Mismatch	72,327	(5,930)	61,968	(507)	(4,094)	-		
Cumulative Contractual Maturity Mismatch	72,327	66,397	128,365	127,858	123,674	123,764		

10 Credit risk for non-securitization exposures

Using the standard templates as specified by the HKMA, the following sub-sections and templates provide detailed information relating to credit risk for non-securitization exposures under the STC approach.

There were no loans or debt securities or related off-balance sheet exposures as at 31 December 2024.

10 Credit risk for non-securitization exposures (continued)

10.1 General information about credit risk

The general information about credit risk is set forth in Note 17.2 to the financial statements "Financial risk management – Credit risk."

10.2 Qualitative disclosures related to credit risk mitigation ("CRM")

The qualitative disclosures related to credit risk mitigation are set forth in Note 17.2 to the financial statements "Financial risk management – Credit risk."

10.3 Qualitative disclosures on use of ECAI ratings under STC approach

As at 31 December 2024 and 31 December 2023, the Company has nominated Standard & Poor's Rating Services, Moody's Investors Service and Fitch Ratings as the external credit assessment institutions ("ECAIs") used to determine the risk-weights of exposures subject to the STC approach. The exposure classes for which the ECAIs are used include sovereign, public sector entity, bank, securities firm, corporate and collective investment scheme exposures. For risk-weighting purpose, the Company will use certain credit ratings among the three ECAIs which will result in the highest risk-weights according to the requirements of the BCR.

10.4 Template CR4: Credit risk exposures and effects of recognized credit risk mitigation – for STC approach

31 December 2024

		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		US$'000	US$'000	US$'000	US$'000	US$'000	%
1	Sovereign exposures	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-
4	Bank exposures	137,285	-	137,285	-	27,457	20
5	Securities firm exposures	1,934	-	1,808	-	918	51
6	Corporate exposures	31	-	28	-	28	100
7	CIS exposures	-	-	-	-	-	-
8	Cash items	17	-	17	-	-	-
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-
10	Regulatory retail exposures	-	-	-	-	-	-
11	Residential mortgage loans	-	-	-	-	-	-
12	Other exposures which are not past due exposures	-	-	-	-	-	-
13	Past due exposures	-	-	-	-	-	-
14	Significant exposures to commercial entities	-	-	-	-	-	-
15	Total	139,267	-	139,138	-	28,403	20

10 Credit risk for non-securitization exposures (continued)

10.5 Template CR5: Credit risk exposures by asset classes and by risk weights – for STC approach

31 December 2024

	Exposure class \ Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	137,285	-	-	-	-	-	-	-	137,285
5	Securities firm exposures	-	-	-	-	1,780	-	28	-	-	-	1,808
6	Corporate exposures	-	-	-	-	-	-	28	-	-	-	28
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Cash items	17	-	-	-	-	-	-	-	-	-	17
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-	-	-	-	-	-
10	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-
11	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
12	Other exposures which are not past due exposures	-	-	-	-	-	-	-	-	-	-	-
13	Past due exposures	-	-	-	-	-	-	-	-	-	-	-
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	Total	17	-	137,285	-	1,780	-	56	-	-	-	139,138

11 Counterparty credit risk

There were no credit-related derivative contracts or exposures to central counterparties as at 31 December 2024.

11.1 Qualitative disclosures related to counterparty credit risk

The risk management objectives and policies, and method for setting operating limits related to counterparty credit risk are set forth in Note 17.2 to the financial statements "Financial risk management – Credit risk."

(a) Credit risk mitigation and assessments concerning counterparty credit risk

To reduce our credit exposures on derivatives, the Company may enter into master netting agreements or similar arrangements (collectively, netting agreements) with counterparties that permit it to offset receivables and payables with such counterparties. The Company may also reduce credit risk with counterparties by entering into agreements that enable it to obtain collateral from them on an upfront or contingent basis and/or to terminate transactions if the counterparty's credit rating falls below a specified level. The Company monitors the fair value of the collateral on a daily basis to ensure that its credit exposures are appropriately collateralised. The Company seeks to minimise exposures where there is a significant positive correlation between the creditworthiness of our counterparties and the market value of collateral received.

When the Company does not have sufficient visibility into a counterparty's financial strength or when it believes a counterparty requires support from its parent, the Company may obtain third-party guarantees of the counterparty's obligations. The Company may also mitigate its credit risk using credit derivatives or participation agreements.

