



Goldman Sachs Group UK Limited

# Pillar 3 Disclosures

For the period ended March 31, 2022

## TABLE OF CONTENTS

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	<b>Page No.</b>
Introduction .....	5
Capital Framework .....	10
Risk-Weighted Assets.....	13
Liquidity Risk.....	18
Cautionary Note on Forward-Looking Statements.....	26

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**INDEX OF TABLES**

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	<b>Page No.</b>
Table 1: Key Metric Template.....	11
Table 2: Own Funds and Eligible Liabilities.....	12
Table 3: Overview of RWAs .....	13
Table 4: RWA Flow Statements of CCR Exposures under the IMM .....	16
Table 5: RWA Flow Statements of Credit Risk Exposures under the IRB Approach.....	16
Table 6: RWA Flow Statements of Market Risk Exposures under the IMA .....	17
Table 7: Liquidity Coverage Ratio .....	19
Table 8: Unsecured Net Cash Outflows .....	20
Table 9: Secured Net Cash Outflows .....	20
Table 10: Derivative Net Cash Outflows.....	21
Table 11: Unfunded Commitments Net Cash Outflows.....	22
Table 12: Other Net Cash Outflows.....	22
Table 13: GSGUK Liquidity Coverage Ratio Summary .....	23
Table 14: GSI Liquidity Coverage Ratio Summary.....	24
Table 15: GSIB Liquidity Coverage Ratio Summary .....	25

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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 financial institution that delivers a broad range of financial services across investment banking, securities, investment management and consumer banking to a large 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 U.S. Bank Holding Company Act of 1956 and a financial holding company under amendments to this Act. 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 and liquidity adequacy standards. GSGUK major subsidiaries are regulated by the Financial Conduct Authority (FCA) and the PRA and are subject to minimum capital and liquidity 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 the 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. Reference 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, 2022. All references to March 2022 refer to the period ended, or the date, as the context requires, March 31, 2022.

<https://www.goldmansachs.com/investor-relations/financials/other-information/2022/1q-pillar3-2022.pdf>

<https://www.goldmansachs.com/investor-relations/financials/10q/2022/first-quarter-2022-10-q.pdf>

The GSGUK consolidated regulatory capital requirement has been calculated in accordance with the UK’s implementation of the E.U. Capital Requirements Directive (CRD), the Capital Requirements Regulation (CRR<sup>1</sup>) and associated PRA supervisory rules and regulatory standards. These requirements 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”.

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. As of the date of publication, the applicable U.K. and E.U. frameworks remain largely consistent, however any relevant differences are identified in the document.

The quarterly Pillar 3 disclosures set out qualitative and quantitative elements for which more frequent disclosure is appropriate in accordance with the PRA Rulebook.

<sup>1</sup> In this document, the term ‘CRR’ refers to the onshored version of Regulation (E.U.) No 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended by UK authorities including by way of PRA CRR rule instruments .

**Pillar 3 Disclosures**

GSGUK also publishes annual Pillar 3 disclosures and consolidated financial statement can be accessed via the following link:

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

The latest annual consolidated financial information for GSGUK is prepared in line with the recognition and measurement requirements of E.U.-adopted International Financial Reporting Standards (IFRS).

Measures of exposures and other metrics disclosed in this report may not be based on IFRS, 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 UK-regulated subsidiaries are included in the regulatory consolidation:

- Goldman Sachs International (GSI)
- Goldman Sachs International Bank (GSIB)

The scope of consolidation for regulatory capital purposes is consistent with the IFRS consolidation.

Following the exemption of GSGUKL from the requirement to be an approved parent financial holding company, GSI is the CRR consolidation entity, meaning that GSI is responsible for compliance with requirements applicable to GSGUK on a consolidated basis.

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. GSIB is a U.K.-domiciled bank involved in lending and deposit-taking activities, securities lending, and a primary dealer for U.K. government bonds. The risk profile of GSGUK is materially the same as that of GSI and GSIB combined. 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.

**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

**Pillar 3 Disclosures**

managing risk and provides transparent and realistic insight into our inventory 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 further information about 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 Rules Supplementing Article 105 on Standards for Prudential Valuation in the PRA Rulebook. 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 arrangements to meet the requirements of the CRR on the classification and treatment 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<sup>2</sup>. 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.

The U.K. has adopted E.U. financial services legislation that was in effect on December 31, 2020, which means that as a starting point the U.K. financial services regime remains substantially the same as it was under E.U. financial services legislation. However, from this date which marks the end of the transition period after the U.K.'s withdrawal from the E.U., the U.K. has begun to consult on and adopts its own regulations.

**Risk-Based Capital Ratios.** In October 2021, the PRA published CRR rules corresponding to onshored CRR

<sup>2</sup> As defined in point (85) of Article 4(1) in CRR

**Pillar 3 Disclosures**

provisions which were revoked by HM Treasury. The purpose of these rules is to implement certain international standards that remain to be implemented in the U.K., consistent with amendments published in the Official Journal of the E.U. in June 2019. The Financial Policy Committee and the PRA have also published in October 2021 a revised UK leverage ratio framework<sup>3</sup>.

As a result, new rules introducing the standardised approach to counterparty credit risk (SA-CCR) and changes to rules for the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities (MREL), large exposures and reporting and disclosure requirements became effective from January 1, 2022.

In addition, the PRA implemented new rules in respect of the application of consolidated requirements to financial holding companies and mixed financial holding companies.

In December 2017, the Basel Committee published standards that it described as the finalisation of the Basel III post-crisis regulatory reforms (Basel III Revisions). These standards include revisions to the framework relating to the standardised and internal model-based approaches used to calculate market risk requirements and clarifies the scope of positions subject to market risk capital requirements. They also revise the Basel Committee's standardised and internal model-based approaches for credit risk, provide a new standardised approach for operational risk capital and revise the frameworks for credit valuation adjustment (CVA) risk. Finally, the Basel III Revisions set a floor on internally modelled capital requirements at a percentage of the capital requirements under the standardised approach. In July 2020, the Basel Committee finalised further revisions to the framework for CVA risk, which are intended to align that framework with the market risk framework.

The Basel Committee framework contemplates that national regulators implement these standards by 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 PRA is expected to consult on relevant rules to finalise the implementation of these standards in the U.K. in the fourth quarter of 2022.

The Basel Committee has also published an updated securitisation framework which has been implemented in the U.K.

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.

**Other Developments****Impact of Russian Invasion of Ukraine**

The Russian invasion of Ukraine has negatively affected the global economy and has resulted in significant disruptions in financial markets and increased macroeconomic uncertainty. In addition, governments around the world have responded to Russia's invasion by imposing economic sanctions and export controls on certain industry sectors, companies and individuals in Russia. Russia has imposed its own restrictions against investors and countries outside Russia and has proposed additional measures aimed at non-Russian-owned businesses. Businesses globally have experienced shortages in materials and increased costs for transportation, energy and raw materials due, in part, to the negative effects of the war on the global economy. The escalation or continuation of the war between Russia and Ukraine or other hostilities presents heightened risks relating to cyber attacks, the frequency and volume of failures to settle securities transactions, supply chain disruptions, inflation, as well as the potential for increased volatility in commodity, currency and other financial markets.

