Goldman Sachs Group UK Limited

Pillar 3 Disclosures

For the period ended August 31, 2019

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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" and "the firm", we mean Group Inc. and its consolidated subsidiaries and when we use the terms "GSGUK", "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 distribute capital, including share repurchases and dividend payments, and to 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 September 30, 2019.

https://www.goldmansachs.com/investor-relations/financials/current/other-information/3q-pillar3-2019.pdf

https://www.goldmansachs.com/investor-relations/financials/current/10q/third-quarter-2019-10-q.pdf

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.

In 2018, GSGUK changed its accounting reference date from December 31 to November 30. As such, its third quarter for 2019 is for the three months ended August 31, 2019. All references to August 2019 refer to the period ended, or the date, as the context requires, August 31, 2019.

These quarterly 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:

https://www.goldmansachs.com/disclosures/gsgukl-consolidated-financials-2018.pdf

Measures of exposures and other metrics disclosed in this report may not be based on U.K. Generally Accepted Accounting Practices (U.K. GAAP), may not be directly comparable to measures reported in financial statements, and may not 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 Asset Management Global Services Limited (GSAMGSL)
- Goldman Sachs MB Services Limited (GSMBSL)

The scope of consolidation for regulatory capital purposes is consistent with the U.K. GAAP 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 capital ratio. In this document, minimum capital ratios set out in Table 1 are expressed including the impact of additional buffers.

Fair Value

The inventory included in our consolidated statements of financial condition as "financial instruments owned" and "financial instruments sold, but not yet purchased" as well as certain other financial assets and financial liabilities, are accounted for at fair value (i.e., marked-to-market), with related gains or losses generally recognised in our consolidated statement 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.

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 inventory, 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 first be 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 variations[1].

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

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 significant and evolving regulation. Reforms have been adopted or are being considered by regulators and policy-makers worldwide. 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 the final E.U. and/or U.K. regulations. The firm will adapt accordingly to ensure full compliance.

Risk-Based Capital Ratios. 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. It also revised the standardised and model-based approaches for credit risk, provided a new standardised approach for operational risk capital and revised the framework for credit valuation adjustment risk. The Basel Committee requires that national regulators implement the standards beginning January 1, 2022, and that the floor be phased in through January 1, 2027.

In January 2019, the Basel Committee finalised revisions to the framework for calculating capital requirements for market risk (known as the "Fundamental Review of the Trading Book" or "FRTB"), which is expected to increase market risk capital requirements for most banking organisations. The revised framework, among other things, revises the standardised approach and internal models to calculate market risk requirements and clarifies the scope of positions subject to market risk capital requirements. The Basel Committee has proposed that national regulators implement the revised framework beginning January 1, 2022.

In June 2019, amendments to the CRR and CRD were published in the Official Journal of the European Union. The amendments include the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, and reporting and disclosure requirements. Most of the amendments to the CRR shall apply from June 28, 2021. The requirements for own funds and eligible liabilities will apply immediately. The implementation timing of the market risk revisions is dependent on regulatory technical standards and delegated acts which have yet to be finalised. We expect that the rules will not apply before 2023. The amendments to the CRD include provisions on financial holding companies, remuneration, interest rate risk management, supervisory powers and macro-prudential capital requirements. EU Member States are required to adopt and publish legislation necessary to comply with the Directive. The provisions in the Directive will be phased in over time with most changes applicable from June 28, 2021, some macro prudential measures applicable from January 1, 2022 and the requirement to have an intermediate EU parent holding company applicable from December 30, 2023. As a result of the U.K.'s notification to the European Council of its decision to leave the E.U., there is uncertainty on the direct application and impact of these amendments to the company's U.K. subsidiaries. The U.K. has yet to publish a statutory instrument that would implement the rules in U.K. legislation.

The Basel Committee's internationally agreed standards are not effective until rules implementing those standards have been implemented by the relevant authority in each jurisdiction. Therefore, the impact of the latest regulatory capital developments on the company (including its RWAs and regulatory capital ratios) is subject to uncertainty until corresponding legislation is implemented.

