Goldman Sachs Group UK Limited

Pillar 3 Disclosures

For the period ended September 30, 2021

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Introduction

Overview

The Goldman Sachs Group, Inc. (Group Inc. or parent company), a Delaware corporation, together with its consolidated subsidiaries (collectively, the firm), is a leading global 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. 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 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. 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, 2021. All references to September 2021 refer to the period ended, or the date, as the context requires, September 30, 2021.

https://www.goldmansachs.com/investor-relations/financials/other-information/2021/3q-pillar3-2021.pdf

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

Following the end of the transition period after the U.K.'s withdrawal from the E.U., any reference made in this document to E.U. directives and regulations (including technical standards) should be read as a reference to the U.K.'s version of such directive and/or regulation, as onshored into UK law. 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 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 [1]), 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".

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

[1] 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.

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, prepared in line with the recognition and measurement requirements of E.U.-adopted International Financial Reporting Standards (IFRS), can be accessed via the following link:

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

Measures of exposures and other metrics disclosed in this report may not be based on 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)
- Goldman Sachs Asset Management International (GSAMI)[2]

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

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

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

Group Inc. is a holding company and, therefore, utilises dividends, distributions and other payments from its subsidiaries to fund dividend payments and other payments on its obligations, including debt obligations. Regulatory capital requirements, as well as other provisions of applicable law and regulations, restrict Group Inc.'s ability to withdraw capital from its regulated subsidiaries. Within GSGUK, capital is provided by GSGUKL to subsidiary entities. Capital is considered transferable to other entities within the GSGUK Group without any significant restriction except to the extent it is required for regulatory purposes.

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

Definition of Risk-Weighted Assets

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

Fair Value

Trading assets and liabilities, certain investments and loans, and certain other financial assets and liabilities, are included in our consolidated balance sheets at fair value (i.e., marked-to-market), with related gains or losses generally recognised in our consolidated statements of earnings and, therefore, in

[2] Following an internal reorganization executed on 01 November and November 02 2021, GSAMI will no longer form part of the GSGUK scope of regulatory consolidation. This will reduce GSGUK CET1 capital by $301mn.

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

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

Regulatory Developments

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

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

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

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 the U.K. has begun to consult on and finalise its own regulations.

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

The amendments to the CRR included changes to rules for the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities (MREL), counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, and reporting and disclosure requirements. Following the U.K.'s withdrawal from the E.U., similar requirements are being implemented in the U.K. from January 1, 2022. To this effect, HM Treasury has revoked certain CRR provisions which are replaced by PRA CRR rules implementing Basel standards, and the Financial Policy Committee and the PRA have published the revised UK leverage ratio framework[4].

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

In December 2017, the Basel Committee published standards that it described as the finalisation of the Basel III post-crisis regulatory reforms. These standards set a floor on internally developed capital requirements at a percentage of the capital requirements under the standardised approach. They also revised the Basel Committee's standardised and model-based approaches for credit risk, provide a new standardised approach for operational risk capital and revise the frameworks for credit valuation adjustment risk. The Basel Committee has proposed that national regulators implement these standards beginning January 1, 2023, and that the new floor be phased in over five years.

The Basel Committee's standards are not effective in any jurisdiction until rules implementing such standards have been implemented by the relevant authorities in such jurisdiction. 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 second half of 2022.

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

Climate Change

We recognize that climate change presents both challenges and opportunities for our business. Climate change could potentially disrupt the firm's business, affect client activity levels and creditworthiness and damage the firm's reputation. For example, climate change may cause extreme weather events that disrupt operations at one or more of the firm's primary locations, affecting its ability to service and interact with its clients. Climate change may also have a negative impact on the financial condition of its clients, which may decrease revenues from those clients and increase the credit risk associated with loans and other credit exposures to those clients. Additionally, the firm's reputation may be damaged as a result of its involvement, or its clients' involvement, in certain industries or projects associated with climate change. The firm's Environmental Policy Framework articulates our roadmap for environmental progress and our approach to engaging with clients on climate-related risks and opportunities, including risk management guidelines for carbon intense sectors.

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

Other Developments

During the third quarter of 2021, the spike in infections from the spread of COVID variants put heightened focus on efforts to increase vaccination rates in order to make further progress

[4] See PRA Policy Statements 21/21 and 22/21, October 2021

against the virus. Although the global recovery continued to progress, the rising number of infections had the effect of tempering the pace of economic growth.

The company has continued to successfully execute on its Business Continuity Planning strategy since initially activating it in March 2020 in response to the emergence of the COVID-19 pandemic. The company's priority has been to safeguard its employees and to seek to ensure continuity of business operations on behalf of its clients.