<sup>3</sup> See PRA Policy Statements 21/21 and 22/21, October 2021

**Pillar 3 Disclosures**

**Attestation**

We have each taken reasonable steps intended to ensure that in respect of the period ended March 31, 2022, Goldman Sachs Group UK Limited has made disclosures as required by the CRR disclosure requirements set out in the PRA Rulebook, and that those disclosures have been prepared in accordance with relevant formal policies and internal processes, systems and controls of the company.

Richard Taylor  
Managing Director

Lesley Steele  
Managing Director



## 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 capital.
- 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 the company's exposures to certain types of counterparties based in jurisdictions which have announced a countercyclical buffer. The buffer was negligible as of December 2021. The countercyclical capital buffer applicable to the company could change in the future and, as a result, the company'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 approved an application to convert Pillar 2A capital requirements from a percentage of RWAs to a fixed nominal amount. On April, 25 2022 the PRA converted Pillar 2A capital requirements back to a percentage of RWAs and recalibrated the individual capital requirement following

its review of the December 31, 2020 ICAAP. The sum of Pillar 1 and Pillar 2A requirements 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.

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 Key metrics table shown in Table 1 below.

### Compliance with Capital Requirements

As of March 31, 2022, all of GSGUK's regulated subsidiaries had capital levels in excess of their minimum regulatory capital requirements.

## Pillar 3 Disclosures

## Key Metrics

The tables below represent an overview of the company prudential regulatory positions measured by key regulatory metrics for GSGUK, GSI and GSIB as at March 31, 2022.

Table 1: Key Metric Template

		\$ in millions		
		GSGUK	GSI	GSIB
<b>Available own funds (amounts)<sup>4</sup></b>				
1	Common Equity Tier 1 (CET1) capital	\$ 34,630	\$ 29,593	\$ 3,344
2	Tier 1 capital	42,930	37,893	3,344
3	Total capital	\$ 49,433	\$ 43,270	\$ 4,170
<b>Risk-weighted exposure amounts</b>				
4	Total risk-weighted exposure amount	\$ 298,227	\$ 274,946	\$ 16,693
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>				
5	Common Equity Tier 1 ratio (%)	11.61%	10.76%	20.03%
6	Tier 1 ratio (%)	14.40%	13.78%	20.03%
7	Total capital ratio (%)	16.58%	15.74%	24.98%
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>				
UK 7a	Additional CET1 SREP requirements (%)	1.05%	1.03%	1.52%
UK 7b	Additional AT1 SREP requirements (%)	1.40%	1.37%	2.03%
UK 7c	Additional T2 SREP requirements (%)	1.87%	1.83%	2.71%
UK 7d	Total SREP own funds requirements (%)	9.87%	9.83%	10.71%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>				
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0%	0%	0%
9	Institution specific countercyclical capital buffer (%)	0.04%	0.04%	0.05%
UK 9a	Systemic risk buffer (%)	0%	0%	0%
10	Global Systemically Important Institution buffer (%)	0%	0%	0%
UK 10a	Other Systemically Important Institution buffer	0%	0%	0%
11	Combined buffer requirement (%)	2.54%	2.54%	2.55%
UK 11a	Overall capital requirements (%)	12.41%	12.37%	13.26%
12	CET1 available after meeting the total SREP own funds requirements (%)	6.15%	5.23%	12.00%
<b>Leverage ratio<sup>5</sup></b>				
13	Leverage ratio total exposure measure	\$ 832,617	\$ 777,182	\$ 51,482
14	Leverage ratio	5.16%	4.88%	6.49%
<b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>				
UK 14a	Additional CET1 leverage ratio requirements (%)	0%	0%	0%
UK 14b	Additional AT1 leverage ratio requirements (%)	0%	0%	0%
UK 14c	Additional T2 leverage ratio requirements (%)	0%	0%	0%
UK 14d	Total SREP leverage ratio requirements (%)	0%	0%	0%
UK 14e	Applicable leverage buffer <sup>6</sup>	0%	0%	0%
UK 14f	Overall leverage ratio requirements (%)	3.25%	3.25%	3.25%
<b>Liquidity Coverage Ratio</b>				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	\$ 93,679	\$ 75,191	\$ 18,488
UK 16a	Cash outflows - Total weighted value	196,752	182,715	20,088
UK 16b	Cash inflows - Total weighted value	156,299	141,191	8,179
16	Total net cash outflows (adjusted value)	\$ 49,339	\$ 46,206	\$ 11,911
17	Liquidity coverage ratio (%)	191%	164%	155%

<sup>4</sup> GSGUK, GSI and GSIB do not apply any regulatory transitional arrangements for IFRS 9 or grandfathering capital instruments

<sup>5</sup> Effective from January 01, 2022, the leverage exposure is calculated in line with the UK leverage framework and excludes central bank claims. The impact of this change was the main driver of the increase in GSGUK leverage ratio from 4.4% in December 31, 2021 to 5.16% as at March 31, 2022

<sup>6</sup> Countercyclical leverage ratio buffer sets by the UK framework will be applicable from January 1, 2023

**Pillar 3 Disclosures****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 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 became effective from January 1, 2022.

As of March 31, 2022, GSGUK had own funds and eligible liabilities in excess of its internal MREL.

GSGUK own funds and eligible liabilities key metrics are provided in Table 2.

**Table 2: Own Funds and Eligible Liabilities**

<i>\$ in millions</i>	<b>As of March 2022</b>
	<b>GSGUK</b>
<b>Total own funds and eligible liabilities</b>	<b>\$ 68,310</b>
Total RWA	298,229
Total own funds and eligible liabilities as a percentage of RWA	22.91%
Leverage Exposure	832,617
Total own funds and eligible liabilities as a percentage of leverage exposure	8.20%

**Pillar 3 Disclosures****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, 2022<sup>7</sup>.

**Table 3: Overview of RWAs****GSGUK***\$ in millions*

		RWAs	Minimum capital requirements
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>\$ 39,773</b>	<b>\$ 3,182</b>
2	Of which the standardised approach	10,853	868
UK 4a	Of which equities under the simple risk weighted approach	1,984	159
5	Of which the advanced IRB (AIRB) approach	26,936	2,155
<b>6</b>	<b>Counterparty credit risk - CCR</b>	<b>\$ 107,606</b>	<b>\$ 8,609</b>
7	Of which the standardised approach <sup>8</sup>	8,205	657
8	Of which internal model method (IMM)	77,430	6,194
UK 8a	Of which exposures to a CCP	793	63
UK 8b	Of which credit valuation adjustment - CVA	21,178	1,694
<b>15</b>	<b>Settlement risk</b>	<b>\$ 9,660</b>	<b>\$ 773</b>
<b>16</b>	<b>Securitisation exposures in the non-trading book (after the cap)</b>	<b>\$ 716</b>	<b>\$ 57</b>
18	Of which SEC-ERBA (including IAA)	70	6
19	Of which SEC-SA approach	646	52
<b>20</b>	<b>Position, foreign exchange and commodities risks (Market risk)</b>	<b>\$ 116,748</b>	<b>\$ 9,340</b>
21	Of which the standardised approach	65,155	5,212
22	Of which IMA	51,593	4,127
<b>UK 22a</b>	<b>Large exposures</b>	-	-
<b>23</b>	<b>Operational risk</b>	<b>\$ 23,724</b>	<b>\$ 1,898</b>
UK 23b	Of which standardised approach	23,724	1,898
<b>29</b>	<b>Total</b>	<b>\$ 298,227</b>	<b>\$ 23,086</b>

GSGUK total capital ratio decreased from 11.6% in December 2021 to 11.2% in March 2022 primarily due to the following movements:

- GSGUK Counterparty Credit RWAs as of March 2022 increased by \$6.6 billion compared with December 2021, reflecting an increase in derivatives exposures primarily as a result of higher market volatility and implementation of the SA-CCR methodology, partially offset by the purchase of a guarantee from Group Inc.<sup>9</sup>

<sup>7</sup> Table prepared in accordance with the CRR disclosure requirements as set out in the PRA Rulebook

<sup>8</sup> RWA calculated based on the SA-CCR methodology

<sup>9</sup> In response to increased market volatility driven by Russia invasion of Ukraine over the period, GSI purchased credit risk protection in the form of a guarantee from its ultimate parent Group Inc.

