



Goldman Sachs Group UK Limited

Pillar 3 Disclosures

For the period ended March 31, 2021

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Introduction

Overview

The Goldman Sachs Group, Inc. (Group Inc. or parent company), a Delaware corporation, together with its consolidated subsidiaries (collectively, the firm), is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals. Goldman Sachs Group UK Limited (GSGUKL) is a wholly owned subsidiary of Group Inc. When we use the terms “Goldman Sachs”, “GS Group” and “the firm”, we mean Group Inc. and its consolidated subsidiaries and when we use the terms “GSGUK”, “the company”, “we”, “us” and “our”, we mean GSGUKL and its consolidated subsidiaries.

The Board of Governors of the Federal Reserve System (FRB) is the primary regulator of Group Inc., a bank holding company (BHC) under the Bank Holding Company Act of 1956 and a financial holding company under amendments to this Act. As a BHC, the firm is subject to consolidated regulatory capital requirements which are calculated in accordance with the regulations of the FRB (Capital Framework).

GSGUK is supervised on a consolidated basis by the Prudential Regulation Authority (PRA) and as such is subject to minimum capital adequacy standards. Certain subsidiaries of GSGUK are regulated by the Financial Conduct Authority (FCA) and the PRA, or solely by the FCA, and are subject to minimum capital adequacy standards also on a standalone basis.

The capital requirements are expressed as risk-based capital and leverage ratios that compare measures of regulatory capital to risk-weighted assets (RWAs), average assets and off-balance-sheet exposures. Failure to comply with these capital requirements could result in restrictions being imposed by our regulators and could limit our ability to repurchase shares, pay dividends and make certain discretionary compensation payments. GSGUK’s capital levels are also subject to qualitative judgements by our regulators about components of capital, risk weightings and other factors.

For information on Group Inc.’s financial statements and regulatory capital ratios, please refer to the firm’s most recent Quarterly Pillar 3 Disclosures and Quarterly Report on Form 10-Q. References to the “Quarterly Report on Form 10-Q” are to the firm’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021. All references to March 2021 refer to the period ended, or the date, as the context requires,

March 31, 2021.

<https://www.goldmansachs.com/investor-relations/financials/other-information/2021/1q-pillar3-2021.pdf>

<https://www.goldmansachs.com/investor-relations/financials/10q/2021/first-quarter-2021-10-q.pdf>

Following the end of the transition period after the U.K.’s withdrawal from the E.U., any reference made in this document to E.U. directives and regulations (including technical standards) should be read as a reference to the U.K.’s version of such directive and/or regulation, as onshored into UK law under the European Union (Withdrawal) Act 2018, as amended. As of the date of publication, the U.K. and E.U. frameworks remain largely consistent.

The GSGUK consolidated regulatory capital requirement has been calculated in accordance with the E.U. Capital Requirements Directive (CRD) and the E.U. Capital Requirements Regulation (CRR). These are largely based on the Basel Committee’s final capital framework for strengthening international capital standards (Basel III), which is structured around three pillars: Pillar 1 “minimum capital requirements”, Pillar 2 “supervisory review process” and Pillar 3 “market discipline”. The CRR is directly applicable in the UK and certain provisions of the CRD or discretionary aspects of CRR have been implemented in the PRA and FCA Rulebooks.

The Pillar 3 disclosures set out the qualitative and quantitative elements of Part 8 of the CRR, as supplemented by the PRA and FCA Rulebooks, for which we have determined that more frequent disclosure is appropriate in accordance with the European Banking Authority (EBA) Guidelines under Articles 431(1), 432(2) and 433 of CRR. From March 2018, these quarterly Pillar 3 disclosures have also been prepared in accordance with the EBA Guidelines on disclosure requirements under Part 8 of the CRR published in December 2016.

GSGUK also publishes annual Pillar 3 disclosures. The latest available published annual Pillar 3 disclosures can be accessed via the following link:

<https://www.goldmansachs.com/disclosures/>

The latest annual consolidated financial information for GSGUK can be accessed via the following link:

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<https://www.goldmansachs.com/disclosures/gsgukl-consolidated-financials-2020.pdf>

Measures of exposures and other metrics disclosed in this report may not be based on International Financial Reporting Standards (IFRS), may not be directly comparable to measures reported in financial statements, and may not all be comparable to similar measures used by other companies. These disclosures are not required to be, and have not been, audited by our independent auditors.

Basis of Consolidation

GSGUKL is the holding company for a group that provides a wide range of financial services to clients located worldwide. The company's functional currency is US dollars and these disclosures are prepared in that currency.