As part of the risk assessment process, Credit Risk performs credit reviews, which include initial and ongoing analyses of our counterparties. A credit review is an independent analysis of the capacity and willingness of a counterparty to meet its financial obligations, resulting in an internal credit rating. The determination of internal credit ratings also incorporates assumptions with respect to the nature of and outlook for the counterparty's industry, and the economic environment. Senior personnel within Credit Risk, with expertise in specific industries, inspect and approve credit reviews and internal credit ratings.

(b) Wrong-way risk

The Company seeks to minimise risk where there is a significant positive correlation between the probability of default of a counterparty and our exposure to that counterparty (net of the market value of any collateral we receive), which is known as "wrong-way risk". Wrong-way risk is commonly categorised into two types: specific wrong-way risk and general wrong-way risk. The Company categorises exposure as specific wrong-way risk when our counterparty and the issuer of the reference asset of the transaction are the same entity or are affiliates, or if the collateral supporting a transaction is issued by the counterparty or its affiliates. General wrong-way risk arises when there is a significant positive correlation between the probability of default of a counterparty and general market risk factors affecting the exposure to that counterparty. The Company has procedures in place to actively identify, monitor and control specific and general wrong-way risk, beginning at the inception of a transaction and continuing through its life, including assessing the level of risk through stress tests. The Company ensures that material wrong-way risk is mitigated using collateral agreements or increases to initial margin, where appropriate.

11 Counterparty credit risk (continued)

11.1 Qualitative disclosures related to counterparty credit risk (continued)

Collateral requirements arising from derivatives the Company has transacted under bilateral agreements with counterparties are not linked to changes in the Company's or Firm's credit rating.

Using the standard templates as specified by the HKMA, the following tables provide detailed information relating to counterparty credit risk and credit valuation adjustment ("CVA") arising from derivative contracts.

11.2 Template CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches

31 December 2024

		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA	Note
		US$'000	US$'000	US$'000		US$'000	US$'000	
1	SA-CCR approach (for derivative contracts)	-	34		1.4	48	24	(i)
1a	CEM (for derivative contracts)	-	-		1.4	-	-	
2	IMM (CCR) approach			-	-	-	-	
3	Simple Approach (for SFTs)					-	-	
4	Comprehensive Approach (for SFTs)					-	-	
5	VaR (for SFTs)					-	-	
6	**Total**						24	

(i) RWA calculated under the SA-CCR approach decreased from the previous semi-annual reporting period mainly due to the maturity of foreign exchange derivative trades.

11.3 Template CCR2: CVA capital charge

31 December 2024

		EAD post CRM	RWA	Note
		US$'000	US$'000	
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	-	-	
1	(i) VaR (after application of multiplication factor if applicable)		-	
2	(ii) Stressed VaR (after application of multiplication factor if applicable)		-	
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	48	29	(i)
4	Total	48	29	

(i) CVA capital charge decreased from the previous semi-annual reporting period mainly due to the maturity of foreign exchange derivative trades.

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11 Counterparty credit risk (continued)

11.4 Template CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights – for STC approach

31 December 2024

	Exposure class \ Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total default risk exposures after CRM	Note
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-	
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-	
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-	
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-	
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-	
4	Bank exposures	-	-	-	-	-	-	-	-	-	-	-	
5	Securities firm exposures	-	-	-	-	48	-	-	-	-	-	48	(i)
6	Corporate exposures	-	-	-	-	-	-	-	-	-	-	-	(i)
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-	
8	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-	
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-	
10	Other exposures which are not past due exposures	-	-	-	-	-	-	-	-	-	-	-	
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-	
12	Total	-	-	-	-	48	-	-	-	-	-	48	

(i) The decrease in securities firm counterparty default risk exposures from the previous semi-annual reporting period is mainly due to the maturity of foreign exchange derivative trades.

11 Counterparty credit risk (continued)

11.5 Template CCR5: Composition of collateral for counterparty default risk exposures (including those for contracts or transactions cleared through CCPs)

31 December 2024

	Derivative contracts				SFTs		Note
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated			
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	
Cash - domestic currency	-	-	-	-	-	-	
Cash - other currencies	-	21,253	-	24,950	-	-	
Total	-	**21,253**	-	**24,950**	-	-	(i)

(i) The movement in cash collateral received and placed from the previous semi-annual reporting period is mainly due to the increase in margin placement with the clearing house.