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) 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. As of August 2019, these are the following jurisdictions: Norway, Sweden, Hong Kong, Czech Republic, Denmark, France, Iceland, Ireland, Lithuania, Slovakia, and United Kingdom. The buffer currently increases the minimum CET1 ratio by 0.37%.
- 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. This is a point in time assessment of the minimum amount of capital the PRA considers that a firm should hold.

Minimum Regulatory Capital Ratios

The risk-based capital requirements are expressed as capital ratios that compare measures of regulatory capital to RWAs. The CET1 ratio is calculated 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 following table presents GSGUK's minimum required ratios as of August 2019.

Table 1: Minimum Regulatory Capital Ratios

	August 2019 Minimum ratio[1, 2]		
	GSGUK	**GSI**	**GSIB**
CET1 ratio	8.8%	8.8%	8.9%
Tier 1 capital ratio	10.8%	10.8%	11.0%
Total capital ratio	13.4%	13.4%	13.7%

1. Includes the capital conservation buffer and countercyclical capital buffer described above.
2. These minimum ratios also incorporate the Pillar 2A capital requirement received from the PRA (2.54% for GSGUK, 2.56% for GSI, and 2.85% for GSIB for Total Capital at August 31, 2019) and could change in the future.

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

Compliance with Capital Requirements

As of August 31, 2019, 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 August 31, 2019, including those for our significant subsidiaries GSI and GSIB.

Table 2: Regulatory Capital Ratios

$ in millions	As of August 2019		
	GSGUK	**GSI**	**GSIB**
CET1 Capital	$ 28,322	$ 23,777	$ 3,009
Tier 1 Capital	36,622	32,077	3,009
Tier 2 Capital	6,503	5,377	826
Total Capital	**$ 43,125**	**$ 37,454**	**$ 3,835**
RWAs	**$ 227,390**	**$ 207,525**	**$ 14,669**
CET1 Ratio	**12.5%**	**11.5%**	**20.5%**
Tier 1 Capital Ratio	**16.1%**	**15.5%**	**20.5%**
Total Capital Ratio	**19.0%**	**18.0%**	**26.1%**

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. In June 2019, the European Commission published updates to the CRR to implement a 3% minimum leverage ratio requirement for certain E.U. financial institutions, including GSGUK. 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 required minimum leverage ratio will become effective for GSGUK on 27 June 2021. This leverage ratio is based on our current interpretation and understanding of this rule and may evolve as the interpretation and application of this rule is discussed with our regulators.

Table 3: Leverage Ratio

$ in millions	As of August 2019		
	GSGUK	**GSI**	**GSIB**
Tier 1 Capital	$ 36,622	$ 32,077	$ 3,009
Leverage Ratio Exposure	$ 771,905	$ 743,330	$ 26,451
Leverage Ratio	**4.7%**	**4.3%**	**11.4%**

Capital Structure

All capital, RWAs and estimated 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. The capital resources of GSGUK, GSI and GSIB are based on unaudited financial information.

Table 4: Regulatory Capital Resources

$ in millions		**As of August 2019**	
	GSGUK	**GSI**	**GSIB**
Ordinary Share Capital	$ 2,135	$ 590	$ 63
Share Premium Account Including Reserves	718	5,319	2,094
Retained Earnings[1]	29,613	21,426	1,047
Unaudited profits for the financial period	**(1,762)**	**(1,356)**	**(88)**
CET1 Capital Before Deductions	**$ 30,704**	**$ 25,979**	**$ 3,116**
Net Pension Assets	(532)	(532)	-
CVA and DVA	(79)	(79)	-
Prudent Valuation Adjustments	(421)	(347)	(1)
Expected Loss Deduction and Loan Loss Provision	(930)	(865)	(65)
Other Adjustments[2]	(41)	-	(41)
Intangibles	(379)	(379)	-
CET1 Capital After Deductions	**$ 28,322**	**$ 23,777**	**$ 3,009**
Additional Tier 1 capital	**8,300**	**8,300**	**-**
Tier 1 Capital After Deductions	**$ 36,622**	**$ 32,077**	**$ 3,009**
Tier 2 Capital Before Deductions[3]	6,503	5,377	826
Other Adjustments	-	-	-
Tier 2 Capital After Deductions	**$ 6,503**	**$ 5,377**	**$ 826**
Total Capital Resources	**$ 43,125**	**$ 37,454**	**$ 3,835**

1. Includes unrecognised profits as of August 2019.
2. Other Adjustments represent regulatory deductions for deferred tax assets.
3. Tier 2 Capital represents subordinated debt with an original term to maturity of five years or greater, and preference shares.