The following U.K.-regulated subsidiaries are included in the regulatory consolidation:

- Goldman Sachs International (GSI)
- Goldman Sachs International Bank (GSIB)
- Goldman Sachs Asset Management International (GSAMI)
- Goldman Sachs MB Services Limited (GSMBSL)

The scope of consolidation for regulatory capital purposes is consistent with the International Financial Reporting Standards (IFRS) consolidation.

The company is required to make certain capital disclosures on an individual or subconsolidated basis for significant subsidiaries. The significant subsidiaries of GSGUK are GSI and GSIB. GSI is the firm's broker dealer in the Europe, Middle East and Africa (EMEA) region and its risk profile is materially the same as GSGUK. GSIB is GSGUK's deposit-taking subsidiary. Risk management policies and procedures are applied consistently to GSI, GSIB and to GSGUK as a whole. The remaining entities have minimal balance sheet activity and have not been determined material subsidiaries for the purposes of these disclosures.

Restrictions on the Transfer of Funds or Regulatory Capital within the Firm

Group Inc. is a holding company and, therefore, utilises dividends, distributions and other payments from its subsidiaries to fund dividend payments and other payments on its obligations, including debt obligations. Regulatory capital requirements, as well as other provisions of applicable law and regulations restrict Group Inc.'s ability to withdraw capital

from its regulated subsidiaries. Within GSGUK, capital is provided by GSGUKL to subsidiary entities. Capital is considered transferable to other entities within the GSGUK Group without any significant restriction except to the extent it is required for regulatory purposes.

For information about restrictions on the transfer of funds within Group Inc. and its subsidiaries, see "Note 20. Regulation and Capital Adequacy" in Part I, Item 1 "Financial Statements" and "Risk Management – Liquidity Risk Management" and "Equity Capital Management and Regulatory Capital" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Quarterly Report on Form 10-Q.

Definition of Risk-Weighted Assets

The risk weights used in the calculation of RWAs reflect an assessment of the riskiness of our assets and exposures. These risk weights are based on either predetermined levels set by regulators or on internal models which are subject to various qualitative and quantitative parameters that are subject to approval by our regulators. The relationship between available capital and capital requirements can be expressed in the form of a ratio, and capital requirements are arrived at by dividing RWAs by 12.5. In this document, minimum capital ratios set out in Table 1 are expressed including the impact of additional buffers.

Fair Value

Trading assets and liabilities, certain investments and loans, and certain other financial assets and liabilities, are included in our consolidated balance sheets at fair value (i.e., marked-to-market), with related gains or losses generally recognised in our consolidated statements of earnings and, therefore, in capital. The fair value of a financial instrument is the amount 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. The use of fair value to measure financial instruments is fundamental to risk management practices and is our most critical accounting policy. The daily discipline of marking substantially all of our inventory to current market levels is an effective tool for assessing and managing risk and provides transparent and realistic insight into our financial exposures. The use of fair value is an important aspect to consider when evaluating our capital base and our capital ratios as changes in the fair value of our positions are reflected in the current period's shareholders' equity, and accordingly, regulatory capital; it is also a factor used to determine the classification of positions into the banking book and trading book.

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For additional information regarding the determination of fair value under accounting principles generally accepted in the United States (U.S. GAAP) and controls over valuation of financial instruments, see “Note 3. Significant Accounting Policies” in Part I, Item 1 “Financial Statements”, and “Critical Accounting Policies – Fair Value” in Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the firm’s Quarterly Report on Form 10-Q.

The firm has documented policies and maintains systems and controls for the calculation of Prudent Valuation Adjustment (“PVA”) as required by the Commission Delegated Regulation (EU) No. 2016/101. PVA represents the excess of valuation adjustments required to achieve prudent value, over any adjustment applied in the firm’s fair value that addresses the same source of valuation uncertainty. For a valuation input where the range of plausible values is created from mid prices, Prudent Value represents the point within the range where the firm is 90% confident that the mid value which could be achieved in exiting the valuation exposure would be at that price or better. The Firm’s methodology addresses fair value uncertainties arising from a number of sources; market price uncertainty, close-out costs, model risk, unearned credit spreads, investing and funding cost, concentrated positions, future administrative costs, early termination, operational risk. Methodologies utilised by our independent control functions to calculate PVA are aligned with, and use the same external data sources as, those used when carrying out price verification of fair value.