11.6 Template CCR8: Exposures to CCPs

31 December 2024

		EAD post CRM	RWA
		US$'000	US$'000
1	**Exposures of the AI as clearing member or client to qualifying CCPs (total)**		830
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	28,216	564
3	(i) OTC derivative transactions	28,216	564
4	(ii) Exchange-traded derivative contracts	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets subject to valid cross-product netting agreements	-	-
7	Segregated initial margin	-	
8	Unsegregated initial margin	-	-
9	Funded default fund contributions	12,297	266
10	Unfunded default fund contributions	-	-
11	**Exposures of the AI as clearing member or clearing client to nonqualifying CCPs (total)**		-
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	-	-
13	(i) OTC derivative transactions	-	-
14	(ii) Exchange-traded derivative contracts	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets subject to valid cross-product netting agreements	-	-
17	Segregated initial margin	-	
18	Unsegregated initial margin	-	-
19	Funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

12 Securitization exposures

There were no securitization exposures as at 31 December 2024.

13 Market risk

The Company has been exempted by the HKMA under section 22(1) of the BCR from the calculation of market risk under section 17 of the BCR for 2024.

14 Operational risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events.

The Company's exposure to operational risk arises from routine processing errors made by the company or company's third parties, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters, that could occur for the company or company's third parties.

Potential types of loss events related to internal and external operational risk include:

- Execution, delivery and process management;
- Business disruption and system failures;
- Employment practices and workplace safety;
- Clients, products and business practices;
- Damage to physical assets;
- Internal fraud; and
- External fraud

Operational Risk, which is part of the Firm's second line of defence and reports to Firm's chief risk officer, has primary responsibility for developing and implementing a formalized framework for assessing, monitoring and managing operational risk to support the Firm oversight and challenge the Firm's business with the goal of maintaining exposure to operational risk at levels that are within the Firm's risk appetite. The Company's framework for managing company level operational risk is consistent with, and is part of the Firm's framework.

15 Interest rate risk in banking book ("IRRBB")

The Company's exposure to interest rate risk in our banking book activities arises from differences in interest earned or paid as interest rates change, due to the reset characteristics of our assets and liabilities. The Company's banking book is comprised of assets and liabilities that are intended to be held to maturity, including deposits and cash placements. Changes in market interest rates on banking book assets and liabilities can have an adverse effect on the Company's earnings and economic value.

The Company's ALCO is the primary oversight body responsible for reviewing and managing the Company's IRRBB and oversees the strategic implication of risk management activity, ensuring the company's IRRBB exposure complies with established limits, while also prudently managing to the Company's objectives of minimizing interest expenses. Any major hedging or risk management initiative would be approved in advance by ALCO.

The Company evaluates the sensitivity to changes in interest rates across a range of interest rate scenarios, including parallel rally and sell-off scenarios, as well as non-parallel scenarios using different methodologies such as Net Interest Income (NII) and Economic Value of Equity (EVE) sensitivity analysis. NII sensitivity measures the impacts of changes in rates on the accrued interest of all assets and liabilities over a defined time horizon. EVE sensitivity measures the change in the present value of banking book assets and liabilities as a function of different interest rate assumptions. The Company measures EVE and NII sensitivities periodically and assesses these against established limits. Limit breaches are escalated in accordance with the Company's IRRBB policy.

Internal Audit is responsible for assessing the adequacy and effectiveness of the Company's overall control environment, including IRRBB management and mitigation strategies. Internal Audit employs a risk-based methodology to develop the audit plan.

Models used in the Company are validated and annually reviewed by Model Risk.