The market backdrop was generally favourable during the third quarter of 2021 and supported healthy levels of client activity, although at the end of the quarter anxiety over the trajectory of inflation, uncertainty regarding U.S. economic policy and longer-term extension of the federal debt ceiling intensified and volatility increased. The company continued to deploy its balance sheet to intermediate risk and to support the needs of clients.

Economies around the world continue to be susceptible to potential adverse developments related to the pandemic, such as additional waves of infections, a worsening of supply chain constraints and an intensification of inflationary pressures. If the future effects of the pandemic were to lead to a sustained period of economic weakness the company's businesses would be negatively impacted. The company will continue to closely monitor the rollout of vaccines across regions, as well as the impact of new variants of the virus, and will take further actions, as necessary, in order to best serve the interests of its employees, clients and counterparties.

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 CET1 capital, Tier 1 capital and Total capital ratio requirements (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 capital) 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 September 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 our 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 covert Pillar 2A capital requirements from a percentage of RWAs to a fixed nominal amount. 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.

Together these constitute total minimum regulatory capital ratios.

Minimum Regulatory Capital Ratios

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

Table 1: Minimum Regulatory Capital Ratios

	September 2021 Minimum ratio		
	GSGUK	**GSI**	**GSIB**
CET1 ratio	8.1%	8.1%	8.5%
Tier 1 capital ratio	9.9%	9.9%	10.5%
Total capital ratio	12.4%	12.3%	13.1%

The ratios in the above table incorporate the TCR received from the PRA. As of September 2021, GSGUK's TCR at the total capital level was 9.8%.

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

Compliance with Capital Requirements

As of September 30, 2021, all of GSGUK's regulated subsidiaries had capital levels in excess of their minimum regulatory capital requirements.

Regulatory Capital

Overview

The following table presents a breakdown of GSGUK's capital ratios under the CRR as of September 30, 2021, including those for our significant subsidiaries GSI and GSIB.

Table 2: Regulatory Capital Ratios

$ in millions		**As of September 2021**	
	GSGUK	**GSI**	**GSIB**
CET1 Capital	$ 33,703	$ 28,245	$ 3,271
Tier 1 Capital	42,005	36,545	3,271
Tier 2 Capital	6,503	5,377	831
Total Capital	**$ 48,508**	**$ 41,922**	**$ 4,102**
RWAs	**$ 302,465**	**$ 278,484**	**$ 17,429**
CET1 Ratio	**11.1%**	**10.1%**	**18.8%**
Tier 1 Capital Ratio	**13.9%**	**13.1%**	**18.8%**
Total Capital Ratio	**16.0%**	**15.1%**	**23.5%**

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

Under the current U.K. leverage ratio framework, GSGUK is required to monitor and disclose its leverage ratio using the definition of exposure as amended by the European Commission Leverage Ratio Delegated Act. The leverage ratio compares 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 Financial Policy Committee and the PRA recently published a revised UK leverage ratio framework that exempts qualifying central bank claims from the measure of leverage exposure with effect from January 1, 2022, and sets a binding minimum ratio of 3.25% that will apply to GSGUK and its regulated subsidiaries from January 1, 2023.

The table below presents a breakdown of the leverage ratio for GSGUK and its significant subsidiaries, GSI and GSIB as of 30 September 2021 as per the current framework.

Table 3: Leverage Ratio

$ in millions		As of September 2021	
	GSGUK	**GSI**	**GSIB**
Tier 1 Capital	$ 42,005	$ 36,545	$ 3,271
Leverage Ratio Exposure	$ 976,959	$ 918,675	$ 55,259
Leverage Ratio	**4.3%**	**4.0%**	**5.9%**

Capital Structure

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

Assets that are deducted from capital in computing the numerator of the capital ratios are excluded from the computation of RWAs in the denominator of the ratios. The following tables contain information on the components of our regulatory capital structure. The capital resources of GSGUK are based on unaudited, consolidated non-statutory financial information and those of GSI and GSIB are based on unaudited statutory financial statements.