Banking Book / Trading Book Classification

The firm has a comprehensive framework of policies, controls and reporting to meet the requirements of the CRR for inclusion of positions in the banking book and trading book. In order to determine the appropriate regulatory capital treatment for our exposures, positions must be first classified into either “banking book” or “trading book”. Positions are classified as banking book unless they qualify to be classified as trading book.

Trading book positions generally meet the following criteria: they are assets or liabilities that are accounted for at fair value; they are risk managed using a Value-at-Risk (VaR) internal model; they are held as part of our market-making and underwriting businesses and are intended to be resold in the short term, or positions intended to benefit from actual or expected short-term price differences between buying and selling prices or from other price or interest rate variations¹. Trading book positions are subject to market risk regulatory

capital requirements, as are foreign exchange and commodity positions, whether or not they meet the other criteria for classification as trading book positions. Market risk is the risk of loss in value of these positions due to changes in market conditions. Some trading book positions, such as derivatives, are also subject to counterparty credit risk regulatory capital requirements.

Banking book positions may be accounted for at amortised cost, fair value or in accordance with the equity method. Banking book positions are subject to credit risk regulatory capital requirements. Credit risk represents the potential for loss due to the default or deterioration in credit quality of a counterparty (e.g., an Over-The-Counter (OTC) derivatives counterparty or a borrower) or an issuer of securities or other instruments we hold.

Regulatory Developments

The company’s businesses are subject to extensive regulation and supervision worldwide. Regulations have been adopted or are being considered by regulators and policy-makers. The expectation is that the principal areas of impact from regulatory reform for the company will be increased regulatory capital requirements and increased regulation and restriction on certain activities. However, given that many of the new and proposed rules are highly complex, the full impact of regulatory reform will not be known until the rules are implemented and market practices develop under final U.K. regulations.

Following the end of the transition period after the U.K.’s withdrawal from the E.U., the company expects change in the regulatory framework that will govern transactions and business it undertakes.

The U.K. has adopted E.U. financial services legislation that was in effect on December 31, 2020, which means that the U.K. financial services regime remains substantially the same as it was under E.U. financial services legislation. However from this date the U.K. may diverge from E.U. legislation and may decide not to adopt rules that correspond to E.U. legislation not already operative in the U.K.

Risk-Based Capital Ratios. In June 2019, amendments to the CRR and CRD were published in the Official Journal of the E.U.

The amendments to the CRR include changes to rules for the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities (MREL), counterparty credit

¹ As defined in point (85) of Article 4(1) in CRR

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risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, and reporting and disclosure requirements. Most of these requirements applied from June 27, 2021 in the E.U. and similar requirements are expected to be implemented by January 1, 2022 in the U.K.

The amendments to the CRD include provisions on financial holding companies, remuneration, interest rate risk management, supervisory powers and macro-prudential capital requirements. The U.K., as an E.U. member state at the time of publication in the Official Journal, is required to adopt the amendments to the CRD. The amendments to the CRD are expected to phase in over time.

In December 2017, the Basel Committee published standards that it described as the finalisation of the Basel III post-crisis regulatory reforms. These standards set a floor on internally developed capital requirements at a percentage of the capital requirements under the standardised approach. They also revised the Basel Committee's standardised and model-based approaches for credit risk, provide a new standardised approach for operational risk capital and revise the frameworks for credit valuation adjustment risk. The Basel Committee has proposed that national regulators implement these standards beginning January 1, 2023, and that the new floor be phased in through January 1, 2028. HM Treasury stated in its Financial Services Bill proposal that the UK remains committed to a full, timely and consistent implementation of the standards.

The Basel Committee's standards are not effective in any jurisdiction until rules implementing such standards have been implemented by the relevant authorities in such jurisdiction.

The impact of the latest Basel Committee developments on the firm (including its RWAs and regulatory capital ratios) is subject to uncertainty until corresponding legislation is implemented.

Climate Change

We recognize that climate change presents both challenges and opportunities for our business. Climate change could potentially disrupt the firm's business, affect client activity levels and creditworthiness and damage the firm's reputation. For example, climate change may cause extreme weather events that disrupt operations at one or more of the firm's primary locations, affecting its ability to service and interact with its clients. Climate change may also have a negative impact on the financial condition of its clients, which may decrease revenues from those clients and increase the credit risk associated with loans and other credit exposures to those

clients. Additionally, the firm's reputation may be damaged as a result of its involvement, or its clients' involvement, in certain industries or projects associated with climate change. The firm's Environmental Policy Framework articulates our roadmap for environmental progress and our approach to engaging with clients on climate-related risks and opportunities, including risk management guidelines for carbon intense sectors.