As at 31 December 2024, the Company's variation in earnings and economic value based on each of the prescribed interest rate shock scenarios in accordance with the method used in MA(BS)12A Return of Interest Rate Risk in the Banking Book ("IRRBB return"), are as follows:

Template IRRBB1: Quantitative information on interest rate risk in banking book

(in US$'000)		ΔEVE		ΔNII	
	Period	31 December 2024	31 December 2023	31 December 2024	31 December 2023
1	Parallel up	62	63	(2,151)	(2,324)
2	Parallel down	9	9	2,151	2,324
3	Steepener	7	7	[redacted]	[redacted]
4	Flattener	73	74		
5	Short rate up	92	93		
6	Short rate down	10	10		
7	**Maximum** [1]	102	103	2,151	2,324
	Period	31 December 2024		31 December 2023	
8	**Tier 1 capital**	128,663		124,517	

Note:
1. Positive values indicate losses under alternative scenarios, and the change in EVE is floored to zero based on the standardised framework described in the IRRBB return.

16 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.

International claims attributable to individual countries or areas not less than 10% of the total international claims, after recognised risk transfer, are disclosed as follows:

31 December 2024

	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Developed countries:					
United States	28,385	-	42	-	28,427
Canada	15,506	-	-	-	15,506
United Kingdom	80,532	-	5,789	-	86,321
Offshore centres:					
Hong Kong	10,136	-	8,297	15	18,448
Total	**134,559**	**-**	**14,128**	**15**	**148,702**

17 Loans and advances – sector information

There were no loans and advances to customers as at 31 December 2024.

18 Overdue and rescheduled assets

There were no impaired, rescheduled or overdue assets as at 31 December 2024.

19 Mainland activities

There were no Mainland exposures to material non-bank counterparties as at 31 December 2024.

20 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:

31 December 2024	**USD currency**
	US$'000
Spot assets	147,640
Spot liabilities	(155,806)
Forward purchases	17,839
Forward sales	(9,119)
Net long position	554

As at 31 December 2024, the Company had no net currency position calculated on the basis of the delta-weighted position of its options contracts.

20 Currency risk (continued)

As at 31 December 2024, the Company had no foreign currency exposure arising from structural positions.

21 Off-balance sheet exposures (other than derivative transactions)

There are no off-balance sheet exposures (other than derivative transactions) as at 31 December 2024.

22 Segmental information

The profit and loss and operating assets of the Company are mainly contributed by Global Banking & Markets. Global Banking & Markets 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 2024.

	2024 Global Banking & Markets US$'000
Service fee income	6,226
Total operating income	11,437
Profit before income tax	5,179
Total operating assets	187,707
Total assets	189,004
Total liabilities	59,044

There were no impairment losses, specific provision and collective provision for impaired assets for the year ended 31 December 2024.

There were no contingent liabilities and commitments as at 31 December 2024.

23 Assets used as security

There were no assets used as security as at 31 December 2024.

24 Remuneration

The following disclosures are made in accordance with Part 3 (Disclosure on remuneration) of Supervisory Policy Manual CG-5 "Guideline on a Sound Remuneration System" issued by the HKMA in respect of the Company. Below are the applicable disclosures made pursuant to the requirements.

24.1 Design and implementation of the remuneration system

(a) Remuneration Programme Philosophy

Retention of talented employees is critical to executing the Firm's business strategy successfully. Remuneration is, therefore, a key component of the costs the Firm incurs to generate revenues, similar to the cost of goods sold or manufacturing costs in other industries.

The remuneration philosophy and the objectives of the remuneration programme for the Firm are reflected in the Compensation Principles for The Goldman Sachs Group Inc., ("GS Group") as posted on the Goldman Sachs public website:
http://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/compensation-principles.pdf

24 Remuneration (continued)

24.1 Design and implementation of the remuneration system (continued)

(b) Firmwide Compensation Frameworks

The Firmwide Performance Management and Incentive Compensation Framework, as amended from time to time ("Firmwide PM-IC Framework"), formalises the variable compensation practices of GS Group and its affiliates and consolidated subsidiaries.

The primary purpose of this Firmwide PM-IC Framework is to assist the Firm in assuring that its variable compensation programme does not provide "covered employees" (*i.e.,* senior executives as well as other employees of the Firm, who, either individually or as part of a group, have the ability to expose the Firm to material amounts of risk) with incentives to take imprudent risks and is consistent with the safety and soundness of the Firm.

The Firmwide PM-IC Framework provides that The Goldman Sachs Group Inc. Board of Directors' (the "Group Board") Compensation Committee (the "Board Compensation Committee") responsibilities generally include review and/or approval of firmwide aggregate variable compensation (discussed below) and further recognizes that certain employees of the Firm (such as those at Goldman Sachs Asia Bank Limited) also may be subject to such requirements or other policies with respect to variable compensation as may be adopted by the Firm as a result of applicable local laws, rules or regulations or as otherwise may be determined by the Firm to be appropriate.