Table 4: Regulatory Capital Resources

$ in millions		**As of September 2021**	
	GSGUK	**GSI**	**GSIB**
Ordinary Share Capital	$ 2,135	$ 598	$ 63
Share Premium Account Including Reserves	512	5,327	2,014
Retained Earnings[1]	33,326	24,551	1,413
Unaudited profits for the financial period	-	-	(193)
CET1 Capital Before Deductions	**$ 35,973**	**$ 30,476**	**$ 3,297**
Net Pension Assets	(138)	(138)	-
CVA and DVA	93	79	14
Prudent Valuation Adjustments	(430)	(399)	(14)
Expected Loss Deduction and Loan Loss Provision	(925)	(931)	-
Deferred Tax Assets	(20)	-	(20)
Other Adjustments[2]	(723)	(723)	-
Intangibles[3,4]	(125)	(119)	(6)
CET1 Capital After Deductions	**$ 33,705**	**$ 28,245**	**$ 3,271**
Additional Tier 1 capital	**8,300**	**8,300**	**-**
Tier 1 Capital After Deductions	**$ 42,005**	**$ 36,545**	**$ 3,271**
Tier 2 Capital Before Deductions	6,503	5,377	826
Other Adjustments	-	-	5
Tier 2 Capital After Deductions	**$ 6,503**	**$ 5,377**	**$ 831**
Total Capital Resources	**$ 48,508**	**$ 41,922**	**$ 4,102**

1. Includes unrecognised profits as of September 2021.
2. Other Adjustments to Common Equity Tier 1 capital primarily represent regulatory deductions for foreseeable charges applicable to profits recognised as of September 2021.
3. The impact from application of the EBA prudential treatment of software assets on GSGUK own funds is to increase CET1 ratio by 6bps as of September 2021[4].
4. In July 2021 the PRA confirmed that it requires the full deduction from CET1 capital of all intangible assets, with no exception for software assets, from 1 January 2022.

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 level, such as GSGUK, to have sufficient own funds and eligible liabilities to meet internal MREL. These rules began to phase in from June 27, 2019, and will become fully effective on January 1, 2022.

As of September 30, 2021, GSGUK had own funds and eligible liabilities in excess of its internal MREL. On October 22, 2021, GSGUK issued $1.5bn of MREL eligible debt to support growth in leverage exposure.

GSGUK own funds and eligible liabilities key metrics are provided in the following table.

Table 5: Own Funds and Eligible Liabilities

$ in millions	**As of September 2021**
	GSGUK
Total own funds and eligible liabilities	**$ 65,884**
Total RWAs	302,465
Total own funds and eligible liabilities as a percentage of RWAs	21.78%
Leverage Exposure	976,959
Total own funds and eligible liabilities as a percentage of leverage exposure	6.74%

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 September 30, 2021 and June 30, 2021.

Table 6: Overview of RWAs

GSGUK

$ in millions

		RWAs		Minimum capital requirements
		September 2021	**June 2021**	
1	**Credit risk (excluding CCR)**	**$ 40,822**	**$ 40,954**	**$ 3,266**
2	Of which the standardised approach	8,224	7,106	658
4	Of which the advanced IRB (AIRB) approach	30,461	31,556	2,437
5	Of which equity IRB under the simple risk-weighted approach or the IMA	2,137	2,292	171
6	**CCR**	**$ 114,274**	**$ 107,187**	**$ 9,142**
7	Of which mark to market	7,917	6,388	634
9	Of which the standardised approach	156	48	12
10	Of which internal model method (IMM)	88,133	84,073	7,050
11	Of which risk exposure amount for contributions to the default fund of a CCP	388	409	31
12	Of which CVA	17,680	16,269	1,415
13	**Settlement risk**	**$ 6,880**	**$ 7,450**	**$ 551**
14	**Securitisation exposures in the banking book (after the cap)**	**$ 1,352**	**$ 1,498**	**$ 108**
19	**Market risk**	**$ 117,651**	**$ 107,791**	**$ 9,412**
20	Of which the standardised approach	61,874	56,930	4,950
21	Of which IMA	55,777	50,861	4,462
22	**Large exposures**	-	-	-
23	**Operational risk**	**$ 21,486**	**$ 21,486**	**$ 1,719**
25	Of which standardised approach	21,486	21,486	1,719
29	**Total**	**$ 302,465**	**$ 286,366**	**$ 24,198**

GSGUK total capital ratio decreased from 11.5% in June 2021 to 11.1% in September 2021 primarily due to the following movements:

- GSGUK Credit RWAs as of September 2021 increased by $6.2 billion compared with June 2021, primarily reflecting an increase in counterparty credit risk driven by higher funding and derivative exposures during the quarter.
- GSGUK Market RWAs as of September 2021 increased by $9.9 billion compared with June 2021, primarily reflecting an increase in modelled market risk, and an increase in standardised market risk mainly due to positional changes.