Climate change presents financial risk through two primary components, physical and transition. Physical risks relate to the firm's own infrastructure as well as real estate lending and investment exposure. The firm uses an internal model to assess physical risk factors at any locations for time horizons through the year 2050 as well as for today. Transition risk emerge due to policy changes towards low carbon emission economy. The firm uses an internal transition risk model that allows scenario analysis under several distinct representative pathways and distinct shocks to equity, credit and other market variables. As the firm continues to develop and refine its process around climate risk monitoring, its impact on wholesale lending will remain an important consideration.

Other Developments

The resurgence in the spread of COVID-19 towards the end of 2020 and into 2021 has created greater uncertainty regarding the economic outlook for the near term, even as efforts to distribute vaccines are underway. While governments and central banks continued to be aggressive in providing fiscal and monetary stimulus, the global economic recovery remains fragile.

The company has continued to successfully execute on its Business Continuity Planning (BCP) strategy since initially activating it in March 2020 in response to the emergence of the COVID-19 pandemic. The company's priority has been to safeguard its employees and to seek to ensure continuity of business operations on behalf of its clients. As a result of the company's BCP strategy, the majority of its employees worked remotely during most of 2020 and continue to do so in 2021. In order to partially re-open the company's offices to employees after initial restrictions began to ease in the second quarter of 2020, the company established policies and protocols to address safety considerations, taking into account the readiness of people, communities and facilities. Over the course of the pandemic, the extent to which the company's employees have worked from its offices has varied based on how circumstances in each location have evolved. The company is in constant dialogue with key stakeholders to assess health and safety conditions across all of its office locations and has robust procedures in place to protect the well-being of employees, such as controls around building

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access, strict physical distancing measures, enhanced cleaning regimes and on-site COVID-19 testing.

The COVID-19 pandemic has created economic and financial disruptions that have in the past adversely affected, and may in the future adversely affect the company's business, financial

condition, liquidity and results of operations. The extent to which the COVID-19 pandemic will negatively affect the company's businesses, financial condition, liquidity and results of operations will depend on future developments, including the widespread availability, use and effectiveness of vaccines, which are highly uncertain and cannot be predicted.

Capital Framework

Capital Structure

For regulatory capital purposes, a company's total available capital has the following components:

- Common Equity Tier 1 capital (CET1), which is comprised of common shareholders' equity, after giving effect to deductions for disallowed items and other adjustments;
- Tier 1 capital which is comprised of CET1 capital and other qualifying capital instruments; and
- Tier 2 capital which is comprised of long term qualifying subordinated debt and preference shares.

Certain components of our regulatory capital are subject to regulatory limits and restrictions under the rules. In general, to qualify as Tier 1 or Tier 2 capital, an instrument must be fully paid and unsecured. A qualifying Tier 1 or Tier 2 capital instrument must also be subordinated to all senior indebtedness of the organisation.

Under the rules, the minimum CET1, Tier 1 capital and Total capital ratios (collectively the Pillar 1 capital requirements) are supplemented by:

- A capital conservation buffer of 2.5%, consisting entirely of capital that qualifies as CET1.
- A countercyclical capital buffer of up to 2.5% (consisting entirely of CET1 capital) in order to counteract excessive credit growth. The buffer only applies to GSGUK's exposures to certain types of counterparties and exposures based in jurisdictions which have announced and implemented a countercyclical buffer. The buffer was negligible as of March 2021. The countercyclical capital buffer applicable to GSGUK could change in the future and, as a result, GSGUK's risk-based capital requirements could increase.
- The individual capital requirement under Pillar 2A (an additional amount to cover risks not adequately captured in Pillar 1). The PRA performs a periodic supervisory review of GSI's and GSIB's Internal Capital Adequacy Assessment Process (ICAAP), which leads to a final

determination by the PRA of individual capital requirement under Pillar 2A. On 29 May 2020, following the onset of COVID-19, the PRA converted Pillar 2A capital add-ons from a percentage of RWAs to a fixed nominal amount. The sum of Pillar 1 and Pillar 2A requirement is referred to as "Total Capital Requirement" or TCR and represents the minimum amount of capital the PRA considers that a firm should hold at all times.

Together these constitute total minimum regulatory capital ratios.

Minimum Regulatory Capital Ratios

The following table presents GSGUK's, GSI's and GSIB's total minimum regulatory capital ratios as of March 2021.