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.

Table 5: Own Funds and Eligible Liabilities

$ in millions	**As of August 2019**
	GSGUK
Total own funds and eligible liabilities	**$ 53,401**
Total RWA	$ 227,390
Total own funds and eligible liabilities as a percentage of RWA	23.5%
Leverage Exposure	$ 771,905
Total own funds and eligible liabilities as a percentage of leverage exposure	6.9%

As of August 31, 2019, GSGUK had own funds and eligible liabilities in excess of its internal MREL.

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 August 31, 2019 and May 31, 2019.

Table 6: Overview of RWAs

GSGUK

$ in millions

		RWAs		
		August 2019	**May 2019**	**Minimum capital requirements**
1	Credit risk (excluding CCR)	**$ 32,704**	**$ 31,587**	**$ 2,616**
2	Of which the standardised approach	5,980	6,430	478
4	Of which the advanced IRB (AIRB) approach	25,527	23,693	2,042
5	Of which equity IRB under the simple risk-weighted approach or the IMA	1,197	1,464	96
6	CCR	**$ 89,727**	**$ 87,834**	**$ 7,178**
7	Of which mark to market	7,661	5,453	613
9	Of which the standardised approach	2	-	0
10	Of which internal model method (IMM)	67,026	66,679	5,362
11	Of which risk exposure amount for contributions to the default fund of a CCP	497	596	40
12	Of which CVA VaR	14,541	15,106	1,163
13	Settlement risk	**$ 1,835**	**$ 2,219**	**$ 147**
14	Securitisation exposures in the banking book (after the cap)	**$ 885**	**$ 700**	**$ 71**
15	Of which IRB approach	408	378	33
18	Of which standardised approach	477	322	38
19	Market risk	**$ 85,229**	**$ 86,463**	**$ 6,819**
20	Of which the standardised approach	36,860	38,437	2,949
21	Of which IMA	48,369	48,026	3,870
22	Large exposures		-	
23	Operational risk	**$ 17,010**	**$ 15,716**	**$ 1,361**
24	Of which basic indicator approach	-	-	-
25	Of which standardised approach	17,010	15,716	1,361
29	**Total**	**$ 227,390**	**$ 224,519**	**$ 18,192**

GSI

$ in millions

		RWAs		
		August 2019	**May 2019**	**Minimum capital requirements**
1	Credit risk (excluding CCR)	**$ 16,822**	**$ 14,798**	**$ 1,346**
2	Of which the standardised approach	1,343	1,311	107
4	Of which the advanced IRB (AIRB) approach	14,282	12,023	1,143
5	Of which equity IRB under the simple risk-weighted approach or the IMA	1,197	1,464	96
6	CCR	**$ 89,017**	**$ 87,152**	**$ 7,121**
7	Of which mark to market	7,473	5,154	598
9	Of which the standardised approach	2	-	0
10	Of which internal model method (IMM)	66,585	66,305	5,327
11	Of which risk exposure amount for contributions to the default fund of a CCP	497	596	39
12	Of which CVA VaR	14,460	15,097	1,157
13	Settlement risk	**$ 1,835**	**$ 2,219**	**$ 147**
14	Securitisation exposures in the banking book (after the cap)	**-**	**-**	**-**
15	Of which IRB approach	-	-	-
18	Of which standardised approach	-	-	-
19	Market risk	**$ 84,443**	**$ 85,707**	**$ 6,756**
20	Of which the standardised approach	36,074	37,697	2,886
21	Of which IMA	48,369	48,010	3,870
22	Large exposures		-	
23	Operational risk	**$ 15,408**	**$ 15,408**	**$ 1,233**
24	Of which basic indicator approach	-	-	-
25	Of which standardised approach	15,408	15,408	1,233
29	**Total**	**$ 207,525**	**$ 205,284**	**$ 16,603**