## Pillar 3 Disclosures

## GSI

\$ in millions

		RWAs	Minimum capital requirements
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>\$ 25,789</b>	<b>\$ 2,063</b>
2	Of which the standardised approach	6,985	559
UK 4a	Of which equities under the simple risk weighted approach	1,984	159
5	Of which the advanced IRB (AIRB) approach	16,820	1,346
<b>6</b>	<b>Counterparty credit risk - CCR</b>	<b>\$ 105,893</b>	<b>\$ 8,471</b>
7	Of which the standardised approach	7,175	574
8	Of which internal model method (IMM)	76,932	6,155
UK 8a	Of which exposures to a CCP	792	63
UK 8b	Of which credit valuation adjustment - CVA	20,994	1,679
<b>15</b>	<b>Settlement risk</b>	<b>\$ 9,641</b>	<b>\$ 771</b>
<b>16</b>	<b>Securitisation exposures in the non-trading book (after the cap)</b>	-	-
18	Of which SEC-ERBA (including IAA)	-	-
19	Of which SEC-SA approach	-	-
<b>20</b>	<b>Position, foreign exchange and commodities risks (Market risk)</b>	<b>\$ 112,783</b>	<b>\$ 9,023</b>
21	Of which the standardised approach	61,190	4,895
22	Of which IMA	51,593	4,127
<b>UK 22a</b>	<b>Large exposures</b>	-	-
<b>23</b>	<b>Operational risk</b>	<b>\$ 20,840</b>	<b>\$ 1,667</b>
UK 23b	Of which standardised approach	20,840	1,667
<b>29</b>	<b>Total</b>	<b>\$ 274,946</b>	<b>\$ 21,224</b>

## GSIB

\$ in millions

		RWAs	Minimum capital requirements
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>\$ 11,508</b>	<b>\$ 921</b>
2	Of which the standardised approach	187	15
UK 4a	Of which equities under the simple risk weighted approach	-	-
5	Of which the advanced IRB (AIRB) approach	11,321	906
<b>6</b>	<b>Counterparty credit risk - CCR</b>	<b>\$ 1,352</b>	<b>\$ 108</b>
7	Of which the standardised approach	807	65
8	Of which internal model method (IMM)	497	40
UK 8a	Of which exposures to a CCP	-	-
UK 8b	Of which credit valuation adjustment - CVA	48	4
<b>15</b>	<b>Settlement risk</b>	<b>\$ 18</b>	<b>\$ 1</b>
<b>16</b>	<b>Securitisation exposures in the non-trading book (after the cap)</b>	<b>\$ 716</b>	<b>\$ 57</b>
18	Of which SEC-ERBA (including IAA)	70	6
19	Of which SEC-SA approach	646	52
<b>20</b>	<b>Position, foreign exchange and commodities risks (Market risk)</b>	<b>\$ 2,274</b>	<b>\$ 182</b>
21	Of which the standardised approach	2,274	182
22	Of which IMA	-	-
<b>UK 22a</b>	<b>Large exposures</b>	-	-
<b>23</b>	<b>Operational risk</b>	<b>\$ 825</b>	<b>\$ 825</b>
UK 23b	Of which standardised approach	825	825
<b>29</b>	<b>Total</b>	<b>\$ 16,693</b>	<b>\$ 1,270</b>

**Pillar 3 Disclosures**

The tables below represent a summary of the RWAs and capital requirements for GSGUK, GSI and GSIB by type as at December 31, 2021<sup>10</sup>.

**GSGUK***\$ in millions*

		RWAs	Minimum capital requirements
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>\$ 40,082</b>	<b>\$ 3,207</b>
2	Of which the standardised approach	7,584	607
4	Of which the advanced IRB (AIRB) approach	30,497	2,440
5	Of which equity IRB under the simple risk-weighted approach or the IMA	2,001	160
<b>6</b>	<b>CCR</b>	<b>\$ 100,988</b>	<b>\$ 8,079</b>
7	Of which mark to market	5,730	458
9	Of which the standardised approach	-	-
10	Of which internal model method (IMM)	78,302	6,265
11	Of which risk exposure amount for contributions to the default fund of a CCP	343	27
12	Of which CVA	16,613	1,329
<b>13</b>	<b>Settlement risk</b>	<b>\$ 11,671</b>	<b>\$ 933</b>
<b>14</b>	<b>Securitisation exposures in the banking book (after the cap)</b>	<b>\$ 1,207</b>	<b>\$ 97</b>
<b>19</b>	<b>Market risk</b>	<b>\$ 115,634</b>	<b>\$ 9,251</b>
20	Of which the standardised approach	63,403	5,072
21	Of which IMA	52,231	4,179
<b>22</b>	<b>Large exposures</b>	-	-
<b>23</b>	<b>Operational risk</b>	<b>\$ 23,724</b>	<b>\$ 1,898</b>
25	Of which standardised approach	23,724	1,898
<b>29</b>	<b>Total</b>	<b>\$ 293,306</b>	<b>\$ 23,465</b>

**GSI***\$ in millions*

		RWAs	Minimum capital requirements
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>\$ 25,827</b>	<b>\$ 2,066</b>
2	Of which the standardised approach	3,416	273
4	Of which the advanced IRB (AIRB) approach	20,410	1,633
5	Of which equity IRB under the simple risk-weighted approach or the IMA	2,001	160
<b>6</b>	<b>CCR</b>	<b>\$ 99,775</b>	<b>\$ 7,983</b>
7	Of which mark to market	4,994	400
9	Of which the standardised approach	-	-
10	Of which internal model method (IMM)	77,966	6,238
11	Of which risk exposure amount for contributions to the default fund of a CCP	343	27
12	Of which CVA	16,472	1,318
<b>13</b>	<b>Settlement risk</b>	<b>\$ 11,665</b>	<b>\$ 933</b>
<b>14</b>	<b>Securitisation exposures in the banking book (after the cap)</b>	-	-
<b>19</b>	<b>Market risk</b>	<b>\$ 111,604</b>	<b>\$ 8,929</b>
20	Of which the standardised approach	59,373	4,750
21	Of which IMA	52,231	4,179
<b>22</b>	<b>Large exposures</b>	-	-
<b>23</b>	<b>Operational risk</b>	<b>\$ 20,891</b>	<b>\$ 1,671</b>
25	Of which standardised approach	20,891	1,671
<b>29</b>	<b>Total</b>	<b>\$ 269,762</b>	<b>\$ 21,582</b>

<sup>10</sup> Table prepared in accordance with the Part Eight of the CRR and the EBA guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013.