(c) Remuneration Governance

The Board Compensation Committee oversees the remuneration policies and practices of the Firm generally, as described in the Firmwide PM-IC Framework. The Remuneration Committee of the Company (the "Remuneration Committee") supplements the Board Compensation Committee's responsibilities by overseeing the development and implementation of those remuneration policies and practices of the Company (the "GSAB Remuneration Policies"). The responsibilities of the committees are summarised below.

The Board Compensation Committee

The Group Board oversees the development, implementation and effectiveness of the Firm's global remuneration practices, and it generally exercises this responsibility directly or through delegation to the Board Compensation Committee. The Board Compensation Committee is responsible for the review and approval of (or recommendation to the Group Board to approve) the Firm's variable remuneration structure, including the portion to be paid as equity-based awards, all year-end equity-based grants for eligible employees (including those employed by the Company), and the terms and conditions of such awards.

The Group Board Compensation Committee reaffirmed the Compensation Principles and formally documented existing commitment and practices that compensation should promote a strong risk management and control environment into a discrete principle. This addition has been incorporated into the updated Global Compensation Policy Statement.

The Board Compensation Committee held eleven meetings in 2024 to discuss and make determinations regarding remuneration.

24 Remuneration (continued)

24.1 Design and implementation of the remuneration system (continued)

(c) Remuneration governance (continued)

The Remuneration Committee

The responsibilities of the Remuneration Committee include:

- Assisting the Group Board in discharging its responsibility in relation to the Company's remuneration systems.
- Making recommendations in respect of remuneration policy and practices to the Board of Directors of the Company to ensure that the judgment and decisions of the Board of Directors of the Company relating to remuneration arrangements are taken independently of management and in the best interests of the Company.

The Remuneration Committee held three meetings in 2024 to discuss and make determinations regarding the remuneration policies of the Company.

The Company Remuneration Committee approved the adoption of the Compensation Policy Statement for use with respect to the Company employees on 6 January 2025.

Compensation-related Risk Assessment

The Firm's Chief Risk Officer ("CRO") presented an annual compensation-related risk assessment to the Board Compensation Committee, meeting jointly with the Risk Committee of the Group Board, to assist the Board Compensation Committee in its assessment of the effectiveness of the Firm's remuneration programme, and particularly, whether the programme is consistent with the principle that variable remuneration does not encourage employees to expose the Firm to imprudent risk.

External Consultants

The Board Compensation Committee recognises the importance of using a remuneration consultant that is appropriately qualified and is determined to be independent. The independence of the remuneration consultant is reviewed and confirmed annually by the Board Compensation Committee.

For 2024, the Board Compensation Committee received the advice of a remuneration consultant from Frederic W. Cook & Co. ("FW Cook").

Global Remuneration Determination Process

The Firm's global process for setting variable remuneration (including the requirement to consider risk and compliance issues) applies to employees of the Company in the same way as to employees in other regions and is subject to oversight by the senior management of the Firm in the region. The Firm uses a highly disciplined and robust process for setting variable remuneration across all regions following the process outlined in the Firmwide PM-IC Framework.

This process involves compensation managers and compensation committees at various levels in the firm, along with the business and business unit heads, Human Capital Management and the Firmwide Management Committee (the Firm's most senior leaders), as appropriate.

In addition, as part of the remuneration determination process, members of the Firm's Human Capital Management, Firm's Compliance, Risk and Internal Audit functions make arrangements for business and business unit management to take into consideration certain compliance, risk or control matters when determining remuneration of individuals. Before any individual remuneration decisions are finalised, Human Capital Management and Legal review compensation recommendations to identify discrepancies or anomalies that may appear to relate to protected characteristics.

24 Remuneration (continued)

24.1 Design and implementation of the remuneration system (continued)

(d) Link between Pay and Performance

In 2024, annual remuneration for employees generally comprised fixed remuneration (including base salary) and variable remuneration. The Firm's remuneration practices provide for variable remuneration determinations to be made on a discretionary basis. Variable remuneration is based on multiple factors and is not set as a fixed percentage of revenue or by reference to any other formula, consistent with the process outlined in the Firmwide PM-IC Framework. Firmwide performance is a key factor in determining variable remuneration.