Table 1: Minimum Regulatory Capital Ratios

	March 2021 Minimum ratio ¹		
	GSGUK	GSI	GSIB
CET1 ratio	8.1%	8.1%	8.3%
Tier 1 capital ratio	9.9%	9.9%	10.2%
Total capital ratio	12.4%	12.4%	12.8%

The ratios in the above table incorporate the TCR received from the PRA. As of March 2021, GSGUK's TCR at the total capital level was 9.9%.

The PRA also defines the forward looking capital requirement which represents the PRA's view of the capital that GSGUK would require to absorb losses in stressed market conditions to the extent not covered by the capital conservation buffer. This is known as Pillar 2B or the "PRA buffer" and is not reflected in the minimum regulatory capital ratios shown in Table 1 above.

Compliance with Capital Requirements

As of March 31, 2021, all of GSGUK's regulated subsidiaries had capital levels in excess of their minimum regulatory capital requirements.

Regulatory Capital

Overview

The following table presents a breakdown of GSGUK's capital ratios under CRR as of March 31, 2021, including those for our significant subsidiaries GSI and GSIB.

Table 2: Regulatory Capital Ratios

\$ in millions	As of March 2021		
	GSGUK	GSI	GSIB
CET1 Capital	\$ 32,181	\$ 27,235	\$ 3,238
Tier 1 Capital	40,481	35,535	3,238
Tier 2 Capital	6,503	5,377	826
Total Capital	\$ 46,984	\$ 40,912	\$ 4,064
RWAs	\$ 295,432	\$ 268,976	\$ 20,008
CET1 Ratio	10.9%	10.1%	16.2%
Tier 1 Capital Ratio	13.7%	13.2%	16.2%
Total Capital Ratio	15.9%	15.2%	20.3%

Transitional Impact of IFRS 9

IFRS9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 – Financial Instruments: Recognition and Measurement that relates to the classification and measurement of financial instruments. Based on materiality no further disclosures for the transitional impact of IFRS9 are made in this document.

Leverage Ratio

GSGUK is required to monitor and disclose its leverage ratio using the CRR's definition of exposure as amended by the European Commission Leverage Ratio Delegated Act. This leverage ratio compares CRR's definition of Tier 1 capital to a measure of leverage exposure, defined as the sum of certain assets plus certain off-balance-sheet exposures (which include a measure of derivatives, securities financing transactions, commitments and guarantees), less Tier 1 capital deductions.

The PRA has indicated that it will consult on the U.K. Leverage Ratio framework over the summer of 2021. The 3% E.U. minimum requirement enters into force after the transition period at the end of June 2021 hence it is not applicable in the U.K. under the U.K. framework. GSGUK will become subject to a similar PRA-required leverage ratio that is expected to become effective in January 2022.

Table 3: Leverage Ratio

\$ in millions	As of March 2021		
	GSGUK	GSI	GSIB
Tier 1 Capital	\$ 40,481	\$ 35,535	\$ 3,238
Leverage Ratio Exposure	\$ 895,352	\$ 836,086	\$ 59,191
Leverage Ratio	4.5%	4.3%	5.5%

Pillar 3 Disclosures**Capital Structure**

All capital, RWAs and ratios are based on current interpretation, expectations and understanding of the rules and may evolve as the interpretation and application is discussed with our regulators.

Assets that are deducted from capital in computing the numerator of the capital ratios are excluded from the computation of RWAs in the denominator of the ratios. The following tables contain information on the components of our regulatory capital structure.

Table 4: Regulatory Capital Resources

<i>\$ in millions</i>	As of March 2021		
	GSGUK	GSI	GSIB
Ordinary Share Capital	\$ 2,135	\$ 598	\$ 63
Share Premium Account Including Reserves	431	5,252	2,007
Retained Earnings ¹	31,486	23,047	1,278
Unaudited profits for the financial period	-	-	(58)
CET1 Capital Before Deductions	\$ 34,052	\$ 28,897	\$ 3,290
Net Pension Assets	(151)	(151)	-
CVA and DVA	122	186	13
Prudent Valuation Adjustments	(500)	(465)	(7)
Expected Loss Deduction and Loan Loss Provision	(902)	(873)	(29)
Other Adjustments ²	(296)	(215)	(24)
Intangibles	(144)	(144)	(5)
CET1 Capital After Deductions	\$ 32,181	\$ 27,235	\$ 3,238
Additional Tier 1 capital	8,300	8,300	-
Tier 1 Capital After Deductions	\$ 40,481	\$ 35,535	\$ 3,238
Tier 2 Capital Before Deductions	6,503	5,377	826
Tier 2 Capital After Deductions	\$ 6,503	\$ 5,377	\$ 826
Total Capital Resources	\$ 46,984	\$ 40,912	\$ 4,064

1. Includes unrecognised profits as of March 2021.

2. Other Adjustments include regulatory deductions for foreseeable charges applicable to profits recognised as of March 2021 in GSI, and deferred tax assets.