## Pillar 3 Disclosures

## GSIB

<i>\$ in millions</i>		RWAs	Minimum capital requirements
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>\$ 11,675</b>	<b>\$ 934</b>
2	Of which the standardised approach	190	14
4	Of which the advanced IRB (AIRB) approach	11,485	920
5	Of which equity IRB under the simple risk-weighted approach or the IMA	0	0
<b>6</b>	<b>CCR</b>	<b>\$ 1,028</b>	<b>\$ 82</b>
7	Of which mark to market	661	53
9	Of which the standardised approach	-	-
10	Of which internal model method (IMM)	336	27
11	Of which risk exposure amount for contributions to the default fund of a CCP	0	0
12	Of which CVA	31	2
<b>13</b>	<b>Settlement risk</b>	<b>\$ 6</b>	<b>\$ 0</b>
<b>14</b>	<b>Securitisation exposures in the banking book (after the cap)</b>	<b>\$ 1,207</b>	<b>\$ 97</b>
<b>19</b>	<b>Market risk</b>	<b>\$ 2,521</b>	<b>\$ 202</b>
20	Of which the standardised approach	2,521	202
21	Of which IMA	-	-
<b>22</b>	<b>Large exposures</b>	<b>-</b>	<b>-</b>
<b>23</b>	<b>Operational risk</b>	<b>\$ 825</b>	<b>\$ 66</b>
25	Of which standardised approach	825	66
<b>29</b>	<b>Total</b>	<b>\$ 17,262</b>	<b>\$ 1,381</b>

The following table presents a quarterly flow statement of the RWAs and Capital requirements under the IMM for GSGUK, GSI and GSIB as of March 31, 2022.

**Table 4: RWA Flow Statements of CCR Exposures under the IMM**<sup>\*</sup>

<i>\$ in millions</i>	As of March 2022		
	RWA amounts		
	GSGUK	GSI	GSIB
<b>1 RWAs as at the end of the previous reporting period</b>	<b>\$ 77,725</b>	<b>\$ 77,389</b>	<b>\$ 336</b>
2 Asset size	8,256	8,111	144
3 Credit quality of counterparties	(6,868)	(6,870)	2
7 Foreign exchange movements	(1,035)	(1,030)	(5)
8 Other	(648)	(668)	20
<b>9 RWAs as at the end of the current reporting period</b>	<b>\$ 77,430</b>	<b>\$ 76,932</b>	<b>\$ 497</b>

The following table presents a quarterly flow statement of the RWAs and Capital requirements under the IRB approach for GSGUK, GSI and GSIB as of March 31, 2022.

**Table 5: RWA Flow Statements of Credit Risk Exposures under the IRB Approach**

<i>\$ in millions</i>	As of March 2022		
	RWA amounts		
	GSGUK	GSI	GSIB
<b>1 RWAs as at the end of the previous reporting period</b>	<b>\$ 30,497</b>	<b>\$ 20,410</b>	<b>\$ 11,486</b>
2 Asset size	290	135	155
3 Asset quality	(3,447)	(3,525)	78
7 Foreign exchange movements	(439)	(196)	(243)
8 Other	35	(4)	(155)
<b>9 RWAs as at the end of the reporting period</b>	<b>\$ 26,936</b>	<b>\$ 16,820</b>	<b>\$ 11,321</b>

\* Refer Table 3 "Overview of RWAs" for the commentary between December 31, 2021 to March 31, 2022

## Pillar 3 Disclosures

Table 6: RWA Flow Statements of Market Risk Exposures under the IMA

## GSGUK

							As of March 2022	
		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total capital requirements
<b>1</b>	<b>RWAs at previous quarter end</b>	<b>\$ 9,342</b>	<b>\$ 19,433</b>	<b>\$ 1,749</b>	<b>\$ 2,149</b>	<b>\$ 19,558</b>	<b>\$ 52,231</b>	<b>\$ 4,179</b>
<i>1a</i>	<i>Regulatory adjustment</i>	(6,545)	(13,157)	(624)	-	(8,341)	(28,667)	(2,294)
<b>1b</b>	<b>RWAs at the previous quarter-end</b>	<b>\$ 2,797</b>	<b>\$ 6,276</b>	<b>\$ 1,125</b>	<b>\$ 2,149</b>	<b>\$ 11,217</b>	<b>\$ 23,564</b>	<b>\$ 1,885</b>
<b>2</b>	<b>Movement in risk levels</b>	801	(409)	117	(291)	(1,175)	(957)	(76)
<b>3</b>	<b>Model updates/changes</b>	6	94	-	-	-	100	8
<b>8a</b>	<b>RWAs at the end of the reporting period</b>	<b>\$ 3,604</b>	<b>\$ 5,961</b>	<b>\$ 1,242</b>	<b>\$ 1,858</b>	<b>\$ 10,042</b>	<b>\$ 22,707</b>	<b>\$ 1,817</b>
<i>8b</i>	<i>Regulatory adjustment</i>	5,457	14,155	747	426	8,101	28,886	2,310
<b>8</b>	<b>RWAs at the end of the reporting period</b>	<b>\$ 9,061</b>	<b>\$ 20,116</b>	<b>\$ 1,989</b>	<b>\$ 2,284</b>	<b>\$ 18,143</b>	<b>\$ 51,593</b>	<b>\$ 4,127</b>

## GSI

							As of March 2022	
		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total capital requirements
<b>1</b>	<b>RWAs at previous quarter end</b>	<b>\$ 9,342</b>	<b>\$ 19,433</b>	<b>\$ 1,749</b>	<b>\$ 2,149</b>	<b>\$ 19,558</b>	<b>\$ 52,231</b>	<b>\$ 4,179</b>
<i>1a</i>	<i>Regulatory adjustment</i>	(6,545)	(13,157)	(624)	-	(8,341)	(28,667)	(2,294)
<b>1b</b>	<b>RWAs at the previous quarter-end</b>	<b>\$ 2,797</b>	<b>\$ 6,276</b>	<b>\$ 1,125</b>	<b>\$ 2,149</b>	<b>\$ 11,217</b>	<b>\$ 23,564</b>	<b>\$ 1,885</b>
<b>2</b>	<b>Movement in risk levels</b>	801	(409)	117	(291)	(1,175)	(957)	(76)
<b>3</b>	<b>Model updates/changes</b>	6	94	-	-	-	100	8
<b>8a</b>	<b>RWAs at the end of the reporting period</b>	<b>\$ 3,604</b>	<b>\$ 5,961</b>	<b>\$ 1,242</b>	<b>\$ 1,858</b>	<b>\$ 10,042</b>	<b>\$ 22,707</b>	<b>\$ 1,817</b>
<i>8b</i>	<i>Regulatory adjustment</i>	5,457	14,155	747	426	8,101	28,886	2,310
<b>8</b>	<b>RWAs at the end of the reporting period</b>	<b>\$ 9,061</b>	<b>\$ 20,116</b>	<b>\$ 1,989</b>	<b>\$ 2,284</b>	<b>\$ 18,143</b>	<b>\$ 51,593</b>	<b>\$ 4,127</b>

Movement in risk levels (line 2 in the Table 6) decreased by \$1bn comprising exposure changes impacting “Risk not in VaRs (RNIVs)” add-ons (\$1.2bn decrease under the “Other” category) partially offset by an increase in VaR due to increased exposures in equity products and increased realised volatilities in equities and rates (\$0.8bn increase).