GSI

$ in millions		RWAs		Minimum capital requirements
		September 2021	June 2021	
1	**Credit risk (excluding CCR)**	**$ 26,414**	**$ 24,864**	**$ 2,113**
2	Of which the standardised approach	3,706	2,988	296
4	Of which the advanced IRB (AIRB) approach	20,571	19,584	1,646
5	Of which equity IRB under the simple risk-weighted approach or the IMA	2,137	2,292	171
6	**CCR**	**$ 112,762**	**$ 105,629**	**$ 9,021**
7	Of which mark to market	7,173	5,570	574
9	Of which the standardised approach	-	-	-
10	Of which internal model method (IMM)	87,703	83,530	7,016
11	Of which risk exposure amount for contributions to the default fund of a CCP	388	408	31
12	Of which CVA	17,498	16,121	1,400
13	**Settlement risk**	**$ 6,870**	**$ 7,450**	**$ 550**
14	**Securitisation exposures in the banking book (after the cap)**	**-**	**-**	**-**
19	**Market risk**	**$ 113,741**	**$ 104,703**	**$ 9,099**
20	Of which the standardised approach	57,964	53,842	4,637
21	Of which IMA	55,777	50,861	4,462
22	**Large exposures**	**-**	**-**	
23	**Operational risk**	**$ 18,698**	**$ 18,698**	**$ 1,496**
25	Of which standardised approach	18,698	18,698	1,496
29	**Total**	**$ 278,484**	**$ 261,344**	**$ 22,279**

GSIB

$ in millions		RWAs		Minimum capital requirements
		September 2021	June 2021	
1	**Credit risk (excluding CCR)**	**$ 11,406**	**$ 12,877**	**$ 913**
2	Of which the standardised approach	111	131	9
4	Of which the advanced IRB (AIRB) approach	11,295	12,746	904
5	Of which equity IRB under the simple risk-weighted approach or the IMA	0	0	0
6	**CCR**	**$ 1,201**	**$ 1,387**	**$ 96**
7	Of which mark to market	752	818	60
9	Of which the standardised approach	-	-	-
10	Of which internal model method (IMM)	430	543	34
11	Of which risk exposure amount for contributions to the default fund of a CCP	0	1	0
12	Of which CVA	19	25	2
13	**Settlement risk**	**$ 10**	**$ 0**	**$ 1**
14	**Securitisation exposures in the banking book (after the cap)**	**$ 1,352**	**$ 1,498**	**$ 108**
19	**Market risk**	**$ 2,742**	**$ 2,304**	**$ 219**
20	Of which the standardised approach	2,742	2,304	219
21	Of which IMA	-	-	-
22	**Large exposures**	-	-	-
23	**Operational risk**	**$ 718**	**$ 718**	**$ 57**
25	Of which standardised approach	718	718	57
29	**Total**	**$ 17,429**	**$ 18,784**	**$ 1,394**

The following table presents a quarterly flow statement of the RWAs and Capital requirements under the IMM for GSGUK, GSI and GSIB as of September 30, 2021.

Table 7: RWA Flow Statements of CCR Exposures under the IMM

$ in millions							**As of September 2021**
			RWA amounts			**Capital requirements**	
		GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
1	**RWAs as at the end of the previous reporting period**	**$ 84,073**	**$ 83,530**	**$ 543**	**$ 6,726**	**$ 6,682**	**$ 44**
2	Asset size	5,438	5,527	(89)	434	442	(8)
3	Credit quality of counterparties	(635)	(629)	(6)	(50)	(50)	(0)
7	Foreign exchange movements	(1,066)	(1,058)	(8)	(86)	(85)	(1)
8	Other	323	333	(10)	26	27	(1)
9	**RWAs as at the end of the current reporting period**	**$ 88,133**	**$ 87,703**	**$ 430**	**$ 7,050**	**$ 7,016**	**$ 34**

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 September 30, 2021.

Table 8: RWA Flow Statements of Credit Risk Exposures under the IRB Approach

$ in millions							**As of September 2021**
			RWA amounts			**Capital requirements**	
		GSGUK	**GSI**	**GSIB**	**GSGUK**	**GSI**	**GSIB**
1	**RWAs as at the end of the previous reporting period**	**$ 31,556**	**$ 19,584**	**$ 12,746**	**$ 2,524**	**$ 1,567**	**$ 1,020**
2	Asset size	(92)	1,241	(697)	(7)	99	(55)
3	Asset quality	(319)	(0)	(319)	(26)	(0)	(26)
7	Foreign exchange movements	(477)	(280)	(197)	(38)	(22)	(16)
8	Other	(207)	26	(238)	(16)	2	(19)
9	**RWAs as at the end of the reporting period**	**$ 30,461**	**$ 20,571**	**$ 11,295**	**$ 2,437**	**$ 1,646**	**$ 904**