GSIB

$ in millions

		RWAs		
		August 2019	**May 2019**	**Minimum capital requirements**
1	Credit risk (excluding CCR)	**$ 12,271**	**$ 13,974**	**$ 982**
2	Of which the standardised approach	312	152	25
4	Of which the advanced IRB (AIRB) approach	11,959	13,822	957
5	Of which equity IRB under the simple risk-weighted approach or the IMA	-	-	-
6	CCR	**$ 656**	**$ 621**	**$ 52**
7	Of which mark to market	132	238	11
9	Of which the standardised approach	2		0
10	Of which internal model method (IMM)	441	374	35
11	Of which risk exposure amount for contributions to the default fund of a CCP			-
12	Of which CVA VaR	81	9	6
13	Settlement risk	**-**	**-**	**-**
14	Securitisation exposures in the banking book (after the cap)	**$ 885**	**$ 700**	**$ 71**
15	Of which IRB approach	408	378	33
18	Of which standardised approach	477	322	38
19	Market risk	**$ 356**	**$ 328**	**$ 28**
20	Of which the standardised approach	356	312	28
21	Of which IMA	-	16	-
22	Large exposures		-	
23	Operational risk	**$ 501**	**$ 501**	**$ 40**
24	Of which basic indicator approach	-	-	-
25	Of which standardised approach	501	501	40
29	**Total**	**$ 14,669**	**$ 16,124**	**$ 1,173**

GSGUK total capital ratio decreased from 19.7% in May 2019 to 19.0% in August 2019 primarily due to the following movements:

- GSGUK Credit RWAs as of August 2019 increased by $2.8 billion compared with May 2019, primarily reflecting higher counterparty credit risk and credit risk arising from increased exposures.
- GSGUK Market RWAs as of August 2019 decreased by $1.2 billion compared with May 2019, primarily reflecting a decrease in standardised market risk as a result of changes in risk exposures.

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

$ in millions **As of August 2019**

		RWA amounts			Capital requirements		
		GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
1	**RWAs as at the end of the previous reporting period**	**$ 23,693**	**$ 12,023**	**$ 13,822**	**$ 1,895**	**$ 962**	**$ 1,106**
2	Asset size	2,832	2,446	(1,052)	227	196	(84)
3	Asset quality	(90)	(221)	131	(7)	(17)	10
7	Foreign exchange movements	(239)	(8)	(231)	(19)	(1)	(18)
8	Other	(669)	42	(711)	(54)	3	(57)
9	**RWAs as at the end of the current reporting period**	**$ 25,527**	**$ 14,282**	**$ 11,959**	**$ 2,042**	**$ 1,143**	**$ 957**

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

$ in millions							**As of August 2019**
		RWA amounts			**Capital requirements**		
		GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
1	**RWAs as at the end of the previous reporting period**	**$ 66,679**	**$ 66,305**	**$ 374**	**$ 5,334**	**$ 5,304**	**$ 30**
2	Asset size	2,594	2,516	78	207	201	6
3	Credit quality of counterparties	(608)	(602)	(6)	(48)	(48)	(0)
7	Foreign exchange movements	(678)	(670)	(8)	(54)	(53)	(1)
8	Other	(961)	(964)	3	(77)	(77)	0
9	**RWAs as at the end of the current reporting period**	**$ 67,026**	**$ 66,585**	**$ 441**	**$ 5,362**	**$ 5,327**	**$ 35**