## Liquidity Risk

### Overview

GSGUK is subject to the liquidity requirements as set out in the CRR 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. This information should be read in conjunction with Group Inc.’s most recent Annual Report on Form 10-K for the year ended December 31, 2021.

### Liquidity Risk Management

Liquidity risk is the risk that we will be unable to fund GSGUK or meet our liquidity needs in the event of firm-specific, broader industry or market liquidity stress events. We have in place a comprehensive and conservative set of liquidity and funding policies. Our principal objective is to be able to fund GSGUK and to enable our core businesses to continue to serve clients and generate revenues, even under adverse circumstances.

We manage liquidity risk according to three principles: (i) hold sufficient excess liquidity in the form of Global Core Liquid Assets (GCLA) to cover outflows during a stressed period, (ii) maintain appropriate Asset-Liability Management, and (iii) maintain a viable Contingency Funding Plan.

For information about Group Inc.’s internal Liquidity Risk Management framework, see “Risk Management – Liquidity Risk Management” in Part I, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the firm’s Annual Report on Form 10-K.

Treasury, which reports to our chief financial officer, has primary responsibility for developing, managing and executing our liquidity and funding strategy within our risk appetite.

Liquidity Risk, which is independent of our revenue-producing units and Treasury, and reports to our chief risk officer, has primary responsibility for assessing, monitoring and managing our liquidity risk through firmwide oversight and the establishment of stress testing and limits frameworks.

The company’s framework for managing liquidity risk is consistent with, and part of, the GS Group framework.

We use liquidity limits at various levels and across liquidity risk types to manage the size of our liquidity exposures. Limits are measured relative to acceptable levels of risk given our liquidity risk tolerance. The purpose of these limits is to assist

senior management in monitoring and controlling our overall liquidity profile.

Based on the results of our internal liquidity risk models, as well as consideration of other factors including, but not limited to, an assessment of our potential intraday liquidity needs and a qualitative assessment of the condition of the financial markets and GSGUK, we believe that our liquidity position as of March 31, 2022 was appropriate.

For information about Group Inc.’s internal Liquidity Risk Management framework, see “Risk Management – Liquidity Risk Management” in Part I, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the firm’s Annual Report on Form 10-K.

### Compliance with Liquidity Requirements

The PRA Rulebook requires that a firm maintains LCR that is no less than 100%. In addition, the PRA may require a firm to hold additional liquidity for risks not covered in the LCR, referred to as Pillar 2 risks. A firm’s HQLA is expected to be available for use to address liquidity needs in a time of stress, which could result in a firm’s LCR dropping below the applicable requirement. The liquidity standards also set forth a supervisory framework for addressing LCR shortfalls that is intended to enable supervisors to monitor and respond appropriately to the unique circumstances that give rise to a firm’s LCR shortfall.

This information is based on our current interpretation and understanding of the regulatory requirements and may evolve as we discuss the interpretation and application of these rules with our regulators. Table 13 (lines 1 through 23) presents GSGUK’s, LCR in the format provided in the PRA guidelines on LCR Disclosure. Tables 7 through 12 present a supplemental breakdown of GSGUK’s LCR components. Tables 14 and 15 present the disclosure template for GSI and GSIB, respectively.

### Liquidity Coverage Ratio

The liquidity standards require a firm to maintain an amount of high-quality liquid assets (HQLA) sufficient to meet stressed net cash outflows (NCOs) over a prospective 30 calendar-day period. The LCR is calculated as the ratio of HQLA to NCOs.

The table below presents a summary of our trailing twelve month average monthly LCR for the period ended March 31, 2022.

**Pillar 3 Disclosures****Table 7: Liquidity Coverage Ratio**

<i>\$ in millions</i>	Twelve Months Ended March 2022
	Average Weighted
Total high-quality liquid assets	\$93,679
Net cash outflows	\$49,339
Liquidity coverage ratio <sup>1</sup>	191%

1. The ratio reported in this row is calculated as average of the monthly LCRs for the trailing twelve months and may not equal the calculation of ratio using component amounts reported in “Total high-quality liquid assets” and “Net cash outflows”.

In the table above, the average weighted Total HQLA balance reflects the application of haircuts prescribed in the liquidity standards as described in the HQLA section.

The average weighted Total HQLA held by GSGUK is expected to meet the liquidity requirements set out in the LCR Delegated Act as well as the additional requirements set by the PRA to cover Pillar 2 risks.

GSGUK’s average monthly LCR for the trailing twelve-month period ended March 2022 was 191%. The NCOs largely consist of prospective outflows related to GSGUK’s secured and unsecured funding, derivative positions and unfunded commitments. We expect business-as-usual fluctuations in our client activity, business mix and overall market environment to affect our average LCR on an ongoing basis.

See “High-Quality Liquid Assets” and “Net Cash Outflows” for further information about GSGUK’s LCR.

**High-Quality Liquid Assets**

Total HQLA represents unencumbered, high-quality liquid assets held by a firm. The liquidity standards define HQLA in three asset categories: Level 1, Level 2A and Level 2B, and applies haircuts and limits to certain asset categories.

Level 1 assets are considered the most liquid and are eligible for inclusion in a firm’s HQLA amount without a haircut or limit. Level 2A and 2B assets are considered less liquid than Level 1 assets and are subject to additional adjustments as prescribed in the liquidity standards. In addition, the sum of Level 2A and 2B assets cannot comprise more than 40% of a firm’s HQLA amount, and Level 2B assets cannot comprise more than 15% of a firm’s HQLA amount.

Table 7 presents a summary of the weighted average Total HQLA held by GSGUK, calculated in accordance with the liquidity standards.

Our HQLA substantially consists of Level 1 assets and is diversified across our major operating currencies. Our HQLA is also substantially similar in composition to our GCLA.

For information about Group Inc.’s GCLA, see “Risk Management – Liquidity Risk Management” in Part I, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the firm’s Annual

Report on Form 10-K.

**Net Cash Outflows****Overview**

The liquidity standards define NCOs as the net of cash outflows and inflows during a prospective stress period of 30 calendar days. NCOs are calculated by applying prescribed outflow and inflow rates to certain assets, liabilities and off-balance-sheet arrangements. These outflow and inflow rates reflect a specific standardised stress scenario to a firm’s funding sources, contractual obligations and assets over the prospective stress period, as prescribed by the liquidity standards. Due to the inherently uncertain and variable nature of stress events, a firm’s actual cash outflows and inflows in a realised liquidity stress event may differ, possibly materially, from those reflected in a firm’s NCOs.

To capture outflows and inflows that would occur within a 30 calendar-day period, the liquidity standards require that a firm’s NCOs calculation reflects outflows and inflows based on the contractual maturity of certain assets, liabilities and off-balance-sheet arrangements. To determine the maturity date of outflows, the liquidity standards account for any option that could accelerate the maturity date of an instrument or the date of a transaction. Where contractual maturity is not applicable, the liquidity standards also set forth stressed outflow assumptions. In addition, the liquidity standards require a firm to recognise contractual outflows within a 30 calendar-day period that are not otherwise described in the liquidity standards and to not recognise inflows not specified in the liquidity standards. The inflows included in the NCOs calculation are subject to a cap of 75% of a firm’s calculated outflows.