The Firm is committed to aligning variable remuneration with performance across several financial and non-financial factors. These factors include business-specific performance (as applicable), along with the performance of the Firm and the individual, over the past year, as well as over prior years.

(e) Performance Measurement

Firmwide performance

The following metrics are among the firmwide financial performance measures, considered in determining amounts, although the firm does not use specific measures /or targets as part of a formula[1].

- Net revenues;
- Provision for credit losses;
- Revenues net of provision for credit losses;
- Compensation and benefits expense;
- Non-compensation expenses;
- Total operating expenses;
- Pre-tax earnings;
- Taxes;
- Net earnings;
- Net earnings applicable to common shareholders;
- Ratio of compensation and benefits to revenues net of provision for credit losses;
- Pre-tax margins;
- Efficiency ratio;
- Diluted earnings per share;
- Return on average common equity;
- Return on average tangible common equity;
- Changes in book value per common share; and
- Standardized CET1 Ratio

[1] In certain cases, financial information was reviewed both including and excluding selected items and the FDIC special assessment fee, where applicable. Selected items include those that the firm has sold or is selling related to the narrowing of the firm's ambitions in consumer-related activities and related to the transitioning of Asset & Wealth Management to a less capital-intensive business.

24 Remuneration (continued)

24.1 Design and implementation of the remuneration system (continued)

(e) Performance Measurement (continued)

Business, business unit, desk performance

Additionally, at both the business and business unit level, quantitative and /or qualitative metrics specific such levels, respectively, are used to evaluate the performance of the business/business unit and their respective employees.

Individual performance

Employees are evaluated annually as part of the performance review feedback process. This process reflects input from a number of employees, including supervisors, peers and those who are junior to the employee, regarding an array of performance measures.

Management Committee Assessment Framework

The Management Committee Assessment Framework, which guided the Board Compensation Committee's process for 2024, aligns performance metrics and goals across the firm's most senior leaders, and helps to ensure that the remuneration program for the Firmwide Management Committee continues to be appropriately aligned with our long-term strategic objectives, stakeholder expectations and the safety and soundness of the Firm. The Management Committee Assessment Framework is comprised of four discrete "pillars", each of which contains various goals and objectives: Financial, Client, Risk Management & Controls, and People.

Since 2023, the firm has implemented a number of enhancements under the Risk Management & Controls pillar to drive greater accountability for the quality of the firm's risk and control environment by strengthening the link with remuneration outcomes.

(f) Risk Adjustment

The Firm takes risk, including conduct risk, into account both on an ex-ante and ex-post basis when setting the amount and form of variable remuneration for employees. As indicated in the Firmwide PM-IC Framework, different lines of business have different risk profiles that inform remuneration decisions. These include credit, market, liquidity, operational, reputational, legal, compliance and conduct risks.

Guidelines are provided to assist compensation managers when exercising discretion during the remuneration process to promote appropriate consideration of the different risks presented by the Firm's businesses. Further, to ensure the independence of control function employees, remuneration for those employees is not determined by individuals in revenue-producing positions but rather by the management of the relevant control function.

Consistent with prior years, for 2024 certain employees receive a portion of their variable remuneration as an equity-based award that is subject to a number of terms and conditions that could result in forfeiture or recapture. For further details, see “Structure of Remuneration” below.

(g) Structure of Remuneration

Fixed remuneration

The Firm has a global salary approach to ensure consistency in salary levels and to achieve an appropriate balance between fixed and variable remuneration.

24 Remuneration (continued)

24.1 Design and implementation of the remuneration system (continued)

(g) Structure of remuneration (continued)

Variable remuneration

For employees with total remuneration and variable remuneration above specific thresholds, variable remuneration is generally paid in a combination of cash and equity-based remuneration. In general, the portion paid in the form of an equity-based award increases as variable remuneration increases.

The variable remuneration programme is flexible to allow the Firm to respond to changes in market conditions and to maintain its pay-for-performance approach. Variable remuneration is discretionary (even if paid consistently over a period of years).