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

GSGUK

$ in millions								**As of August 2019**
		VaR	**SVaR**	**IRC**	**Comprehensive risk measure**	**Other**	**Total RWAs**	**Total capital requirements**
1	**RWAs at previous quarter end**	**$ 5,696**	**$ 20,938**	**$ 12,575**	**$ 1,175**	**$ 7,642**	**$ 48,026**	**$ 3,842**
1a	*Regulatory adjustment*	(3,844)	(15,123)	-	(1)	(1,916)	(20,884)	(1,671)
1b	***RWAs at the previous quarter-end***	**$ 1,852**	**$ 5,815**	**$ 12,575**	**$ 1,174**	**$ 5,726**	**$ 27,142**	**$ 2,171**
2	Movement in risk levels	764	2,532	(1,382)	(486)	1,252	2,680	215
3	Model updates/changes	(2)	(6)	-	-	-	(8)	(1)
8a	***RWAs at the end of the reporting period***	**$ 2,614**	**$ 8,341**	**$ 11,193**	**$ 688**	**$ 6,978**	**$ 29,814**	**$ 2,385**
8b	*Regulatory adjustment*	2,614	13,840	466	87	1,548	18,555	1,485
8	**RWAs at the end of the reporting period**	**$ 5,228**	**$ 22,181**	**$ 11,659**	**$ 775**	**$ 8,526**	**$ 48,369**	**$ 3,870**

GSI

$ in millions								**As of August 2019**
		VaR	**SVaR**	**IRC**	**Comprehensive risk measure**	**Other**	**Total RWAs**	**Total capital requirements**
1	**RWAs at previous quarter end**	**$ 5,693**	**$ 20,925**	**$ 12,575**	**$ 1,175**	**$ 7,642**	**$ 48,010**	**$ 3,841**
1a	*Regulatory adjustment*	(3,841)	(15,113)	-	(1)	(1,916)	(20,871)	(1,670)
1b	***RWAs at the previous quarter-end***	**$ 1,852**	**$ 5,812**	**$ 12,575**	**$ 1,174**	**$ 5,726**	**$ 27,139**	**$ 2,171**
2	Movement in risk levels	764	2,535	(1,382)	(486)	1,252	2,683	215
3	Model updates/changes	(2)	(6)	-	-	-	(8)	(1)
8a	***RWAs at the end of the reporting period***	**$ 2,614**	**$ 8,341**	**$ 11,193**	**$ 688**	**$ 6,978**	**$ 29,814**	**$ 2,385**
8b	*Regulatory adjustment*	2,614	13,840	466	87	1,548	18,555	1,485
8	**RWAs at the end of the reporting period**	**$ 5,228**	**$ 22,181**	**$ 11,659**	**$ 775**	**$ 8,526**	**$ 48,369**	**$ 3,870**

GSIB[1]

$ in millions								**As of August 2019**
		VaR	**SVaR**	**IRC**	**Comprehensive risk measure**	**Other**	**Total RWAs**	**Total capital requirements**
1	**RWAs at previous quarter end**	**$ 3**	**$ 13**	**-**	**-**	**-**	**$ 16**	**$ 1**
1a	*Regulatory adjustment*	(3)	(10)	-	-	-	(13)	(1)
1b	***RWAs at the previous quarter-end***	**-**	**$ 3**	**-**	**-**	**-**	**$ 3**	**-**
2	Movement in risk levels	-	-	-	-	-	-	-
3	Model updates/changes	-	(3)	-	-	-	(3)	-
8a	***RWAs at the end of the reporting period***	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8b	*Regulatory adjustment*	-	-	-	-	-	-	-
8	**RWAs at the end of the reporting period**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

[1]As of August 2019, all positions in GSIB are capitalised under the standardised approach.

Liquidity Risk Management

Disclosure of the information required under article 435 of the CRR, including those detailed in the EBA Guidelines on liquidity risk management, has been made under separate disclosure on September 30, 2019.

The liquidity risk management disclosure for GSGUK, published on the firm's website adjacent to this document, can be accessed via the following link:

http://www.goldmansachs.com/disclosures/index.html

Cautionary Note on Forward-Looking Statements

We have included or incorporated by reference in these disclosures, and from time to time our management may make, statements that may constitute "forward-looking statements." Forward-looking statements are not historical facts, 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 under "Risk Factors" in Part I, Item 1A in the firm's 2018 Form 10-K.