Goldman Sachs Asia Bank Limited, a restricted licence bank

Unaudited Disclosure Statements

For the quarterly reporting period ended 31 March 2017

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These disclosure statements are prepared to comply with the relevant provisions of the Banking (Disclosure) Rules made under section 60A of the Banking Ordinance, for the quarterly reporting period ended 31 March 2017. These disclosures are not required to be, and have not been, audited by our independent auditors.

1 General information

Goldman Sachs Asia Bank Limited (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.

The Company has been established to provide the clients of The Goldman Sachs Group, Inc. and / or its consolidated subsidiaries (together, the "Group") in the Asia excluding Japan region with the opportunity to transact business with a bank counterparty located in Asia. Its principal activities are to engage in deposit-taking and over-the-counter derivatives. These activities are conducted in cooperation with the affiliated companies within the Group, which give rise to service fee income and expense.

2 Capital framework

The Company is regulated by the Hong Kong Monetary Authority (the "HKMA") and as such is subject to minimum capital requirements. The Company computes capital ratios in accordance with the Banking (Capital) Rules (the "BCR") of the Banking Ordinance.

3 Key capital ratios disclosures

(a) Capital adequacy ratios

The capital adequacy ratios are measures of regulatory capital to risk-weighted amounts ("RWAs"). Risk-weighted amounts 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 Common Equity Tier 1 ("CET1") ratio is defined as CET1 divided by RWAs. The Tier 1 capital ratio is defined as Tier 1 capital divided by RWAs. The total capital ratio is defined as total capital divided by RWAs. The components of CET1, Tier 1 and total capital are set out in note 3(c).

The capital base for each of the capital adequacy ratios and the RWAs are set out below:

	31 March 2017 US$
CET1 capital	113,122,528
Tier 1 capital	113,122,528
Total capital	113,122,528
Total RWAs	47,529,111
CET1 ratio	238%
Tier 1 capital ratio	238%
Total capital ratio	238%

3 Key capital ratios disclosures (continued)

(b) Leverage ratio

The leverage ratio is calculated in accordance with the HKMA's completion instructions on the Quarterly Survey on Leverage Ratio under the requirements specified in the leverage ratio framework. It 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 Tier 1 capital and the total exposures are set out below:

	31 March 2017 US$
Tier 1 capital	113,122,528
Total exposures	123,172,434
Leverage ratio	91.84%

(c) Components of capital base

The components of CET1, Tier 1 capital and total capital used in the calculation of the capital adequacy ratios and the leverage ratio are as follow:

	31 March 2017 US$
CET1 capital instruments	
Paid up ordinary share capital	114,010,000
Accumulated losses	(541,708)
CET1 capital before regulatory deductions	113,468,292
CET1 capital regulatory deductions	
Deferred tax assets in excess of deferred tax liabilities	(345,764)
CET1 capital after regulatory deductions	113,122,528
Additional Tier 1 capital	-
Tier 1 capital	113,122,528
Tier 2 capital	-
Total capital	113,122,528

4 Calculation of credit, market and operational risks

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

5 Overview of RWAs

The detailed breakdown of the Company's RWAs and an explanation of material changes in the RWAs during the quarterly reporting period are set out in Appendix (Template OV1: Overview of RWA).

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Appendix Template OV1: Overview of RWA

		RWA		Minimum capital requirements (Note (a))	
		31 March 2017	31 December 2016	31 March 2017	
		US$	US$	US$	Note
1	Credit risk for non-securitization exposures	36,562,142	30,672,622	2,924,971	(b)
2	Of which STC approach	36,562,142	30,672,622	2,924,971	
2a	Of which BSC approach	-	-	-	
3	Of which IRB approach	-	-	-	
4	Counterparty credit risk	1,225,229	261,646	98,018	
5	Of which SA-CCR	-	-	-	
5a	Of which CEM	1,225,229	261,646	98,018	
6	Of which IMM(CCR) approach	-	-	-	
7	Equity exposures in banking book under the market-based approach	-	-	-	
8	CIS exposures – LTA	-	-	-	
9	CIS exposures – MBA	-	-	-	
10	CIS exposures – FBA	-	-	-	
11	Settlement risk	-	-	-	
12	Securitization exposures in banking book	-	-	-	
13	Of which IRB(S) approach – ratings-based method	-	-	-	
14	Of which IRB(S) approach – supervisory formula method	-	-	-	
15	Of which STC(S) approach	-	-	-	
16	Market risk	46,018	26,090	3,682	
17	Of which STM approach	46,018	26,090	3,682	
18	Of which IMM approach	-	-	-	
19	Operational risk	9,695,722	5,764,942	775,658	(c)
20	Of which BIA approach	9,695,722	5,764,942	775,658	
21	Of which STO approach	-	-	-	
21a	Of which ASA approach	-	-	-	
22	Of which AMA approach	N/A	N/A	N/A	
23	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-	
24	Capital floor adjustment	-	-	-	
24a	Deduction to RWA	-	-	-	
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-	
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-	
25	Total	47,529,111	36,725,300	3,802,329	

N/A: Not applicable in the case of Hong Kong

(a) 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.

(b) The increase in credit risk for non-securitization exposures RWAs from the previous reporting period is mainly due to a shift in risk weight for counterparty exposures.

(c) The increase in operational risk RWAs from the previous reporting period is mainly due to an increase in service fee income.