Equity-based remuneration

The Firm believes that remuneration should encourage a long-term, firmwide approach to performance and discourage imprudent risk-taking. One way the firm achieves this approach is to pay a significant portion of variable remuneration in the form of equity-based remuneration that delivers over time, changes in value according to the price of GS Group shares of common stock and is subject to forfeiture or recapture. This approach encourages a long-term, firmwide focus because the value of the equity-based remuneration is realised with a dependency on long-term responsible behaviour and the financial performance of the Firm.

The Firm imposes transfer restrictions retention requirements, and anti-hedging policies to further align the interests of the Firm's employees with those of its shareholders. The firm's retention and transfer restriction policies, coupled with the practice of paying senior employees a significant portion of variable remuneration in the form of equity-based awards, leads to a considerable investment in shares of GS Group over time.

Deferral policy: The deferred portion of fiscal year 2024 annual variable remuneration was generally awarded in the form of Restricted Stock Units ("RSUs"). GS Group issues awards in the form of RSUs to the firm's employees. An RSUs is an unfunded, unsecured promise to deliver a share on a predetermined date. RSUs awarded in respect of fiscal year 2024 generally deliver in three equal instalments on or about each of the first, second and third anniversaries of the grant date, assuming the employee has satisfied the terms and conditions of the award at each such date.

Transfer restrictions: The Firm generally requires certain individuals to hold a material portion of the shares they receive in respect of RSUs granted as part of their year-end remuneration according to the Firm's global deferral table. These transfer restrictions apply to the lower of 50% of the shares delivered before reduction for tax withholding, or the number of shares received after reduction for tax withholding.

An employee generally cannot sell, exchange, transfer, assign, pledge, hedge or otherwise dispose of any RSUs or shares that are subject to transfer restrictions.

24 Remuneration (continued)

24.1 Design and implementation of the remuneration system (continued)

(g) Structure of remuneration (continued)

***Equity-based remuneration* (continued)**

Forfeiture and Recapture Provisions*:* The RSUs and shares delivered thereunder in relation to variable remuneration are subject to forfeiture or recapture if the Board Compensation Committee or its delegate(s) determine(s) that during 2024 the employee participated (or otherwise oversaw or was responsible for, depending on the circumstances, another individual's participation) in the structuring or marketing of any product or service, or participated on behalf of the Firm or any of its clients in the purchase or sale of any security or other property, in any case that without appropriate consideration of the risk to the Firm or the broader financial system as a whole (for example, if the employee were to improperly analyse risk or fail sufficiently to raise concerns about such risk) and, as a result of such action or omission, the Board Compensation Committee or its delegate(s) determine(s) there has been, or reasonably could be expected to be, a material adverse impact on the Firm, the employee's business unit or the broader financial system.

An employee's RSUs may also be forfeited, and shares delivered thereunder recaptured if the employee engages in conduct constituting "cause" at any time before the RSUs are delivered and any applicable transfer restrictions lapse. Cause includes, among other things, any material violation of any Firm policy, any act or statement that negatively reflects on the Firm's name, reputation or business interests and any conduct detrimental to the Firm.

With respect to all of the forfeiture conditions, if the Firm determines after delivery or release of transfer restrictions, as applicable, that an RSU or share delivered thereunder should have been forfeited or recaptured, the Firm can require return of any shares delivered or repayment to the Firm of the fair market value of the shares when delivered (including those withheld to pay taxes) or any other amounts paid or delivered in respect thereof.

Hedging: The Firm's anti-hedging policy ensures employees maintain the intended exposure to the Firm's stock performance. In particular, all employees are prohibited from hedging RSUs shares that are subject to transfer restrictions and, to the extent applicable, retention shares. In addition, executive officers of GS Group (as defined under the Securities Exchange Act of 1934) are prohibited from hedging any shares that they can freely sell. Employees, other than executive officers, may hedge only shares that they can otherwise sell. However, no employee may enter into uncovered hedging transactions or sell short any shares. Employees may only enter into transactions or otherwise make investment decisions with respect to shares during applicable "window periods."

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

Senior management are persons responsible for oversight of the Company's strategy or activities and / or those of the Company's material business lines. Key personnel are 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.

Aggregate quantitative information on remuneration for the year ended 31 December 2024 represents the remuneration of 5 individuals (2023: 5) who are considered as senior management and key personnel during the year. Where the individuals have performed services to the Company as well as other affiliated companies during the relevant period, all quantitative information disclosed below has been apportioned to reflect the individuals' service to the Company.