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

The amendments to the CRR published in June 2019 require material subsidiaries of an overseas banking group at the consolidated E.U. level, such as GSGUK, to have sufficient own funds and eligible liabilities to meet internal MREL. These rules began to phase in from June 27, 2019, and will become fully effective on January 1, 2022.

As of March 31, 2021, GSGUK had own funds and eligible liabilities in excess of its internal MREL.

Table 5: Own Funds and Eligible Liabilities

<i>\$ in millions</i>	of March 2021
	GSGUK
Total own funds and eligible liabilities	\$ 63,160
Total RWA	295,432
Total own funds and eligible liabilities as a percentage of RWA	21.38%
Leverage Exposure	895,352
Total own funds and eligible liabilities as a percentage of leverage exposure	7.05%

On March 3, 2021, GSGUK issued \$2.5bn of senior debt eligible to meet MREL.

On June 9, 2021, GSGUK paid an interim dividend of \$1.2bn and issued \$1.2bn of senior debt eligible to meet MREL.

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Risk-Weighted Assets

RWAs are calculated based on measures of credit risk, market risk and operational risk. The tables below represent a summary of the RWAs and capital requirements for GSGUK, GSI and GSIB by type as at March 31, 2021 and December 31, 2020.

Table 6: Overview of RWAs

GSGUK

\$ in millions

	RWAs		Minimum capital requirements
	March 2021	December 2020	
1 Credit risk (excluding CCR)	\$ 45,655	\$ 42,748	\$ 3,652
2 Of which the standardised approach	6,926	4,420	554
4 Of which the advanced IRB (AIRB) approach	34,877	36,495	2,790
5 Of which equity IRB under the simple risk-weighted approach or the IMA	3,852	1,833	308
6 CCR	\$ 114,441	\$ 102,329	\$ 9,155
7 Of which mark to market	6,954	6,815	556
9 Of which the standardised approach	117	28	9
10 Of which internal model method (IMM)	85,458	78,455	6,837
11 Of which risk exposure amount for contributions to the default fund of a CCP	364	885	29
12 Of which CVA VaR	21,548	16,146	1,724
13 Settlement risk	\$ 6,524	\$ 5,566	\$ 522
14 Securitisation exposures in the banking book (after the cap)	\$ 1,213	\$ 1,385	\$ 97
19 Market risk	\$ 106,113	\$ 105,548	\$ 8,489
20 Of which the standardised approach	54,193	49,638	4,335
21 Of which IMA	51,920	55,910	4,154
22 Large exposures	-	-	-
23 Operational risk	\$ 21,486	\$ 18,391	\$ 1,719
25 Of which standardised approach	21,486	18,391	1,719
29 Total	\$ 295,432	\$ 275,967	\$ 23,634

GSI

\$ in millions

	RWAs		Minimum capital requirements
	March 2021	December 2020	
1 Credit risk (excluding CCR)	\$ 27,117	\$ 25,489	\$ 2,169
2 Of which the standardised approach	2,820	\$ 1,848	226
4 Of which the advanced IRB (AIRB) approach	20,445	\$ 21,808	1,635
5 Of which equity IRB under the simple risk-weighted approach or the IMA	3,852	\$ 1,833	308
6 CCR	\$ 113,215	\$ 101,386	\$ 9,057
7 Of which mark to market	6,346	\$ 6,281	508
9 Of which the standardised approach	-	-	-
10 Of which internal model method (IMM)	85,188	78,240	6,815
11 Of which risk exposure amount for contributions to the default fund of a CCP	363	885	29
12 Of which CVA VaR	21,318	15,980	1,705
13 Settlement risk	\$ 6,524	\$ 5,566	\$ 522
14 Securitisation exposures in the banking book (after the cap)	-	-	-
19 Market risk	\$ 103,422	\$ 103,761	\$ 8,274
20 Of which the standardised approach	51,502	47,851	4,120
21 Of which IMA	51,920	55,910	4,154
22 Large exposures	-	-	-
23 Operational risk	\$ 18,698	\$ 16,153	\$ 1,496
25 Of which standardised approach	18,698	16,153	1,496
29 Total	\$ 268,976	\$ 252,355	\$ 21,518