Table 7 above presents a summary of GSGUK’s NCOs, calculated in accordance with the liquidity standards.

More details on each of the material components of our NCOs, including a description of the applicable sections of the liquidity standards, are described below.

In the tables referenced in the remainder of this section, unweighted balances reflect certain GSGUK’s assets, liabilities and off-balance-sheet arrangements captured in the liquidity standards. Weighted balances reflect the application of prescribed outflow and inflow rates to these unweighted balances.

**Unsecured and Secured Financing****Overview**

Our primary sources of funding are deposits, collateralised financings, unsecured short-term and long-term borrowings (including funding from Group Inc. and affiliates), and shareholders’ equity. We seek to maintain broad and diversified funding sources globally across products, programs, markets, currencies and creditors to avoid funding concentrations.

**Pillar 3 Disclosures**

For information about Group Inc.'s funding sources, see "Balance Sheet and Funding Sources" in Part I, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Annual Report on Form 10-K.

**Unsecured Net Cash Outflows**

GSGUK's unsecured funding consists of a number of different products, including:

- Debt securities issued, which includes notes, certificates, and warrants; and
- Savings, demand and time deposits from consumers and institutional clients, and through internal and third-party broker-dealers.

GSGUK's unsecured debt and deposits are a source of funding for inventory, lending activity and other assets, including a portion of our liquid assets.

The liquidity standards require that the NCOs calculation reflects a firm's upcoming maturities of unsecured long-term debt and other unsecured funding products during a 30 calendar-day period, assuming no roll over of debt that matures.

The liquidity standards also prescribe outflows related to a partial loss of retail, small business, and wholesale deposits.

Inflows from deposits placed with agent banks and lending activity are included as part of "Inflows from fully performing exposures" (see Table 8).

The table below presents a summary of GSGUK's NCOs related to our unsecured borrowing and lending activity, calculated in accordance with the liquidity standards.

**Table 8: Unsecured Net Cash Outflows**

\$ in millions	Twelve Months Ended March 2022	
	Average Unweighted	Average Weighted
<b>Outflows</b>		
Retail deposits and deposits from small business customers, of which:		
Stable deposits	\$32,467	\$4,908
Less stable deposits	0	0
Unsecured wholesale funding, of which:	\$32,253	\$4,908
Non-operational deposits	\$38,121	\$33,652
Unsecured debt	\$32,530	\$28,061
	\$5,591	\$5,591
<b>Inflows</b>		
Inflows from fully performing exposures	\$2,979	\$496
<b>Net unsecured cash outflows/(inflows)<sup>1</sup></b>	<b>\$67,609</b>	<b>\$38,064</b>

1. Net unsecured cash outflows/(inflows) reflects the subtraction of the inflow amounts from the outflow amounts shown in the table above and is included for illustrative purposes.

**Secured Net Cash Outflows**

GSGUK funds a significant amount of inventory on a secured basis, including repurchase agreements, securities loaned and other secured financings. In addition, we provide financing to our clients for their securities trading activities, as well as securities lending and other prime brokerage services.

The liquidity standards consider outflows and inflows related to secured funding and securities services together as part of "Secured wholesale funding" and "Secured lending" (see Table 9).

Specifically, under the liquidity standards, secured funding transactions include repurchase agreements, collateralised deposits, securities lending transactions and other secured wholesale funding arrangements. Secured lending transactions, as defined under the liquidity standards, include reverse repurchase transactions, margin loans, securities borrowing transactions and secured loans.

The standardised stress scenario prescribed in the liquidity standards applies outflow and inflow rates between 0-100% to secured funding and lending transactions. Specific outflow and inflow rates are based on factors such as the quality of the underlying collateral, as well as the type, tenor, and counterparty of a transaction.

The table below presents a summary of GSGUK's NCOs related to our secured funding and lending activity, calculated in accordance with the liquidity standards.

**Table 9: Secured Net Cash Outflows**

\$ in millions	Twelve Months Ended March 2022	
	Average Unweighted	Average Weighted
<b>Outflows</b>		
Secured wholesale funding		\$44,704
<b>Inflows</b>		
Secured lending	\$400,127	\$112,721
<b>Net secured cash outflows/(inflows)<sup>1</sup></b>		<b>\$(68,017)</b>

1. Net secured cash outflows/(inflows) reflects the subtraction of the inflow amounts from the outflow amount shown in the table above and is included for illustrative purposes.

**Derivatives****Overview**

Derivatives are instruments that derive their value from underlying asset prices, indices, reference rates and other inputs, or a combination of these factors. Derivatives may be traded on an exchange or they may be privately negotiated contracts, which are usually referred to as OTC derivatives. Certain OTC derivatives are cleared and settled through central clearing counterparties, while others are bilateral contracts between two counterparties.

**Pillar 3 Disclosures**

- **Market-Making.** As a market maker, GSGUK enters into derivative transactions to provide liquidity to clients and to facilitate the transfer and hedging of their risks. In this role, we typically act as principal and are required to commit capital to provide execution, and maintain inventory in response to, or in anticipation of, client demand.
- **Risk Management.** GSGUK also enters into derivatives to actively manage risk exposures that arise from its market-making and investing and lending activities in derivative and cash instruments. Our holdings and exposures are hedged, in many cases, on either a portfolio or risk-specific basis, as opposed to an instrument-by-instrument basis. In addition, the firm may enter into derivatives that are used to manage interest rate exposure in certain fixed-rate unsecured long-term and short-term borrowings, and deposits.

We enter into various types of derivatives, including futures, forwards, swaps and options.

For information about Group Inc.'s derivative exposures and hedging activities, see Note 7 "Derivatives and Hedging Activities" in Part II, Item 8 "Financial Statements and Supplementary Data" in the firm's Annual Report on Form 10-K.

**Derivative Net Cash Outflows**

The liquidity standards require that derivative NCOs reflect outflows and inflows resulting from contractual settlements related to derivative transactions occurring over a 30 calendar-day period. These outflows and inflows can generally be netted at a counterparty level if subject to a valid qualifying master netting agreement. In addition, the liquidity standards require that NCOs reflect certain contingent outflows related to a firm's derivative positions that may arise during a 30 calendar-day stress scenario, including:

- Incremental collateral required as a result of a change in a firm's financial condition;
- Legal right of substitution of collateral posted to a firm for less liquid or non-HQLA collateral;
- Collateral required as a result of market movements. The liquidity standards require that a firm reflects in its NCOs calculation the absolute value of the largest net cumulative collateral outflow or inflow in a 30 calendar-day period over the last two years; and
- Excess collateral greater than the current collateral requirement under the governing contract that a firm may be contractually required to return to counterparty.

In the table below, "Outflows related to derivative exposures and other collateral requirements" reflects contractual derivative settlements, as well as contingent derivative outflows, calculated in accordance with the liquidity standards. Inflows from contractual derivative settlements are reflected in "Other cash inflows" (see Table 12). The liquidity standards do not recognise contingent derivative inflows.