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

GSGUK

$ in millions								**As of September 2021**
		VaR	**SVaR**	**IRC**	**Comprehensive risk measure**	**Other**	**Total RWAs**	**Total capital requirements**
1	**RWAs at previous quarter end**	**$ 6,961**	**$ 23,733**	**$ 3,314**	**$ 1,471**	15,382	**$ 50,861**	**$ 4,069**
1a	*Regulatory adjustment*	(4,785)	(17,006)	-	(228)	(4,358)	(26,377)	(2,110)
1b	***RWAs at the previous quarter-end***	**$ 2,176**	**$ 6,727**	**$ 3,314**	**$ 1,243**	**$ 11,024**	**$ 24,484**	**$ 1,959**
2	Movement in risk levels	770	(376)	(2,302)	293	3,487	1,872	150
3	Model updates/changes	(36)	1,587	-	-	(1,250)	301	24
8a	***RWAs at the end of the reporting period***	**$ 2,910**	**$ 7,938**	**$ 1,012**	**$ 1,536**	**$ 13,261**	**$ 26,657**	**$ 2,133**
8b	*Regulatory adjustment*	6,036	14,980	2,259	-	5,845	29,120	2,329
8	**RWAs at the end of the reporting period**	**$ 8,946**	**$ 22,918**	**$ 3,271**	**$ 1,536**	**$ 19,106**	**$ 55,777**	**$ 4,462**

GSI

$ in millions								**As of September 2021**
		VaR	**SVaR**	**IRC**	**Comprehensive risk measure**	**Other**	**Total RWAs**	**Total capital requirements**
1	**RWAs at previous quarter end**	**$ 6,961**	**$ 23,733**	**$ 3,314**	**$ 1,471**	15,382	**$ 50,861**	**$ 4,069**
1a	*Regulatory adjustment*	(4,785)	(17,006)	-	(228)	(4,358)	(26,377)	(2,110)
1b	***RWAs at the previous quarter-end***	**$ 2,176**	**$ 6,727**	**$ 3,314**	**$ 1,243**	**$ 11,024**	**$ 24,484**	**$ 1,959**
2	Movement in risk levels	770	(376)	(2,302)	293	3,487	1,872	150
3	Model updates/changes	(36)	1,587	-	-	(1,250)	301	24
8a	***RWAs at the end of the reporting period***	**$ 2,910**	**$ 7,938**	**$ 1,012**	**$ 1,536**	**$ 13,261**	**$ 26,657**	**$ 2,133**
8b	*Regulatory adjustment*	6,036	14,980	2,259	-	5,845	29,120	2,329
8	**RWAs at the end of the reporting period**	**$ 8,946**	**$ 22,918**	**$ 3,271**	**$ 1,536**	**$ 19,106**	**$ 55,777**	**$ 4,462**

Liquidity Risk Management

GSGUK and its major subsidiaries are subject to the liquidity requirements as set out in the European Commission Delegated Regulation 2018/1620 and Delegated Regulation 2015/61 to supplement the CRR and other applicable guidelines as set by the PRA. When we use the term "liquidity standards", we refer to the aforementioned regulations. The liquidity standards set forth minimum liquidity levels designed to ensure that credit institutions and investment firms maintain adequate amount of liquid assets to withstand a 30 calendar-day stress scenario.

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

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

Following the U.K.'s withdrawal from the E.U., similar requirements are being transposed into the U.K. set of regulations. To this effect, HM Treasury has revoked certain CRR provisions which are replaced by PRA CRR rules implementing Basel standards. The company will become subject to the PRA ruleset effective in January 1, 2022.

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

Table 10: Liquidity Coverage Ratio Summary

$ in millions	**Twelve Months Ended September 2021**		
	Average Weighted		
	GSGUK	**GSI**	**GSIB**
Number of data points used in the calculation of averages	**12**	**12**	**12**
Liquidity Buffer[1]	**85,698**	**68,460**	**17,238**
Total Net Cash Outflows	**43,926**	**39,515**	**12,106**
Liquidity Coverage Ratio (%)[2]	**195%**	**174%**	**143%**

1. The liquidity buffer held by GSGUK is expected to meet the liquidity requirements set out in the LCR Delegated Act (i.e. Net Cash Outflows) as well as the additional requirements set by the PRA to cover Pillar 2 risks.

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

Cautionary Note on Forward-Looking Statements

We have included in these disclosures, and our management may make, statements that may constitute "forward-looking statements." Forward-looking statements are not historical facts or statements of current conditions, but instead represent only our beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside 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 2020 Form 10-K.