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GSIB

\$ in millions

	RWAs		Minimum capital requirements
	March 2021	December 2020	
1 Credit risk (excluding CCR)	\$ 15,182	\$ 15,345	\$ 1,215
2 Of which the standardised approach	142	68	12
4 Of which the advanced IRB (AIRB) approach	15,040	15,277	1,203
5 Of which equity IRB under the simple risk-weighted approach or the IMA	0	0	0
6 CCR	\$ 932	\$ 784	\$ 75
7 Of which mark to market	609	534	49
9 Of which the standardised approach	-	-	-
10 Of which internal model method (IMM)	270	215	22
11 Of which risk exposure amount for contributions to the default fund of a CCP	1	0	0
12 Of which CVA VaR	52	35	4
13 Settlement risk	-	-	-
14 Securitisation exposures in the banking book (after the cap)	\$ 1,213	\$ 1,385	\$ 97
19 Market risk	\$ 1,963	\$ 1,179	\$ 157
20 Of which the standardised approach	1,963	1,179	\$ 157
21 Of which IMA	-	-	-
22 Large exposures	-	-	-
23 Operational risk	\$ 718	\$ 570	\$ 57
25 Of which standardised approach	718	570	57
29 Total	\$ 20,008	\$ 19,263	\$ 1,601

GSGUK total capital ratio decreased from 16.9% as of December 2020 to 15.9% as of March 2021 primarily due to the following movements:

- GSGUK Credit RWAs as of March 2021 increased by \$16 billion compared with December 2020, primarily reflecting an increase in credit risk driven by increased equity exposures, and an increase in counterparty credit risk driven by higher derivative and funding exposures over the period.
- GSGUK Market RWAs as of March 2021 increased by \$1 billion compared with December 2020, primarily reflecting an increase in standardised market risk as a result of changes in risk exposures offset by a decrease in modelled market risk.

The following table presents the quarterly flow statements of RWAs and Capital requirements for Credit Risk, Counterparty Credit Risk (CCR) and Market Risk for GSGUK, GSI and GSIB.

Table 7: RWA Flow Statements of Credit Risk Exposures under the IRB Approach

	As of March 2021					
	RWA amounts			Capital requirements		
	GSGUK	GSI	GSIB	GSGUK	GSI	GSIB
1 RWAs as at the end of the previous reporting period	\$ 36,495	\$ 21,808	\$ 15,277	\$ 2,920	\$ 1,745	\$ 1,222
2 Asset size	(552)	(780)	246	(4)	(62)	20
3 Asset quality	(55)	(56)	1	(5)	(5)	0
7 Foreign exchange movements	(724)	(413)	(311)	(98)	(33)	(25)
8 Other	(287)	(114)	(173)	(23)	(9)	(14)
9 RWAs as at the end of the current reporting period	\$ 34,877	\$ 20,445	\$ 15,040	\$ 2,790	\$ 1,636	\$ 1,203

Pillar 3 Disclosures

Table 8: RWA Flow Statements of CCR Exposures under the IMM

		RWA amounts			Capital requirements		
		GSGUK	GSI	GSIB	GSGUK	GSI	GSIB
As of March 2021							
1	RWAs as at the end of the previous reporting period	\$ 78,455	\$ 78,239	\$ 215	\$ 6,276	\$ 6,259	\$ 17
2	Asset size	9,151	9,098	54	732	727	5
3	Credit quality of counterparties	(1,003)	(1,003)	(0)	(80)	(80)	(0)
7	Foreign exchange movements	(1,856)	(1,857)	1	(148)	(148)	0
8	Other	710	711	(1)	57	57	(0)
9	RWAs as at the end of the current reporting period	\$ 85,458	\$ 85,188	\$ 270	\$ 6,837	\$ 6,815	\$ 22