The table below presents a summary of the GSGUK's derivative NCOs, calculated in accordance with the liquidity standards.

**Table 10: Derivative Net Cash Outflows**

<i>\$ in millions</i>	Twelve Months Ended March 2022	
	Average	Average
	Unweighted	Weighted
Outflows related to derivative exposures and other collateral requirements	\$24,765	\$22,301

**Unfunded Commitments****Overview**

GSGUK's commercial lending activities include lending to investment-grade and non-investment-grade corporate borrowers. Such commitments include commitments related to relationship lending activities (principally used for operating and general corporate purposes) and related to other investment banking activities (generally extended for contingent acquisition financing and are often intended to be short-term in nature, as borrowers often seek to replace them with other funding sources). The firm also extends lending commitments in connection with other types of corporate lending, as well as commercial real estate financing and retail lending.

In addition, the firm provides financing to clients who warehouse financial assets. These arrangements are secured by the warehoused assets, primarily consisting of residential real estate, consumer and corporate loans.

**Unfunded Commitments Net Cash Outflows**

The liquidity standards apply outflow rates to the undrawn portion of committed credit and liquidity facilities that a firm has extended based on counterparty type and purpose. The undrawn portion is defined as the amount of the facility that could be drawn upon within 30 calendar days under the governing agreement, less the fair value of any liquid assets that serve as collateral, after recognising the applicable haircut for those assets. Commitments extended to non-financial sector corporates are prescribed an outflow rate of 10-30%, insurance sector entities an outflow rate of 40-100%, credit institutions an outflow rate of 40% and all others an outflow rate of 100%.

The table below presents a summary of GSGUK's NCOs related to our unfunded commitments, calculated in accordance with the liquidity standards.

**Pillar 3 Disclosures****Table 11: Unfunded Commitments Net Cash Outflows**

<i>\$ in millions</i>	Twelve Months Ended March 2022	
	Average Unweighted	Average Weighted
Credit and liquidity facilities	\$7,578	\$4,116

**Other Net Cash Outflows**

The table below presents a summary of GSGUK's other cash outflows and inflows, including, but not limited to, overnight and term funding from Group Inc. and affiliates, derivative inflows, unsettled inventory balances, loans of collateral to effect customer short sales and other prime brokerage services.

**Table 12: Other Net Cash Outflows**

<i>\$ in millions</i>	Twelve Months Ended March 2022	
	Average Unweighted	Average Weighted
<b>Outflows</b>		
Other contractual obligations	\$111,979	\$22,939
Other contingent funding obligations	\$93,199	\$64,132
<b>Inflows</b>		
Other cash inflows	\$43,082	\$43,082
<b>Net other cash outflows/(inflows)<sup>1</sup></b>	<b>\$162,096</b>	<b>\$43,989</b>

<sup>1</sup>.Net other cash outflows/(inflows) reflects the subtraction of the inflow amounts from the outflow amounts shown in the table above and is included for illustrative purposes.

**Table 13: GSGUK Liquidity Coverage Ratio Summary**

Scope of consolidation (Consolidated)		Total Unweighted Value (average)				Total Weighted Value (average)			
Currency and units (\$ in millions)									
Period ended		June 2021	September 2021	December 2021	March 2022	June 2021	September 2021	December 2021	March 2022
<b>Number of data points used in the calculation of averages</b>		12	12	12	12	12	12	12	12
<b>HIGH-QUALITY LIQUID ASSETS</b>									
1	Total high-quality liquid assets (HQLA)					82,318	85,698	90,374	93,679
<b>CASH – OUTFLOWS</b>									
2	Retail deposits and deposits from small business customers, of which:	30,846	31,351	32,105	32,467	4,680	4,756	4,862	4,908
3	Stable deposits	36	0	0	0	2	0	0	0
4	Less stable deposits	30,665	31,208	31,943	32,253	4,678	4,756	4,862	4,908
5	Unsecured wholesale funding	31,098	33,934	35,674	38,121	26,518	29,532	31,373	33,652
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0	0	0	0	0	0	0
7	Non-operational deposits (all counterparties)	26,803	28,903	30,432	32,530	22,222	24,501	26,131	28,061
8	Unsecured debt	4,295	5,032	5,242	5,591	4,295	5,032	5,242	5,591
9	Secured wholesale funding					34,366	36,808	40,808	44,704
10	Additional requirements	34,863	33,541	32,671	32,343	29,119	27,937	26,831	26,417
11	Outflows related to derivative exposures and other collateral requirements	26,405	24,966	24,256	24,765	25,275	23,686	22,442	22,301
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13	Credit and liquidity facilities	8,458	8,575	8,415	7,578	3,844	4,251	4,388	4,116
14	Other contractual funding obligations	87,891	95,049	105,775	111,979	21,288	21,963	22,728	22,939
15	Other contingent funding obligations	68,644	75,004	84,512	93,199	46,667	51,567	58,234	64,132
16	<b>TOTAL CASH OUTFLOWS</b>					162,638	172,563	184,836	196,752
<b>CASH – INFLOWS</b>									
17	Secured lending (e.g. reverse repos)	309,288	332,801	370,131	400,127	85,622	93,991	103,749	112,721
18	Inflows from fully performing exposures	3,935	3,748	3,104	2,979	1,493	1,065	522	496
19	Other cash inflows	35,363	38,963	41,078	43,082	35,363	38,963	41,078	43,082
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
UK-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	<b>TOTAL CASH INFLOWS</b>	348,586	375,512	414,313	446,188	122,478	134,019	145,349	156,299
UK-20a	<b>Fully exempt inflows</b>	0	0	0	0	0	0	0	0
UK-20b	<b>Inflows Subject to 90% Cap</b>	0	0	0	0	0	0	0	0
UK-20c	<b>Inflows Subject to 75% Cap</b>	286,488	309,174	346,527	375,263	122,477	134,019	145,349	156,300
<b>TOTAL ADJUSTED VALUE</b>									
UK-21	<b>LIQUIDITY BUFFER<sup>1</sup></b>					82,318	85,698	90,374	93,679
22	<b>TOTAL NET CASH OUTFLOWS<sup>1</sup></b>					43,058	43,926	46,561	49,339
23	<b>LIQUIDITY COVERAGE RATIO (%)<sup>2</sup></b>					191%	195%	195%	191%

<sup>1</sup> The amounts reported in these rows may not equal the calculation of those amounts using component amounts reported in rows 1-20 due to technical factors such as the application of the Level 2 liquid asset caps and the total inflow cap.

<sup>2</sup> The ratios reported in this row are calculated as average of the monthly LCR's for the trailing twelve months and may not equal the calculation of ratios using component amounts reported in rows 21 and 22.