Remuneration paid or awarded for the financial year ended 31 December 2024 comprised fixed remuneration (salaries) and variable remuneration.

24 Remuneration (continued)

24.2 Aggregate quantitative information on remuneration for senior management and key personnel (continued)

(a) Template REM1: Remuneration awarded during financial year

Remuneration amount and quantitative information (US$'000)			Senior management/ Key personnel
1	Fixed remuneration	Number of employees	5
2		Total fixed remuneration	170
3		Of which: cash-based	170
4		Of which: deferred	-
5		Of which: shares or other share-linked instruments	-
6		Of which: deferred	-
7		Of which: other forms	-
8		Of which: deferred	-
9	Variable remuneration	Number of employees	5
10		Total variable remuneration	239
11		Of which: cash-based	159
12		Of which: deferred	-
13		Of which: shares or other share-linked instruments	80
14		Of which: deferred	80
15		Of which: other forms	-
16		Of which: deferred	-
17	**Total remuneration**		**409**

24 Remuneration (continued)

24.2 Aggregate quantitative information on remuneration for senior management and key personnel (continued)

(b) Template REM3: Deferred remuneration

Deferred and retained remuneration (US$'000)		Total amount of outstanding deferred remuneration	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
1	Senior management/ Key personnel					
2	Cash	-	-	-	-	-
3	Shares (number of RSUs)	363	363	-	363	157
4	Cash-linked instruments	-	-	-	-	-
5	Other	-	-	-	-	-
6	**Total**	**363**	**363**	**-**	**363**	**157**

(c) Special payments

No guaranteed bonuses, sign-on awards or severance payments were made to senior management and key personnel during the financial year.

25 Climate risk management

The Firm is subject to climate risk, considered a type of business environment risk, which arises from the long and/or short-term impacts of climate change including both transition risk and physical risk but does not include the discrete occurrence of a natural catastrophe. Physical risk is the risk that asset values may decline or operations may be disrupted as a result of changes in the climate, while transition risk is the risk that asset values may decline due to changes in climate policies or changes in the economy due to decarbonization.

Physical risk impacts may arise from acute risks (e.g., event-driven damage to assets from increasing frequency/severity of weather events, disruption to operations and supply chains) or chronic risks (e.g., longer-term shifts impacting resource availability such as sea-level risk or chronic heat waves). Transition risk impacts may arise from policy, legal, technology, and/or market changes resulting from the adaptation to a greener economy.

The Firm seeks to identify, manage, and where possible mitigate these risks through its climate-related and environmental risk program and recognizes the importance of ongoing program expansion in-line with industry best-practices and regulatory expectations. The Firm also integrates climate risk considerations into other risk types (i.e., Credit, Market, Liquidity and Funding, Operational). This environmental risk management program includes capabilities to quantify the impact of physical and transition risks across various time horizons through scenario analysis. In addition, the Firm has established portfolio level monitoring of associated risks as they continue to evolve and has incorporated climate assessments into transaction level due diligence for select portfolios to manage climate risk associated with new Firm commitments and investments. Climate assessments are utilized to evaluate the Firm's transition risk, focusing on high-emitting sectors, as well as physical risk, which focuses on real estate transactions (including investing and lending) exposed to the highest severity physical risk factors. Other important climate-related capabilities are described in the Firm's Strategy and Risk Management sections of the Task Force on Climate-related Financial Disclosures (TCFD): https://www.goldmansachs.com/investor-relations/corporate-governance/sustainability-reporting/2023-awm-tcfd-report.pdf

In December 2022, the Company introduced the "Goldman Sachs Asia Bank Policy on Climate-related and Environmental Risk Management" ("Climate policy"), including the governance and key processes critical to the policy, facilitating elements that support the policy, and the application of the Company's risk management approach. This policy is subject to annual review by the Company's Board of Directors.

Under the current activity scope and support model of the Company, there are no climate risk metrics or limits, or non-financial risk considerations, required specifically for the Company. In the future, as the Company enters into new activities or business strategies, the Climate policy ensures that climate risk considerations will be incorporated by each division including revenue-producing units and departments that are independent of the revenue-producing units during new activity, transaction or client approval processes, and, where appropriate, Company-level risk metrics and limits will be established.