Table 9: RWA Flow Statements of Market Risk Exposures under the IMA

GSGUK

		As of March 2021						
		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total capital requirements
1	RWAs at previous quarter end	\$ 7,885	\$ 16,192	\$ 8,002	\$ 1,564	\$ 22,267	\$ 55,910	\$ 4,473
1a	Regulatory adjustment	(5,776)	(10,821)	(2,811)	-	(8,491)	(27,899)	(2,232)
1b	RWAs at the previous quarter-end	\$ 2,109	\$ 5,371	\$ 5,191	\$ 1,564	\$ 13,776	\$ 28,011	\$ 2,241
2	Movement in risk levels	527	1,144	(3,953)	223	(5,110)	(7,169)	(573)
3	Model updates/changes	-	-	-	-	-	-	-
8a	RWAs at the end of the reporting period	\$ 2,636	\$ 6,515	\$ 1,238	\$ 1,787	\$ 8,666	\$ 20,842	\$ 1,668
8b	Regulatory adjustment	4,598	14,472	3,437	-	8,571	31,078	2,486
8	RWAs at the end of the reporting period	\$ 7,234	\$ 20,987	\$ 4,675	\$ 1,787	\$ 17,237	\$ 51,920	\$ 4,154

GSI

		As of March 2021						
		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total capital requirements
1	RWAs at previous quarter end	\$ 7,885	\$ 16,192	\$ 8,002	\$ 1,564	\$ 22,267	\$ 55,910	\$ 4,473
1a	Regulatory adjustment	(5,776)	(10,821)	(2,811)	-	(8,491)	(27,899)	(2,232)
1b	RWAs at the previous quarter-end	\$ 2,109	\$ 5,371	\$ 5,191	\$ 1,564	\$ 13,776	\$ 28,011	\$ 2,241
2	Movement in risk levels	527	1,144	(3,953)	223	(5,110)	(7,169)	(573)
3	Model updates/changes	-	-	-	-	-	-	-
8a	RWAs at the end of the reporting period	\$ 2,636	\$ 6,515	\$ 1,238	\$ 1,787	\$ 8,666	\$ 20,842	\$ 1,668
8b	Regulatory adjustment	4,598	14,472	3,437	-	8,571	31,078	2,486
8	RWAs at the end of the reporting period	\$ 7,234	\$ 20,987	\$ 4,675	\$ 1,787	\$ 17,237	\$ 51,920	\$ 4,154

Liquidity Risk

GSGUK is supervised on a consolidated basis by the Prudential Regulation Authority (PRA). Certain subsidiaries of GSGUK are regulated by the Financial Conduct Authority (FCA) and the PRA. GSGUK and its major subsidiaries are subject to the liquidity requirements as set out in the European Commission Delegated Regulation 2018/1620 and Delegated Regulation 2015/61 to supplement Regulation No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions and other applicable guidelines as set by the PRA. When we use the term “liquidity standards”, we refer to the aforementioned regulations. The liquidity standards set forth minimum liquidity levels designed to ensure that credit institutions and investment firms maintain adequate amount of liquid assets to withstand a 30 calendar-day stress scenario.

EBA guidelines on LCR disclosure (EBA/GL/2017/01) require firms to disclose, on an annual basis, the average monthly LCR for the trailing twelve months, as well as quantitative and qualitative information on certain components of a firm’s LCR. The annual disclosure is part of GSGUK’s annual Pillar 3 disclosures and can be found on the firm’s website. The EBA guidelines also require firms to disclose information more frequently on certain components of a firm’s LCR that are prone to rapid changes.

This information is based on our current interpretation and understanding of the LCR Delegated Act, other applicable guidelines as set by the PRA, and the EBA guidelines on LCR Disclosure and may evolve as we discuss the interpretation and application of these rules with our regulators.

The table below presents a breakdown of LCR for GSGUK and its significant subsidiaries, GSI and GSIB, for the twelve months ended March 2021.

Table 1: Liquidity Coverage Ratio Summary

\$ in millions	Twelve Months Ended March 2021		
	Average Weighted		
	GSGUK	GSI	GSIB
Number of data points used in the calculation of averages	12	12	12
Liquidity Buffer	81,274	64,287	16,986
Total Net Cash Outflows	41,431	34,461	12,179
Liquidity Coverage Ratio (%) ¹	197%	188%	140%

1. The ratios reported in this row are calculated as the average of the monthly LCRs for the trailing twelve months and may not equal the calculation of the ratios using component amounts reported in the rows ‘Liquidity Buffer’ and ‘Total Net Cash Outflows.’

Cautionary Note on Forward-Looking Statements

We have included in these disclosures, and our management may make, statements that may constitute “forward-looking statements.” Forward-looking statements are not historical facts or statements of current conditions, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside our control. These statements include statements other than historical information or statements of current conditions.

It is possible that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Important factors that could cause our actual results and financial condition to differ from those indicated in the forward-looking statements include, among others, those discussed in “Risk Factors” in Part I, Item 1A in the firm’s 2020 Form 10-K.