**Table 14: GSI Liquidity Coverage Ratio Summary**

Scope of consolidation (Consolidated)		Total Unweighted Value (average)				Total Weighted Value (average)			
Currency and units (\$ in millions)									
Period ended		June 2021	September 2021	December 2021	March 2022	June 2021	September 2021	December 2021	March 2022
<b>Number of data points used in the calculation of averages</b>		12	12	12	12	12	12	12	12
<b>HIGH-QUALITY LIQUID ASSETS</b>									
1	Total high-quality liquid assets (HQLA)					64,999	68,460	72,485	75,191
<b>CASH – OUTFLOWS</b>									
2	Retail deposits and deposits from small business customers, of which:	0	0	0	0	0	0	0	0
3	Stable deposits	0	0	0	0	0	0	0	0
4	Less stable deposits	0	0	0	0	0	0	0	0
5	Unsecured wholesale funding	18,402	21,203	22,968	24,500	18,402	21,203	22,968	24,500
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0	0	0	0	0	0	0
7	Non-operational deposits (all counterparties)	15,344	17,527	19,083	20,670	15,344	17,527	19,083	20,670
8	Unsecured debt	3,058	3,677	3,884	3,830	3,058	3,677	3,884	3,830
9	Secured wholesale funding					34,742	37,184	41,231	45,087
10	Additional requirements	27,914	27,636	28,107	28,895	26,666	26,235	26,211	26,404
11	Outflows related to derivative exposures and other collateral requirements	27,246	26,704	26,973	27,692	26,116	25,424	25,159	25,227
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13	Credit and liquidity facilities	668	932	1,134	1,203	549	811	1,052	1,177
14	Other contractual funding obligations	92,356	101,161	113,435	120,649	21,133	21,817	22,617	22,834
15	Other contingent funding obligations	58,349	64,296	72,833	80,499	46,467	51,349	58,015	63,890
16	<b>TOTAL CASH OUTFLOWS</b>					147,410	157,788	171,042	182,715
<b>CASH – INFLOWS</b>									
17	Secured lending (e.g. reverse repos)	303,915	326,133	362,675	392,314	77,136	83,749	92,404	100,395
18	Inflows from fully performing exposures	3,668	3,415	2,734	2,625	1,401	949	404	391
19	Other cash inflows	34,294	37,326	38,968	40,405	34,294	37,326	38,968	40,405
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
UK-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	<b>TOTAL CASH INFLOWS</b>	341,877	366,874	404,377	435,344	112,831	122,124	131,776	141,191
UK-20a	<b>Fully exempt inflows</b>	0	0	0	0	0	0	0	0
UK-20b	<b>Inflows Subject to 90% Cap</b>	0	0	0	0	0	0	0	0
UK-20c	<b>Inflows Subject to 75% Cap</b>	280,768	301,891	338,454	366,611	112,831	122,123	131,777	141,191
<b>TOTAL ADJUSTED VALUE</b>									
UK-21	<b>LIQUIDITY BUFFER<sup>1</sup></b>					64,999	68,460	72,485	75,191
22	<b>TOTAL NET CASH OUTFLOWS<sup>1</sup></b>					37,160	39,515	43,287	46,206
23	<b>LIQUIDITY COVERAGE RATIO (%)<sup>2</sup></b>					176%	174%	168%	164%

<sup>1</sup> The amounts reported in these rows may not equal the calculation of those amounts using component amounts reported in rows 1-20 due to technical factors such as the application of the Level 2 liquid asset caps and the total inflow cap.

<sup>2</sup> The ratios reported in this row are calculated as average of the monthly LCR's for the trailing twelve months and may not equal the calculation of ratios using component amounts reported in rows 21 and 22.

## Pillar 3 Disclosures

Table 15: GSIB Liquidity Coverage Ratio Summary

Scope of consolidation (Consolidated)	Total Unweighted Value (average)				Total Weighted Value (average)			
Currency and units (\$ in millions)								
Period ended	June 2021	September 2021	December 2021	March 2022	June 2021	September 2021	December 2021	March 2022
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
<b>HIGH-QUALITY LIQUID ASSETS</b>								
1 Total high-quality liquid assets (HQLA)					17,319	17,238	17,889	18,488
<b>CASH – OUTFLOWS</b>								
2 Retail deposits and deposits from small business customers, of which:	30,846	31,351	32,105	32,467	4,680	4,756	4,862	4,908
3 <i>Stable deposits</i>	36	0	0	0	2	0	0	0
4 <i>Less stable deposits</i>	30,665	31,208	31,943	32,253	4,678	4,756	4,862	4,908
5 Unsecured wholesale funding	12,696	12,731	12,706	13,620	8,115	8,329	8,405	9,151
6 <i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	0	0	0	0	0	0	0	0
7 <i>Non-operational deposits (all counterparties)</i>	11,459	11,376	11,349	11,860	6,878	6,974	7,048	7,391
8 <i>Unsecured debt</i>	1,237	1,355	1,357	1,760	1,237	1,355	1,357	1,760
9 Secured wholesale funding					181	283	307	247
10 Additional requirements	9,643	9,780	9,707	8,891	5,147	5,577	5,763	5,455
11 <i>Outflows related to derivative exposures and other collateral requirements</i>	1,853	2,137	2,426	2,517	1,853	2,137	2,426	2,517
12 <i>Outflows related to loss of funding on debt products</i>	0	0	0	0	0	0	0	0
13 <i>Credit and liquidity facilities</i>	7,790	7,643	7,281	6,374	3,294	3,440	3,337	2,939
14 Other contractual funding obligations	417	410	432	381	56	66	68	85
15 Other contingent funding obligations	10,295	10,709	11,679	12,699	200	218	219	242
16 <b>TOTAL CASH OUTFLOWS</b>					18,379	19,229	19,624	20,088
<b>CASH – INFLOWS</b>								
17 Secured lending (e.g. reverse repos)	11,254	11,375	11,739	11,893	5,600	6,709	6,974	7,589
18 Inflows from fully performing exposures	212	256	273	249	80	102	101	87
19 Other cash inflows	251	311	350	503	251	311	350	503
UK-19a (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
UK-19b (Excess inflows from a related specialised credit institution)					0	0	0	0
20 <b>TOTAL CASH INFLOWS</b>	11,717	11,942	12,362	12,645	5,931	7,122	7,425	8,179
UK-20a <b>Fully exempt inflows</b>	0	0	0	0	0	0	0	0
UK-20b <b>Inflows Subject to 90% Cap</b>	0	0	0	0	0	0	0	0
UK-20c <b>Inflows Subject to 75% Cap</b>	11,718	11,943	12,362	12,645	5,931	7,122	7,425	8,178
<b>TOTAL ADJUSTED VALUE</b>								
UK-21 <b>LIQUIDITY BUFFER<sup>1</sup></b>					17,319	17,238	17,889	18,488
22 <b>TOTAL NET CASH OUTFLOWS<sup>1</sup></b>					12,449	12,106	12,199	11,911
23 <b>LIQUIDITY COVERAGE RATIO (%)<sup>2</sup></b>					139%	143%	147%	155%

<sup>1</sup> The amounts reported in these rows may not equal the calculation of those amounts using component amounts reported in rows 1-20 due to technical factors such as the application of the Level 2 liquid asset caps and the total inflow cap.

<sup>2</sup> The ratios reported in this row are calculated as average of the monthly LCR's for the trailing twelve months and may not equal the calculation of ratios using component amounts reported in rows 21 and 22.



## **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 of our control. These statements may relate to, among other things, (i) our future plans and results, (ii) the objectives and effectiveness of our risk management and liquidity policies, and (iii) the effect of changes to the regulations, and our future status, activities or reporting under banking and financial regulation.

It is possible that our actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition in these forward-looking statements. Important factors that could cause our actual results and financial condition to differ from those in these statements include, among others, those discussed in “Risk Factors” in Part I, Item 1A in the firm’s 2021 Form 10-K.